

NAVISTAR[®]

2019 SUSTAINABILITY REPORT



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CEO LETTER

A COMMITMENT TO SUSTAINABLE PRODUCTS AND WAYS OF DOING BUSINESS

One vital commitment is improving fuel efficiency, while also pursuing alternative vehicle power sources. In 2019, we established NEXT eMobility Solutions, a Detroit-based business unit, to deliver the best electric solutions in commercial transportation.



At a time when all of us in the industry need to step up and support the truckers who are heroically transporting the food, medicine and other supplies that are so essential to society during the COVID-19 virus pandemic, it's especially meaningful to reflect on the social responsibility Navistar is committed to provide at all times.

One vital commitment is improving fuel efficiency, while also pursuing alternative vehicle power sources. In 2019, we established NEXT eMobility Solutions, a Detroit-based business unit, to deliver the best electric solutions in commercial transportation. Having shown its prototype electric version of the International® MV™ Series, NEXT is working to launch medium truck and school bus products in the near future.

Aerodynamics, powertrain and software improvements are also driving advances. In the International® LT® Series, fuel efficiency will increase by up to 8.2% in a fully equipped 2020 model, compared with a year earlier. With Predictive Cruise Control, now standard on our entire on-highway lineup, and the International® A26 engine, customers can gain an average of 2% savings in fuel efficiency. Looking to the future, Navistar also leads one of four teams in the second phase of the U.S. Department of Energy SuperTruck initiative, which aims to more than double the freight efficiency of Class 8 trucks.

Safety was another focus in 2019, as the industry's leading collision mitigation package, Bendix® Wingman® Fusion™, became standard equipment on our entire on-highway lineup. International was the first truck manufacturer to offer the system, which integrates radar, camera and the vehicle's brake system. IC Bus was recognized on NBC's "Today" show, where we demonstrated the benefits of the electronic stability control and collision mitigation systems that are standard on IC Bus® CE Series and RE Series school buses with air brakes – another first in the industry.

In 2019, we earned the U.S. Department of Energy Better Plants Goal Achiever Award for sustained energy efficiency by reducing energy intensity 25% over a 10-year period across all U.S. plants, using 2010 as a baseline. Approximately 90 percent of our vehicles' content is recyclable, and we continuously review opportunities to increase the use of recycled and recyclable content. We work company-wide to reduce greenhouse gas emissions and increase the recycling of excess materials. We also promote compliance with safety, environmental and social standards throughout our supply chain.

Our community activities showcase Navistar's commitment to STEM education, including support for FIRST Robotics, VEX Robotics and other initiatives that engage the young people who are tomorrow's innovators. In keeping with this STEM focus, the company donates test vehicles that would otherwise be scrapped to technical school programs that train the next generation of industry technicians. The impact of employees' STEM mentoring and other community activities is augmented by our "Dollars for Doers" program, which translates employee volunteer time into monetary donations from Navistar.

A stylized, handwritten signature in black ink, appearing to be the initials 'TAC'.

Troy A. Clarke
Chairman, President and
Chief Executive Officer



PRODUCTS

CREATING THE NEXT GENERATION OF ADVANCED TECHNOLOGIES

In 2019, the model year 2020 International® LT® and RH™ Series on-highway vehicles introduced fuel efficiency improvements of up to 8.2% compared with a unit built the year before.

Navistar continued its progress of the previous year with further improvements to its product lineup.

In 2019, the model year 2020 International® LT® and RH™ Series on-highway vehicles introduced fuel efficiency improvements of up to 8.2% compared with a unit built the year before. Aerodynamic improvements offered for the 2020 models included:

- Enhanced roof fairing
- Day cab and sleeper extenders to close the tractor-trailer gap
- Steering wheel closeouts around the front tires
- Longer chassis skirt strips
- New cab-to-skirt closeouts to reduce wind drag
- Flow Below 2.0 design optimized for the International® LT® Series

In addition, Navistar announced in 2019 that Allison Neutral at Stop is featured as standard equipment starting Q1 2020 on International® MV™ Series medium-duty vehicles. This feature

shifts the transmission into neutral automatically when the vehicle is stationary, which reduces emissions and fuel usage. These improvements, combined with engine fuel efficiency options, provide customers with the enhanced fuel efficiency that is critical to their business.

Our DriverFirst™ philosophy focuses on enhancing safety, improving comfort, optimizing productivity and creating efficiency. In 2019, International® Truck began offering Bendix Wingman Fusion as standard equipment for all of its on-highway tractors. This technology enables enhanced rear-end collision mitigation and other alerts and interventions that help mitigate rollovers and other loss-of-control situations. It also allows adaptive cruise control, stationary object alerts, and lane departure warning and speeding alerts; all designed to minimize driver distraction. This follows our actions in 2018, when Navistar made electronic stability control and collision mitigation technology standard on its IC Bus® CE Series and RE Series school buses with air brakes. This 2018 action made IC Bus the first original equipment manufacturer to offer these features as standard in a key portion of its bus fleet.



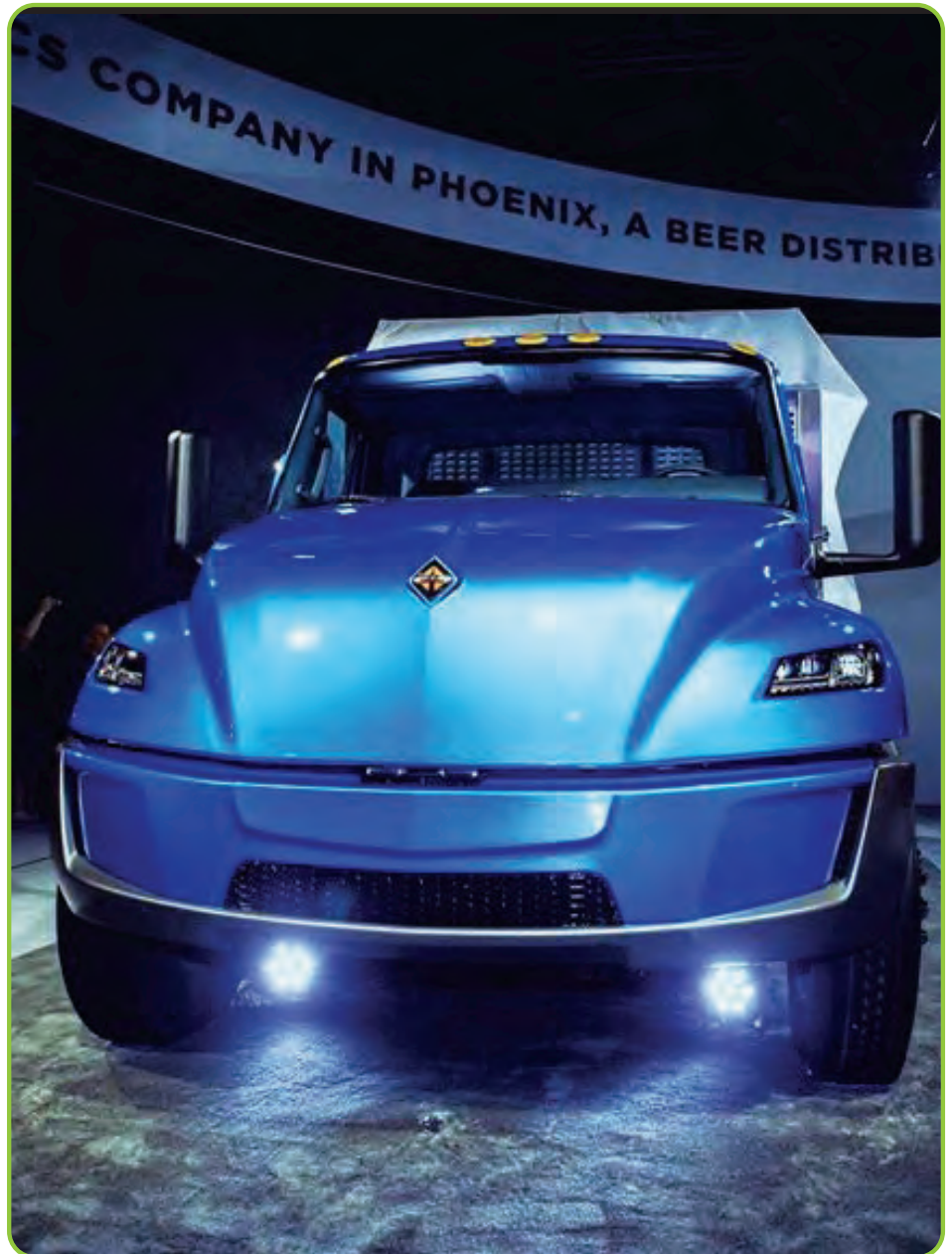
The model year 2020 International® LT® Series introduced fuel efficiency improvements of up to 8.2% compared with a unit built the year before.

