

## CNH Industrial, a global leader in sustainability, presents highlights from its 2014 Sustainability Report

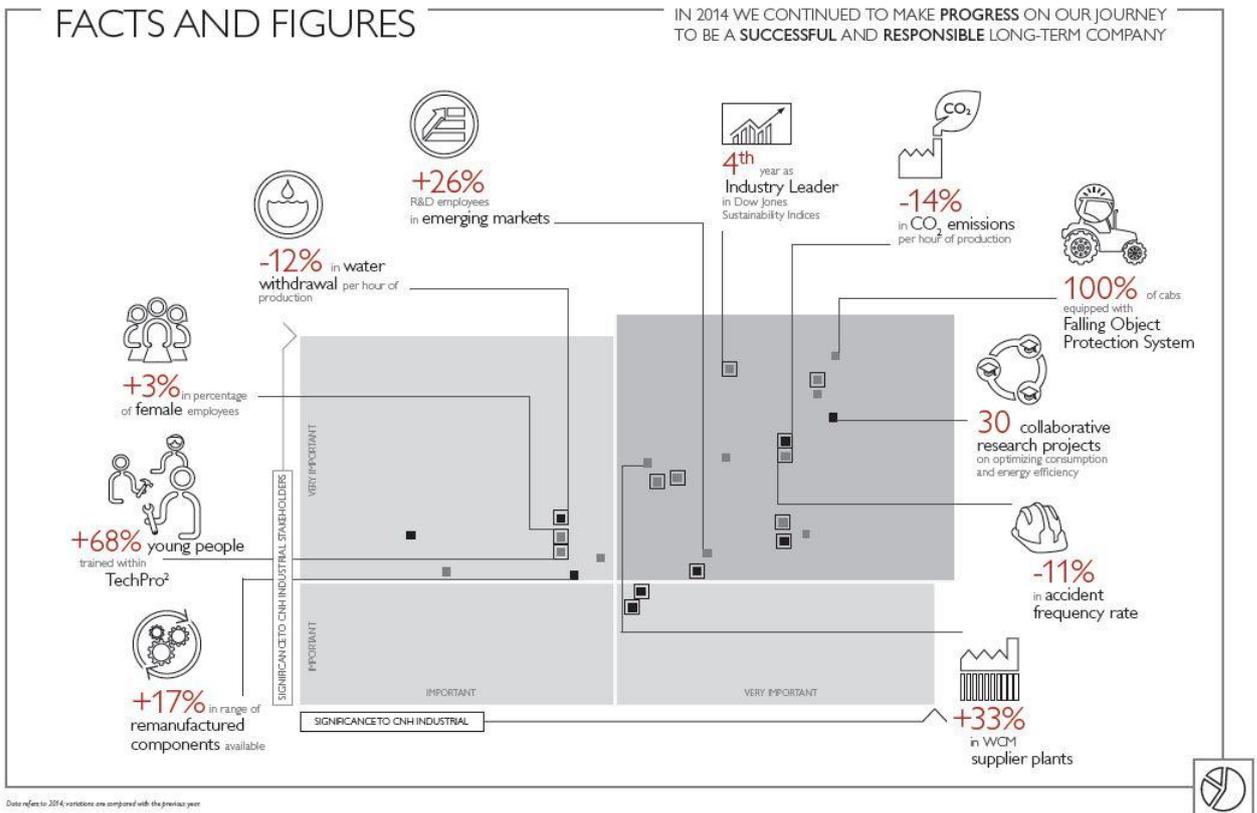
*This synopsis details a selection of topics, developments and achievements in the areas of environment, society and governance recorded by CNH Industrial in 2014.*

London, April 21, 2015

CNH Industrial (NYSE: CNHI / MI: CNHI), Industry Leader in the Dow Jones Sustainability World and Europe Indices, has released its 2014 Sustainability Report (<http://bit.ly/1HKSvDy>). It includes key facts and figures on the way the Company conducts its day-to-day business and presents a Sustainability Plan detailing the targets and commitments regarding the Company's employees, its engagement with local communities, manufacturing processes, and the eco-friendliness and safety of its products.

This Report is a fundamental body of work that demonstrates CNH Industrial's authority in the industry in terms of environmental and social responsibility and charts its commitment to creating long-term value for its stakeholders, communities and society as a whole.

FCA and CNH Industrial  
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Among its contents, the Report contains over 100 targets, discloses 200 key performance indicators and highlights important projects and initiatives.

### Materiality Analysis



In order to identify and prioritize economic, environmental, and social measures consistent with its business strategy, CNH Industrial produces a Materiality Analysis each year. This tool provides the Company with important insight when defining aspects that can significantly impact business performance. While the 2013 analysis defined the 25 most material aspects for the Company, the 2014 analysis broadened its scope by interviewing 112 external stakeholders in the EMEA, NAFTA, LATAM and APAC regions. They were asked to rate which of the 25 material aspects mattered most to a global capital goods company.

