ANNUAL REPORT

At December 31, 2023

CONTENTS

CNH Industrial N.V.
Corporate Seat: Amsterdam, the Netherlands
Principal Office: Cranes Farm Road, Basildon, Essex, SS14 3AD, United Kingdom
Share Capital: €17,608,744.72 (as of December 31, 2023)
Amsterdam Chamber of Commerce: reg. no. 56532474

BOARD OF DIRECTORS AND AUDITOR

BOARD OF DIRECTORS

Chair

Suzanne Heywood

Chief Executive Officer

Scott W. Wine

Directors

Elizabeth Bastoni(1)(2)(*)

Howard W. Buffett(1)(2)(*)

Richard J. Kramer(3)(*)

Karen Linehan(3)(*)

Alessandro Nasi(1)(2)

Vagn Sørensen(3)(**)

Åsa Tamsons(3)(*)

INDEPENDENT AUDITOR

Deloitte Accountants B.V.

(1) Member of the Environmental, Social and Governance Committee
(2) Member of the Human Capital and Compensation Committee
(3) Member of the Audit Committee
(*) Independent Director
(**) Independent Director and Senior Non-Executive Director

Disclaimer

All statements other than statements of historical fact contained in this filing, including competitive strengths; business strategy; future financial position or operating results; budgets; projections with respect to revenue, income, earnings (or loss) per share, capital expenditures, dividends, liquidity, capital structure or other financial items; costs; and plans and objectives of management regarding operations and products, are forward-looking statements. Forward-looking statements also include statements regarding the future performance of CNH and its subsidiaries on a standalone basis. These statements may include terminology such as “may”, “will”, “expect”, “could”, “should”, “intend”, “estimate”, “anticipate”, “believe”, “outlook”, “continue”, “remain”, “on track”, “design”, “target”, “objective”, “goal”, “forecast”, “projection”, “prospects”, “plan”, or similar terminology. Forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside our control and are difficult to predict. If any of these risks and uncertainties materialize (or they occur with a degree of severity that the Company is unable to predict) or other assumptions underlying any of the forward-looking statements prove to be incorrect, including any assumptions regarding strategic plans, the actual results or developments may differ materially from any future results or developments expressed or implied by the forward-looking statements.

Factors, risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others: economic conditions in each of our markets, including the significant uncertainty caused by geopolitical events; production and supply chain disruptions, including industry capacity constraints, material availability, and global logistics delays and constraints; the many interrelated factors that affect consumer confidence and worldwide demand for capital goods and capital goods-related products, changes in government policies regarding banking, monetary and fiscal policy; legislation, particularly pertaining to capital goods-related issues such as agriculture, the environment, debt relief and subsidy program policies, trade and commerce and infrastructure development; government policies on international trade and investment, including sanctions, import quotas, capital controls and tariffs; volatility in international trade caused by the imposition of tariffs, sanctions, embargoes, and trade wars; actions of competitors in the various industries in which we compete; development and use of new technologies and technological difficulties; the interpretation of, or adoption of new, compliance requirements with respect to engine emissions, safety or other aspects of our products; labor relations; interest rates and currency exchange rates; inflation and deflation; energy prices; prices for agricultural commodities and material price increases; housing starts and other construction activity; our ability to obtain financing or to refinance existing debt; price pressure on new and used equipment; the resolution of pending litigation and investigations on a wide range of topics, including dealer and supplier litigation, intellectual property rights disputes, product warranty and defective product claims, and emissions and/or fuel economy regulatory and contractual issues; security breaches, cybersecurity attacks, technology failures, and other disruptions to the information technology infrastructure of CNH and its suppliers and dealers; security breaches with respect to our products; our pension plans and other post-employment obligations; political and civil unrest; volatility and deterioration of capital and financial markets, including pandemics (such as the COVID-19 pandemic), terrorist attacks in Europe and elsewhere; the remediation of a material weakness; our ability to realize the anticipated benefits from our business initiatives as part of our strategic plan, including targeted restructuring actions to optimize our cost structure and improve the efficiency of our operations; our failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures, strategic alliances or divestitures and other similar risks and uncertainties, and our success in managing the risks involved in the foregoing.

Forward-looking statements are based upon assumptions relating to the factors described in this Annual Report, which are sometimes based upon estimates and data received from third parties. Such estimates and data are often revised. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside CNH's control. CNH expressly disclaims any intention or obligation to provide, update or revise any forward-looking statements in this announcement to reflect any change in expectations or any change in events, conditions or circumstances on which these forward-looking statements are based.

