

Navistar Sustainability Report 2012: GRI Content Index



Please note: All page references are to the Navistar, Inc., Sustainability Report 2012, except as otherwise noted.

Standard Disclosures

<i>Indicator Number</i>	<i>Description</i>	<i>Reference</i>
STRATEGY & PROFILE		
1.0 Strategy and Analysis		
1.1	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	Inside front cover
2.0 Organizational Profile		
2.1	Name of the organization.	Page 4 (10-K)
2.2	Primary brands, products, and/or services.	Page 4 (10-K)
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Pages 4-8 (10-K)
2.4	Location of organization's headquarters.	Back cover
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Navistar has significant operations in the United States, Canada, Mexico, Brazil and Argentina. In addition, it has an assembly center and parts depot in South Africa; regional sales offices in China, Dubai, UAE and Australia; and a training center in Colombia.
2.6	Nature of ownership and legal form.	Page 4 (10-K)
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Pages 5-8, 118 (10-K)
2.8	Scale of the reporting organization, including: Number of employees; Net sales (for private sector organizations) or net revenues (for public sector organizations); Total capitalization broken down in terms of debt and equity (for private sector organizations); and Quantity of products or services provided.	Pages 9, 37, 42-44, 63, 65, 87-92 and 117-118 (10-K)
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Pages 1-20, 27-58, 76-78 (10-K)
2.10	Awards received in the reporting period.	www.navistar.com, "Awards and Honors"
3.0 Report Parameters		
Report Profile		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	November 1, 2011 through October 31, 2012. Statistical information on environment, health and safety is current as of October 31, 2012. Additional anecdotal information may be provided relating to events beyond that date.
3.2	Date of most recent previous report (if any).	2011 report, published in 2012
3.3	Reporting cycle (annual, biennial, etc.).	Annual
3.4	Contact point for questions regarding the report or its contents.	Steve Schrier, Senior Manager, External Communication, Navistar

<i>Indicator Number</i>	<i>Description</i>	<i>Reference</i>
Report Scope and Boundary		
3.5	Process for defining report content.	<p>Solely for the purposes of the corporate sustainability report, we consider material issues to be those that reflect the organization's significant economic, environmental, and social impacts, or that would substantively influence the assessments and decisions of stakeholders.</p> <p>Navistar determines those risks that are material to it using a formal Enterprise Risk Management (ERM) process. The ERM Risk Assessment process is conducted annually at the business unit and department level and semi-annually at the executive level. The involvement of both executives and business units ensures that enterprise-wide risks and business unit-specific risks are identified and assessed. The assessment process develops an understanding of risks and then prioritizes them by magnitude of impact and likelihood of occurrence. For each of the top risks, a risk management action plan is developed that identifies necessary resources to support and validate the scope, duration, and overall adequacy of the risk management action plan. (Note that the definition of materiality as used in this report may differ from the definition used in other reports and is not to be construed as a determination of materiality for any purpose other than this sustainability report.)</p>
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	<p>Statistical information in this report covers Navistar, Inc. and Navistar Financial Corporation (both 100 percent owned) and entities for which the company had a controlling financial interest or is the primary beneficiary, worldwide as of October 31, 2012.</p> <p>Navistar's principal joint venture is Blue Diamond Truck and Blue Diamond Parts joint venture with Ford Motor Company (75 percent Navistar ownership). In December 2011, Ford notified the company of its intention to dissolve the BDT joint venture effective December 2014.</p> <p>As of Oct. 31, 2012, Navistar owned less than 50 percent of the following joint ventures:</p> <ul style="list-style-type: none"> • Mahindra Navistar Automotives (49 percent Navistar ownership). • Mahindra Navistar Engines Private (49 percent Navistar ownership). <p>Navistar has since divested itself of these ownership stakes, and these two joint ventures are not included in the boundary of this report.</p>

