

IMPROVING PRODUCT SAFETY

Commitment: Continue to improve safety, ergonomics and comfortable conditions

	ACTIONS	2013 RESULTS	TARGETS
Agricultural & Construction Equipment	▶ Increase in agricultural tractor safety		▶ Agricultural Equipment 2014: definition of new technical solutions for safety on tractors
Trucks & Commercial Vehicles	▶ Offering of a range of preventive safety and collision mitigation systems	<p>■ Heavy range:</p> <ul style="list-style-type: none"> ▶ AEBS introduced across range of heavy commercial vehicles <p>▲ Medium range:</p> <ul style="list-style-type: none"> ▶ ESC system introduced across medium range vehicles <p>■ Light range:</p> <ul style="list-style-type: none"> ▶ study performed on application of new technological contents (Electric Parking Brake / enhanced Electric Powered Steering) to Daily Electric 	
Agricultural & Construction Equipment	▶ Reduction of noise level in the operator environment and of operator exposure to vibrations	<p>■ Construction Equipment:</p> <ul style="list-style-type: none"> ▶ Dozer cab completed with operator sound and vibration improvements 	▶ Construction Equipment 2014: improvement of Wheel Loader, Compact Wheel Loader and Telehandler cabs for operator sound exposure
	▶ Improvement in ergonomics of operator controls to reduce operator stress and enhance comfort	<p>■ Construction Equipment:</p> <ul style="list-style-type: none"> ▶ Skid Steer Loader controllability improvements completed ▶ Wheeled Excavator controls repeatability and reliability completed 	<p>▶ Construction Equipment</p> <ul style="list-style-type: none"> ▶ 2014: development of advanced control features for Skid Steer Loader ▶ 2014: enhancements of Wheeled Excavator controls ▶ 2014: improvement of Wheel Loader, Compact Wheel Loader and Telehandler cabs for operator ergonomics
Trucks & Commercial Vehicles			▶ Light range 2014: introduction of new ergonomic features on new range of light vehicles

MANUFACTURING PROCESSES

INCREASING SUPPLY CHAIN SUSTAINABILITY

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

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



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

Key

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

Commitment: Promote social and environmental responsibility among suppliers

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

FOSTERING CONTINUOUS IMPROVEMENT

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

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

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

BOOSTING ENVIRONMENTAL AWARENESS

Commitment: Promote environmental awareness within the Company

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	► Preparation and distribution of a training kit for personnel working with the Environmental Management System	■ Training initiatives on environmental issues developed and implemented	► 2014: development and implementation of new targeted training initiatives on environmental issues of particular interest

REDUCING ENVIRONMENTAL IMPACT AND OPTIMIZING ENERGY PERFORMANCE

Commitment: Optimize the Company's Environmental Management System

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

Commitment: Optimize the Company's environmental performance

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

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

Key

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

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

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

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	▶ Implementation of an Energy Management System and certification of plants under international standard ISO 50001	▲ ISO 50001 certification achieved by 34 plants (representing about 90% of total energy consumption)	▶ 2014: extension of ISO 50001 certification (representing 93% of total energy consumption)
		▲ Energy Management System adopted at 49 plants (representing 99% of total energy consumption)	▶ 2014: roll-out of the Energy Management System to all plants (representing 100% of total energy consumption)
		■ GHG emissions representing more than 20% of total energy consumption verified according to ISO14064-3 standard, with reference to GHG Protocol requirements	▶ 2014: verification (according to ISO14064-3 standard) of GHG emissions representing more than 20% of total energy consumption
	▶ Identification of measures and technologies to reduce energy consumption and CO ₂ emissions per production unit	■ Energy consumption per production unit ¹ vs 2009: ▶ -22% in Agricultural & Construction Equipment ▶ -41% in Trucks & Commercial Vehicles ▶ -27% in Powertrain for small engines and transmissions ▶ -24% in Powertrain for large engines	▶ 2014: up to -30% vs 2009 (with specific targets for each segment) in energy consumption per production unit
		■ CO ₂ emissions per production unit ¹ vs 2009: ▶ -32% in Agricultural & Construction Equipment ▶ -51% in Trucks & Commercial Vehicles ▶ -47% in Powertrain for small engines and transmissions ▶ -40% in Powertrain for large engines	▶ 2014: up to -35% vs 2009 (with specific targets for each segment) in CO ₂ emissions per production unit
		■ Public awareness campaign on energy saving disseminated to all employees through corporate intranet	
		■ Energy Challenge extended to all plants in EMEA	
		■ Energy and EHS Days organized in Turin (5-6 June) involving energy and EHS specialists of the EMEA Region	▶ 2014: organization of an energy event to raise awareness and employee engagement
		■ Feasibility study for the conversion of an existing plant into a green building performed in Rorthais (France)	▶ 2014: implementation of technical interventions at the green plant in Rorthais (France)

