

CNH Industrial
Slavery and Human Trafficking Statement 2021

Organizational Structure

CNH Industrial N.V. is the parent company of the CNH Industrial Group. It is incorporated in the Netherlands; has its corporate seat in Amsterdam, the Netherlands, and its principal office in London, United Kingdom.

On December 31, 2021, CNH Industrial N.V. (“CNH Industrial”) and Iveco Group N.V. (“Iveco Group”) executed the deed of demerger whereby, effective January 1, 2022, the relevant Iveco Group business segments separated from CNH Industrial and Iveco Group became a public listed company, independent from CNH Industrial. For purposes of the UK Modern Slavery Act, this statement is made (i) on behalf of CNH Industrial N.V., and (ii) on behalf of the following United Kingdom (U.K.) subsidiaries covered by this statement at December 31, 2021: Iveco Limited, Iveco Holdings Limited and IC Financial Services UK Limited with respect to the activities carried out by each of such companies identified sub (ii) before the demerger (i.e., when Iveco Limited, Iveco Holdings Limited and IC Financial Services UK Limited (previously, until December 31, 2021, known as CNH Industrial Capital Limited were subsidiaries of CNH Industrial N.V.).

Unless otherwise indicated or the context otherwise requires, as used in this statement, the terms “CNH Industrial”, “we”, “us”, “our” or “the Company” refer to CNH Industrial N.V. together with its consolidated subsidiaries as existing before the demerger.

Our Business

CNH Industrial is a global leader in the capital goods sector that, in 2021, had a strong presence in both on-highway and off-highway applications. In 2021 CNH Industrial had 12 strong global brands, each recognized as leader in their respective fields. These brands provide farmers with precision technologies to help feed a growing world population, manufacture the machines that build the cities and infrastructure of the future, and deliver sustainable urban and goods transport solutions featuring future-proof powertrain technologies.

As of December 2021, CNH Industrial had 70 manufacturing plants, 59 research and development (R&D) centers, a workforce of 71,895 employees, and a commercial presence in approximately 180 countries.

For more information please see 2021 Sustainability Report, CNH Industrial at a Glance, page 7, at this [link](#).

Our Commitment

CNH Industrial is committed to the creation of long-term sustainable value for all our stakeholders and believe that upholding fundamental human rights and ensuring decent working conditions is a prerequisite for achieving such results.

Our Code of Conduct

Our 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 Labor Organization (ILO) Conventions, and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Companies. In addition to the Code of Conduct, we have established corporate policies and internal business processes that supplement the Code.

Every year on-line education sessions are provided to all Company employees, irrespective of their level or role, on Code of Conduct as well as to reinforce good corporate governance principles and values.

In 2021, following on from previous years, CNH Industrial provided compliance training to 53% of its joint ventures in which it has a controlling interest.

Please visit our Code of Conduct at this [link](#).



Our Human Rights Policy

Our Company's global footprint requires the adoption of generally accepted principles in each geographic area where we operate. As stated in the Code of Conduct, CNH Industrial is committed to supporting fundamental human rights and providing basic working conditions in all our operations. Besides the Code of Conduct, our [Human Rights Policy](#) outlines the commitment of CNH Industrial to prevent human trafficking and slavery, including in its supply chain, in compliance with, among others, the California Transparency in Supply Chains Act, the Human Trafficking Prevention Act, the UK Modern Slavery Act 2015, the Australia Modern Slavery Act 2018 and similar laws. CNH Industrial prohibits the use of forced or mandatory labor, child labor, slavery, involuntary or coerced labor, human trafficking or sex trafficking in any of its operations.



Case IH, STEYR, CASE Construction Equipment, New Holland Agriculture, New Holland Construction, IVECO, IVECO ASTRA, IVECO BUS, HEULIEZ BUS, Magirus, Iveco Defence Vehicles, FPT Industrial.

Our Supply Chain

CNH Industrial manages annual purchases worth approximately US\$19.2 billion, with a total network of 4,142 direct material suppliers. In 2021, 30 new eligible suppliers were added to the network, while there were no significant changes to supply chain structure and no additional outsourcing of activities.