Indicator Number	Description	Reference
3.6 (continued)		<p>Navistar sells International® and CAT® branded trucks in North America, as well as in various global markets through an alliance with Caterpillar and our NC² Global, LLC (“NC²”) operations, which became a wholly owned subsidiary of Navistar in September 2011. The alliance with Caterpillar is not included in the boundary of this report.</p> <p>Navistar markets its commercial products through an extensive independent dealer network in North America, which offers a comprehensive range of services and other support functions to end users. Dealerships are not included in the boundary of this report.</p> <p>For a comprehensive list of subsidiaries and principal nonconsolidated joint ventures of Navistar International Corporation, effective Oct. 31, 2012, please see the company’s most recent Annual Report on Form 10K (page 8) filed with the U.S. Securities and Exchange Commission (SEC). Updates since that time are available in the company’s 10-Q filings with the SEC.</p>
3.7	State any specific limitations on the scope or boundary of the report.	This report addresses the material economic, environmental, and social impacts of the organization, within the context of the boundary of the report as described in section 3.6.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	The basis for reporting on subsidiaries, joint ventures, leased facilities, and other entities does not significantly affect comparability from period to period.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re- statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	None identified
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Navistar has been reporting on environmental and health and safety issues since 1994. The current report represents the second time that Navistar has aligned the report with the GRI guidelines. In terms of data trends that are presented in this report, there are no significant changes to the methodology used in prior years for the collection and reporting of performance data.
3.12	Table identifying the location of the Standard Disclosures in the report.	The present table

Indicator Number	Description	Reference
4.0 Governance		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Page 8 (Navistar 2012 Annual Report)
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	No
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Nine
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Page 8 (Navistar 2012 Proxy Statement)
Stakeholder Engagement		
4.14	List of stakeholder groups engaged by the organization.	See Table 4.14 in this report.
4.15	Basis for identification and selection of stakeholders with whom to engage. This includes the organization's process for defining its stakeholder groups, and for determining the groups with which to engage and not to engage.	Identified and validated by sustainability committee.
MANAGEMENT APPROACH & PERFORMANCE INDICATORS		
EC Economic		
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	See Table EC2 in this report.
EN Environmental		
EN3	Direct energy consumption by primary energy source.	Page 10, Navistar Sustainability Report 2012, and Tables EN3 and EN4 in this report.
EN4	Indirect energy consumption by primary source.	Page 10, Navistar Sustainability Report 2012, and Tables EN3 and EN4 in this report.
EN5	Energy saved due to conservation and efficiency improvements.	<p>In 2012, Navistar consumed 4.3 percent less energy (electricity and natural gas) than in 2011. The reduction is the result of facilities' energy conservation efforts, such as the Treasure Hunt process Navistar implemented in late 2011. The reduction can also be attributed to lower production volumes at certain facilities.</p> <p>In 2010, Navistar senior management approved a \$3 million Energy Fund to support energy capital improvement projects at all facilities. The \$3 million funding was allocated to 25 separate projects for implementation during 2010 and 2011. The 25 projects are expected to generate \$1.7 million annual energy savings and 17 million KHWs equivalent of energy reductions (equivalent to 12,000 tonnes of GHG emission reductions).</p> <p>In 2012, Navistar started an Energy Treasure Hunt Program. The Treasure Hunt is a process for employees to learn a culture of continuous improvement to reduce energy, cost and emissions. It is focused on day-to-day, low-cost / no cost opportunities</p>

Indicator Number	Description	Reference
EN5 (continued)		and uses a “train the trainers” approach to guide facility personnel in identifying and quantifying operational energy-saving opportunities using standard tools and techniques. During 2012, Navistar’s Treasure Hunt program identified nearly \$1 million in potential energy savings over several sites, more than 11 percent of the facilities’ overall energy spending. Most of these opportunities are no-cost or low-cost projects. Navistar will continue to conduct Treasure Hunts during 2013, and track implementation progress and feasibility to share best practices across the company.
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Pages 1-2, Navistar Sustainability Report 2012.
EN8	Total water withdrawal by source.	The total volume of water withdrawn by Navistar in 2012 was approximately 1.7 million cubic meters. Almost 100 percent of this total was from municipal water supplies or other utilities. Navistar has challenged all of its manufacturing facilities to develop programs and improve its processes to reduce water consumption. The company is aiming to reduce water consumption by 10 percent from 2011 to 2015.
EN16	Total direct and indirect greenhouse gas emissions by weight.	Page 3, Navistar Sustainability Report 2012.
EN22	Total weight of waste by type and disposal method.	Table EN22 in this report.
LA Labor Practices and Decent Work		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Page 10, Navistar Sustainability Report 2012. Statistics are reported using U.S. OSHA definitions. In 2012, the OSHA recordable injury/illness rate for Navistar was 2.51 and the lost time case rate was 0.57. Absenteeism was 1.6%. There were no occupational diseases in 2012. Other occupational diseases, defined as any non-acute condition such as muscle strain or skin conditions, are included in the injury data. There was a road traffic incident in Brazil that resulted in one employee fatality in 2012. Lost days for 2012 were 3,936.
SO Society		
SO3	Percentage of employees trained in organization’s anti-corruption policies and procedures.	All office (white collar) employees are required to complete e-learning relating to our Code of Conduct on an annual basis. All managers and office (white collar) employees in key roles and responsibilities are required to complete