During the year, Navistar also announced the launch of International® 360, a communication and fleet management platform that offers seamless communication, improved asset utilization, and a faster, less costly repair process. This system is integrated with OnCommand® Connection, currently included with all new on-highway International trucks sold in the U.S. and Canada. This offers fleet managers more efficient ways of improving uptime and reducing repair and maintenance time, while providing tools to increase efficiency.

In 2019, Navistar continued its implementation of the second tier of the federal Phase 1 greenhouse gas rules that began in 2017 and continued to plan for the future. Phase 2 of greenhouse gas regulations comes into force in tiers in 2021, 2024 and 2027. EPA estimated that the second phase of these rules may reduce emissions by approximately 1.1 billion metric tons and may reduce oil consumption by as much as two billion barrels of oil over the life of the vehicles covered by Phase 2. To meet these regulations, Navistar will employ technological and other improvements in many aspects of the vehicle.

In March 2019, Navistar signed a service partnership agreement with Love's Travel Stops (Love's), which added more than 315 Love's Truck Tire Care and Speedco locations and more than 1,000 technicians to the Navistar International service network. This exclusive partnership became fully operational in the second half of 2019, significantly expanding network operating hours and locations throughout the U.S. for routine maintenance checks, including oil changes and tune-ups. The result was increased uptime and improved efficiency in fuel consumption.

A new business unit, NEXT eMobility Solutions, unveiled the eMV, a prototype electric version of the International MV series medium-duty vehicle.



OPERATIONS

USING LEAN PRACTICES TO OPTIMIZE OPERATIONS

Energy conservation continues to be a focus at our facilities, with multiple benefits, including environmental protection, resource conservation, increased sustainability, and substantial cost savings.

As part of its Environmental Protection and Energy Conservation Policy, Navistar is committed not only to operating in compliance with applicable legal requirements, but also to exceeding pollution prevention requirements, and to continuously improving its operations, including energy efficiency and the appropriate handling of excess materials.

Our audit programs—both internal and third-party ISO 14001 audits—help us monitor how well we are fulfilling our commitments. In 2019, all Navistar major manufacturing facilities successfully maintained ISO 14001 certifications. Each of these locations was able to demonstrate that the environmental goals set by the organization are either met or on track, exhibiting the company's commitment to continual improvement. Our employees find new ways to reduce energy use, greenhouse gas emissions, and generation of waste.

■ Collaborating to Reduce Energy Use

Energy conservation continues to be a focus at our facilities, with multiple benefits, including environmental protection, resource conservation, increased sustainability, and substantial cost savings. Navistar promotes active site energy conservation teams and has challenged its facilities to reduce their electric consumption loads and load ratios by 4% year over year. To assist in meeting the company's energy reduction targets, Navistar's corporate Environmental and Energy Affairs department tracks and communicates to facilities their monthly electric loads and load ratios. These load ratios compare energy consumption loads between production hours and non-production off hours. Non-production hours represent a substantial opportunity for Navistar manufacturing facilities to reduce unnecessary electric consumption during off-shift periods and weekends.

In November 2019, Navistar's bus manufacturing plant in Tulsa, Oklahoma, established an Energy Team composed of members from a variety of departments across the plant, including operations, maintenance, technical services, HSSE, and finance. By taking simple steps, the team has accomplished a 6% reduction in electrical usage. These steps included regular energy walks throughout the plant to identify electrical equipment or assets that could be switched off immediately, at the end of the shifts or during the weekend. They also included analyzing electrical bills for cost-saving opportunities, consulting with energy experts and representatives from energy suppliers, and communicating the initiatives to the rest of the plant. All of these efforts resulted in the 6% absolute reduction in electrical usage, despite an increased production rate.

Navistar's data center in Brookfield, Wisconsin, converted from conventional to LED lighting and had motion detectors installed in all non-office areas to provide automated lighting control. This relamping project resulted in improved efficiency and reductions in electricity consumption, yielding significant cost savings. The LED lights also have an increased life expectancy and lower maintenance cost.

Navistar's Springfield, Ohio, truck assembly plant undertook continuous improvement efforts by installing LED lighting in office, plant floor, and shipping assembly areas, upgrading various HVAC units with high efficiency HVAC systems, and implementing a compressed air leak detection program. These efforts resulted in significant reductions in electrical usage.

The big bore engine plant in Huntsville, Alabama, again successfully continued to reduce its electric consumption loads year over year, with

Team members at the Escobedo Assembly Plant took part in an Adopt a Tree program at the facility.



In July 2019, Navistar earned the DOE Better Plants Goal Achiever Award.



emphasis on non-production periods. In 2019, Huntsville demonstrated a weekend load ratio annual average of 35%, while maintaining the same production period rate. The facility is focused on shutting off electrical devices when not in use, including all compressors and unneeded lights on week nights and weekends. The facility is also changing older perimeter lighting to highly efficient 80W LED lights for continuous improvement. These practices will transfer to Huntsville's newer operations currently under construction.

