NAVISTAR

SUSTAINABILITY

REPORT • 2015

Navistar is a long-time leader in reducing greenhouse gas emissions and improving vehicles' fuel efficiency through innovations in aerodynamics.

CEO LETTER

DRIVING A BETTER, MORE SUSTAINABLE FUTURE

New mobility, information and automation technologies are making trucks, their drivers and the transportation infrastructure safer, more fuel efficient and more environmentally friendly. And Navistar is in the vanguard.

Navistar is a long-time leader in reducing greenhouse gas emissions and improving fuel efficiency. Working with the U.S. Department of Energy's SuperTruck R&D program, we are committed to the 2016 delivery of a vehicle that will exceed a targeted 50 percent improvement in freight efficiency compared with a 2009 baseline vehicle by reducing vehicle weight and improving tractor-trailer aerodynamic integration.

We also contribute to reduced emissions by offering multiple anti-idle solutions, and our Parts group offers validated retrofit products to reduce emissions in older vehicles. We increased our commitment to alternative fuel solutions by delivering a new propane school bus option in 2015.

We are working with the Texas A&M Transportation Institute to enable truck platooning that will enhance fuel efficiency. And we are the only truck OEM to participate in the University of Michigan's Mcity research initiative on connected and automated vehicles, which aims to improve mobility, safety and transportation efficiency in urban and suburban environments.

Navistar is also leading the way on advanced driver assistance systems that make vehicles easier and safer to use, including our unmatched Leave No Student Behind® safety system, which is standard in our IC Bus™ school buses, and our pioneering introduction of the Bendix® Wingman® Fusion™ suite of integrated, advanced safety technologies in heavy-duty vehicles.

Over the next few years, we will refresh our entire product line with new, fuel-efficient vehicles with enhanced visibility and other advanced safety features. Ninety percent of our vehicles' content is recyclable, and we are planning to increase the use of recycled and recyclable content in new models. We work to assure compliance with safety, environmental and social standards throughout the supply chain.

Our major truck, bus and engine manufacturing facilities are ISO 14001 certified, and by emphasizing lean methods, we continually reduce the environmental impact of our operations. Navistar manufacturing facilities seek to reduce their electric consumption load ratios by 4% annually. In 2015, our facilities surpassed their goals for recycling, while improving on key safety measurements year over year.

Navistar also works to advance widespread scientific and technical knowledge that creates a sounder, safer environment. Our investment in promoting STEM education, including FIRST Robotics, is a key part of our commitment to be a good citizen of the communities where we live and work.

Troy A. Clarke
President and Chief Executive Officer

Navistar has been involved in a five-year research and development program with the U.S. Department of Energy, known as SuperTruck, to develop a highly fuel-efficient Class 8 line haul truck that will be completed in 2016.

PRODUCTS

FOCUSING ON FUEL EFFICIENCY AND REDUCED EMISSIONS

As part of its uptime mission, Navistar aims to help its customers move their products reliably and perform their services as efficiently and with as low an impact on the environment as possible.

Driving New Emissions Reductions

Navistar's long history of product innovation includes pioneering steps in emissions reduction. Since the advent of federal regulation by the U.S. Environmental Protection Agency (EPA), emissions of nitrogen oxides (NOx) from diesel engines have been reduced by more than 90 percent; emissions of particulate matter (PM) have been cut by 99 percent; and emissions of carbon monoxide (CO) and hydrocarbons (HC) have been reduced to near-zero levels. We were the first North American engine manufacturer to release a smokeless diesel engine, and worked with the EPA to advocate reducing the sulfur content of diesel fuel to 15 ppm in order to cut emissions of NOx and PM.

Navistar and other commercial truck manufacturers worked together with EPA and the National Highway Traffic Safety Administration (NHTSA) to develop workable greenhouse gas regulations that went into effect in 2014. These were the first greenhouse gas or fuel efficiency regulations covering heavy duty vehicles and engines adopted in the U.S. In 2015 and 2016, EPA and NHTSA embarked on an effort to adopt the next phase of greenhouse gas/fuel efficiency regulations in the heavy duty sector. We are currently actively engaged in discussions with these agencies to ensure that future rules similarly allow for cost-effective, achievable greenhouse gas reductions and real-world fuel efficiency improvements.

Navistar has been involved in a five-year research and development program with the U.S. Department of Energy, known as SuperTruck, to develop a highly fuel-efficient Class 8 line haul truck that will be completed in 2016. The Department asked Navistar to create a truck with a 50 percent improvement in freight efficiency and to achieve 50 percent engine efficiency. The company expects to exceed both requirements and looks forward to unveiling our SuperTruck concept later this year.

Leading the Way on Connected Vehicles

Navistar is playing a leading role in developing a new generation of connected heavy-duty vehicles. Navistar is also exploring the great potential benefits from autonomous technologies that enable platooning, which allows trucks to safely follow each other to reduce wind drag. This platooning work is being conducted through Navistar's research partnership with the Texas A&M Transportation Institute. Navistar is also a partner in Mcity, which is an incubator for autonomous vehicle and intelligent infrastructure technologies. The University of Michigan's Mobility Transformation Center created the Mcity testing facility to evaluate the capabilities of connected and automated vehicle systems. Navistar is the only dedicated commercial vehicle manufacturer in the Mcity partnership.

Our International® ProStar® long haul vehicle has a well-earned reputation as one of the most fuel-efficient trucks in the industry, and we are continuing that tradition with the International® ProStar® ES (Efficiency Specification).

PRODUCTS

FOCUSING ON FUEL EFFICIENCY AND REDUCED EMISSIONS

Delivering Innovations in Efficiency

The company continues to build on the inherent fuel economy advantages of diesel technology. Much of Navistar's leadership in fuel economy is due to innovations in aerodynamics. Our International® ProStar® long haul vehicle has a well-earned reputation as one of the most fuel-efficient trucks in the industry, and we are continuing that tradition with the International® ProStar® ES (Efficiency Specification).

Introduced in 2014, the ProStar ES was engineered to feature the lowest wind-averaged drag coefficient in the industry. This means efficiency in cross-winds, making it one of the industry's most aerodynamic tractors in real-world conditions. In addition, it provides the most fuel-efficient powertrain and transmission combination available in the industry. These features, together with other improvements, enable the ProStar ES to achieve as much as a 13 percent fuel economy improvement over the 2011 model year ProStar.