Indicator Number	Description	Reference
SO3 (continued)		<p>e-learning or attend in-person training relating to anti-corruption on an annual basis. All plant (blue collar) employees are required to complete in person Code of Conduct training and/or receive Code of Conduct awareness on a yearly basis.</p> <p>Over the years we have trained thousands of employees on a variety of compliance-related topics, including code of conduct and anti-corruption, and will continue to do so in the years to come. Our Vice President and Corporate Compliance Officer and our Senior Vice President, General Counsel and Chief Ethics Officer are committed to creating an ethical environment and regularly meet with employees to discuss ethics- and compliance-related topics, including code of conduct and anti-corruption. In 2012, 15,251 employees were trained on our Code of Conduct and 5,828 employees were trained on anti-corruption. Our 2012 compliance training program educated employees on 14 ethics- and compliance-related topics through e-learning and/or in-person training.</p>

EN22: Total weight of waste by type and disposal method (in tons)

Method	<i>Metals, sands, baghouse dust, slag</i>		<i>All other waste</i>		<i>Total waste generated</i>	
	HAZARDOUS	NON-HAZARDOUS	HAZARDOUS	NON-HAZARDOUS	HAZARDOUS	NON-HAZARDOUS
Recycling	0	14,510	3,111	26,011	3,111	40,521
Composting	0	0	0	0	0	0
Recovery, including energy recovery	0	0	234	744	234	744
Incineration (mass burned)	0	0	192	244	192	244
Deep well injection	0	0	0	0	0	0
Landfill	25	36,615	163	9,955	188	46,570
On-site storage	0	0	0	0	0	0
Other (wastewater treatment)	0	0	122	686	122	686
Total Hazardous	25		3,822		3,847	
Total Non-hazardous		51,125		37,641		88,766
Total					92,613	

Notes:

Reuse: No data; many examples.

Non-Hazardous Qualifier: Non-hazardous waste generation is the amount of non-hazardous waste sent off-site for recycling or disposal from the company's manufacturing, engineering and parts distribution operations.

Hazardous Qualifier: Hazardous waste generation is the amount of hazardous waste sent off-site for recycling, disposal or treatment from the company's manufacturing, engineering and part distribution operations. Wastes are considered hazardous based on the regulatory requirements applicable.

EN3 and EN4: Direct and indirect energy consumption

	2008	2009	2010	2011	2012
Total Energy (MMBTU)	5,084,093	4,865,861	4,190,046	4,294,744	4,110,951
Electricity KWHs	669,366,468	566,493,204	501,678,928	554,243,984	563,808,775
Electricity in MMBTU	2,283,878	1,932,875	1,711,729	1,891,080	1,924,956
Direct Energy in MMBTU	2,800,215	2,932,986	2,478,318	2,403,663	2,185,995
Direct Energy in Giga Joules	2,954,226	3,094,300	2,614,625	2,535,865	2,306,225

	ELECTRICITY CONSUMPTION (KWHs)					% Electricity Generated By Fossil Fuels
	2008	2009	2010	2011	2012	
Argentina	3,449,916	1,542,864	2,843,255	3,516,654	3,924,548	66.7%
Brazil	31,038,000	27,679,791	33,270,061	38,044,299	34,364,101	12.0%
Canada	40,730,877	19,982,548	10,338,714	9,233,447	8,873,022	22.0%
Mexico	41,998,260	38,123,454	47,988,281	61,083,427	57,843,217	84.0%
United States	552,149,415	479,164,547	412,179,309	449,217,824	458,803,887	67.5%

