



O4 APPENDIX

THE FOLLOWING SECTION CONTAINS:
THE METHODOLOGY NOTE AND ALL
PERFORMANCE INDICATORS RELATING
TO HUMAN RESOURCES AND TO THE
ENVIRONMENTAL IMPACT OF OUR
MANUFACTURING PROCESSES; THE
STATEMENT OF ASSURANCE; THE INDEX
OF GRI-G4 CONTENTS; AND A GLOSSARY
OF THE MAIN TECHNICAL TERMINOLOGY.



REPORT
PARAMETERS



PERFORMANCE
INDICATORS



STATEMENT OF
ASSURANCE



INDEX OF GRI-G4
CONTENT

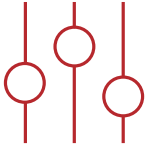


GLOSSARY



CONTACTS





▶ REPORT PARAMETERS

■ OBJECTIVES AND SCOPE > 235

■ METHODOLOGIES > 239



OBJECTIVES AND SCOPE

CNH Industrial's Sustainability Report aims to give stakeholders a comprehensive overview of the Company's operations, integrating financial results and economic commitments with environmental and social ones.

This is the second CNH Industrial Sustainability Report. CNH Industrial was formed by the merger between Fiat Industrial S.p.A. and its subsidiary CNH Global N.V., completed on September 29, 2013. The merger had no impact on the consolidated activities of the former Fiat Industrial Group and the results presented herein are therefore consistent and comparable with those previously published by Fiat Industrial. Since CNH Industrial's operational scope coincides with that of Fiat Industrial, data for 2012 refers to Fiat Industrial.

This document was prepared in accordance with the GRI-G4 Global Reporting Initiative guidelines, core¹ option. The topics covered in the CNH Industrial Sustainability Report originate from the materiality analysis (see also page 19). As per the GRI-G4 reporting standard (core option), one or more indicators included in the guidelines were monitored for each material aspect (see also pages 260-264). The contents were integrated with the information requirements of Socially Responsible Investors (SRI) and financial and non-financial analysts who periodically review the Company's sustainability performance (see also page 47). CNH Industrial's strategic approach is set out in the Sustainability Plan, which identifies action priorities and defines commitments and improvement targets consistent with, and integrated into, the Company's business strategy. In 2014, the Sustainability Plan was updated and new targets were set for the health and safety, environmental, and energy aspects, in line with the 2014-2018 Business Plan. In 2014, the layout and structure of the Sustainability Plan was revised to make it easier to connect material aspects with their corresponding targets. Some targets have become part of routine improvement activities and no longer merit a special mention, and were thus excluded from the Plan.

SCOPE OF THE REPORT

Unless otherwise stated, the **scope** of the Sustainability Report covers information and data for the year 2014 - which coincides with the calendar year - for all CNH Industrial segments worldwide consolidated in the Annual Report as at December 31, 2014. Unless otherwise indicated, the terms Company and CNH Industrial refer to CNH Industrial including all its subsidiaries (also indicated as legal entities). The term segment refers to Agricultural Equipment, Construction Equipment, Commercial Vehicles, Powertrain², and Financial Services. From 2014, the Agricultural Equipment and Construction Equipment segments are considered separately; differently than in previous years, therefore, the environmental and energy performances are presented in aggregate form, i.e., at Company level. From 2014, the collection of this data is carried out at plant level to enable future aggregations by segment and/or Region. The Company is divided into the following Regions: EMEA, NAFTA, LATAM, and APAC. The countries that make up these Regions are listed in the Glossary (see pages 266; 268; 267; 265). It should be noted that the definition of plant used in the Sustainability Report is in line with that in the Annual Report.

The exclusion of any geographic area, legal entity or specific site from the scope of the report is attributable to the inability to obtain satisfactory quality data, or to the immateriality of activities (as is often the case for newly acquired legal entities, joint ventures, or manufacturing activities not yet fully operational). In some cases, subsidiaries not consolidated in the financial statements were included within the scope of the Report because of their significant environmental and social impact. Any significant variations in the scope of the Report or in the calculation of specific data are expressly indicated in the text or tables in the appendix.