The Company's top 150 suppliers are considered strategic suppliers, not only because they generate 62% of the total value of purchases, but also because of the length of the relationships involved, along with the extent of their production capacity and handling of spare parts.

Significant amounts are spent on local suppliers. In 2021, contracts signed by CNH Industrial with local suppliers accounted for 96% of procurement costs. Specifically, 98% are in Europe and 91% are in North America, which are CNH Industrial's major locations of operation.

For more information please see 2021 Sustainability Report, Supplier Profile, page 153 at this [link](#).

SUPPLIERS IN NUMBERS

CNH INDUSTRIAL WORLDWIDE

	2021
Direct and indirect material purchases ^a (% of the total volume of CNH Industrial purchases)	85
Direct material suppliers (no.)	4,142
Value of purchases from direct material suppliers ^b (\$billion)	14.3
Value of purchases from indirect material suppliers ^c (\$billion)	2.1
Local suppliers (%)	96

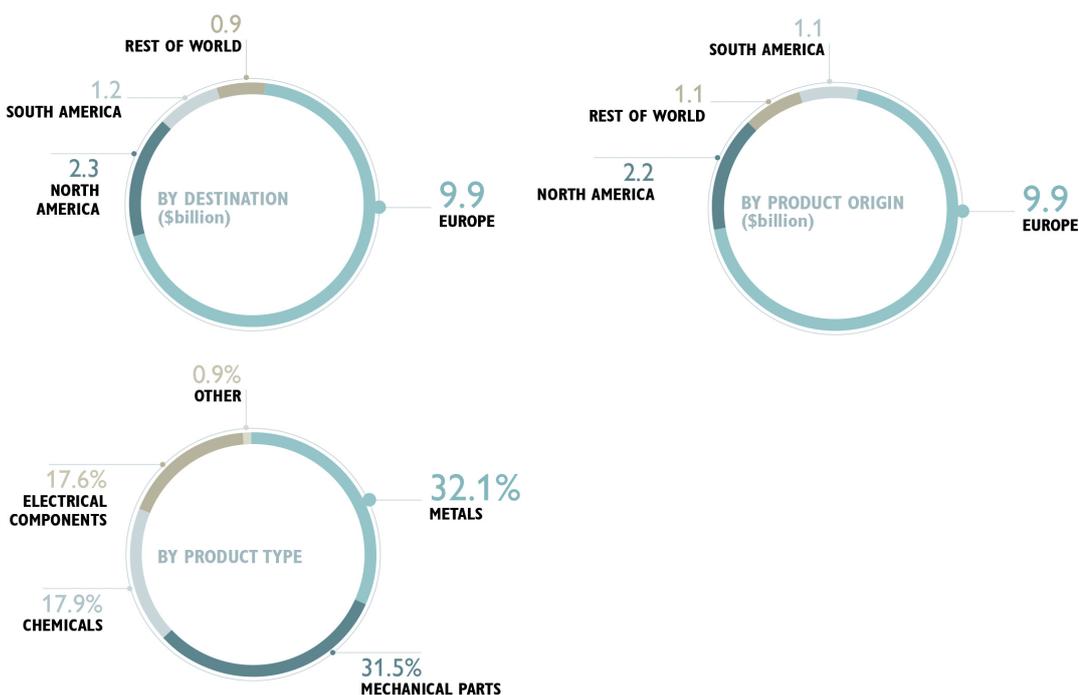
^a Refers to the value of purchases.

^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



^a Refers to the value of direct material purchases.

² Local suppliers are those operating in the same country as the CNH Industrial plant.

³ The significant locations of operation are defined by total direct material purchases, which are 70% of the total value of purchases in Europe and 16% in North America.