	ELECTRICITY GENERATED BY FOSSIL FUELS (KWHs)				
	2008	2009	2010	2011	2012
Argentina	2,301,094	1,029,090	1,896,451	2,345,608	2,617,674
Brazil	3,724,560	3,321,575	3,992,407	4,565,316	4,123,692
Canada	8,960,793	4,396,161	2,274,517	2,031,358	1,952,065
Mexico	35,278,538	32,023,701	40,310,156	51,310,079	48,588,302
United States	372,700,855	323,436,069	278,221,034	303,222,031	309,692,624

	ENERGY CONSUMED AT ELECTRIC GENERATION STATIONS (ASSUMES THE GENERATORS ARE 33% EFFICIENT)				
	2008	2009	2010	2011	2012
Argentina	6,903,282	3,087,271	5,689,353	7,036,825	7,853,021
Brazil	11,173,680	9,964,725	11,977,222	13,695,948	12,371,076
Canada	26,882,379	13,188,482	6,823,551	6,094,075	5,856,194
Mexico	105,835,615	96,071,104	120,930,468	153,930,236	145,764,907
United States	1,118,102,565	970,308,208	834,663,101	909,666,094	929,077,871

	ELECTRICITY GENERATED BY FOSSIL FUELS (GIGA JOULES)				
	2008	2009	2010	2011	2012
Argentina	24,852	11,114	20,482	25,333	28,271
Brazil	40,225	35,873	43,118	49,305	44,536
Canada	96,777	47,479	24,565	21,939	21,082
Mexico	381,008	345,856	435,350	554,149	524,754
United States	4,025,169	3,493,110	3,004,787	3,274,798	3,344,680
Total Indirect Energy in Giga Joules	4,568,031	3,933,431	3,528,301	3,925,523	3,963,323

Notes:

Direct energy consumption reflects non-renewable energy sources consumed at all Navistar manufacturing plants, parts distribution centers, offices, used truck centers, company-owned dealership locations and fuel consumed by leased vehicles. Indirect energy consumption reflects non-renewable energy sources consumed at upstream power plants to generate the electricity consumed by Navistar facilities.

EC2: Financial implications and other risks and opportunities for the organization's activities due to climate change

GRI Requirement	Detail
<p>Report whether the organization's senior governance body considered climate change and the risks and opportunities it presents to the organization.</p>	<p>The Audit Committee of the Board of Directors has direct responsibility for climate change.</p> <p>Management of climate change issues, including meeting GHG reduction targets that are reported to the Board, is one of the most significant accountabilities of the Environmental and Energy Affairs organization at both the corporate and facility levels.</p>
<p>Report risks and/or opportunities posed by climate change that have potential financial implications for the organization, including:</p>	<p>Climate change is integrated into Navistar's business strategy. In June each year, Navistar's Senior Vice President and General Counsel presents to the Audit Committee of the Board the company's progress, status and major programs regarding environmental and energy management. The reporting also includes coverage of the company's progress, status and actions regarding climate change.</p>
<p>Risks due to physical changes associated with climate change (e.g., impacts of modified weather patterns and heat-related illness);</p>	<p>The physical risks to Navistar from extreme weather events, changes in weather patterns, rising temperatures, sea level rise and other related phenomena, both now and in the future, are no different than risks to other companies. Currently, however, we are unable to predict specific physical risks due to climate change.</p>
<p>Regulatory risks (e.g., the cost of activities and systems to comply with new regulations);</p>	<p>Navistar is monitoring regulatory development on GHG policy, trading and taxation and has engaged extensively with policymakers on possible responses to climate change issues.</p> <p>Government regulation related to climate change is under consideration at the U.S. federal and state levels. Because our products use fossil fuels, they may be impacted indirectly due to regulation, such as a cap and trade program, affecting the cost of fuels.</p> <p>On May 21, 2010, President Obama directed the EPA and the Department of Transportation to adopt rules by July 30, 2011 setting greenhouse gas emission and fuel economy standards for medium and heavy-duty engines and vehicles beginning with model year 2014. The EPA and NHTSA issued proposed rules on November 30, 2010. We were active participants in the discussions surrounding the development of regulations and filed comments with the EPA on the proposed rules on January 31, 2011.</p> <p>The final rules, which were issued on September 15, 2011, begin to apply in 2014 and are fully implemented in model year 2017. The agencies' stated goals for these rules were to increase the use of currently existing technologies. The company plans to comply with these rules through use of existing technologies and implementation of emerging technologies as they become available. Several of the company's vehicles were certified early for the 2013 model year, with the remaining vehicles and all engines required to be certified in 2014.</p> <p>In addition to the U.S., Canada and Mexico are also considering the adoption of fuel economy and/or greenhouse gas regulations. On April 14, 2012, Canada issued for comment proposed greenhouse gas emissions regulations (the "Canadian Proposal"), which are similar to the U.S. regulations. These rules became final in February 2013. We expect that heavy duty fuel economy rules will be under</p>