The five most significant aspects identified from those interviews were:

- Innovation related to product safety
- Sustainability, governance, policy and management
- Product quality control
- Customer engagement and support
- Product innovation related to environmental protection - eco-friendly products

### Innovation management

At the end of 2014, the Company recorded: an investment of over \$1.1 billion in Research & Development, 49 Research Centres (nine of which are located in emerging markets), 7,500 active patents, 50 scientific collaborations, an additional 81 collaborative research projects, and 6,100 members of its overall workforce of 69,207 employees working in Research & Development.



### Manufacturing footprint

The World Class Manufacturing (WCM) program currently implemented at 53 CNH Industrial manufacturing sites worldwide saw the Company save over \$195.6 million in 2014. WCM is a structured system of methodologies that focuses on continuous improvement with the objective of eliminating all waste and losses in manufacturing plants.



In 2014, the Company had six plants achieve the silver level status in the program and 19 achieve bronze level. Globally, the Company registered 395,000 employee suggestions for consideration under WCM in the year.

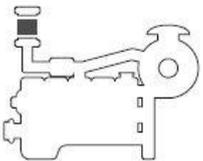
CNH Industrial spent \$56 million on environmental protection initiatives in 2014 at its global manufacturing facilities. Several of the key areas of focus for improvement activities were water management, waste management, biodiversity protection and the reduction of energy consumption and of CO<sub>2</sub> emissions.

- Water Management
  - The Company's efforts in this regard focus on increasing water efficiency within its industrial processes. Plants operate locally to reduce water requirements and waste water volumes, while pursuing high quality standards.
  - Water withdrawal (per hour of production) was reduced by 57% in 2014 compared to 2009.
  
- Waste Management
  - The 2014 results show that 83% of waste was recovered.
  - Global examples in these efforts to reduce waste include: the Racine, Wisconsin (USA) plant's *Zero Waste to Landfill* target, which identifies room for improvement in waste disposal facilities, converting waste that was previously sent to landfills into energy or recycling it. The Sete Lagoas (Brazil) site introduced a process to break down wooden packaging and reassemble it into different shapes and sizes to be reused in its workshops. In 2014, this process recovered 12,000 wooden containers, reducing its waste by about 5%.
  
- Biodiversity Protection
  - For several years, CNH Industrial has been engaged in efforts to understand and mitigate any impacts to wildlife and biodiversity in and around its plants. Working with the global scientific community, CNH Industrial has promoted the development and application of the Biodiversity Value Index (BVI) at a number of its manufacturing sites. This is used to assess the level of biodiversity surrounding the area and identify possible improvement measures for the existing ecosystem. The methodology has been applied at seven sites, which are near, bordering or within protected or highly bio diverse areas.

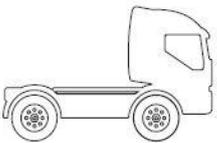
- Reduction of Energy Consumption and CO<sub>2</sub> Emissions
  - Climate change mitigation is one of the major challenges facing the international community today. CNH Industrial approaches the issue by limiting energy consumption and the use of fossil fuels, which are responsible for air pollution and above all CO<sub>2</sub> emissions.
  - In 2014, the implemented preservation initiatives led to a reduction of approximately 307,000 gigajoules in energy consumption and of approximately 20,000 tons in CO<sub>2</sub> emissions.
  - 20% of total energy consumption at manufacturing facilities is from renewable sources.
  - The Company's commitment to reducing carbon emissions was recognized with a high score from the CDP, the international not-for-profit organization that drives sustainable economies.

### Development of Eco-Friendly Products

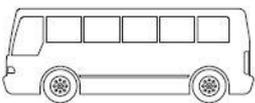
Products from CNH Industrial brands are designed and manufactured to demonstrate ever-greater efficiency and ever-lower CO<sub>2</sub> emissions. Its approach aims to achieve the following:

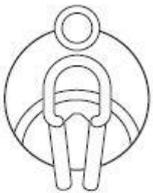
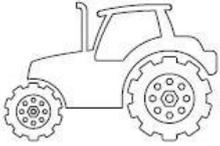


- *Optimize consumption and energy efficiency:* increase fuel economy, product performance and reduce running costs.
- *Increased use of alternative fuels:* offer a range of vehicles powered by natural gas, biomethane, and biodiesel. These fuels contain minimal harmful emissions. In 2014, the Company sold 1,285 natural gas vehicles. Its powertrain brand FPT Industrial has the widest range of natural gas engines on the market.



- *Development of non-conventional propulsion systems:* electric and diesel-hybrid traction technology is being actively pursued in the Commercial Vehicles segment. Compared to diesel engines up to 30% of fuel consumption can be saved on urban driving missions for a medium range truck and for buses, fuel consumption and CO<sub>2</sub> emissions are reduced by an average of up to 35%. In 2014, the French public transport operator RATP interrupted its order of diesel buses in favour of hybrid, with CNH Industrial brands Iveco Bus and Heuliez Bus winning major tenders.





- *Improve productivity with Telematics Systems:* Precision Farming management provides intelligent solutions for Agricultural Equipment and collects data to optimize the entire agricultural cycle: plowing, sowing, fertilizing and harvesting. The Construction Equipment segments offers an innovative telematics system that uses a GPS satellite localizer for the remote monitoring of a number of operations and factors to maximize fleet distribution across construction sites, increase efficiency and optimize consumption and emissions. The Commercial Vehicles sector features a system for on-road vehicles to simplify and integrate infotainment, navigation and driving assistance devices and provide fleet management services.