Further information concerning CNH, including factors that potentially could materially affect its financial results, is included in the Company’s reports and filings with the U.S. Securities and Exchange Commission ("SEC").

All future written and oral forward-looking statements by CNH or persons acting on the behalf of CNH are expressly qualified in their entirety by the cautionary statements contained herein or referred to above.

BOARD REPORT

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

CNH Industrial N.V. (or “the Company”) is incorporated in, and under the laws of the Netherlands. CNH has its corporate seat in Amsterdam, the Netherlands, and its principal office in Basildon, England, United Kingdom.

CNH Industrial N.V. is the company initially formed by the business combination transaction, completed on September 29, 2013, between Fiat Industrial S.p.A. ("Fiat Industrial") and its majority owned subsidiary CNH Global N.V. ("CNH Global"). Unless otherwise indicated or the context otherwise requires, the terms "we", “us”, “our”, “CNH” and "the Group" refer to CNH Industrial N.V. and its subsidiaries.

CNH reports quarterly and annual consolidated financial results in accordance with accounting standards generally accepted in the United States (“U.S. GAAP”) for U.S. Securities and Exchange Commission ("SEC") reporting purposes, and in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and adopted by the European Union ("EU-IFRS") for Dutch law requirements. The reconciliation from EU-IFRS figures to U.S. GAAP is presented, on a voluntary basis, in the Notes to the Consolidated Financial Statements. Financial statements under both sets of accounting principles use the U.S. dollar as the presentation currency.

We have prepared our annual Consolidated Financial Statements presented in this Annual Report in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code. Our Consolidated Financial Statements are prepared with the U.S. dollar as the presentation currency and, unless otherwise indicated, all financial data set forth in this Annual Report are expressed in U.S. dollars.

Certain financial information in this Annual Report has been presented by geographic region. Our geographic regions are: (1) North America; (2) Europe, Middle East and Africa; (3) South America and (4) Asia Pacific. The geographic designations have the following meanings:

- *North America*: United States, Canada and Mexico;
- *Europe, Middle East and Africa*: member countries of the European Union, European Free Trade Association, the United Kingdom, Ukraine and Balkans, Russia, Turkey, Uzbekistan, Pakistan, the African continent and the Middle East;
- *South America*: Central and South America, and the Caribbean Islands; and
- *Asia Pacific*: Continental Asia (including the India subcontinent), Indonesia, and Oceania.

Certain industry information in this Annual Report has been presented on a worldwide basis which includes all countries. In this Annual Report, management estimates of industry information are generally based on retail unit sales data in North America, on registrations of equipment in most of Europe, Brazil, and various other markets, and on retail and shipment unit data collected by a central information bureau appointed by equipment manufacturers associations, including the Association of Equipment Manufacturers in North America, the Committee for European Construction Equipment in Europe, the Associação Nacional dos Fabricantes de Veículos Automotores in Brazil, the Japan Construction Equipment Manufacturers Association, and the Korea Construction Equipment Manufacturers Association, as well as on other shipment data collected by independent service bureaus. Not all agricultural or construction equipment is registered, and registration data may thus underestimate, perhaps substantially, actual retail industry unit sales demand, particularly for local manufacturers in China, Southeast Asia, Eastern Europe, Russia, Turkey, Brazil, and any country where local shipments are not reported.

During 2021, CNH completed a strategic project to separate the Commercial and Specialty Vehicles business, the Powertrain business, and the related Financial Services business (together the “Iveco Group Business”) from the Agriculture business, the Construction business, and the related Financial Services business.

The Iveco Group Business was separated from CNH Industrial N.V. in accordance with Section 2:334a (3) of the Dutch Civil Code (Burgerlijk Wetboek) by way of a legal statutory demerger (juridische afsplitsing) to Iveco Group N.V. (the “Demerger”), effective January 1, 2022.

Since January 3, 2022, CNH Industrial N.V. and Iveco Group N.V. have been quoted separately on the regulated markets and operate as independent listed companies, each with its own management and Board of Directors.