In 2019, total truck shipments increased by 26% compared to the previous year, while overall energy use increased by 1%. This slight increase, while not consistent with our goal to reduce overall energy use, is not significant compared to the large increase in production output. The increased truck production resulted in many additional activities, especially during non-production hours, preparing operations to meet market demands and address industry parts shortages. The weeknight and weekend consumption loads were driven upwards. Calendar year 2019 was also hot, recorded globally as the second highest average temperature on record. This heat was also felt locally, resulting in extra air conditioning, which also increased certain load periods for 2019. As a result, the company was increasingly challenged to achieve absolute reductions during production periods and to maintain similar levels of consumption loads during weeknights and weekends. However, despite the addition of new product lines and production shifts in 2019, the average consumption loads during production periods at Navistar facilities decreased by 2% compared to the 2018 annual averages. Though absolute energy increased slightly by 1%, the site's active role in eliminating waste is evident, driving down the load ratios during off shifts.

Navistar also tracks energy intensity, which is energy consumption normalized for production and weather variables. In July 2019, Navistar received the U.S. Department of Energy (DOE) Better Plants Goal Achiever Award. This award recognizes the company for sustained energy efficiency. In 2011, Navistar committed to reduce energy intensity by 25% over a 10-year period across all U.S. plants, using 2010 as a baseline. The company achieved this goal two years ahead of schedule and reached a 27% energy efficiency improvement at the participating sites. Navistar will continue its steady progress toward reduced energy intensity and is currently in the process of setting the next energy reduction target. We are currently planning for continued partnership with the DOE Better Plants program.

The company will also continue to coordinate closely with its International® and IC Bus® dealerships to utilize green practices, which deliver significant business benefits such as reduced energy costs. In recent years, dealerships have added such innovations as geothermal heating systems, shop ceiling fans, lighting upgrades, solar panels and maximized use of natural sunlight and native planting.

■ Reducing Our Greenhouse Gas (GHG) Emissions

Reducing energy consumption also reduces associated greenhouse gas emissions. Navistar manages Scope 1 (direct emissions from operations) and Scope 2 (indirect) carbon emissions from our manufacturing facilities by focusing on energy efficiency. By 2018 we achieved 50% reduction of greenhouse gas emissions from our 2008 baseline year, and our sustained progress continues. Our overall Scope 1 and Scope 2 greenhouse gas emissions in 2019 increased by 1% from 2018, despite significant new production equating to a 26% increase over 2018.

We are committed to reducing our carbon footprint by reducing GHG emissions from production activities, product delivery and different products and sectors within our company.

In May 2019, two of Navistar's Parts Distribution Centers (PDCs) were honored with top-performing warehouse awards. Carlisle and Company, the preferred provider of strategic guidance and tactical solutions for the world's leading motor vehicle brands, awarded the Edmonton, Alberta PDC the Top Performing Warehouse in the Truck and Heavy Equipment category for the second consecutive year, while the Queretaro, Mexico PDC was named the second-place honoree. This prestigious recognition reflects Navistar's dedication to provide high-quality parts availability to its customers in an efficient and productive manner. Navistar has recently aligned aftersales functions and made major investments in service solutions and speed of repair for our customers, including increasing the breadth of parts already on our dealers' shelves through an enhanced dealer parts inventory management system. By continuing to find new ways to expedite parts deliveries to customers and adding more Navistar PDCs to the list of the industry's very best, Navistar also optimizes supply chain costs and reduces transportation-related GHG emissions.

The PDCs' dedicated delivery program follows prescribed routes to reach multiple dealerships with the same vehicle—eliminating double-handling and cross-docking of parts, while

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achieving earlier deliveries, saving fuel, and reducing carbon emissions.

In August 2019, Navistar opened a new PDC in Olive Branch, Mississippi, to help with growing demand of parts needed for customer repairs. The PDC is located in a state-of-the-art 300,000-square-foot building equipped with modern LED lighting that reduces energy usage and consumption rates. The facility also uses electric forklifts that eliminate the need for gas and oil and have zero tailpipe emissions, resulting in a better and safer work environment.

In June 2019, Navistar announced plans for new and expanded manufacturing in its engine facility located in Huntsville, Alabama. The facility, which currently manufactures International brand diesel engines, intends to produce next-generation big bore powertrains and other new products. The new powertrain packages, from the engine and transmission to the rear axles and lubricants, are designed to easily maximize fuel efficiency. The plant will also add 110,000 square feet to its facility and will utilize next-level software and assembly lines, which will drive everything from receiving components to delivery to the customers, revving up production while increasing energy efficiency and reducing waste.

In September 2019, Navistar announced plans to build a new industry benchmark manufacturing facility in San Antonio, Texas. The site will be located on a critical corridor along Interstate 35, which links Navistar's southern United States and Mexico supply bases, allowing for significant logistic improvements and resulting in lower cost and enhanced profitability. By using smart-route engineering, Navistar will consolidate shipments and leverage intermodal transportation. By optimizing operational efficiency, the new facility also enables Scope 3 emission reductions associated with transportation.

■ Reducing and Recycling Wastes

Navistar facilities continually work hard to increase recycling, reduce the generation of both hazardous and nonhazardous waste, and improve their use of water resources. In 2019, total waste generation across the company was reduced by 9.8% compared to 2018. In particular, as illustrated by the chart on page 15, nonhazardous waste generation has fallen significantly over the past three years, even while production has significantly increased. This reflects an overall reduction in the ratio of waste generated per truck shipment. In 2019, 62% of all waste generated was recycled, despite the shrinking or elimination of global recycling outlets. This represents a significant challenge to our goal of a 75% recycling rate. While the benefits of recycling are clear, growing and strengthening the U.S. recycling system to create more jobs and enhance environmental and community benefits will require multi-stakeholder collaboration, according to the U.S. EPA, to address the challenges currently facing the system. The most critical challenge likely includes recycling infrastructure, which domestically has not kept pace with today's waste stream.

Historically, much of the recycled materials generated in the U.S. have been exported internationally. In particular, China has reduced its imports of recyclable materials, including both plastics and mixed paper, significantly. The domestic market has not yet compensated to absorb the excess supply. Recycling markets, particularly for plastics, remain challenging, but Navistar will continue to look for ways to improve this rate while seeking other waste reduction alternatives.

IT equipment is refurbished and repurposed and the data it contains is destroyed. If

the equipment cannot be refurbished, it is separated by materials and only recyclable materials are sent to R2 certified recyclers to make sure that we maintain a low impact on the environment. In 2019, Navistar, through its recycling contractor, sent for reuse between 70% and 100%, depending on equipment category, of IT equipment including personal computers, laptops, LCD screens, servers, printers and other networking equipment. This effort resulted in approximately 30,000 pounds of e-waste processed, 800 pounds of toxic metals diverted from the environment, and a reduction of approximately 40,000 pounds of GHG emissions.

Navistar's Chicago-area sites utilize the Assistive Technology Exchange Network (ATEN) to recycle e-waste. The ATEN refurbishes and recycles donated computers and distributes them to individuals with disabilities. Each year, ATEN provides Illinois students in special education programs with computers and related equipment donated by individuals and corporations, diverting hazardous e-waste from Illinois landfills.