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

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	<ul style="list-style-type: none"> ▶ Promotion of renewable energy generation and use ▶ Proactive management of regulatory risks and opportunities, through the ongoing monitoring of current and future emission trading regulations in the countries of operation (e.g., EU-ETS, CRC Energy Efficiency Scheme) 	<ul style="list-style-type: none"> ▲ 16% of the total (direct and indirect) energy consumption derived from renewable sources ■ One Trucks & Commercial Vehicles plant in Europe continued to participate in the EU-ETS scheme, accounting for approx. 90,000 GJ per year of total energy generation ■ One Agricultural & Construction Equipment plant in the UK continued to participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme 	<ul style="list-style-type: none"> ▶ 2014: 15% of the total (direct and indirect) energy consumption derived from renewable sources, with specific targets for each segment ▶ 2014: assurance of compliance with emission trading regulations in the countries of operation ▶ 2014: purchase of CRC emission reduction credits and submission of the Evidence Pack under the UK CRC Energy Efficiency Scheme

LOGISTICS PROCESSES



MINIMIZING ENVIRONMENTAL IMPACT

Commitment: Reduce environmental impact of logistics¹

	ACTIONS	2013 RESULTS	TARGETS
CNH Industrial	<ul style="list-style-type: none"> ▶ Definition of a standard set of environmental KPIs 	<ul style="list-style-type: none"> ▲ -2,260 tons of CO₂ emissions achieved at European level ■ Inbound -15 tons of cardboard achieved at European level ■ CO₂ emissions from air freight shipments monitored for Agricultural & Construction Equipment ■ CO₂ emissions monitoring process extended partially to Trucks & Commercial Vehicles and globally to Powertrain 	<ul style="list-style-type: none"> ▶ 2014: -1,580 tons overall reduction in CO₂ emissions at European level ▶ Inbound 2014: -22 tons overall cardboard reduction at European level ▶ 2014: monitoring of CO₂ emissions from air freight shipments for Trucks & Commercial Vehicles and Powertrain ▶ 2014: completion of CO₂ emissions monitoring process for Trucks & Commercial Vehicles worldwide ▶ 2014: setting of CO₂ emissions targets for all segments worldwide ▶ Inbound 2014: completion of cardboard monitoring process for all segments worldwide ▶ Inbound 2015: setting of cardboard targets for all segments worldwide
CNH Industrial	<ul style="list-style-type: none"> ▶ Increase in low-emission transport 	<ul style="list-style-type: none"> ▲ Upgraded ecological clause (at least 70% of fleet compliant to Euro IV or more stringent standards) incorporated in new contracts: <ul style="list-style-type: none"> ▶ 93% at Agricultural & Construction Equipment ▶ 93% at Trucks & Commercial Vehicles ▶ 75% at Powertrain 	<ul style="list-style-type: none"> ▶ 2014: ongoing gradual introduction of upgraded clause (at least 75% of fleet compliant to Euro IV or more stringent standards) in transport supplier contracts (at European plants)
Agricultural & Construction Equipment, Trucks & Commercial Vehicles	<ul style="list-style-type: none"> ▶ Use of intermodal solutions 	<ul style="list-style-type: none"> ▲ -3,468 tons of CO₂ emissions from Agricultural & Construction Equipment cut worldwide (including Europe) ■ -1,350 tons vs 2011 of CO₂ emissions from Parma-Lecce rail route achieved 	<ul style="list-style-type: none"> ▶ 2014: -1,540 tons overall reduction in CO₂ emissions worldwide (including Europe)
Powertrain		<ul style="list-style-type: none"> ■ Inbound -410 tons of CO₂ emissions cut at European level 	<ul style="list-style-type: none"> ▶ Inbound 2014: -480 tons reduction in CO₂ emissions worldwide (including Europe)

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