Financial information included in this Annual Report has been prepared using a segment reporting based on the following three operating segments:

- ***Agriculture*** designs, manufactures and distributes a full line of farm machinery and implements, including two-wheel and four-wheel drive tractors, crawler tractors, combines, grape and sugar cane harvesters, hay and forage equipment, planting and seeding equipment, soil preparation and cultivation implements, and material handling equipment. We are also a leading provider of technology dedicated to Precision Agriculture. Agricultural equipment is sold under the New Holland Agriculture and Case IH brands. Regionally focused brands include: STEYR, for agricultural tractors; Flexi-Coil specializing in tillage and seeding systems; Miller manufacturing application equipment. The Raven brand supports Precision Agriculture, digital technology and the development of autonomous systems. Hemisphere, acquired in 2023, provides high-performance satellite positioning technology for the agriculture and construction industries.

- ***Construction*** designs, manufactures and distributes a full line of construction equipment including excavators, crawler dozers, graders, wheel loaders, backhoe loaders, skid steer loaders, and compact track loaders along with a wide variety of attachments. Construction equipment is sold under the CASE Construction Equipment, New Holland Construction and Eurocomach brands.

- ***Financial Services*** provides and administers financing to end-use customers for the purchase of new and used agricultural and construction equipment and components sold through CNH's dealer network, as well as revolving charge account financing and other financial services. Financial Services also provides wholesale financing to CNH dealers and distributors primarily to finance inventories of equipment for those dealers. Further, Financial Services provides trade receivables factoring services to CNH subsidiaries. The European Financial Services operations are supported by the Iveco Group's Financial Services segment. Financial Services also provides financial services to Iveco Group companies in the North America, South America and Asia Pacific regions.

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT AND LONG-TERM VALUE CREATION

CNH is committed to building a better future, by incorporating sustainability in its day-to-day activities and engaging all employees. The full integration of environmental and social considerations with economic objectives enables CNH to identify potential risks and seize additional development opportunities, resulting in a process of continuous and sustainable improvement that creates value over the long-term.

As evidence of this, CNH establishes strategic sustainability targets in its Strategic Business Plan that are in line with its priorities and are based on internal assessment, a sustainability materiality assessment, and ongoing stakeholder engagement. The targets are incorporated into CNH's Sustainability Plan, which also includes short-term targets, that are updated annually to monitor the progress of existing projects and establish new targets to ensure continuous improvement, which is essential for long-term growth and value creation.

STRATEGIC SUSTAINABILITY TARGETS

CNH worldwide (%)

SUSTAINABILITY PRIORITIES	ASPIRATIONAL GOALS	STRATEGIC SUSTAINABILITY TARGETS	
CARBON FOOTPRINT	CARBON NEUTRAL	50% reduction in CO_2/hour of production vs. 2018 by 2030	90% share of renewable electricity by 2030
CIRCULARITY AND ECO-EFFICIENCY	FULLY RECOVERABLE	100% new products developed with sustainability design criteria by 2024	90% recyclability for new products by 2030
		95% waste recovered at Company plants by 2024	33% reduction of water withdrawal/hour of production vs. 2018 by 2024
INCLUSION, EQUITY AND ENGAGEMENT	FULLY ENGAGED	35% reduction of injury frequency rate vs. 2018 by 2024	20% of women in leadership roles by 2024
		100% employees trained in unconscious bias and "speak up" by 2024	100% increase in people benefitting from CNH's local community initiatives vs. 2018 by 2024
GOVERNANCE AND COMMITMENT	FULLY ACCOUNTABLE	Quarterly Executive Sustainability Committee chaired by CEO, and ESG Board Committee	20% leadership variable compensation linked to Sustainability
		Rollout of CNH Business System to increase agility and focus on customers	

CNH's sustainability priorities and targets are also aligned with the six UN Sustainable Development Goals ("SDGs") most relevant to CNH[1]:

- SDG 2: Zero hunger - end hunger, achieve food security and improved nutrition, and promote sustainable agriculture;
- SDG 3: Good health and well-being - ensure healthy lives and promote wellbeing for all;
- SDG 8: Decent work and economic growth - promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all;
- SDG 10: Reduced inequalities - reduce inequality within and among countries;
- SDG 12: Responsible consumption and production - ensure sustainable consumption and production patterns;
- SDG 13: Climate action - take urgent action to combat climate change and its impacts.

These SDGs inspire CNH's future endeavors in terms of sustainability targets, practices, and projects.

Sustainability is a core element of CNH's Corporate Governance, with senior management playing a direct and active role. The Environmental, Social, and Governance Committee (the "ESG") of the Board of Directors ("Board") is responsible for, among other things, assisting the Board in: monitoring and evaluating reports on CNH's sustainable development policies and practices, management standards, strategy, global performance and governance; reviewing and making recommendations on strategic sustainability guidelines, including occupational health and safety and climate-related issues; and reviewing CNH's annual Sustainability Report[2].