Navistar's PDCs reduce the use of packing materials by increasing the use of returnable containers for the shipment of parts. Navistar has an extensive parts remanufacturing program, annually processing over 60 million pounds of parts materials. Navistar sells and distributes remanufactured parts under the ReNEWed® and Fleetrite® brands, with approximately 11,300 different active part numbers for parts that can be remanufactured. Our remanufacturing program is based on an exchange system where customers return a used component, known as core, in return for a remanufactured product. Some remanufactured parts can be re-used as many as nine times. Navistar utilizes four central core return facilities located in Springfield, Missouri; Franklin, Indiana; Queretaro, Mexico; and,

Navistar's partnership with Love's Travel Stops significantly expands operating hours and locations for routine maintenance checks, allowing customers more opportunities to keep vehicles at peak maintenance and efficiency.



A Springfield Assembly Plant team presented Navistar's standard ergonomic evaluation process in the internationally recognized Ergo Cup competition. Ergonomics is a vital component of the culture at the plant.



Hannon, Ontario, which gives us an infrastructure designed to make it easy on dealers and customers to return used truck parts. The returned parts are used in our remanufacturing programs or for recycling. In addition, we have programs to recycle cardboard, pallets and other packaging material. Navistar maintains programs to incentivize the return of used parts core for remanufacturing. Remanufacturing can save energy and raw materials compared with new parts.

The results of Navistar's pollution prevention and recycling efforts are also reflected in the company's Toxic Release Inventory (TRI) Form R reports. The company reported 183,039 pounds of production-related waste managed in its TRI Form R Reports for 2018. TRI data for 2019 will be available July 1, 2020, based on U.S. EPA reporting guidelines. The 2018 reportable amount was 289,276 pounds less than the previous year, mostly due to the sale of the company's Cherokee, Alabama, fabrication plant. Approximately 65% of the company's 2018 TRI total reportable wastes were recycled, as opposed to being treated or disposed of.

■ Preserving Important Water Resources

As the profile and impact of water scarcity issues continue to rise, Navistar continues to identify ways to minimize operational risk and improve our water management practices. Over the past few years, we have focused our efforts on decreasing water consumption and on launching new initiatives to preserve water quality.

In 2019, the company's total water withdrawal was 0.58 million cubic meters, a 2% decrease from the previous year. Three of our assembly operations experienced an increase, reflecting the rise in truck production as well as warmer weather conditions in 2019. The campus of our headquarters in Lisle, Illinois, also experienced an

increase, as the company recently welcomed new tenants to the campus, increasing the occupancy of the site. The company has reduced water withdrawal across its major manufacturing operations by 66% since 2012.

Our efforts to optimize water use and reuse at our facilities involve several practices, including the increased efficiency of cooling towers, the elimination wherever possible of single-pass cooling systems, reduction in paint booth water systems charge and cleanouts, and increased use of reduced-flow high-pressure nozzles.

Our operations in Brazil and Melrose Park, Illinois, harvest rainwater for process use, while operation of a zero-discharge wastewater treatment plant at our Escobedo, Nuevo Leon, Mexico, assembly plant and a system to use pond water for irrigation at our Lisle, Illinois, headquarters campus have also contributed to maximizing efficient water use.

Our new operations in San Antonio, Texas, are being designed to have a lesser impact on the environment, especially in water use. The facility will reuse water throughout wherever feasible and utilize recycled water extensively in operations.

■ A Strong Commitment to Improved Safety

The safety, health and well-being of employees continues to be a top priority at Navistar. Leadership is actively engaged in this commitment and continuously monitors safety performance. Targets for a reduction in recordable Incident Frequency Rates (IFR) and Lost Time Case Rates (LTCR) are set annually, and progress toward these goals is monitored monthly by location. Any time there is risk of being off-goal, plans are put into place to get back on target. In addition, incidents are immediately

investigated, and corrective actions are communicated throughout the network to prevent similar incidents from occurring at other locations.

In 2019, the company met its target and achieved an overall IFR of 1.23, meaning that for every 100 employees, 1.23 employees incurred an injury that resulted in recordable medical treatment. This reflects a 16% improvement over 2018. The LTCR for 2019 was 0.38, meaning that for every 100 employees, 0.38 individuals experienced an incident that resulted in days away from work. 2019 results show a positive trend in reducing recordable injuries, while nearly holding steady on the rate of incidents that resulted in days away from work.

Providing a safe work environment is always a company commitment. In 2019, we worked to strengthen our safety system in multiple ways:

- Conducted detailed biannual cross-functional safety audits to measure compliance with federal, state, local, and corporate regulations. All locations surveyed showed an improvement on their previous audit score, indicating growth within the safety system.
- Obtained ISO 45001 certification for the occupational health and safety management system at our manufacturing plant in Escobedo, Nuevo Leon, Mexico. This certification was granted in December 2019, making this the first plant in Mexico to achieve such accreditation.
- Contracted with an outside specialist to survey each location's confined spaces in order to identify hazards and have a consistent classification of each space. After inventories were complete, the spaces



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were audited for proper labeling. General awareness training was performed along with specialized training for the safety, security, and rescue teams.

- Placed an increased focus on the fall protection program. Locations reported on their annual equipment inspections and reviewed their rescue plans for updates.
- Continued to focus on ergonomics. Workstations, tooling and new projects are reviewed by the engineering and safety teams for ergonomic solutions that reduce the risk of musculoskeletal injuries.
- Held an annual health and safety conference, which included both management and union members from the safety, environmental, security, and medical teams.

Several trainings were conducted over the course of three days, including such topics as record keeping, public warehousing and storage, chemical management, and hazmat responder operations.

Focus on employee well-being is not limited to just the work environment. For years, Navistar has invested in programs that support mental and physical wellness. This includes an Employee Assistance Program (EAP) that provides services for a wide variety of issues affecting employees' mental or emotional well-being. In addition, a telemedicine program was implemented in 2016 to allow employees to connect electronically with board-certified doctors or licensed psychologists. In 2019, a pilot program was implemented to offer this service without charge.

Navistar's commitment to safety is also supported

by the company's Global Security function, which is focused on protecting our company's people, property, brand, and reputation.

Navistar will continue to build upon programs and initiatives to strengthen its safety management system. The goal remains the same: employees return home every evening in the same condition in which they began their day.



A milkweed beetle hovers on the campus of the Springfield Assembly Plant.

COMMUNITIES

BENEFITING THE COMMUNITIES WHERE WE LIVE AND WORK

Navistar supports community development initiatives that benefit the communities where we operate. Our focus is on initiatives that reflect our special expertise, including STEM education (Science, Technology, Engineering and Math), disaster relief and community development.

■ Support for STEM Education

For decades, Navistar has actively supported STEM education for young people who represent the future of the industry.