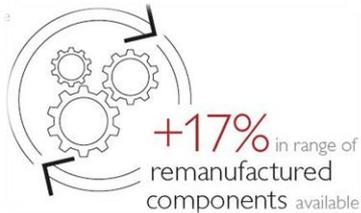
- *Supporting Responsible Use:* Customer support extends beyond supply to assist customers with understanding the appropriate use of their products in order to enhance efficiency and reduce emissions. This is achieved through a number of approaches such as: electronic systems, computer tools, targeted training activities and dedicated support tools. In 2014, 39,500 hours of training on the safe use of machines were delivered to agricultural and construction equipment operators. The Company's Unetversity initiative delivered 11,100 hours of commercial vehicle driver training courses to key accounts, customers, and dealer and demo drivers.

### **Remanufacturing**

CNH Industrial is committed to reducing waste, reusing materials and encouraging the recycling of recoverable materials. Rather than have salvageable materials end up as landfill waste, the Company's objective is to ensure that by 2016, 5-10% of spare parts sales will consist of remanufactured parts, with variable percentages for specific regions.

Today, CNH Industrial offers a full range of original spare parts to cover the entire life cycle of products for its Agricultural and Construction Equipment, Commercial Vehicles and Powertrain segments. Alongside this is a broad selection of 2,150 remanufactured parts available for more than 17% of the range from engines (blocks or components) to transmissions, alternators, fuel injection systems, control units and more.

The Company's Parts and Service business manages the overall process with different stakeholders which include suppliers, dealers, and customers. Parts and Service collect components from various dealerships which are then disassembled, cleaned and inspected.



After inspection, all unrecoverable parts are recycled or disposed of in accordance with waste management laws. Recovery, assembly and testing is then carried out on viable components by experts to ensure that these remanufactured components match the quality, performance standards, life expectancy and emissions levels of the new ones. These remanufactured parts are also guaranteed the exact same maintenance intervals and warranty conditions as new parts. In 2014, the sales of remanufactured parts for the Commercial Vehicles segment increased by over 60% compared with 2013, demonstrating the potential for expansion provided the offer is broad enough and marketed to customers seeking to contain their costs.



**\$4.7 million**  
invested in  
local communities

### **In the Community: Creating Shared Value**

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. In 2014, CNH Industrial invested \$4.7 million in local communities through both donations and employee volunteer efforts. This investment spanned the areas of social welfare, emergency relief, education, youth development and arts and culture.

Highlights in 2014 include:

- 253 young people received technical training through the TechPro<sup>2</sup> initiative in Italy, Brazil, Ethiopia and China.
- 1,850 children and teenagers in Brazil involved in educational and recreational activities to promote positive lifestyles.
- 350 African women in Angola, Ethiopia, Uganda and Tanzania helped into motherhood by providing them with access to ambulances and well-organized facilities.
- 500 volunteer working hours logged by employees to build houses for the homeless in the United States.
- 735 free medical checks provided to drivers in Italy as a part of Action for Road Safety initiatives.

Some of the Company's active external partnerships and collaborations from 2014 include:

The American Cancer Society, Expo Milano 2015, FIA Action for Road Safety, Fundacion Merced Queretaro AC, the Global Shapers Community (an initiative of the World Economic Forum), Habitat for Humanity, Homeless Assistance Leadership Foundation (HALO), Safe Schools, Slow

Food, Telethon Foundation, Transaid, the United Nations relief operations, United Way and Welthungerhilfe.



## Our People

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

Highlights in 2014 include:

- 69,207 employees worldwide: 60% employed in EMEA, 17% in NAFTA, 15% in LATAM, and 8% in APAC
- +4% of management positions occupied by women
- 98% no-term contracts, of which 99% full-time
- \$114 million spent on Occupational Health and Safety
- 54 OHSAS 18001 certified plants
- -11% in accident frequency rate
- \$6.2 million spent on employee training
- \$330,000 in grants and scholarships awarded to the sons and daughters of employee

The interactive version of CNH Industrial's 2014 Sustainability Report is available online at: [csrreport2014.cnhindustrial.com](http://csrreport2014.cnhindustrial.com).

**CNH Industrial N.V.** (NYSE: CNHI /MI: CNHI) is a global leader in the capital goods sector with established industrial experience, a wide range of products and a worldwide presence. Each of the individual brands belonging to the Company is a major international force in its specific industrial sector: Case IH, New Holland Agriculture and Steyr for tractors and agricultural machinery; Case and New Holland Construction for earth moving equipment; Iveco for commercial vehicles; Iveco Bus and Heuliez Bus for buses and coaches; Iveco Astra for quarry and construction vehicles; Magirus for firefighting vehicles; Iveco Defence Vehicles for defence and civil protection; and FPT Industrial for engines and transmissions. More information can be found on the corporate website: [www.cnhindustrial.com](http://www.cnhindustrial.com)

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