As the ES has continued on its drive for increased efficiency, our focus has touched on several key contributors to energy consumption. Over the past year, engineering initiatives have made improvements in the aerodynamics of the vehicle, base engine efficiency, engine-transmission integration, lubrication materials, and intelligent control strategies, accounting for a notable difference from our product a year ago and helping customers improve their bottom line.

In addition, Navistar has been investing in removing weight from our International ProStar, TranStar®, and LoneStar® models. Modifications of battery boxes, suspensions, fuel tanks and chassis skirts, among other components, have led to reduction of as much as 450 pounds per vehicle.

Offering Low-Emitting Engine Options

Navistar offers customers a wide range of engine options, including Cummins® engines and our own proprietary engines that utilize selective catalytic reduction (SCR) for the reduction of NOx emissions. We have worked closely with the EPA and California Air Resources Board (CARB) to assure that our engines for medium and heavy vehicles meet emissions requirements. All engines in Navistar products are certified by CARB and EPA for on-board diagnostics (OBD), a self-diagnostic and reporting capability that ensures emissions control components are working effectively.

All of the company's diesel engines can operate using biodiesel up to B20, and Navistar also offers alternative-fuel vehicles, such as the International® TranStar® with the Cummins ISL-G natural gas engine.

In 2015, we increased our commitment to offer alternative fuel solutions by delivering a new propane school bus option, the IC Bus™ CE series PSI. Announced in 2014 and delivered to customers in 2015, the new bus uses an 8.8 liter heavy-duty propane engine. This new clean option doesn't sacrifice power, torque or durability.

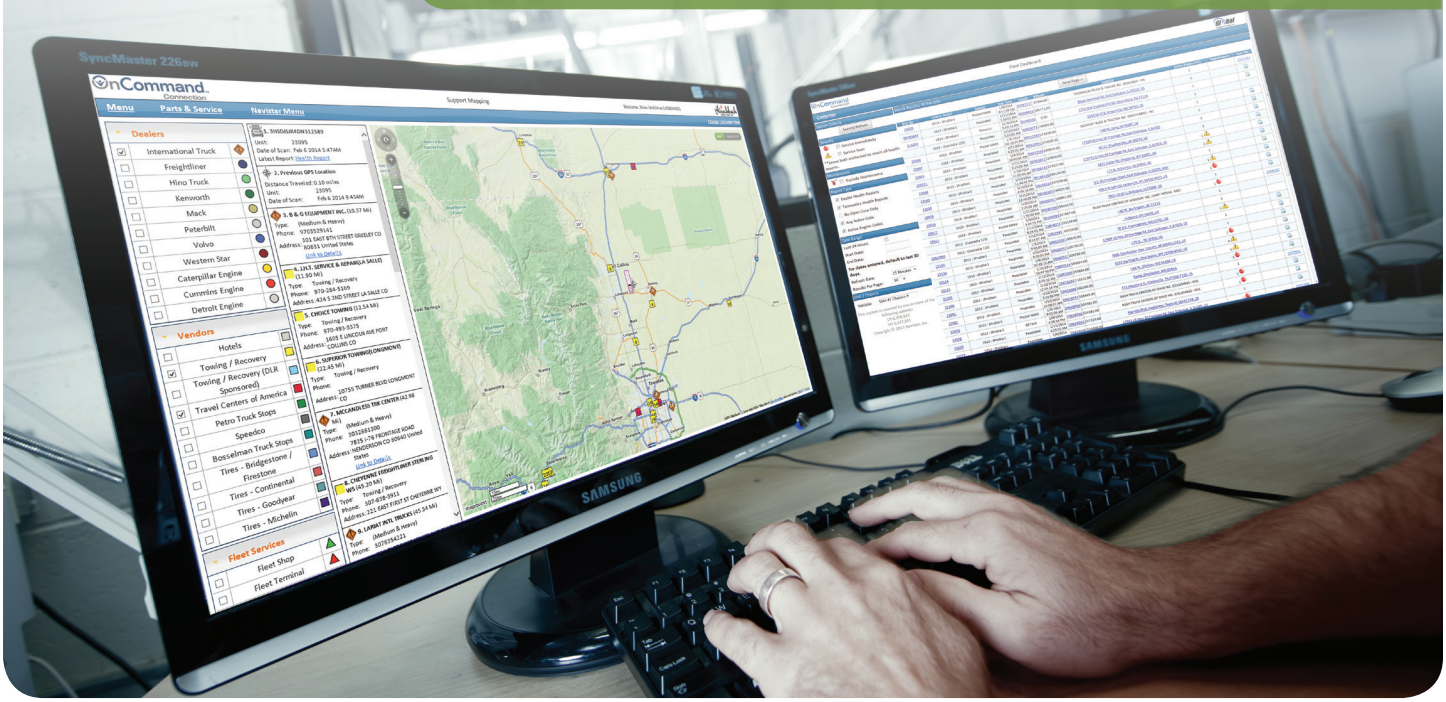
Pictured are two International® ProStars® being utilized in a platooning initiative at the Texas A&M Transportation Institute.

PRODUCTS

FOCUSING ON FUEL EFFICIENCY AND REDUCED EMISSIONS

Navistar also contributes to reduced emissions by offering many anti-idle solutions, such as battery-powered heating and air conditioning systems. Our Parts group offers validated diesel exhaust emission retrofit products from various manufacturers to help reduce emissions from older vehicles. As part of its uptime mission, Navistar aims to help its customers move their products reliably and perform their services as efficiently and with as low an impact on the environment as possible.

Navistar's pioneering connected vehicle services, including OnCommand™ Connection (shown) and Over-the-Air Programming, help fleets manage their vehicles remotely and efficiently, reducing the miles traveled for vehicle service.



Navistar employees support the environment through volunteer activities like this tree-planting event on World Environment Day, supported by employees of Navistar Mexico.