CNH has established an organizational structure made up of global and regional sustainability committees and the corporate Sustainability Team to optimize the management of sustainability aspects within CNH.

The Sustainability Steering Committee ("SSC") are members of the Global Leadership Team ("GLT"), and responsible for identifying sustainability strategies, integrating them with business needs, adopting a medium-to-long term vision.

The SSC is chaired by the Chief Human Resource Officer and is coordinated by the corporate Sustainability Team. The permanent members of the committee are the GLT members.

The corporate Sustainability Team is a network of internal employees with global and regional expertise responsible for incorporating sustainability criteria into CNH's strategy and for ensuring the necessary support for sustainability planning and reporting. The Sustainability Team is overseen by the Chief Human Resource Officer.

CNH's sustainability management system consists of the following tools:

- the Code of Conduct, approved by the Board of Directors, and related policies that set out CNH's approach to key topics;
- a set of policies to manage specific issues, as well as the Human Capital Management Guidelines, Green Logistics Principles, and the Supplier Code of Conduct;
- the materiality analysis, which defines social and environmental priorities;
- stakeholder engagement on material topics;
- a set of comprehensive sustainability-related Key Performance Indicators, designed to provide comprehensive coverage of all the key environmental, social, and governance aspects, in line with the GRI Sustainability Reporting Standards ("GRI Standards") and the Sustainability Accounting Standards ("SASB Standards") and those of the major sustainability rating agencies; and
- the annual Sustainability Report, which discloses CNH's strategic sustainability targets and tracks commitments undertaken and performance.

Materiality analysis

The materiality analysis is a tool that CNH uses to ensure close alignment between the material topics identified and its business decisions. CNH's most recent materiality assessment adopted the double materiality framework that considered both the financial and impact perspectives of the organization. The results are shared with the GLT members, reviewed by the SSC, and approved by the Chief Executive Officer ("CEO"). The materiality development process and results were reviewed and audited by an independent company.

The Materiality assessment results confirmed the greater significance of business-related aspects, in line with the sustainability priorities defined within CNH's Strategic Business Plan. Specifically, the material topics of Supply Chain, Health and Safety, Products, Climate Change and Biodiversity were considered to have the most critical financial values and impacts on the world. As a result, CNH will continue to monitor these topics closely and set specific targets to manage these issues accordingly.

(1) 2023 ESG Data Coverage & Methodology : For occupational health and safety date, there are 31 ISO 45001 certified plants. Information on environmental performance and management systems relates to 30 fully consolidated plants. There are 31 ISO 14001 certified plants. Information on energy performance and related management systems relates to 30 fully consolidated plants. There are 30 ISO 50001 certified plants.
To enable comparability over time, where available, the data presented refers to the 3-year period from 2021 to 2023. Target achievement dates are always year-end, i.e., they refer to December 31 of the year indicated.

(2) The 2023 Sustainability Report will be made available on the Company's website as of May 3, 2024.

Taskforce on Climate-related Financial Disclosures

CNH is committed to climate change mitigation and aims for full transparency in its management of climate-related risks and opportunities through the disclosures provided in this section, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). The following section contains four thematic areas showing how CNH is addressing climate-change risks and opportunities: Governance, Strategy, Risk Management, and Metrics and Targets. For further details, please see the TCFD correspondence table at the end of this section.

Governance

The highest responsibility for defining and implementing the strategy of CNH is assigned to the Board of Directors. The ESG Committee of the Board of Directors is responsible, among other things, for assisting the Board in reviewing and guiding the strategy and risk management policies related to climate change. Moreover, the Committee is responsible for monitoring the implementation of the measures to meet climate change targets, such as CO_2 emissions and energy efficiency. The Committee meets quarterly and, at least twice per year, the Chief Human Resource Officer updates the ESG Committee on the progress of CO_2 emissions reduction and energy efficiency in manufacturing.

At the management level, the highest responsibility for initiatives focusing on energy efficiency and on the management of CO_2 emissions at CNH lies with the GLT.

GLT members are also members of the Sustainability Steering Committee ("SSC"). The SSC is responsible for defining sustainability strategy and for integrating sustainability aspects into operating processes and is chaired by the Chief Human Resource Officer.

The operating segments of CNH are fully responsible for the global growth and performance of their respective businesses, thereby increasing focus and accountability. For this reason, the different segments have nominated specific committees responsible for the implementation and monitoring of the Group's strategy. Climate-change issues are regularly discussed by these committees to ensure responsible management of climate risks and to identify trends and opportunities, including potential impacts of new product development and new market considerations.