⁽¹⁾ The Global Reporting Initiative (GRI) is a multi-stakeholder association for the development and disclosure of guidelines for non-financial reporting. The guidelines set out principles and indicators for reporting on economic, environmental, and social aspects, and provide content standards to assist the organization in preparing the Sustainability Report, enabling comparability over time and between similar organizations. In May 2013, the GRI launched new reporting guidelines (G4), introducing several changes to the previous G3.1 guidelines including increased focus on the principle of materiality and amendments regarding governance, ethics and integrity, supply chain and anti-corruption, and greenhouse gas emissions, as well as a general model for disclosures on management approach.

⁽²⁾ The G4 guidelines introduced two options for disclosure: core and comprehensive. Following the creation of CNH Industrial, the scope of the Agricultural Equipment and Construction Equipment segments corresponds to that of CNH, the scope of the Commercial Vehicles segment corresponds to that of Iveco (including buses), and the scope of the Powertrain segment corresponds to that of FPT Industrial.





GLOSSARY
APAC; EMEA; GRI; LATAM;
Material aspect;
NAFTA; SRI; Stakeholders

GRI
G4-20; G4-28;
G4-29; G4-32



PLANTS BY SCOPE





CNH INDUSTRIAL WORLDWIDE

Country	Plant	Segment ^a	 WCM	 Health and Safety	 Environment	 Energy
EMEA						
Austria	Graz	CV		✓		
Austria	Sankt Valentin	AG	✓	✓	✓	✓
Belgium	Antwerp	AG&CE	✓	✓	✓	✓
Belgium	Zedelgem	AG	✓	✓	✓	✓
Czech Republic	Vysoke Myto	CV	✓	✓	✓	✓
France	Annonay	CV	✓	✓	✓	✓
France	Bourbon Lancy	PWT	✓	✓	✓	✓
France	Coex	AG	✓	✓	✓	✓
France	Croix	AG&CE	✓	✓	✓	✓
France	Fecamp	PWT		✓	✓	✓
France	Garchizy	PWT		✓	✓	✓
France	Rorthais	CV	✓	✓	✓	✓
France	Tracy-Le-Mont	AG&CE	✓	✓	✓	✓
Germany	Berlin	CE	✓		✓	✓
Germany	Ulm	CV	✓	✓	✓	✓
Italy	Bolzano	CV	✓	✓	✓	✓
Italy	Brescia	CV	✓	✓	✓	✓
Italy	Brescia Special Vehicles	CV	✓	✓	✓	✓
Italy	Foggia	PWT	✓	✓	✓	✓
Italy	Jesi	AG	✓	✓	✓	✓
Italy	Lecce	CE	✓	✓	✓	✓
Italy	Modena	AG&CE	✓	✓	✓	✓
Italy	Piacenza	CV	✓	✓	✓	✓
Italy	Pregnana Milanese	PWT		✓	✓	✓
Italy	San Mauro Torinese	CE	✓	✓	✓	✓
Italy	Suzzara	CV	✓	✓	✓	✓
Italy	Torino Driveline	PWT	✓	✓	✓	✓
Italy	Torino Motori	PWT	✓	✓	✓	✓
Italy	Vittorio Veneto	CV		✓	✓	✓
Poland	Plock	AG	✓	✓	✓	✓
Spain	Madrid	CV	✓	✓	✓	✓
Spain	Valladolid	CV	✓	✓	✓	✓
UK	Basildon	AG	✓	✓	✓	✓

^(a) AG = Agricultural Equipment
 CE = Construction Equipment
 CV = Commercial Vehicles
 PWT = Powertrain

GLOSSARY
 APAC; EMEA;
 LATAM; NAFTA; WCM

GRI
 G4-17

Country	Plant	Segment ^a	 WCM	 Health and Safety	 Environment	 Energy
NAFTA						
Canada	Saskatoon	AG	✓	✓	✓	✓
Mexico	Queretaro	AG&CE	✓	✓	✓	✓
USA	Benson	AG	✓	✓	✓	✓
USA	Burlington	CE	✓	✓	✓	✓
USA	Calhoun	CE	✓		✓	✓
USA	Fargo	AG&CE	✓	✓	✓	✓
USA	Goodfield	AG	✓	✓	✓	✓
USA	Grand Island	AG	✓	✓	✓	✓
USA	New Holland	AG	✓	✓	✓	✓
USA	Racine	AG	✓	✓	✓	✓
USA	Wichita	CE	✓	✓	✓	✓
LATAM						
Argentina	Cordoba	AG	✓	✓	✓	
Argentina	Cordoba	CV	✓	✓	✓	✓
Argentina	Cordoba	PWT	✓			
Brazil	Contagem	CE	✓	✓	✓	✓
Brazil	Curitiba	AG	✓	✓	✓	✓
Brazil	Piracicaba	AG	✓	✓	✓	✓
Brazil	Sete Lagoas	PWT	✓	✓	✓	✓
Brazil	Sete Lagoas	CV	✓	✓	✓	✓
Brazil	Sorocaba	AG&CE	✓	✓	✓	✓
Venezuela	La Victoria	CV	✓	✓	✓	✓
APAC						
Australia	Dandenong	CV	✓	✓	✓	✓
China	Chongqing	PWT	✓	✓	✓	✓
India	Noida	AG	✓	✓	✓	✓
India	Pithampur	CE	✓	✓		