Recent examples of Navistar's support for STEM education include:

- **FIRST (For Inspiration and Recognition of Science and Technology)**, a global education initiative focused on inspiring young people to be science and technology leaders through engaging them in mentor-based robotics programs. Navistar sponsors FIRST's Midwest Regional Competition as well as a number of local teams from schools near our world headquarters. Beyond this financial support, many Navistar employees also serve as mentors to these teams.
 - Navistar also sponsors Project Lead the Way and VEX Robotics program for schools near our world headquarters and is a strong supporter of the Naperville Education Foundation, which funds educational programs in our world headquarters' home school district.
 - New in 2019 was a robotics competition among teams of Navistar employees from our facilities in Lisle, Melrose Park and Woodridge, Illinois. Employees were "reverse mentored" by members of local high school robotics teams, and the company also donated additional financial support to the student teams.
 - Navistar has been a long-time supporter of the Chicago Museum of Science and Industry, as well as the DuPage Children's Museum, which supports younger learners.
- The Navistar Scholars Program offers scholarships through a partnership with Kettering University in Flint, Michigan. Scholarships are distributed with a preference for the recruitment and retention of women and minority students from the state of Illinois who will major in a STEM-related field at Kettering.
 - Navistar also has established a program to donate engineering vehicles or other equipment to technical schools throughout the United States. These vehicles would otherwise be scrapped; however, because we donate them to technical schools, students are able to learn valuable skills that will help them in their future careers. In 2019, we donated 10 trucks and additional equipment to Joliet Junior College in Joliet, Illinois, Rend Lake College in Ina, Illinois, and Pittsburg State University in Pittsburg, Kansas. Navistar's South America subsidiary operation supports social programs that contribute to the development of low-income adolescents. Projeto Crescer (The Grow Up Project) provides professional experience, mentoring and coaching for young people from São Paulo, Brazil, in their first career opportunity. They receive on-the-job training and the opportunity to make choices that can support professional and social development.

In another Navistar subsidiary's initiative in South America, Navistar volunteer educators also share their knowledge through the Formare School Program, which completed its 33rd year in 2019. The program has enabled more than 874 16-to-18-year-old students from the community to receive knowledge from, and share experiences with, Navistar volunteer educators. The students also receive

A new employee robotics competition benefited from the mentoring skills of high school and middle school students from FIRST Robotics sponsored by Navistar.





An employee volunteer from the Escobedo Assembly Plant takes part in an event for Alianza Anticancer Infantil, an institution that supports children with cancer.

opportunities for internships in manufacturing, engineering and administrative careers. In fact, a high percentage of Formare graduates are now employed, a number of them with Navistar.

■ Contributing to the Community

Navistar continues to support the disaster relief efforts of the American Red Cross through financial contributions. In addition, we donated an International® TerraStar® in 2015 that continues to be used today in disaster relief and to aid the organization in its many other missions. This vehicle was used in providing food and emergency supplies to northern Illinois residents affected by the severe tornado of April 2015.

Navistar provides support to a number of additional community development organizations, including among others the Northern Illinois Food Bank, Sharing Connections, Giant Steps, Aspire Living, Morton Arboretum, and the Exchange Club of Naperville's Ribfest, which combats child abuse and domestic violence through donation to more than 50 local non-profits.

In 2019, for the tenth consecutive year, Navistar's subsidiary in Mexico received recognition from the Mexican Center for Philanthropy as a Socially Responsible company for its corporate ethics and its activities supporting quality of life, community and care for the environment.

One of the many community-minded activities undertaken by the company's truck assembly plant in Escobedo, Mexico, is its continuous support for Alianza Anticancer Infantil, an institution which supports children with cancer. During the year, the plant made monetary donations and provided proceeds from

PET recycling, as well as needed supplies. In addition, employee volunteers spent time with the children engaging in crafts and games.

Navistar also supports the environment through the initiative Adopt a Tree, collaborating with volunteers who continually plant trees in the Escobedo, Mexico plant facilities.

■ Encouraging Volunteerism

Although Navistar is proud to provide financial support for many STEM-focused and community development organizations in the areas where we live and work, we also recognize that our greatest asset is our employees, many of whom are deeply involved in volunteer efforts for the organizations we support.

The Dollars for Doers program continued in 2019. The program, open to all full-time salaried Navistar employees, allows employees to earn monetary donations from Navistar for the charities of their choice by volunteering their time. This enhanced employee benefit helps build additional goodwill in the local communities we serve and allows Navistar to broaden our corporate giving efforts.

■ Supporting Diversity and Inclusion

Navistar's commitment to diversity provides the company with tangible benefits, including innovation, high-quality products and services and improved employee, customer, and vendor relationships. Navistar's vision for diversity and inclusion is to empower a unique culture, inclusive and engaging, which drives a sense of belonging and respects and celebrates our differences.

For more than 15 years, employee-led Employee

Resource Groups have enhanced our employees' networking and development experiences, while contributing to community outreach. We have seven unique groups: Women in Navistar, International Community of African Americans at Navistar, Professional Latino Association of Navistar, Navistar Asian Chinese Professional Association, Navistar Pride Alliance, Navistar Young Professionals, and, most recently, Military Veterans at Navistar.

Navistar works to foster diversity in the community by supporting such organizations as the DuPage County NAACP and the Quad County Urban League. In South America, the Navistar Inclusion Program hires people with physical and intellectual disabilities, enabling them to develop their professional and personal skills in a supportive work environment that makes them feel valued and respected, and consequently improves their quality of life and ability to contribute to the progress and success of the company.

Navistar instituted a supplier diversity program 39 years ago to identify and develop minority companies that can provide Navistar with quality products and services. In 2019, our spending with minority and women business enterprises was \$357 million, and 10% of the suppliers we recognized as Diamond Suppliers during the year were diverse suppliers.



At Navistar South America, the Formare School Program has enabled more than 870 16-to-18-year-old students from the community to receive opportunities for internships in manufacturing, engineering and administrative careers.

COMMUNITIES | BENEFITING THE COMMUNITIES WHERE WE LIVE AND WORK

In 2019, the Navistar Diversity and Inclusion Leader continued to be a member of the executive board of directors for the Chicago Minority Supplier Development Council. Navistar also participated in the 53rd Chicago Business Opportunity Fair, an annual event aimed at increasing minority business development and opportunities with major buying organizations.

Reflecting our good-faith efforts to engage with diverse suppliers, during 2019 we participated in events and activities with such organizations as the Chicago Minority Supplier Development Council, the Michigan Minority Supplier Development Council, the Women's Business Enterprise National Council, the Women's Business Development Center, the National Minority Supplier Development Council, and Women in Trucking.

The Corporate Diversity and Inclusion Leader and her team continued to focus on advancing the company's development and elevation of our diversity and inclusion efforts both internally and externally, while also integrating with our already established Supplier Diversity program.



The company's truck assembly plant in Escobedo, Mexico, supports Alianza Anticancer Infantil, an institution which supports children with cancer.