OPERATIONS

USING LEAN PRACTICES TO REDUCE WASTE

Navistar is engaged in lean transformation that minimizes waste throughout our operations. As part of its Environmental Protection and Energy Conservation Policy, Navistar is committed not just to operate in compliance with applicable legal requirements, but to prevent pollution beyond what is required, and to continuously improve its operations for energy efficiency and the appropriate disposal of waste.

Our audit programs—both internal and third-party ISO 14001 audits—help us monitor how well we are fulfilling our commitments. Navistar's truck and engine manufacturing facilities are ISO 14001 certified, and employees constantly find new ways to reduce energy use, trim greenhouse gas emissions and lower the production of waste. Since 1992, the company's pollution prevention projects have yielded more than $100 million in savings.

Collaborating to Reduce Energy Use

Energy conservation has multiple benefits, including environmental protection, resource conservation and substantial cost savings. During 2015, our energy conservation efforts primarily focused on low- or no-capital investment opportunities, especially on turning off equipment when not in use, ranging from machines, motors and compressors to lights and fans. To measure facilities' progress, the Corporate Environmental and Energy Affairs Department tracks and communicates to facilities their monthly electric "load ratios." These load ratios compare energy consumed between production hours and off hours, such as weekday nights and weekends. Navistar manufacturing facilities are currently challenged to reduce their electric consumption load ratios by 4 percent annually.

During 2015, a number of Navistar's facilities made significant progress in reducing energy consumption. Escobedo Assembly Plant, located in Nuevo Leon, Mexico, reduced its annual average energy consumption intensity by more than 10 percent compared to its 2014 annual average. One factor was Escobedo's compressed air reduction program. In 2014, the facility had operated two 900 HP compressors during production hours and one during off-shift hours. A Treasure Hunt energy reduction event led by Corporate Environmental and Energy Affairs identified an opportunity to use an idled 250 HP compressor from another Navistar facility to the replace one 900 HP compressor during weekends and evening hours. In addition, by eliminating an unneeded 650 horsepower of work and associated energy requirements, Escobedo was able to hold its air compression requirements to only one 900 HP compressor plus the 250 HP compressor during production hours. The savings convinced the facility to add another 350 HP compressor in 2015 with improved controls. This combination of available air compressors, along with the facility's aggressive program to detect and repair compressed air leaks, provides the right combination of tools for maximum flexibility allowing the facility to meet production needs with the minimum amount of compressed air.

During 2015, Navistar also introduced the WattSense program, a common-sense roadmap

In the spirit of Navistar's Environmental Protection and Energy Conservation Policy, Navistar facilities are working hard to increase recycling, reduce the generation of both hazardous and non-hazardous waste and improve their use of water resources.

to effective energy management at Navistar facilities. The foundation of the WattSense program is four prerequisites that each facility is expected to implement in 2016. An additional seven steps then form the basis for a comprehensive energy management program at each site. Altogether, the program identifies more than 100 specific opportunities to improve energy management from which each facility can choose to fit its particular needs. Facilities will be awarded points based on having implemented energy conservation opportunities. All facilities are expected to achieve Bronze Level (50 – 74 points) by end of 2018 and Silver Level (75 – 100 points) by 2020. Facilities are also required to increase their WattSense scores by 15 points each year.

Navistar is a member of the Better Buildings, Better Plants program of the U.S. Department of Energy, reflecting our commitment to reduce energy intensity (energy consumption normalized by production and weather variables) by 25 percent over 10 years. Navistar continues its progress towards this U.S. goal, having reduced energy intensity in 2015 by 14.7 percent at its larger participating sites in the U.S. The company was the first truck OEM to be EPA-certified both as a SmartWay shipper and as a manufacturer for its SmartWay-capable equipment specifications.

Navistar's corporate functions are also working to create lean workspaces. One recent lean project is the continual consolidation of workspaces to create larger areas that require little to no energy use. Such collaboration can achieve reductions in energy consumption and other associated costs.

Reducing and Recycling Wastes

Navistar facilities are working hard to increase recycling, reduce the generation of both hazardous and non-hazardous waste and improve their use of water resources. In 2010, the company set a goal of increasing recycling from 33 percent of waste to 55 percent by 2015, inclusive of sands, slags and baghouse dusts. Having made steady progress, the facilities achieved this 55 percent goal in 2014, a full year in advance. Our sites are continuously pursuing additional improvements through the use of lean tools and employee engagement. In 2015, the sites' continuous improvements yielded a recycling rate of 62 percent, inclusive of sands, slags and baghouse dusts, with an overall 40 percent reduction in the generation of wastes. The closing of foundry operations in 2015 accounted for up to a 28 percent decrease in the generation of sands, while the remaining facilities contributed an impressive 12 percent reduction in all other materials.

The company's parts unit finds many opportunities to save energy and reduce waste:

- Navistar's parts distribution centers (PDCs) reduce the use of packing materials by increasing use of returnable containers for the shipment of parts.
- The PDCs' dedicated delivery program follows prescribed routes to reach

Navistar world headquarters hosts an Earth Day event that invites employees and community members to share sustainability practices.

OPERATIONS

USING LEAN PRACTICES TO REDUCE WASTE

multiple dealerships with the same vehicle—eliminating double-handling and cross-docking of parts while achieving earlier deliveries and saving fuel.

- Returnable containers are used for all dedicated shipments at all PDCs.
- Navistar has an extensive parts remanufacturing program, which in FY2015 processed more than 63.72 million pounds of parts materials.

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 693,177 pounds of production-related waste managed in its TRI Form R Reports for 2014. The 2014 reportable amount was almost 400,000 pounds more than the previous year mostly due to increased metal processing at the company's Cherokee, Ala. fabrication plant and Huntsville, Ala. big bore and engine plants. However, 65% of the company's 2014 TRI total reportable wastes were recycled, as opposed to being treated or disposed.

Preserving Important Water Resources

As the profile and impact of water scarcity issues continues to rise, we continue 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 making investments to preserve water quality. In 2015, the company's total water withdrawal was approximately 0.81 million cubic meters, a 26 percent reduction from the previous year, and a 63 percent reduction compared to 2011.