Specifically, regarding the scope of the Report:

- **World Class Manufacturing** (WCM) data relates to 53 plants consolidated in the Annual Report as at December 31, 2014, representing 98% of revenues from sales of products manufactured at CNH Industrial's plants
- **occupational health and safety** data relates to 64,456 employees, or about 95% of the total workforce
- information on **environmental** performance and management systems relates to 55 fully consolidated plants, representing 99% of revenues from sales of products manufactured at CNH Industrial's plants
- information on **energy** performance and management systems relates to 54 fully consolidated plants, representing 98% of revenues from sales of products manufactured at CNH Industrial's plants.

In addition, there are 53 ISO 14001 certified plants, representing 98% of revenues from sales of products manufactured at CNH Industrial's plants, with ISO 50001 certified plants accounting for 88%, and OHSAS 18001 certified plants accounting for 98%.

The plant in Berlin (Germany), running at reduced production capacity was not included within the scope of consolidation for ISO 14001 and OHSAS 18001 certification. The plant in Cordoba (Argentina), opened in 2013, was not included within the energy scope and is undergoing certification of the occupational health and safety management system. Compared to 2013, there were no changes in the number of plants falling within the scope of the Report, and no restatement of data was necessary.

DEFINING SUSTAINABILITY REPORT CONTENTS

Sustainability Report **contents are selected** through a process of exchange and comparison across CNH Industrial's internal structures, through a network of representatives within the different organizational areas that oversee the implementation of initiatives and the reporting of performance in terms of sustainability.

Defining the contents of the report is a process based on principles of materiality, stakeholder inclusiveness, sustainability context, and completeness. This complex and systematic process, which takes place during the Report's planning phase, in part through the materiality analysis (see also page 19), focuses on defining the topics and scope considered important for CNH Industrial's business and stakeholders owing to their economic, environmental, and social impact. The Report provides as complete a representation as possible of the relevant information, defining environmental and social action priorities and timeframes, to enable a thorough evaluation by stakeholders.

Ensuring the quality of information, on the other hand, is a process that concerns principles of balance, comparability, accuracy, timeliness, clarity, and reliability as per the GRI. Indeed, the annual Sustainability Report describes positive trends as well as weaknesses and areas for improvement, with the aim of presenting a clear and balanced picture of CNH Industrial's sustainability performance to its stakeholders. Furthermore, information and quantitative data is collected in such a way as to enable data comparability over several years and between similar organizations, with the aim of enabling an accurate reading of the information provided.

The **realization** of the Sustainability Report was contingent on a systematic information and data retrieval process, crucial to ensure the accuracy of sustainability performance reporting. Approximately two hundred Key Performance Indicators (KPIs) were reported in this document. Where available, computerized management and control systems (e.g., the SAP HR platform for employee data, and System 11 for financial data on communities) were used to ensure the reliability of information flows and data accuracy. Other indicators were monitored through electronic databases (e.g., Standard Aggregation Data for environmental, health and safety data) or spreadsheets, populated directly by the representatives of each thematic area worldwide and verified by their supervisors.

In order to substantiate the Company's commitment and the reliability of contents, the Sustainability Report was **verified, analyzed, and approved** by multiple parties. Indeed, it was:

- drawn up by the Sustainability Unit, which reports to the Chief Financial Officer and coordinates across all concerned functions
- approved by the members of the Group Executive Council, CNH Industrial's highest decision-making body after the Board of Directors
- reviewed by the Governance and Sustainability Committee, a subcommittee of CNH Industrial's Board of Directors
- submitted to SGS Netherlands 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 responsibility⁴
- presented along with the Annual Report at CNH Industrial's Annual General Meeting, to provide a complete, up-to-date overview of the Company's financial, environmental, and social performance
- published and made available in the sustainability section of the Corporate website.