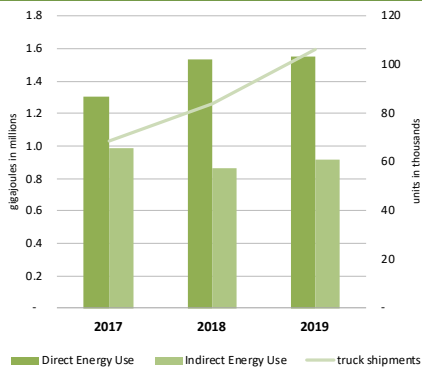
	2017	2018	2019
TRUCK SHIPMENTS¹	68,900	84,200	106,500
ENERGY USE			
DIRECT ENERGY CONSUMPTION²			
NATURAL GAS, GJ	858,872	988,885	972,500
TRANSPORT FUELS, GJ	446,818	542,960	575,896
INDIRECT ENERGY CONSUMPTION³			
ELECTRICITY, GJ	985,348	861,229	912,890
TOTAL, GJ	2,291,038	2,393,075	2,461,287
WATER USE			
PURCHASED CITY WATER, M ³ IN MILLIONS	0.524	0.582	0.572
GROUNDWATER, M ³ IN MILLIONS	0.002	0.002	0.002
RAINWATER, M ³ IN MILLIONS	0.004	0.006	0.002
TOTAL, M3 IN MILLIONS	0.530	0.590	0.576
GREENHOUSE GAS EMISSIONS			
DIRECT EMISSIONS (SCOPE 1), TONNES CO2E	77,503	88,982	91,171
INDIRECT EMISSIONS (SCOPE 2), TONNES CO2E	145,869	125,015	125,729
WASTE			
HAZARDOUS WASTE⁴			
RECYCLING, LBS	1,514,000	120,000	2,209,472
ENERGY RECOVERY, LBS	706,000	214,000	29,238
INCINERATION (MASS BURNED), LBS	164,000	1,610,000	54,303
LANDFILL, LBS	472,000	–	1,348,126
OTHER (WASTEWATER TREATMENT), LBS	604,000	188,000	293,347
TOTAL HAZARDOUS WASTE	3,460,000	2,132,000	3,934,486
NONHAZARDOUS WASTE⁵			
RECYCLING, LBS ⁶	33,002,000	28,143,600	30,211,691
ENERGY RECOVERY, LBS ⁶	790,000	2,384,024	278,151
INCINERATION (MASS BURNED), LBS	54,000	56,000	12,893
LANDFILL, LBS	21,144,000	25,298,000	17,937,471
OTHER (WASTEWATER TREATMENT), LBS	3,502,000	776,000	669,785
TOTAL NONHAZARDOUS WASTE, LBS	58,492,000	56,657,624	49,109,991
TOTAL WASTE, LBS	61,952,000	58,789,624	53,044,477
NON-COMPLIANCES WITH ENVIRONMENTAL LAWS AND REGULATIONS			
TOTAL MONETARY VALUE OF SIGNIFICANT FINES			
TOTAL NUMBER OF NON-MONETARY SANCTIONS	THERE WERE NO SIGNIFICANT NON-COMPLIANCES DURING REPORTING PERIOD.		
CASES BROUGHT THROUGH DISPUTE RESOLUTION MECHANISMS			

NOTES

- ¹ Truck shipment data is used as a trend line on environmental charts.
- ² 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.
- ³ Indirect energy consumption reflects non-renewable energy sources consumed at upstream power plants to generate the electricity consumed by Navistar facilities.
- ⁴ 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.
- ⁵ 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.
- ⁶ The 2018 recycling and energy recovery data was updated from previously reported.



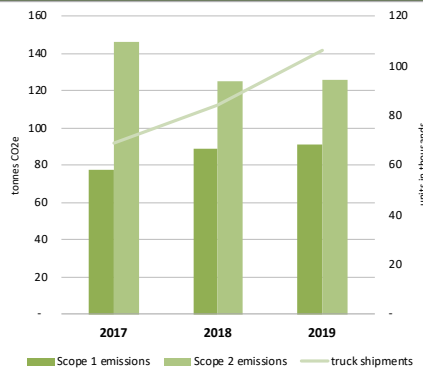
ENERGY CONSUMPTION



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.

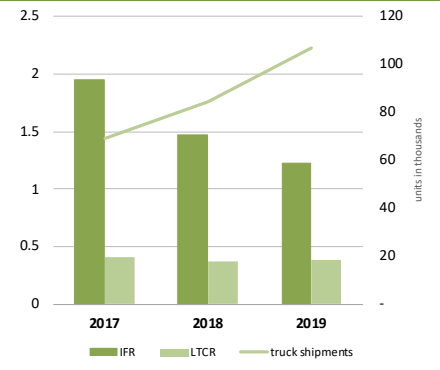
GREENHOUSE GAS EMISSIONS



GHG Emissions are the six greenhouse gases listed in the Kyoto Protocol: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

Direct GHG emissions come from sources that are owned or controlled by the company. Indirect GHG emissions are a consequence of the operations of the company, but occur at sources owned or controlled by another company, such as purchased electricity.

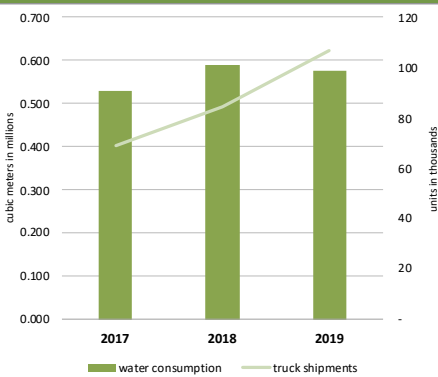
INCIDENT FREQUENCY RATE & LOST TIME CASE RATE



Incident frequency rate is the number of OSHA recordable injuries or illnesses per 100 full-time employees (200,000 hours). OSHA recordable cases are those work-related incidents that require medical treatment beyond first aid, lost time or job reassignment.

Lost time case rate is the number of work-related injuries or illness per 100 full-time employees where people lose time off the job.

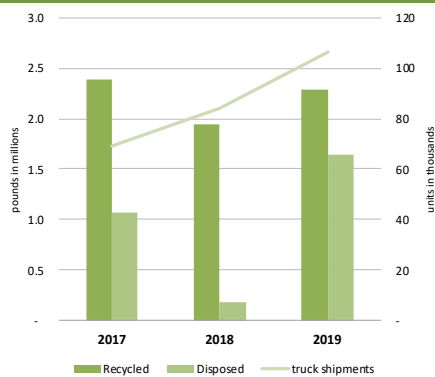
WATER WITHDRAWAL



Water withdrawal is the sum of all water used by the company's manufacturing, engineering, and parts distribution operations.

99% of the total water withdrawal comes from municipal water supplies or other public or private utilities.

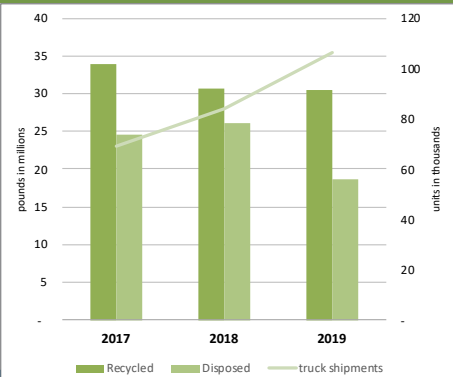
HAZARDOUS WASTE GENERATION



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 to each operation.

NONHAZARDOUS WASTE GENERATION



Nonhazardous waste generation is the amount of nonhazardous waste sent off-site for recycling or disposal from the company's manufacturing, engineering, and parts distribution operations.



WHAT IS GRI?

The Global Reporting Initiative (GRI) is a leading organization in the sustainability field. GRI promotes the use of sustainability reporting as a way for organizations to become more sustainable and contribute to sustainable development.