- Our Springfield, Ohio assembly plant made significant investments in 2015 to its on-site wastewater treatment plant to ensure we continue to operate efficiently and meet our direct discharge limits.
- In 2015, our Melrose Park, Ill. engine plant received the Return on Environment (ROE) award, which recognizes companies that significantly surpass and improve environmental and operational goals while balancing industrial demands. Melrose Park received the award from GE Infrastructure Water & Process Technologies, a leading provider of water treatment solutions. The Melrose Park team achieved more than $200,000 in annual savings by changing a boiler pre-treatment setup to a reverse osmosis process. The facility also re-piped a storm sewer lift station to provide recycled and filtered storm water make up for one of our cooling towers to save approximately 6,000,000 gallons of water per year.

Green Practices at Dealerships

The company coordinates closely with its International and IC Bus dealerships to utilize green practices that are also good business. Navistar was the first company in the industry to equip its U.S. and Canadian dealers with

More than 100 species of birds, mammals, fish, amphibians and reptiles have been identified on the Springfield, Ohio campus.

new technology designed to detect leaks of refrigerant R134a and to recover, recharge and recycle the substance. In recent years, dealerships have added such innovations as geothermal heating systems, shop ceiling fans, T5 and T8 fluorescent lighting, solar panels and maximized use of natural sunlight and native planting..

A Record of Site Remediation

Navistar works closely and voluntarily with local communities to conduct brownfield remediations of closed or sold sites, and has achieved a number of notable successes:

- Navistar has remediated all 176 acres of the Wisconsin Steel Works (WSW) site it formerly owned in southeastern Chicago. All of the site's 13 parcels have received "no further remediation" (NFR) letters from environmental authorities and have been sold for industrial or commercial uses.
- Navistar has received the Kenneth L. Brace Memorial Award from the Calumet Area Industrial Commission (CAIC) in recognition of the company's more than 15 years of work in remediating the former WSW site.
- Illinois General Assembly House Resolution 899 recognized Navistar and its project team "for its initiative in assuming responsibility" for the WSW project and for its "steadfast commitment, engineering excellence, and well-attuned stakeholder engagement."
- In a resolution passed by Mayor Rahm Emanuel and the City Council, the City of Chicago commended Navistar's "technically excellent remediation project" and called the company's assumption of responsibility at WSW "a high-mark in corporate citizenship."
- Navistar's now-completed remediation of the former West Pullman Works site, also in Chicago, is now the site of the largest municipally-owned urban solar plant in the United States, which generates enough clean electricity to power up to 1,500 homes.

Working to Sustain Wildlife

The campus of Navistar's world headquarters in Lisle, Ill., was awarded a Conservation@Work certification from the Conservation Foundation, recognizing our efforts in promoting native plants and water conservation.

In addition, employees on the Lisle campus work with the Wildlife Habitat Council and the DuPage County (Ill.) Forest Preserve to help manage the biodiversity of the natural habitats on the Lisle campus.

In 2014, Navistar's Lisle facility received the "Wildlife at Work" certification from the Wildlife Habitat Council. Navistar's Springfield, Ohio truck assembly plant has been certified by the Council since 2009. Acting on the input of

The safety team at our assembly plant in Escobedo, Nuevo Leon, Mexico poses with OHSAS auditors after the plant was successfully recertified according to the OHSAS 18001 standard.

wildlife biologists, the Springfield facility reduced its mowing, while teams of employee and community volunteers attracted more wildlife by planting wildflowers and building and installing bird and bat houses. More than 100 species of birds, mammals, fish, amphibians and reptiles have been identified on the Springfield campus.

Encouraging Safe, Secure and Healthy Lifestyles

Navistar encourages a safe, healthy and secure lifestyle that supports employees' health and wellness, increases their productivity and improves their quality of life. This approach also helps to control health care costs for both employees and the company.

A Strong Commitment to Improved Safety

As part of its commitment to employees' safety and health, leadership has established a systematic approach to achieve best-in-class safety.

Navistar continues to focus on reducing lost-time case rate (LTCR) and incident frequency rate (IFR) on a year-over-year basis. These efforts resulted in a LTCR for 2015 of 0.52 per 200,000 hours, a decrease of 3% from 2014. The IFR for 2015 was 2.15 per 200,000 hours, a decrease of 7% from 2014.

In order to continue in our efforts to provide a safe working environment for all employees, leadership approved three areas of focus for 2016. These are the review and updating of lockout procedures and placards, regular safety tours by all levels of plant management, and completion of job safety analysis for all operations. These efforts are behind the goal to reduce LTCR and IFR by 20 percent in 2016.

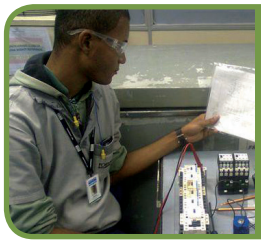
Most important is the increased company-wide focus on common safety goals. Painstaking efforts continue to utilize common safety measurements, techniques and tools in all Navistar locations. Numerous ergonomic improvements continually take place around the organization, including, for example, new employee-designed methods for handling brake drums and rider adapters at the Springfield, Ohio, assembly plant, which have resulted in improved costs as well as better ergonomics.

Leadership from both our Manufacturing and Parts teams, both inside and outside the United States, participate in a monthly call that is 100-percent focused on safety. Our goal is simple: Employees return home, every evening, in the same condition in which they began their day.

Our Global Approach to Security

Navistar's Global Security function remains focused on protecting our company's people, property, brand and reputation, while maintaining our commitment to Navistar's mission. Global Security is focused on prevention and early detection of internal and external criminal activity and violations of company policies.

FIRST Robotics Team 2338, from Oswego, Ill., one of several high school teams sponsored and mentored by Navistar, recently won the prestigious Chairman's Award at the Midwest Regional competition for the second year in a row, advancing to the World Championships.



More than 820 students have graduated from the Formare program, and a high percentage of them are now employed, many with Navistar.

COMMUNITIES

BENEFITING THE COMMUNITIES WHERE WE WORK AND LIVE

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, Education and Math), troops' and veterans' causes, disaster relief and community development.