GLOSSARY
AA1000; GRI;
ISO 26000; KPI;
Stakeholders

GRI
G4-18; G4-30;
G4-33

⁽³⁾ Sergio Marchionne and Peter Kalantzis, Chairman and Director of the CNH Industrial Board of Directors, are also, respectively, Non-Executive Chairman and Non-Executive Director of the Board of Directors of SGS S.A.

⁽⁴⁾ The statement of assurance, describing the activities carried out and the opinions expressed, is available on pages 258-259.

METHODOLOGIES

FREE FLOAT ANALYSIS

The analysis, conducted by Vigeo S.A., covers the largest global asset owners (see below) as well as mutual funds.

Asset owners are: large financial organizations investing their own assets; national, occupational, company-specific, and local government pension funds; foundations; public funds; insurance funds; endowments; or sovereign wealth funds. Assets do not include those managed by firms on behalf of their clients.

An **asset owner** is identified as a Socially Responsible Investor (SRI) if at least one of these conditions is met:

- it adopts SRI principles in its investment policy (with regard to voting, engagement, activism, and screening)
- has dedicated SRI mandates
- uses SRI benchmarks.

The analysis also covers green, social, and ethical **mutual funds** operating worldwide (see below).

Mutual funds are defined as in the European Fund and Asset Management Association (EFAMA) Statistical Releases: i.e., publicly offered open-end funds investing in transferable securities and money market funds. However, data is not fully comparable as the report in question includes some life insurance and pension funds consistent with Vigeo definitions (Green, Social and Ethical Funds in Europe - 2014 Review).

To be eligible for analysis, a mutual fund must:

- perform ethical, social or environmental screenings for stock and bond issuer selection (negative screens and/or best-in-class)
- be marketed as an SRI
- be available to the public (retail funds).

The **free float** indicates the percentage of shares remaining after block ownership and restricted shares adjustments, as calculated by STOXX Ltd. Block ownership is defined as the sum of all holdings larger than 5% - held by companies, governments, families, and private investors, but excluding those by investment companies and funds - that must be reported to domestic regulatory agencies.

DETAILS OF CALCULATIONS

- To enable comparability over time, the data presented refers to the three-year period from 2012 to 2014. The 2012 data refers to Fiat Industrial
- The **added value**, representing the value generated by Corporate business activities, was calculated via an internal method as the difference between production value and the associated intermediate costs, net of depreciation. The global net added value was then divided among beneficiaries as follows: employees (direct remuneration comprising salaries, wages, and severance pay; and indirect remuneration consisting of welfare benefits); government and public institutions (income taxes); financial backers (interest paid on borrowed capital); shareholders (dividends payable); Company (share of reinvested profits); and local communities
- Economic data was collected directly rather than extrapolated from the Annual Report, and converted into US dollars using the **average exchange rate** as at December 31, 2014. To calculate variations, the 2013 data was converted into US dollars using the average exchange rate as at December 31, 2013
- **Human resources** data refers to the entire Corporate scope, unless otherwise specified
- **Employees** are divided into four main categories: hourly, salaried, professional, and manager. Professional encompasses all individuals in specialized and managerial roles (including those identified as *professionals* and *professional experts* under the CNH Industrial classification system). Manager refers to individuals in top management roles (including those identified as *professional masters*, *professional seniors*, and *executives* under the CNH Industrial classification system)