<i>GRI Requirement</i>	<i>Detail</i>
	<p>consideration in other global jurisdictions in the future. These and other rules drive risks from costs for product development and production costs for engines and vehicles. There are also risks of higher administrative costs arising from the implementation of the rules.</p> <p>Our facilities may be subject to regulation related to climate change. Currently, Navistar believes that if and when a mandatory stationary GHG cap and trade program is implemented, Navistar could potentially pay higher costs for its energy. However, until a specific regulatory program is adopted at the federal level, Navistar is unable to fully assess the regulatory risks or costs that may arise.</p>
<p>Opportunities to provide new technologies, products, or services to address challenges related to climate change; and</p>	<p>Navistar believes dieselization of motor vehicles is one of the solutions to climate change issues. In addition, the company continues to pursue innovations that build on diesel technology's inherent fuel economy advantages, using improved aerodynamics and other approaches to improve fuel efficiency and reduce emissions:</p> <ul style="list-style-type: none"> • In October 2012, the International® ProStar® and Navistar's proprietary 13-liter engine won the fifth annual China International Truck Energy Conservation Competition. • In March 2013, Navistar unveiled its Project Horizon concept vehicle, using advanced yet available technologies to demonstrate the potential for future improvements in fuel economy, while also meeting the requirements of new federal regulation of greenhouse gases (GHGs). • In May 2013, Navistar became the first truck OEM to receive federal approval for an innovative clutched air technology it uses for reduction of GHGs emitted by its vehicles. <p>Navistar also contributes to reduced GHGs and lower emissions by offering many anti-idle solutions, including auxiliary power units, cooling systems and thermal recovery systems.</p> <p>Navistar also offers alternative-fuel vehicles, such as the International® TranStar® with the Cummins ISL-G natural gas engine.</p>
<p>Potential competitive advantages created for the organization by regulatory or other technology changes linked to climate change.</p>	<p>Navistar expects shifts in consumer attitude and demand for products with lesser adverse environmental impacts. Navistar believes dieselization of motor vehicles is one of the solutions to climate change issues and would consider the shifts in consumer attitude as an opportunity rather than a risk. In addition, the company continues to pursue innovations that build on diesel technology's inherent fuel economy advantages, using improved aerodynamics and other approaches to improve fuel efficiency and reduce emissions.</p>
<p>Report whether management has quantitatively estimated the financial implications (e.g., cost of insurance and carbon credits) of climate change for the organization. Where possible, quantification would be beneficial. If quantified, disclose financial implications and the tools used to quantify.</p>	<p>Navistar has not yet provided a quantitative estimate of the financial implications of climate change for the organization.</p>

4.14: List of stakeholder groups engaged by the organization

<i>Stakeholder</i>	<i>Approaches to Engagement</i>	<i>Key Issues</i>	<i>How Issues Have Been Addressed</i>
Communities	<ul style="list-style-type: none"> • Direct engagement and dialogue with community members, government officials and NGOs • Encouraging employee and executive engagement with communities 	<ul style="list-style-type: none"> • Jobs • Opportunities for local businesses • Opportunities for local not-for-profits • Environmental impacts 	<ul style="list-style-type: none"> • Providing appropriate employment and supplier opportunities • Working with local and state government officials to assure alignment of needs • Encouraging employee volunteerism and executive board memberships • Providing philanthropic support to organizations that align with Navistar's strategic priorities, including education • Making contributions and grants to community nonprofit organizations • Implementing energy and environmental improvements in company operations, products and services
Dealers	<ul style="list-style-type: none"> • Dealer Advisory Boards • Direct dealer contacts through company's Dealer Operations unit • Direct dealer contacts through company's sales and marketing professionals, parts professionals and service professionals 	<ul style="list-style-type: none"> • Product availability • Product quality • Salability of products, parts and service • Service quality and availability 	<ul style="list-style-type: none"> • Recruitment of new dealers in emerging markets • Company establishment of standards for training and service availability • Issuance of Service Level Authorizations permitting dealer performance of warranty service • Guidance on siting, branding, sustainability and other features of new dealer facilities • Training for dealer personnel • Financial benchmarking • Dealer performance evaluation and report card • Awards and financial incentives for outstanding dealer performance • Sharing of customer survey data to provide insights into market trends
New Customers	<ul style="list-style-type: none"> • Ongoing customer research • Customer Advisory Boards for truck market segments • Direct company interaction with customers by sales people or senior executives • Branding and advertising • Marketing communications 	<ul style="list-style-type: none"> • Cost • Reliability • Fuel economy • Driver issues • Competitive segment issues • Government incentives • Regulation (fuel economy, emissions, driver hours, etc.) • Product innovation 	<ul style="list-style-type: none"> • Understanding customer satisfaction drivers by customer type and by business, and closing gaps • Developing and communicating action plans based on customer satisfaction data • Focusing business strategy on innovation and ongoing productivity improvements • Identifying and implementing energy-saving opportunities for customers