Support for STEM Education

Since the late 1990s, Navistar has supported diesel education in resource-challenged high schools, and more recently, the "College to Careers" program of the City Colleges of Chicago. The three-year diesel education curriculum developed by the company has been certified by the National Automotive Technicians Education Foundation. More recently, Navistar has provided active support for:

- FIRST (For Inspiration and Recognition of Science and Technology), a global math and science education initiative, which holds an annual robotics competition that attracts more than 2,000 teams. Navistar sponsors FIRST's Midwest Regional Competition and a number of local teams from schools near our world headquarters. Beyond this financial support, Navistar employees also serve as mentors to these teams.
- Navistar also supports the Chicago Museum of Science and Industry and its Center for the Advancement of Science Education, and works with the Girl Scouts of Greater Chicago and Northern Indiana to help build girls' interest in STEM careers.
- Other organizations whose STEM programs Navistar supports include the Naperville Education Foundation and the NIU Foundation.

Navistar South America supports social programs that provide mentoring for young people, including Projeto Crescer (Project Grow Up), which has provided on-the-job training for hundreds of underprivileged teenagers in São Paulo, Brazil. Employees at our facilities in São Paulo and in Jesús Maria, Argentina, teach and mentor students at the Formare School, which introduces disadvantaged 16- to-18-year-olds to manufacturing, engineering and administrative careers.

More than 820 students have graduated from the Formare program, and a high percentage of them are now employed, many with Navistar.

Supporting the Community

Navistar continues to support the disaster relief efforts of the American Red Cross. We donated an International® TerraStar® that is being used 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.

Company employees supported the Northern Illinois Food Bank in the "Foodie 5K" race in Wheaton, Ill.

COMMUNITIES

BENEFITING THE COMMUNITIES WHERE WE WORK AND LIVE

Navistar provides support to a number of additional community development organizations, including among others the Northern Illinois Food Bank, Loaves and Fishes, Sharing Connections, Giant Steps, Aspire Living, and the Exchange Club of Naperville's Ribfest, which combats child abuse and domestic violence.

Supporting Our Troops and Veterans

Navistar works to provide support for our troops and military veterans:

- We continue to sponsor Operation Support Our Troops-America, which supports the morale and well-being of U.S. forces and their families during both deployment and after their return. For more than 10 years, we have supported the organization through monetary donations, including sponsorship of the "Rockin' for the Troops" fundraiser, employee volunteer time, notes of encouragement, and care package items for the organization.
- In the UK, we support the Armed Forces Para-Snowsport Team – formerly the Combined Services Disabled Ski Team – which uses adaptive alpine skiing, snowboarding and Nordic/biathlon to rehabilitate serving and retired service personnel who have been injured during their military service. We also support the British Army Motorsports Association, which as part of its mission assists the rehabilitation of wounded, injured and sick soldiers through the medium of motorsport and associated activities.
- Navistar also supports future military personnel by sponsoring the Michigan Chapter of the National Defense Industrial Association's ROTC Awards Banquet. This event recognizes excellence in ROTC cadets and midshipmen who attend Michigan colleges and universities as they prepare for their service to our country.

Supporting Diversity

Navistar's commitment to diversity brings the company a number of tangible benefits, including innovation, high-quality products and services, and improved customer relationships:

- For more than 15 years, employee-led Employee Resource Groups have enhanced our employees' networking and development experiences, while contributing to community outreach. They include Women in Navistar, International Community of African Americans at Navistar, Professional Latino Association of Navistar, Navistar Asian Professional Association, and Navistar Young Professionals.
- Navistar works to support diversity in the community through alliances with such organizations as the DuPage County NAACP and the Quad County Urban League.

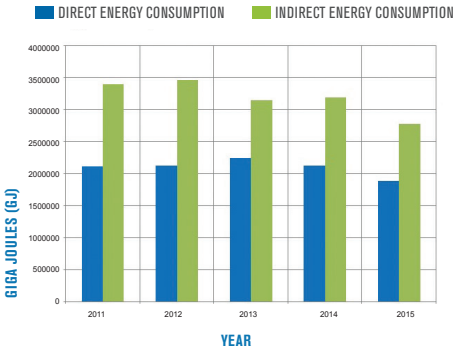
NAVISTAR®
VOLUNTEERS

Employee volunteers, including members of Employee Resource Groups like the International Community of African Americans at Navistar, support multiple not-for-profit organizations in communities where employees live and work.

COMMUNITIES

BENEFITING THE COMMUNITIES WHERE WE WORK AND LIVE

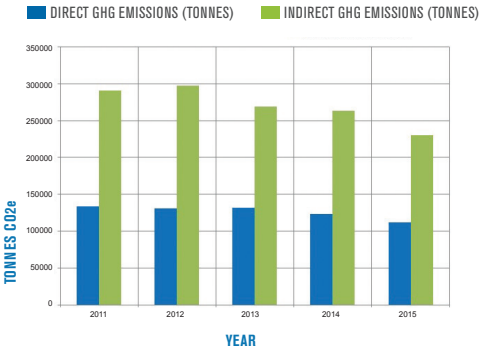
- In 2015, the company served as the corporate sponsor of the "Influential Women in Trucking" award of the Women in Trucking Association, which recognizes women in the trucking industry who make or influence key decisions, have a proven record of responsibility, and mentor and serve as a role model for other women.
- In South America, the Navistar Inclusion Program hires people with physical and intellectual disabilities.
- More than 30 years ago, Navistar instituted a supplier diversity program to identify and develop minority companies that can provide Navistar with quality products and services. In 2015, our spending with Minority and Women Business Enterprises was more than $250 million, and more than 18 percent of the suppliers we recognized as Diamond Suppliers during the year were diverse suppliers.
- In 2015, Navistar continued to be a member of the executive board of the Chicago Minority Supplier Development Council, and we were also a sponsoring company of the 49th Chicago Business Opportunity Fair, an annual event aimed at increasing minority business opportunities.
- In the fall of 2015, in partnership with the Chicago Minority Supplier Development Council (CMSDC) and Women's Business Development Center (WBDC), Navistar hosted our first-ever Diverse Supplier day at our corporate headquarters. This event provided an opportunity to further connect women- and minority-owned businesses with our procurement organization.



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.