Additionally, the Risk Management Center of Competence addresses all stages of pure risk(3) management, including risk identification, analysis, and treatment (including loss prevention).

To further align the management commitment to climate-change mitigation, part of the CEO's and other GLT members' remuneration is linked to sustainability targets, such as the reduction of CO_2 emissions per production unit. The remuneration of the management is reviewed and approved by the Human Capital and Compensation Committee of the Board of Directors.

Targets are defined for business unit and energy managers and are related to energy consumption reduction and greenhouse gas (GHG) emissions reduction. Targets are also included in CNH's Performance Management Process.

Strategy

CNH's sustainability strategy is framed within the Company's purpose, *Breaking New Ground,* which incorporates a set of values that lie at the core of the Company's day-to-day activities and are intrinsically linked to its future business success. Specific to climate change, and as described further below, CNH has an established risk management process that includes the assessment and monitoring of climate-related risk. These assessments are used by CNH to identify not only risk exposure, but also opportunities, on which the Group's climate change strategy is based. The identification of these climate-related risks and opportunities, along with the analysis of sustainability macrotrends, led to the definition of a decarbonization strategy, which in turn has been incorporated within, and regularly influences, CNH's Strategic Business Plan. To further address the potential impacts of climate change, CNH has implemented relevant projects and a number of other specific climate-related topics and has defined long-term strategic targets.

Climate-related risks and opportunities are embedded within CNH's strategy to ensure resiliency of its business model in light of shifting global challenges. CNH has established specific functions and structures within its respective operating segments to monitor the relevant emerging policies and regulatory developments at local and global level. Resulting analyses are incorporated within the Group strategy to ensure full compliance with applicable laws. CNH develops its product portfolio to steer the focus of research and development toward sustainable technologies (e.g., electric and biomethane propulsion technologies, digitalization and related intelligent capabilities that include precision farming and smart water management). CNH also takes advantage of the collaboration with strategic business partners, startups, and external expertise in the emerging technology sector.

To ensure the timely delivery of its strategy, CNH has established specific targets linked to the environmental performance of its manufacturing processes, logistics, and product portfolio, as outlined in the section Metrics and Targets below.

CNH developed a scenario analysis which led to the identification of the Internal Price of Carbon ("IPoC"), an indicator that enables it to prioritize energy-saving projects based on their ability to generate the greatest reduction in CO_2 emissions.

(3) Pure risks are risks resulting from natural causes or accidental or malicious acts (fires, explosions, floods, etc.) that may result not only in damage to goods or facilities, but also in the short or long-term interruption of operations.

Risk Management

Enterprise Risk Management

Risk management is an important component of CNH’s overall culture and is integral to the achievement of its long-term business plan. Accordingly, CNH’s Enterprise Risk Management (“ERM”) framework is designed to assist in the identification, evaluation, and prioritization of business risks, followed by a coordinated and balanced application of resources to identify, monitor, and control the probability or impact of adverse events or to maximize the realization of opportunities.

CNH's ERM processes are aligned with the Group’s Sustainability Program and its strategic sustainability targets and aspirational goals, including those related to climate change, which are articulated in the Group’s Strategic Business Plan.

The effects of climate change represent a key emerging risk to CNH and, as referenced above, examples of its related mitigation actions include investments in technology as part of its decarbonization strategy, and efforts to reduce energy consumption in manufacturing processes.

More details on CNH’s enterprise risk management framework, including its risk appetite for individual risk categories, can be found in the Risk Management and Control System section of this Report.

Pure Risk Management

To strengthen sustainability and resilience within the company, CNH also works to develop and launch forward-looking solutions to better understand the impacts of natural hazards and to respond accordingly. The ability to assess the losses and costs associated with natural hazards is essential for better decision making on hazard-mitigation investments and planning.

CNH’s Risk Management function has developed a risk management methodology in collaboration with the Group’s Environment Health & Safety ("EHS") departments, a major international consultancy and certification firm, and an insurance partner. This methodology has enabled CNH to: (i) obtain objective, quantified knowledge of insurable environmental exposures; (ii) improve risk profiles according to the segments’ EHS strategies; (iii) identify and clearly communicate priorities and benefits; (iv) effectively inform the insurance market about the loss prevention activities in place to prevent or mitigate potential environmental losses; (v) obtain adequate environmental insurance coverage, commensurate with risk exposures and current loss prevention activities; (vi) carry out prevention activities in line with Group strategies. These activities provided the basis for the development of CNH’s first environmental maps, which quantify the overall level of risk using a scientific, certified self-assessment tool. The results were presented to the insurance market as evidence that CNH’s environmental risks are known, well-quantified, and properly managed. The results also led to comprehensive global insurance coverage.