- For 2012 and 2011, **labor cost** data was reformulated following the adoption of the revised International Accounting Standards (IAS) 19
- **Injury rates** were calculated excluding commuting accidents, i.e., those involving employees during normal commutes between place of residence and work
- Each manufacturing operative unit is required to report monthly safety data to the regional EHS department, which is accountable for data reporting and statistics on **safety** at Company level. Data collection and analysis is performed by means of specific information technology tools and software
- Investment data for **local communities** is based on accounting data and calculation methods, and also includes estimates. Figures in currencies other than dollars were converted at the exchange rate as at December 31, 2014. The stated figures also take into account the cost of employee time to manage and organize humanitarian initiatives promoted by the Company, and do not include brand promotion initiatives
- Regarding **environmental and energy performance**, normalized production unit indices were defined to evidence each segment's medium and long-term trends in environmental and energy performance. The purpose was in fact to highlight enhanced performances resulting from process improvements, and not simply linked to variations in production volumes. Production units are specific to each segment's nature and activity: hours of production for Agricultural Equipment, Construction Equipment, and Commercial Vehicles, and units produced for Powertrain. Improvement targets were set for each segment based on these normalized indices. The *hours of production* refer to the number of working hours of hourly employees required to manufacture a product. In 2014, CNH Industrial set new indicators and targets. The new targets indicated in the Sustainability Plan refer to a performance indicator calculated on the *total number of manufacturing hours*, defined as hours of presence of hourly employees within the manufacturing scope required to manufacture a product
- Values expressed in **tons** refer to metric tons (one thousand kilos)
- With regard to **environmental data**, Standard Aggregation Data (SAD) or similar systems were individually compiled for each production unit based on respective qualitative and quantitative data. Individual Standard Aggregation Databases only include data relevant to the activities of the production unit in question. Depending on data, the detection criterion was either measured, calculated or estimated¹
- **NO_x**, **SO_x** and **dust** emissions were calculated based on historical average values
- The emissions of **Ozone Depleting Substances** (ODS), deriving from inevitable leaks from cooling and air conditioning equipment, were calculated based on the amount of R-22 refilling, and converted into kilos of CFC-11 equivalent considering an Ozone Depletion Potential of 0.055 (source: United Nations Environment Programme (UNEP), HCFCs controlled under the Montreal Protocol)
- The **water sources** (or water bodies) considered as significantly affected by water withdrawals and/or discharges fall into three categories: protected, with high biodiversity value, or affected by water withdrawals and/or discharges in excess of 5% of their average annual volume. A protected water body is a geographically defined area designated, regulated, and managed according to specific conservation objectives. A water body with high biodiversity value is an area that is not legally protected, but recognized by government and nongovernmental organizations for the presence of significant biodiversity

GLOSSARY

Biodiversity;
NO_x; SO_x; ODS; SAD

GRI

G4-LA6; G4-EN8;
G4-EN9; G4-EN10;
G4-EN21; G4-EN22

⁽¹⁾ A value is considered as measured if detected using a certified measurement tool. This criterion remains valid even if a formula is applied to convert the detected value's unit of measurement. A value is considered as calculated if derived from two or more measured data items related by a formula or algorithm. A value is considered as estimated if based on at least one uncertain data item in addition to other measured quantities.

- **Energy** consumption was measured via specific measurement systems and converted into joules through specific equivalences based on energy carrier. For example, when monitored as a secondary carrier, compressed air is indicated in Nm³ 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 CO₂ 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 (CO₂ eq) are negligible compared with emissions from energy production; in fact, with an incidence of less than 0.5%, they fall outside the reporting scope
- **CO₂ emissions** were calculated according to GHG Protocol standards, implemented through Company guidelines, whereas the indirect emissions associated with energy production emission factors were calculated as per the standards published in November 2014 by the International Energy Agency. Furthermore, calculations were made using the lower heat of combustion reference value and the emission factors specific to the energy industry's power generation stations, available in the second volume of the IPCC 2006 Guidelines. In terms of emission factors, only CO₂ was taken into account, as CH₄ and N₂O components were considered negligible and therefore *de minimis*.

OTHER INFORMATION

As regards the **infographics** included in the document and in Facts and Figures, the percentages indicate trends calculated against 2013, unless otherwise specified.

GRI-G4 indicators are referenced at the bottom of the pages in which they are disclosed. If a disclosure is explained over a number of consecutive pages, it is indicated only on the first page.

DMA This icon indicates the sections explaining the management approach to a specific material aspect



This icon indicates a link with targets in the Sustainability Plan



This icon indicates a link with 2014 results in the Sustainability Plan



This icon indicates CNH Industrial's specific approach to the issue with regard to Emerging Markets, defined as low, lower-middle, or upper-middle income countries as per the 2014 World Bank list of economies



This icon indicates steps of the process in which the Quality function plays an important and/or mandatory role



This icon indicates CNH Industrial's specific approach to product safety



This icon indicates CNH Industrial's reference to human rights

GLOSSARY
 CO₂ eq; Emerging Markets;
 GHG Protocol; HFCs;
 Indirect emissions; Material aspect

GRI
 G4-EN3; G4-EN6
 G4-EN15; G4-EN16