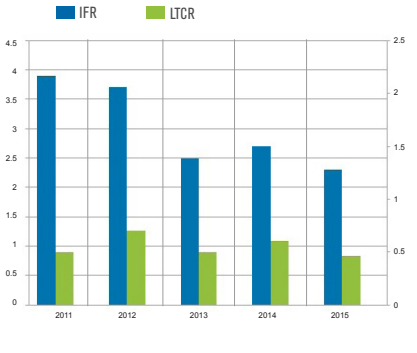


GHG EMISSIONS

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

Direct GHG emissions:
emissions from sources that are owned or controlled by the company.

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

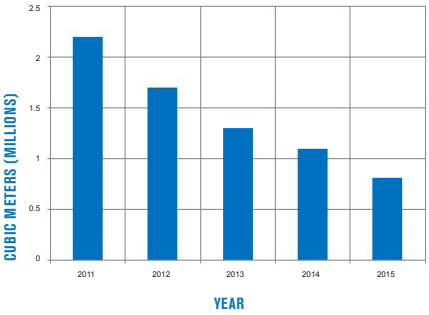


INCIDENT FREQUENCY RATE (IFR) & LOST TIME CASE RATE (LTCR)

Incident frequency rate:
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.

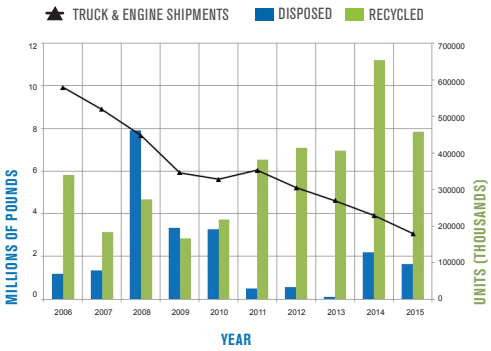
Lost time case rate is the number of work-related injuries or illness where people lose time off the job per 100 full-time employees.

Note: Data for IFR and LTCR reflect only North America manufacturing. Data shown in previous reports have also included global facilities.



WATER WITHDRAWAL

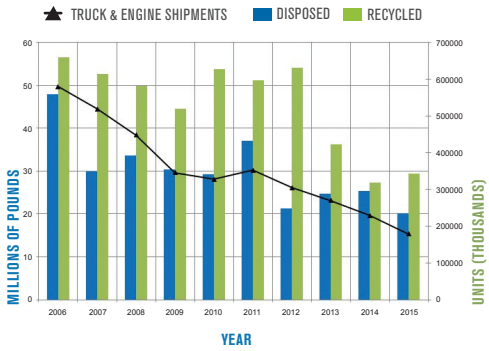
Water Withdrawal:
the sum of all water used by the company's manufacturing, engineering, and parts distribution operations, either directly or through water utilities.



HAZARDOUS WASTE GENERATION

Hazardous Waste Generation:
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.

Note: Mexico operations reported a very rainy 2014, causing excessive stormwater collection, which is treated and recycled in Mexico as "hazardous waste" by regulation.



NON-HAZARDOUS WASTE GENERATION

Non-hazardous Waste Generation:
the amount of non-hazardous waste sent off-site for recycling or disposal from the company's manufacturing, engineering and parts distribution operations.
Due to their large volumes, certain non-hazardous waste streams such as sand, slag and baghouse dust from the company's foundries, and metals from some of the assembly plants are not included in this chart.

GRI CONTENT INDEX

NAVISTAR SUSTAINABILITY REPORT 2015

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

STANDARD DISCLOSURES

INDICATOR NUMBER	DESCRIPTION	REFERENCE
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 1 (10-K)
2.2	Primary brands, products, and/or services.	Page 5 (10-K)
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Pages 7-9 (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.	US, Canada, Mexico, Brazil, Argentina. For complete operations see Global Operations Segments, 10-K, pages 9 and 24.
2.6	Nature of ownership and legal form.	Corporation, publicly traded. Page 5 (10-K)
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Pages 6-9, 129 (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.	Number of employees: 14,400; Net Revenues: $10.140 billion. Pages 11, 31, 36, 49-50, 70-74 (10-K)
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Notable changes include the sale of foundry assets for one foundry and the cessation of foundry operations as well as one of the two engine assembly plants in Huntsville, Ala. Pages 7-11, 85-88 (10-K)
2.10	Awards received in the reporting period.	www.navistar.com, "Awards and Honors"

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INDICATOR NUMBER	DESCRIPTION	REFERENCE
3.0 REPORT PARAMETERS		
REPORT PROFILE		
3.1	Reporting period	November 1, 2014 through October 31, 2015. Statistical information on environment, health and safety is current as of October 31, 2015. Information may be provided relating to events beyond that date.
3.2	Date of most recent previous report (if any).	2014 report, published in 2015
3.3	Reporting cycle	Annual
3.4	Contact point for questions regarding the report or its contents.	Lyndi McMillan. Manager, Corporate Communications, Navistar
REPORT SCOPE & BOUNDARY		
3.5	Process for defining report content.	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. 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. See 2016 Annual Meeting Proxy Statement, December 2015, pages 22–23. (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.)
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	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. 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, 2015. Navistar's principal joint venture is Blue Diamond Parts joint venture with Ford Motor Company (75 percent Navistar ownership). *continued on page 18*

PLEASE NOTE: All page references are to the Navistar, Inc., Sustainability Report 2015, except as otherwise noted. References to 10-K are to the 2015 Navistar International Corporation 10-K.

INDICATOR NUMBER	DESCRIPTION	REFERENCE
REPORT SCOPE & BOUNDARY (CONTINUED)		
3.6		Navistar sells International® and CAT® branded trucks in North America, as well through an alliance with Caterpillar. The alliance with Caterpillar is not included in the boundary of this report. 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. For a comprehensive list of subsidiaries and principal nonconsolidated joint ventures of Navistar International Corporation, effective Oct. 31, 2015, please see the company's most recent Annual Report on Form 10K (pages 7-9) 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.
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.
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	Any decisions not to apply, or to substantially diverge from, the GRI indicator protocols are footnoted as part of the data presentation within the body of the report.
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).	We have restated information in prior reports due to changes during the reporting period. See answer to 2.9.
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 fifth 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. See also answer to 2.9 for changes in number of facilities within the boundary.
3.12	Table identifying the location of the Standard Disclosures in the report.	The present table

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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.	For the Board of Directors leadership structure, see Page 22, 2016 Proxy Statement, issued December 2015. For other portions of the organization, see 10-K, pages 5, 150.
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.	Eight
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	For stockholders, see Pages 10-13, proxy statement for the 2016 annual meeting of stockholders, December 2015.
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.	In compiling this Report, a review of stakeholders with whom the Company has engaged with during the reporting period is developed. The stakeholders include those who may have been engaged for any purpose as discussed under Key Issues.

