



MODERN SLAVERY STATEMENT 2020

CNH INDUSTRIAL AUSTRALIA PTY LIMITED

IVECO TRUCKS AUSTRALIA LIMITED

CNH INDUSTRIAL CAPITAL AUSTRALIA PTY LIMITED

INTRODUCTION

This joint statement is made under section 14 of the Modern Slavery Act 2018 (Cth) (“Act”) by **CNH Industrial Australia Pty Limited** (ACN 000 031 130) (“CNH”) jointly with its fully owned subsidiaries **IVECO Trucks Australia Limited** (ACN 004 065 061) (“IVECO”) and **CNH Industrial Capital Australia Pty Limited** (ACN 069 132 396) (“CNH Capital”) (which is a non-reporting entity under the Act) (collectively, CNH Group). Unless otherwise indicated or the context otherwise requires, the terms “we”, “us”, “our” or “the Company” refer to the CNH Group.

This statement sets out the actions taken by the CNH Group between 1 January 2020 and 31 December 2020 (“**Reporting Period**”) to identify modern slavery risks related to the CNH Group operations and put in place processes to deal with any potential modern slavery practices existing within the operations of CNH Group operations and its supply chain.

ORGANISATIONAL STRUCTURE

CNH Industrial N.V. (“**CNH Industrial**”) is the ultimate parent company of the CNH Group. CNH Industrial is incorporated in the Netherlands. CNH Industrial has its corporate seat in Amsterdam, the Netherlands, and its principal office in London, United Kingdom.

OUR COMMITMENT

CNH Group 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.

CNH INDUSTRIAL’S BUSINESS

CNH Industrial is a global leader in the capital goods sector with a strong presence in both on-highway and off-highway applications. CNH Industrial has 12 strong global brands, each recognized as leaders 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.

CNH Industrial has 67 manufacturing plants, 57 research and development (R&D) centres, a workforce of 64,016 employees globally, and a commercial presence in approximately 180 countries (as at 31 December 2020).

CNH GROUP’S BUSINESS

CNH and IVECO import products from CNH Industrial manufacturing plants overseas. CNH and IVECO also procures parts and accessories from local and overseas suppliers, many of whom may be engaged by CNH Industrial or its subsidiaries overseas, as preferred supplier. Those parts and accessories are designed and manufactured in accordance with the specifications suitable for the brands and under the direction and control of CNH Industrial or its related entities.

CNH Group's products, parts and accessories procured from our overseas offices, or through CNH Industrial engaged suppliers, are sold to the customers across Australia through CNH Group appointed dealers.

In addition, CNH Group may also procure goods and services through its local purchasing department in accordance with the purchasing policies and procedures set by CNH Industrial.

HUMAN RIGHTS POLICY

CNH Industrial's global footprint requires the adoption of generally accepted principles in each geographic area where its subsidiaries operate. In compliance with the global footprint set by CNH Industrial, CNH Group is committed to operating morally, ethically and fully supporting fundamental human rights whilst providing safe working conditions. CNH Group prohibits the use of forced or mandatory labour, slavery, involuntary or coerced labour, human trafficking or sex trafficking in any of its operations or by any third party with whom it has a business relationship.

Policies prepared by the CNH Industrial¹ outlines the commitment of CNH Industrial along with its subsidiaries (including but not limited to the CNH Group) to prevent human trafficking and slavery, including in its supply chain, in compliance with the Act and similar legislations prevailing in other countries such as California Transparency in Supply Chains Act, the Human Trafficking Prevention Act and the UK Modern Slavery Act 2015.

OUR SUPPLY CHAIN

CNH Industrial manages annual purchases worth approximately US\$13.8 billion, with a total network of 4,102 direct material suppliers. In 2020, 66 new eligible suppliers were added to the network, while there were no significant changes to supply chain structure and no additional outsourcing of activities.

CNH Industrial'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.

CNH Industrial spends significant amounts with local suppliers. In 2020, contracts signed by CNH Industrial with local suppliers accounted for 94% of procurement costs. Specifically, 96% are in Europe and 92% are in North America, which are CNH Industrial's major locations of operation. For more information please see 2020 Sustainability Report Supplier profile at [CNH Industrial - Sustainability Reports](#).

CORPORATE CODE OF CONDUCT

CNH Industrial's Code of Conduct² addresses the ethical aspects of economic, social, and

¹ Human Rights Policies can be accessed at [CNH Industrial - Corporate Policies](#)

² CNH Industrial's Code of Conduct can be accessed at [CNH Industrial - Code of Conduct](#)

environmental issues which is mandatory upon all employees to comply. The Code of Conduct makes explicit reference to the UN's Declaration on Human Rights, the relevant International Labour Organization (ILO) Conventions, and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Companies.

Every year on-line education sessions are provided to Company directors, officers, and employees on Code of Conduct principles and values to reinforce CNH Industrial's corporate culture.

In addition to the Code of Conduct, CNH Group has established local corporate policies and internal business processes that supplement the Code.