Our Supplier Code of Conduct

Together with the CNH Industrial Code of Conduct, the Company issued its Supplier Code of Conduct that provides the framework for responsible supply chain management. Compliance with the Supplier Code of Conduct is a requirement for continuing business relations with CNH Industrial. In addition to compliance with local legislation, the Supplier Code of Conduct calls for observance of human rights, decent working conditions, and respect for the environment and business ethics, including prohibiting all forms of human trafficking.

As highlighted in the Supplier Code of Conduct, suppliers must work with CNH Industrial to enforce the Code itself and are required to transfer its principles to their employees, subsidiaries, affiliates, and subcontractors. Any violation of the Supplier Code of Conduct can alter the business relationship with CNH Industrial, and may result in contract termination. Moreover, as planned, Supplier Code of Conduct training materials were rolled out to suppliers during the year.

Please visit our **Supplier Code of Conduct** at this [link](#).

Supplier Selection

Supplier selection is based not only on the quality and competitiveness of the supplier's products and services, but also on compliance with our social, ethical, and environmental principles. The supplier assessment process is built on objective criteria and tools designed to ensure fairness and equal opportunities for all parties involved. Through the Commitment Declaration stipulated for new suppliers, the latter are requested to comply with the CNH Industrial Code of Conduct and Supplier Code of Conduct.

Specific contractual conditions require our suppliers to provide references and demonstrate abilities in relation to: fighting corruption, safeguarding the environment, promoting health and safety at work, ensuring nondiscrimination, prohibiting forced and/or child labor, and recognizing freedom of association. If a supplier fails to adhere to these principles, the Company reserves the right to terminate the business relationship or instruct the supplier to implement an acceptable corrective action plan.

For more information please see **2021 Sustainability Report, Supplier Selection**, page 155 at this [link](#).



Conflict Minerals

Another demonstration of CNH Industrial's respect for human rights is its stand against the use of natural resources extracted in conflict zones. To this end, the Company implements a compliance program and a Conflict Minerals Policy intended to promote responsible sourcing of tin, tantalum, tungsten, and gold (referred to as conflict minerals or 3TG) from the Democratic Republic of Congo (DRC) and surrounding region, where revenues from the extraction of these natural resources have historically funded armed conflict and human rights abuses. The Conflict Minerals Policy was adopted in 2013 and is available on the corporate website.

The Company's due diligence process and 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 its 2016 publication *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* (third edition, OECD Publishing), including its Supplements on gold, tin, tantalum, and tungsten. This due diligence framework is also known as the OECD Guidance.

CNH Industrial is committed to making every reasonable effort to establish, and requires each supplier to disclose, whether the products purchased contain 3TG obtained from sources that fund armed conflict or support inhumane treatment in the DRC or the surrounding region.

CNH Industrial requests all Surveyed Suppliers to provide information regarding 3TG and smelters, using the Conflict Minerals Reporting Template (CMRT) developed by the Responsible Minerals Initiative (RMI).

CNH Industrial uses third-party software to collect, manage, analyze and aggregate supplier data for reporting purposes and to follow-up with suppliers whose data is deemed incomplete or inconsistent, or who listed non-compliant or uncertified smelter or refiners.

Furthermore, as part of the standard operating procedure, the Company performs an annual review of its due diligence process and supplier survey results in order to prepare a Conflict Minerals Annual Report, which is submitted to the SEC and available on the corporate website.

In 2021, CNH Industrial's Surveyed Suppliers represented approximately 86% of the Company's purchases (in US dollars) of goods from suppliers. Based on the data collected, the Company identified the presence of gold in some of its electronics, and of tin, tantalum, and tungsten in some of its electrical and mechanical products, used because of their good corrosion resistance, electrical properties, and mechanical strength.

CNH Industrial does not use 3TG in its parts or products unless necessary for equipment functionality and reliability. For these parts, the Company works with its suppliers to make sure all 3TG are sourced from conformant smelters.

Cobalt

Cobalt is becoming an important material for CNH Industrial as it is a key element in the lithium-ion rechargeable batteries used in electric vehicles, which play a significant role in helping to reduce greenhouse gas and polluting emissions.