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STAKEHOLDER	APPROACHES TO ENGAGEMENT	KEY ISSUES	HOW ISSUES HAVE BEEN ADDRESSED
4.14 LIST OF STAKEHOLDER GROUPS ENGAGED BY THE ORGANIZATION			
Communities	▪ Direct engagement and dialogue with community members, government officials and NGOs ▪ Encouraging employee and executive engagement with communities	▪ Jobs ▪ Opportunities for local businesses ▪ Opportunities for local not-for-profits ▪ Environmental impacts	▪ 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	▪ 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 ▪ International Edge initiatives to focus on ease of doing business and enhanced uptime customer experience	▪ Product availability ▪ Legacy product quality ▪ Saleability of products, parts and service ▪ Restore confidence in product ▪ Re-establish traditional warranty vs. customer pay ratios ▪ Post-sales uptime support ▪ Order-to-delivery effectiveness	▪ 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 ▪ Holistic and automated Dealer Performance Dashboard ▪ Awards and financial incentives for outstanding dealer performance ▪ Sharing of customer survey data to provide insights into market trends
New Customers	▪ 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 ▪ Active social media engagements	▪ Cost ▪ Reliability ▪ Fuel economy ▪ Driver issues ▪ Competitive segment issues ▪ Government incentives ▪ Regulation (fuel economy, emissions, driver hours, etc.) ▪ Product innovation ▪ Return on Investment/Residual Value	▪ 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 ▪ Providing operating cost information on new technologies

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STAKEHOLDER	APPROACHES TO ENGAGEMENT	KEY ISSUES	HOW ISSUES HAVE BEEN ADDRESSED
4.14 LIST OF STAKEHOLDER GROUPS ENGAGED BY THE ORGANIZATION (CONTINUED)			
Shareholders & Providers of Capital	▪ Shareholder communications ▪ Board communications	▪ Monitoring investors' changing expectations ▪ Demonstrating performance that meets socially responsible investor expectations, while also meeting company's strategic goals	▪ 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	▪ Supplier selection process ▪ Supplier segment framework ▪ Comprehensive supply agreements ▪ Regular purchase orders ▪ Master service agreements ▪ Operational communications and data sharing	▪ Assuring supplier performance meets Navistar expectations ▪ Communicating production requirements ▪ Assuring 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 ▪ Assuring 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	▪ 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

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STAKEHOLDER	APPROACHES TO ENGAGEMENT	KEY ISSUES	HOW ISSUES HAVE BEEN ADDRESSED
4.14 LIST OF STAKEHOLDER GROUPS ENGAGED BY THE ORGANIZATION (CONTINUED)			
Employees, Other Workers and Their Trade Unions	▪ Communications and information sharing ▪ Training ▪ Performance management	▪ Meeting company performance goals ▪ Assuring development of employee skill sets needed for business requirements and personal development ▪ Assuring employee support for company sustainability focus	▪ 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 employee surveys to track employee engagement and identify specific needs ▪ Establishment of proactive employee safety programs ▪ Establishment of internal Employee Resource Groups groups based on employee needs

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INDICATOR NUMBER	DESCRIPTION	REFERENCE
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 6, Navistar Sustainability Report 2015, and Tables EN3 and EN4 in this report
EN4	Indirect energy consumption by primary source.	Page 6, Navistar Sustainability Report 2015, and Tables EN3 and EN4 in this report
EN5	Energy saved due to conservation and efficiency improvements.	Pages 6–7, Navistar Sustainability Report 2015, and Tables EN3 and EN4 in this report.
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 3–5, Navistar Sustainability Report 2015
EN8	Total water withdrawal by source.	Pages 8, 14 Navistar Sustainability Report 2015
EN16	Total direct and indirect greenhouse gas emissions by weight.	Page 14, Navistar Sustainability Report 2015
EN22	Total weight of waste by type and disposal method.	Table EN22 in this report

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INDICATOR NUMBER	DESCRIPTION	REFERENCE
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 and page14, Navistar Sustainability report 2015 Statistics are reported using U.S. OSHA definitions. In 2015, the OSHA recordable injury/illness rate for Navistar was 2.31, and the lost time case rate was 0.46. There were no occupational diseases in 2015. 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 2015.
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 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. 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 of Internal Audit and Chief Compliance Officer is committed to creating an ethical environment and regularly meets with employees to discuss ethics- and compliance-related topics, including code of conduct and anti-corruption. In 2015, 4,603 employees were trained on our Code of Conduct and anti-corruption. Our 2015 compliance training program educated employees on four ethics- and compliance-related topics through e-learning and/or in-person training.

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EN22: TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD (IN TONS)

	METALS, SANDS, BAGHOUSE DUST, SLAG		ALL OTHER WASTE		TOTAL WASTE GENERATED	
METHOD	HAZARDOUS	NON-HAZARDOUS	HAZARDOUS	NON-HAZARDOUS	HAZARDOUS	NON-HAZARDOUS
RECYCLING	0	15,426	3,499	13,868	3,499	29,294
COMPOSTING	0	0	0	0	0	0
RECOVERY, INCLUDING ENERGY RECOVERY	0	0	349	748	349	748
INCINERATION (MASS BURNED)	0	0	67	68	67	68
DEEP WELL INJECTION	0	0	0	0	0	0
LANDFILL	0	9,788	341	8,166	341	17,954
ON-SITE STORAGE	0	0	0	0	0	0
OTHER (WASTEWATER TREATMENT)	0	0	481	1,949	481	1,949
TOTAL HAZARDOUS	0	0	4,737	0	4,737	0
TOTAL NON- HAZARDOUS	0	25,214	0	24,799	0	50,013
				TOTAL	54,750	