A sustainability report is a report published by a company or organization about the economic, environmental and social impacts caused by its everyday activities. It also presents the organization's values and governance model and demonstrates the link between its strategy and its commitment to a sustainable global economy.

Source: Global Reporting Initiative website



GRI Content Index and GRI-Specific Disclosures – 2019

General Approach

Navistar, Inc. (The “Company” or Navistar) has referenced the GRI standards published in 2016 in the preparation of this Sustainability Report. This GRI Content Index references the location of disclosure where the information can be found or summarizes the information within the Index. In some cases, the referenced information partially satisfies the referenced disclosure standard. The term 10-K refers to the Annual Report Form 10-K filed for Navistar International Corporation for fiscal year 2019. NIC Proxy Statement refers to the Navistar Notice of 2019 Annual Meeting of Stockholders and Proxy Statement.

GRI Content Index and Disclosures

GRI DISCLOSURES		CONTENT
102-1 to 102-8		Corporate names, description of corporate form are at 10-K Item 1, p. 5. Corporate headquarters are located in Lisle, Illinois, and the Company operates, for the purposes of the content in this Report, in the United States, Canada, Mexico and Brazil. Information as to the scale of the Company is at 10-K, pp. 9-10 (employees); operating segments at 10-K, pp. 7-9; properties at 10-K, p. 21; net sales and revenues at 10-K, p. 24; detailed information on markets served and products provided is at 10-K, pp. 25-39.
102-9	Supply chain	Supply chain is described at 10-K, p. 10. The monetary value of payments to suppliers is a component costs of goods sold, 10-K, pp. 29-30 along with other factors, including warranty costs.
102-10	Significant changes to the organization and its supply chain	Changes to the organization are described at 10-K, pp. 5-9, 26-28, 37-38.
102-11	Precautionary principle or approach	The Company does not explicitly employ the precautionary approach as a matter of broad policy but may employ such an approach in relation to specific risks.
102-13	Membership of associations	The Company is a member of the Truck and Engine Manufacturers Association, the National Association of Manufacturers, the Ohio Manufacturers Association, the Illinois Manufacturers Association, the Lisle, Ill., Chamber of Commerce, the Naperville, Ill., Chamber of Commerce, and the Greater Springfield, Ohio Chamber of Commerce. The Company is also a member of MERA The Association for Sustainable Manufacturing, and is a member of and represented on the Board of Directors of the Remanufacturing Industries Council (RIC).
102-14	Statement from senior decision maker	Navistar Sustainability Report 2019, p. 1.
102-15	Key impacts, risks, and opportunities	<p>Economic impacts are discussed at 10-K, pp. 5-11. Impacts of the business and the role it plays within broader society are discussed at 10-K, pp. 5-11 and in this Navistar Sustainability Report, pp. 9-11. Governance documents below at 102-18.</p> <p>Key environmental impacts include:</p> <ul style="list-style-type: none"> • Air emissions from operations, including emissions from coating operations. • Emissions from products. We manufacture primarily diesel engine powered vehicles, which have associated emissions in ordinary use. • Product end of life impacts. Our products at the end of their life will leave recycleable materials, reusable parts and waste. • Emissions related to electricity usage. We use primarily energy from the grid, which has associated emissions upstream from electricity generation. • Our operations use water from local publicly owned water distribution systems. • Our operations have associated water discharges to publicly-owned treatment works, from company-owned treatment works to receiving streams and stormwater discharges. • Our products use resources, both from recycled and primary sources. • Transportation-related emissions. We have a large and diverse supply chain, which has associated emissions. <p>Emissions, waste generation and water usage data are provided in Navistar Sustainability Report 2019, pp. 12-13. Each of the Company’s manufacturing plants has an environmental management system in place and certified under ISO 14001. In addition to this, the Company performs regular corporate environmental compliance audits. Risks are discussed at 10-K, pp. 13-21.</p>
102-16	Values, principles, standards and norms of behavior	10-K, pp. 5-6, CEO letter, Navistar Sustainability Report 2019, p. 1.
102-17	Mechanisms for advice and concerns about ethics	The Company Code of Conduct and other resources are available to employees. In addition, a hotline and email addresses are available to bring ethics concerns to the attention of appropriate Company personnel and the Audit Committee of the Board. Guidance on ethics concerns is also available from the Law Department, Human Resources and the Internal Audit and Compliance Department.
102-18	Governance structure	See NIC Proxy Statement. The Audit Committee of the Board of Directors has jurisdiction over environmental issues. Navistar governance documents are available at: https://ir.navistar.com/governance/default.aspx

GRI DISCLOSURES		CONTENT
102-41	Collective bargaining agreements	7,500 of our employees are union employees covered by collective bargaining agreements of our 13,300 employees worldwide. See 10-K, pp. 9-10.
102-42	Identifying and selecting stakeholders	In compiling this report, a review of stakeholders with whom the Company has engaged during the reporting period is developed. The stakeholders include those who may have been engaged for any purpose, as discussed under the “Key Issues” section of 102-40.
102-43	Approach to stakeholder engagement	The method of stakeholder engagement depends on the stakeholder group. For example, governmental entities are engaged regularly as a part of routine business for regulatory and other purposes. For a more detailed list of methods by which each stakeholder group is engaged, please see the “Approaches to Engagement” section of 102-40.
102-44	Key topics and concerns raised	Please see “Key Issues” section of 102-40.
102-45	Entities included in the consolidated financial statements	10-K at p. 60.
102-46	Defining report content and topic boundaries	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 102-45.
102-48	Restatements of information	During calendar year 2018 we ceased production at our Melrose Park Facility, with that facility now being dedicated primarily to research and development, and completed the sale of our railcar business in Cherokee, Ala., in February 2018. These events did not result in a restatement of information.
102-49	Changes in reporting	There were no significant changes from previous reporting periods in the list of material topics and topic boundaries.
102-50	Reporting period	For environmental data, this report includes data from the 2019 calendar year. For other aspects of this report, including all references to 10-K in this index, the fiscal year 2019 is the appropriate period.
102-51	Date of most recent report	The previous Sustainability Report was issued in calendar year 2019 for the 2018 fiscal year.
102-52	Reporting cycle	Annual
205-2	Communication and training about anti-corruption policies and procedures	Our Vice President of Internal Audit and Chief Compliance Officer is committed to creating an ethical environment. Anti-corruption training is therefore incorporated within our standard training on the Company Code of Conduct. All salaried employees are required to complete e-learning relating to our Code of Conduct on an annual basis. In addition, all U.S.-based production employees receive in-person Code of Conduct training.
302-1	Energy consumption within the organization	Navistar Sustainability Report 2019, pp. 12-13.
302-2	Energy consumption outside of the organization	N/A. Navistar, Inc. does not include energy outside the organization, commonly referred to as Scope 3 sources and emissions.
302-3	Energy intensity	Navistar tracks electric consumption load ratios (consumption loads during nights and weekends versus production periods) at its North America manufacturing facilities. Navistar’s major energy consumption facilities in United States participate in USDOE Better Plants Program and track and report their energy consumption intensity reductions on an annual basis.