SUPPLIER CODE OF CONDUCT

CNH Group has adopted the Supplier Code of Conduct that provides the framework for responsible supply chain management. Compliance with the Supplier Code of Conduct is a mandatory requirement for continuing business relations with CNH Group. 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, all suppliers must work with CNH Group 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 Group, and may result in contract termination³.

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. At the procurement stage, suppliers are required to complete the modern slavery questionnaire which helps us to determine whether suppliers have policies on modern slavery and human trafficking and accordingly gauge their appropriateness to engage them as our supplier. Suppliers 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, suppliers are required to undertake to comply with the principles contained in 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 non-discrimination, prohibiting forced and/or child labour, 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

³ Our Supplier Code of Conduct can be accessed at [CNH Industrial - Supplier Code of Conduct](#)

implement an acceptable corrective action plan. For more information, please see 2020 Sustainability Report - Supplier Selection at [CNH Industrial - Sustainability Reports](#).

RISK ASSESSMENT, DUE DILIGENCE AND STEPS TO MITIGATE RISKS

CNH Group monitors 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.

CNH Industrial’s Workforce

As regards our internal operations, CNH Industrial’s Internal Audit function has, since 2013, sent an impact assessment survey to the Human Resources functions of the geographic area selected each year on a rotating basis, to monitor the following human rights aspects:

- non-discrimination (including, among others, indigenous people, and migrant labour) child labour and young workers
- forced labour harassment
- freedom of association
- Work Health and Safety

INTERNAL HUMAN RIGHTS ASSESSMENT
CNH INDUSTRIAL WORLDWIDE

YEAR	Countries involved	% of the global workforce ^a involved	Employees involved (no.)
2018	Australia, New Zealand, Turkey, Uzbekistan, Thailand, India	6	3,753
2019	USA, Canada, Mexico, Denmark, Finland, Norway, Sweden, Bulgaria, Lithuania, Romania, Slovakia, Ukraine, Portugal, UK, Ireland, Luxembourg, Netherlands, Austria, Switzerland	19	11,890
2020	Italy, France, Spain, Germany, Poland, Belgium, UK, Argentina, Brazil, Russia, China, South Korea, South Africa, Ethiopia	73	46,918

^(a) Refers to the percentage of employees involved at the respective year-end. In the last 3 years, the assessment has involved 100% of employees in the main countries of operation.

Every year, CNH Industrial also conducts an assessment of the entire workforce regarding the presence of child labour in CNH Industrial companies. In 2020, the Company surveyed 100% of its total workforce to assess the level of compliance with the Code of Conduct with regard to child labour, confirming that none of its companies 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 and its subsidiaries under a regular employment or apprenticeship contract was exposed to hazardous working conditions.

In relation to the acquisition of significant new businesses, operations, and projects, CNH Industrial conducts detailed risk assessments on human and labour 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 2020 Sustainability Report – Human Rights Assessment at [CNH Industrial - Sustainability Reports](#).

OUR SUPPLY CHAIN

As regards the Company's suppliers, supplier evaluations were performed in 2020 through self-assessment using questionnaires developed by us. All suppliers were requested to provide information on human rights. Supplier assessments on human rights are the basis for risk assessments which identify those critical suppliers whose compliance with sustainability criteria will need 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 corporate responsibilities and country of operation (focusing on countries with poor human rights records). Action plans are monitored via follow-ups meeting between the applicable supplier and the Company's purchasing team. 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 conducted in 2020 by CNH Industrial for all its subsidiaries globally and CNH Group for its local suppliers, no suppliers were considered at risk in terms of child labour, forced/compulsory labour, or violation of either freedom of association or collective bargaining.

Based on the assessment undertaken, to the best of the Company's knowledge, there is no use of child or forced labour at the plants of its suppliers.

WHISTLE BLOWER POLICY

CNH Group has collectively established a whistle blower policy which sets out the procedures for employees report alleged irregularities of a general, operational and financial nature with the Company, including Human Rights violation. In 2020, there were no reports pertaining to any illegal, unethical, immoral or human trafficking or slavery issues.

CONSULTATION AND COMMITMENT

CNH Group assess the effectiveness of the anti-modern slavery action through regular consultation with the legal and procurement team.

In order to further augment modern slavery compliance, CNH Group proposes to:

- 1) procurement team and compliance jointly develop an internal review mechanism to address any notified or suspected breaches of modern slavery in its supply chain;
- 2) Ensure that:
 - (a) Supplier induction package must include an undertaking for supplier to adhere to and comply with all modern slavery requirements.
 - (b) All procurement contracts must pass through the responsibilities onto suppliers to comply with the modern slavery provisions and allow us to audit suppliers on their compliances.

This statement was adopted by the Board of Directors for **CNH Industrial Australia Pty Limited** on 17 June 2021.



Brandon Stannett
Director for CNH Industrial Australia Pty Limited

This statement was adopted by the Board of Directors for **IVECO Trucks Australia Limited** on 17 June 2021.



Cindy Quirk
Director for IVECO Trucks Australia Limited

This statement was adopted by the Board of Directors for **CNH Industrial Capital Australia Pty Limited** on 17 June 2021.



Cindy Quirk
Director for CNH Industrial Capital Australia Pty Limited