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

	2011	2012	2013	2014	2015
TOTAL ENERGY (MMBTU)	3,707,630	3,703,346	3,664,196	3,547,600	3,111,805
ELECTRICITY KWHs	500,806,758	495,538,699	449,175,507	449,141,887	388,476,225
ELECTRICITY IN MMBTU	1,709,854	1,691,868	1,533,575	1,533,460	1,326,336
DIRECT ENERGY IN MMBTU	1,997,776	2,011,478	2,130,621	2,014,139	1,785,470
DIRECT ENERGY IN GIGA	2,107,853	2,122,310	2,248,018	2,125,118	1,883,770

	ELECTRICITY CONSUMPTION (KWHS)					% Electricity Generated by Fossil Fuels
	2011	2012	2013	2014	2015	
ARGENTINA	3,516,654	3,924,548	3,854,952	3,209,232	2,692,266	66.7%
BRAZIL	38,044,299	34,364,101	32,603,108	28,042,497	23,310,493	12.0%
CANADA	9,233,447	8,873,022	7,401,359	5,990,465	5,410,764	22.0%
MEXICO	61,083,427	57,843,217	56,707,787	61,408,550	53,982,978	84.0%
UNITED STATES	376,711,554	390,533,811	348,608,301	350,491,144	305,784,272	67.5%

	ELECTRICITY GENERATED BY FOSSIL FUELS (KWHS)				
	2011	2012	2013	2014	2015
ARGENTINA	2,345,608	2,617,674	2,571,253	2,140,558	1,795,741
BRAZIL	4,565,316	4,123,692	3,912,373	3,365,100	2,797,259
CANADA	2,031,358	1,952,065	1,628,299	1,317,902	1,190,368
MEXICO	51,310,079	48,588,302	47,634,541	51,583,182	45,345,702
UNITED STATES	254,280,299	263,610,322	235,310,603	236,581,522	206,404,384

	ENERGY CONSUMED AT ELECTRIC GENERATION STATIONS (ASSUMES THE GENERATORS ARE 33% EFFICIENT)				
	2011	2012	2013	2014	2015
ARGENTINA	7,036,825	7,853,021	7,714,530	6,422,315	5,387,762
BRAZIL	13,695,948	12,371,076	11,738,293	10,096,309	8,392,616
CANADA	6,094,075	5,856,194	4,885,386	3,954,102	3,571,461
MEXICO	153,930,236	145,764,907	142,917,915	154,765,023	136,050,711
UNITED STATES	762,917,189	790,910,058	706,002,410	709,815,548	619,275,078

	ELECTRICITY GENERATED BY FOSSIL FUELS (GIGA JOULES)				
	2011	2012	2013	2014	2015
ARGENTINA	25,333	28,271	27,772	23,120	19,396
BRAZIL	49,305	44,536	42,258	36,347	30,214
CANADA	21,939	21,082	17,587	14,235	12,858
MEXICO	554,149	524,754	514,505	557,154	489,796
UNITED STATES	2,746,579	2,847,356	2,541,680	2,555,408	2,229,453
TOTAL INDIRECT ENERGY IN GIGA JOULES	3,397,305	3,465,999	3,143,802	3,186,264	2,781,717

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.

On April 30, 2015, Navistar sold the Waukesha foundry operation to RMG, a small privately held company. Navistar adjusted its energy consumption and GHG emission inventories by excluding Waukesha Plant's contributions from the 2008 baseline and all subsequent years, per Navistar GHG tracking guidelines.

EC2: FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANIZATION'S ACTIVITIES DUE TO CLIMATE CHANGE

GRI REQUIREMENT	DETAIL
Report whether the organization's senior governance body considered climate change and the risks and opportunities it presents to the organization.	The Audit Committee of the Board of directors has responsibility for climate change as part of its oversight of environmental risks to Navistar. In addition, the Finance Committee oversees financial risks, which may include the financial risks and expenditures arising from product emission regulations, including greenhouse gas regulations. See 2016 Annual Meeting Proxy Statement, December 2015, page 25.
Report risks and/or opportunities posed by climate change that have potential financial implications for the organization, including: Risks due to physical changes associated with climate change (e.g., impacts of modified weather patterns and heat-related illness);	The physical risks to Navistar from climate change are difficult to predict and are similar to that faced by similar companies.
Regulatory Risks (e.g. the costs of activities and systems to comply with new regulations);	The primary regulatory risk is associated with current and new regulations related to our products. Both engines and vehicles are subject to regulations for greenhouse gas emissions. New regulations were proposed in 2015 and are currently under development by the United States Environmental Protection Agency and the National Highway Traffic Safety Administration. These rules could impact the cost of our products. Our facilities are not currently subject to plant-wide greenhouse gas regulations, although some systems, such as boilers, may be subject to efficiency rules although such rules would not be expected to have a material impact. Emissions regulations at the power generation level, such as EPA's Clean Power Plan (currently under court stay) may impact the company indirectly through higher costs of electricity. These risks are discussed in our 10-K at pages 22 and 61.
Opportunities to provide new technologies, products, or services to address challenges related to climate change; and	Improved fuel economy of our products is a key opportunity. Navistar offers customers the ability to specify transmissions, geared engine speed, tires, weight, aerodynamics, idle time management to achieve a fuel efficient vehicle for their specific application. In addition, connected vehicle technologies may enable efficiency advantages including efficient routing. See also Products, above.
Potential competitive advantages created for the organization by regulatory or other technology changes linked to climate change.	Existing product-related regulations linked to climate change apply industry-wide and do not appear to create a particular competitive advantage for any one competitor.
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.	Navistar has not yet provided a comprehensive quantitative estimate of the financial implications of climate change for the organization.

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LIMITATIONS AND FORWARD LOOKING STATEMENTS: Please note that the disclosure and limitations in the Disclosure Regarding Forward-Looking Statements from the Company's 2015 10-K, pages 3-4, apply to this Sustainability Report including, but not limited to, those relating to business strategy, emissions regulations, and environmental, health and safety risks.

NAVISTAR®

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THE 2015 SUSTAINABILITY REPORT WAS DESIGNED INTERNALLY BY THE CSO GRAPHICS TEAM.

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