GRI DISCLOSURES		CONTENT
302-4	Reduction of energy consumption	Navistar Sustainability Report 2019, p. 12.
302-5	Reductions in energy requirements of products and services	Navistar Sustainability Report 2019, p. 12.
303-1	Water withdrawal by source	Navistar Sustainability Report 2019, p. 13.
303-2	Water sources significantly affected by withdrawal of water	All significant corporate water uses rely on municipally supplied water sources. The Monterrey metropolitan area, including Escobedo, draws water from the San Juan River, area storage reservoirs and area wellfields. Springfield, Ohio, sources its water from wells that draw from the Mad River Valley buried Aquifer. Tulsa, Okla., draws water from the Spavinaw/Eucha and Oologah Lakes. Melrose Park, Lisle and other Chicago area operations are served by the Metropolitan Water Reclamation District of Greater Chicago, which draws water from Lake Michigan. Brazil operations in Sao Paulo are served by a number of reservoir systems, including the Catareira system and Alto Tiete systems. Huntsville, Ala., draws water from the Tennessee River and local aquifers through wells.
303-3	Water recycled and reused	Navistar's Escobedo, Mexico, assembly plant is a zero wastewater discharge facility. All wastewater generated at this facility is treated for reuse. Our Santo Amaro, Brazil, facility captures and reuses stormwater for their cooling towers. Some other Navistar facilities have modified their once-through cooling water systems to recirculation systems.
305-1	Direct (Scope 1) GHG Emissions	Navistar Sustainability Report 2019, p. 12.
305-2	Energy indirect (Scope 2) GHG emissions	Navistar Sustainability Report 2019, p. 12.
305-5	Reduction of GHG emissions	Navistar realized a 4% reduction in absolute GHG emissions in 2019 over the previous year.
305-6	Emissions of ozone-depleting substances (ODS)	There were no known ODS leaks to the atmosphere in 2019 from our operations.
306-2	Waste by type and disposal method	Navistar Sustainability Report 2019, p. 13.
306-3	Significant spills	The Company had no significant spills during 2019.
306-4	Transport of hazardous waste	Navistar Sustainability Report 2019, pp. 12-13.
306-5	Water bodies affected by water discharges and/or runoff	Melrose Park, Ill., operations: Stormwater runoff: Storm sewer tributary to Silver Creek; Sanitary wastewater: Metropolitan Water Reclamation District of Greater Chicago; Springfield, Ohio, operations: Moore Run; Tulsa, Okla., bus plant: Mingo Creek; Huntsville, Ala., Bradford Creek.
307-1	Non-compliance with environmental laws and regulations	There were no significant fines or sanctions for non-compliance with environmental laws and/or regulations in the reporting period.
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Navistar Sustainability Report 2019, p. 13. Statistics are reported using U.S. OSHA definitions. In 2019, the OSHA recordable injury/illness rate for Navistar was 1.23, and the lost time case rate was 0.38. There were no occupational diseases in 2019. Other occupational diseases, defined as any non-acute condition such as muscle strain or skin conditions, are included in the injury data. There were no workplace-related fatalities in 2019.

Please note our Disclosure Regarding Forward-Looking Statements at 10-K, pp. 3-4, which applies to this Sustainability Report and GRI Index. Relevant 10-K filings are available at: <https://www.navistar.com/navistar/investors/shareholderservices/downloads>

102-40 List of stakeholder groups			
Stakeholder	Approaches to Engagement	Key Issues	How Issues Have Been Addressed
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 ensure alignment of needs ▪ Encouraging employee volunteerism and community involvement ▪ Providing philanthropic support to organizations that align with Navistar's strategic priorities, including STEM education ▪ Making contributions and grants to community not-for-profit 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 ▪ New truck, used truck and parts sales intensity ▪ Board communications ▪ Aftersales uptime support ▪ Order-to-delivery effectiveness 	<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 ▪ Training for dealer personnel ▪ Holistic and automated Dealer Score and Dealer Performance Dashboard ▪ Awards and financial incentives for outstanding dealer performance, as well as difficult discussions for underperforming dealers ▪ Sharing of customer survey data to provide insights into market trends ▪ Prestige Standards program addresses dealer capability
New Customers	<ul style="list-style-type: none"> ▪ Ongoing customer research to address unmet needs ▪ Increased direct company interaction with customers ▪ Improving customer engagement and activation at all levels ▪ Voice of customer focused quality improvement actions and communication of these activities ▪ Increased activity at industry events and organizations 	<ul style="list-style-type: none"> ▪ Cost competitiveness ▪ Overcoming perceived reliability and quality ▪ Fuel economy less of a differentiator ▪ Driver satisfaction with comfort ▪ Competitive segment product and relationship gaps ▪ Frequent regulation changes (GHG, emissions, driver hours, etc.) ▪ Product innovation ▪ Return on investment/residual value 	<ul style="list-style-type: none"> ▪ Understanding product satisfaction and purchase consideration drivers by customer type and by business, and closing gaps ▪ Developing and communicating targeted action plans based on customer feedback and purchase criteria ▪ Focusing business strategy on productivity improvements ▪ Identifying and implementing energy saving, driver satisfaction and operating cost reduction opportunities for customers
Shareholders & 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"> ▪ Communicating regularly with investors and analysts through quarterly earnings releases, conference calls, participation in industry financial conferences, investor/analyst day events, and SEC filings ▪ Marketing and meeting face-to-face with shareholders through conference participation, non-deal roadshows (NDRs), hosting shareholder visits, and plant tours ▪ Assuring senior management is accessible to stakeholders and providing access to obtain their thoughts and perspectives ▪ Providing investor feedback to the Board of Directors throughout the year

102-40 List of stakeholder groups (continued)			
Stakeholder	Approaches to Engagement	Key Issues	How Issues Have Been Addressed
Suppliers	<ul style="list-style-type: none"> ▪ Supplier selection process ▪ Supplier segment framework ▪ Comprehensive supply agreements ▪ Regular purchase orders ▪ Master service agreements ▪ Operational communications and data sharing 	<ul style="list-style-type: none"> ▪ Making sure supplier performance meets Navistar expectations ▪ Communicating production requirements ▪ Ensuring competitiveness ▪ Supplier relationship management ▪ 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 and exposure ▪ Managing for sustainability ▪ Ensuring Navistar's ability to source parts in the event of changes in suppliers' financial viability and industry crisis ▪ Assuring suppliers regarding Navistar's own financial performance 	<ul style="list-style-type: none"> ▪ Posting requirements to do business on company website; supplier scorecard utilized to communicate supplier performance to expectations ▪ 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 ▪ Refining supplier portal to improve two-way communication ▪ Diamond Supplier Awards to help drive supplier performance
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 ▪ Ensuring development of employee skill sets needed for business requirements and personal development ▪ Ensuring 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 Performance Management system to identify and meet employee developmental needs, both short- and long-term ▪ Provision of competitive compensation and benefit programs ▪ Establishment of proactive employee safety programs ▪ Establishment of internal Employee Resource Groups, based on employee needs

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