<i>Stakeholder</i>	<i>Approaches to Engagement</i>	<i>Key Issues</i>	<i>How Issues Have Been Addressed</i>
Shareholders and providers of capital	<ul style="list-style-type: none"> • Shareholder communications • Board communications 	<ul style="list-style-type: none"> • Monitoring investors' changing expectations • Demonstrating performance that meets socially responsible investor expectations, while also meeting company's strategic goals 	<ul style="list-style-type: none"> • Regular communications with investors through quarterly earnings releases, analyst days and conference calls, as well as quarterly and annual SEC documents – 10Qs and 10Ks – and participation at industry conferences • Active marketing, plant tours and conference schedules • Face-to-face meetings with our shareholders several times a year • Assuring that management is accessible to all stakeholders and obtains full access to their questions and thoughts • Providing investor feedback to the Board of Directors
Suppliers	<ul style="list-style-type: none"> • Supplier selection process • Comprehensive supply agreements • Regular purchase orders • Master service agreements • Operational communications and data sharing 	<ul style="list-style-type: none"> • Assuring supplier performance meets Navistar expectations • Communicating production requirements • Assuring competitiveness • Maintaining supplier relationships • Keeping abreast of developing supplier technology, including energy and emissions improvement opportunities • Aligning Navistar global growth with suppliers • Managing raw materials costs • Managing for sustainability • Assuring Navistar's ability to source parts in the event of changes in suppliers' financial viability • Assuring suppliers regarding Navistar's own financial performance 	<ul style="list-style-type: none"> • Posting requirements to do business on company website; creating supplier scorecard to communicate supplier performance achievement • Using EDI and supplier capacity questionnaires for capacity assessments • Industry benchmarking and cost modeling, followed by supplier meetings with purchasing supply managers • Holding regularly scheduled executive face-to-face meetings with select suppliers • Holding supplier technology fairs and other meetings between supplier and Navistar engineering teams • Sharing global growth strategies by region with key suppliers; conducting joint reviews of manufacturing footprint (present and future) • Collaborating with suppliers on market forecasts, hedging strategies and joint brokerage • Conducting supplier diversity program; working with suppliers to address materials handling and disposal requirements • Working with suppliers to share financial updates and develop contingency plans • Developing a supplier portal to improve two-way communication

<i>Stakeholder</i>	<i>Approaches to Engagement</i>	<i>Key Issues</i>	<i>How Issues Have Been Addressed</i>
Employees, other workers, and their trade unions	<ul style="list-style-type: none"> • Communications and information sharing • Training • Performance management 	<ul style="list-style-type: none"> • Meeting company performance goals • Assuring development of employee skill sets needed for business requirements and personal development • Assuring employee support for company sustainability focus 	<ul style="list-style-type: none"> • Communicating company strategy to employees through internal communications, executive presentations, team and business unit meetings and public recognition • Development and communication of policies to encourage a progressive, diverse and inclusive work environment • Use of company's Total Performance Management system to identify and meet employee developmental needs, both short- and long-term • Creation of Navistar University as principal training mechanism • Provision of competitive compensation and benefit programs • Use of NGauge employee surveys to track employee satisfaction and identify specific needs • Establishment of proactive employee wellness and safety programs • Creation of PROMISE employee sustainability program to provide opportunities for employee engagement on health, safety, environment and community needs

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