Cobalt is also used in the production of magnetic, wear-resistant, and high-strength engineering alloys, which are all critical in efficient vehicle design.

The Democratic Republic of the Congo (DRC) is the world's largest producer of cobalt, holding more than 50% of global cobalt reserves. In recent years, annual global cobalt consumption has trended upward and is expected to rise significantly over the medium term. Many reports have highlighted concerns over the social and environmental impacts of cobalt extraction, including child labor and unsafe working conditions in artisanal cobalt mining operations.

As a member of the Responsible Minerals Initiative (RMI) Cobalt Workgroup, CNH Industrial participates in discussing and sharing cobalt related information and applies tools and resources specifically to support its due diligence on cobalt supply chains. The RMI added cobalt as a dedicated focus area in 2017 and has since worked to create the enabling conditions for companies to exercise due diligence over cobalt supply chains in accordance with the framework of the OECD Guidance. After benchmarking various companies' best practices in 2020, CNH Industrial surveyed key lithium-ion battery suppliers in 2021 on their sourcing information in light of its plan to implement a wider due diligence process on the responsible sourcing of cobalt throughout its supply chain.

For more information please see 2021 Sustainability Report, Conflict Minerals, page 64 at this [link](#).



Risk Assessment, Due Diligence and Steps to Mitigate Risks

We monitor respect for human rights within the Company's operations and across its supply chain and customer base. Risks linked to the violation of human rights are included in our Enterprise Risk Management (ERM) system. CNH Industrial's ERM methodology defines risk as any event that could affect the Company's ability to meet its objectives. The methodology enables the timely identification of risks and the evaluation of their significance and allows action to be taken to mitigate and if possible, eliminate such risks.

Our Supply Chain

As regards CNH Industrial's suppliers, in order to prevent or minimize any environmental or social impact arising from or related to the Company's supply chain, the Company has developed a process to assess suppliers on sustainability issues, by means of sustainability self-assessments, risk assessments, and sustainability audits. The Company has implemented a specific operational procedure to monitor supplier compliance and risks.

Supplier evaluations are performed initially through self-assessment, using questionnaires developed by the Automotive Industry Action Group (AIAG). Suppliers are requested to provide information on human rights, environment, compliance and ethics, diversity, and health and safety. Supplier assessments on sustainability issues, including human rights, are the basis for risk assessments which identify those critical suppliers whose compliance with sustainability criteria needs to be addressed through a dedicated audit.

Among the key drivers used to create the risk map are the risks associated with the supplier's country of operation (focusing on countries with poor human rights records). In 2021, 95 suppliers worldwide were identified as presenting potential risks considering the following criteria: supplier turnover, risk associated with the supplier's country of operation, supplier financial risk, level of participation in the assessment process, and risk associated with the particular purchasing category and the time elapsed since their last audit (5 years or more). These suppliers were subsequently audited. Issues were identified for 4 of them, who agreed to a total of 7 corrective action plans for areas in need of improvement in terms of human rights issues.

These improvement areas concern the:

- implementation of training initiatives
- expansion of relevant documentation
- improvement in overtime practices

Action plans are monitored via follow-ups meeting between the applicable supplier and the Company auditor. Any non-compliance is brought to the attention of the Purchasing Leadership Team, which determines the actions to be taken against the non-compliant supplier.

According to the assessment process, in 2021 no suppliers were considered at risk in terms of child labor, forced/compulsory labor, or violation of either freedom of association or collective bargaining.

The assessments performed in 2021 also highlighted an improvement in sustainability scores for 100% of the suppliers that responded to the self-assessment questionnaire and had an action plan in place in 2020, thanks to the increased awareness deriving from both the corrective measures implemented and the audit process itself.

To the Company's knowledge, there is no use of child or forced labor at the plants of its suppliers.

For more information please see 2021 Sustainability Report, Human Rights Assessment, page 159, and Supplier Assessment, page 156, at this [link](#).

Our Workforce

As regards its internal operations (joint ventures in which CNH Industrial holds at least a 51% interest are included in the perimeter), CNH Industrial's Internal Audit function has, since 2013, sent an impact assessment survey each year to the Human Resources functions of the geographic area selected on a rotational basis, to assess the following human rights aspects:

- non-discrimination (including, among others, indigenous people, and migrant labor)
- child labor and young workers
- forced labor
- harassment
- freedom of association
- occupational health and safety.

The impact assessment also focuses on local communities, namely on the promotion of their social and economic development based on specific needs.

Every year, CNH Industrial also conducts an assessment of the entire workforce regarding the presence of child labor in its legal entities and level of compliance with the Code of Conduct in this regard. In 2021, the survey conducted on 100% of the Company's total workforce revealed one case of non-compliance, which related to the hiring of an employee who at the time was 17 years old. Under local legislation, hiring an employee under the age

of 18 is permitted provided the person has been awarded a high school diploma. A review of the hiring procedures revealed that, due to a bureaucratic inconsistency, the employee had not, in fact, obtained a diploma. Immediate corrective actions were put in place regarding the hiring process in order to avoid similar cases occurring in the future.

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. 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).

In relation to the acquisition of significant new businesses, operations, and projects, the Company conducts detailed risk assessments on human and labor rights issues. Such assessments may be conducted during the relevant due diligence process and often with the assistance of specialized external law firms or other professional advisors.

For more information please see 2021 Sustainability Report, Human Rights Assessment, page 62 at this [link](#).



Audits

To minimize risk related to the Company's supply chain, sustainability audits are performed at suppliers' plants by either CNH Industrial Supplier Quality Engineers (SQEs) or independent third-party auditors. Audits, which are organized in agreement with the suppliers, aim at checking the information submitted via the self-assessment questionnaires and at defining possible improvement plans where necessary. It should be noted that, due to the COVID-19 pandemic, the sustainability audits in 2021 were performed remotely, and only by Company SQEs.

To further strengthen the assessment process, the Company also identifies suppliers based on the time elapsed since their last audit (5 years or more), planning new sustainability audits accordingly for their reassessment and to verify compliance with the actions plans previously agreed upon.

Each supplier selects representatives within its organization (usually from Human Resources, Safety, Environment, and Quality) to take part in the audits, as well as a representative manager. Should audits reveal critical issues to be addressed, 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)
- timeframes for action plans.

Action plans are monitored via follow-ups between supplier and auditor, through a structured process supported by an IT system. At the end of the follow-up period, action plan results are collected and analyzed for compliance according to a dedicated operational procedure. In case of defaulting suppliers, further corrective action are defined and implemented in agreement with the competent internal departments. Every month, the Supply Quality Performance (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.



In 2021, sustainability audits were conducted on 95 supplier plants, involving 95 suppliers worldwide; all audits were carried out remotely by Company SQEs (with the exception of 1 new supplier and its sub-supplier, which underwent 3 audits by an external provider).

The total number of audits worldwide covered approximately 5% of the total purchase value. In 2021, 9 suppliers were involved in the formulation of 49 corrective action plans for areas in need of improvement. No critical issues emerged from the audits, and therefore no contracts were suspended or terminated.

For more information please see 2021 Sustainability Report, Supplier Assessment, page 156 at this [link](#).

Compliance Helpline

We have established a procedure to ensure that our employees and third parties have the opportunity to report alleged irregularities of a general, operational and financial nature with the Company, including the respect for Human Rights. Our Compliance Helpline is managed by an independent third party and is available worldwide, in fourteen different languages, 24 hours per day/seven days per week/365 days per year. Reports may be submitted through a dedicated web portal (www.cnhindustrialcompliancehelpline.com), by phone (to a call center managed by a third party), or to a Company representative. No Human trafficking or slavery issue was reported in 2021.

This statement was approved by CNH Industrial N.V.'s Board of Directors and covers all activities undertaken by CNH Industrial's U.K. entities and operations prior to December 31, 2021.



Scott W. Wine
Executive Director and Chief Executive Officer