Metrics and targets

CNH has developed various indicators and tools to assess its contribution, exposure, and resilience to climate change. CO_2 emissions are calculated according to the Greenhouse Gas Protocol (GHG Protocol), incorporated into CNH Guidelines.

METRICS	2023	2022	2021
Plants in scope	**30**	**31**	**31**
Direct energy consumption from renewable sources (GJ/000)	16	15	6
Direct energy consumption from non-renewable sources (GJ/000)	2,172	2,360	2,181
Total direct energy consumption (GJ/000)	**2,188**	**2,375**	**2,187**
Total indirect energy consumption from renewable sources (GJ/000)	798	784	661
Total indirect energy consumption from non-renewable sources (GJ/000)	536	624	707
Total indirect energy consumption (GJ/000)	**1,334**	**1,408**	**1,368**
Direct CO_2 emissions (Scope 1) (Mtons/000)	118	128	120
Indirect CO_2 emissions (Scope 2 – market-based) (Mtons/000)	88	106	102
Indirect CO_2 emissions (Scope 2 – location-based) (Mtons/000)	123	127	121
Total CO_2 emissions (Scope 1 and Scope 2 – market-based) (Mtons/000)	**206**	**234**	**222**

Based on the climate-related risks and opportunities identified, CNH sets targets to reduce emissions and increase energy efficiency:

TARGETS	REFERENCE PERIOD	2023 RESULTS
50% reduction vs. 2018 in CO_2 /h of production by 2030	2030	-35.5%
90% of total electricity consumption derived from renewable sources	2030	63.4%

TCFD correspondence table

Thematic area	Recommended TCFD disclosures	Reference
Governance Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	▪ Annual Report: Our commitment to sustainable development and Long-term Value Creation; Corporate Governance/Board of Directors; the Environmental, Social, and Governance Committee ▪ CDP Climate Change Questionnaire: C1 - Governance ▪ Sustainability Report: Our Governance Model; Environmental Management/Energy
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	▪ Annual Report: Our commitment to sustainable development and Long-term Value Creation ▪ CDP Climate Change Questionnaire: C1 - Governance ▪ Sustainability Report: Our Governance Model; Environmental Management/Energy
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	▪ Annual Report: Business Overview/Industry Overview; Risk Management and Control System ▪ CDP Climate Change Questionnaire: C2 - Risks and Opportunities; C3 - Business strategy ▪ Sustainability Report: Strategy, Targets and Progress; Materiality Analysis; Environmental Management/Energy; Sustainable Supply Chain; Sustainable Products
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	▪ Annual Report: Business Overview/Industry Overview; Risk Management and Control System ▪ CDP Climate Change Questionnaire: C2 - Risks and Opportunities; C3 - Business strategy ▪ Sustainability Report: Strategy, Targets and Progress/Materiality Analysis; Environmental Management/Energy; Sustainable Supply Chain; Sustainable Products
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	▪ Annual Report: Business Overview/Industry Overview; Risk Management and Control System ▪ CDP Climate Change Questionnaire: C2 - Risks and Opportunities; C3 - Business strategy ▪ Sustainability Report: Strategy, Targets and Progress/Materiality Analysis; Environmental Management/Energy; Sustainable Supply Chain; Sustainable Products
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	▪ Annual Report: Risk Management and Control System ▪ CDP Climate Change Questionnaire: C2 - Risks and Opportunities ▪ Sustainability Report: Governance/Risk Management
	b) Describe the organization's processes for managing climate-related risks.	▪ Annual Report: Risk Management and Control System; Business Overview/Plants and Manufacturing Processes ▪ CDP Climate Change Questionnaire: C2 - Risks and Opportunities ▪ Sustainability Report: Governance/Risk management; Environmental Management/Energy Management; Sustainable Supply Chain; Sustainable Products
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	▪ Annual Report: Risk Management and Control System ▪ CDP Climate Change Questionnaire: C2 - Risks and Opportunities ▪ Sustainability Report: Governance/Risk Management
Metrics & targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	▪ Annual Report: Business Overview/Plants and Manufacturing Processes ▪ CDP Climate Change Questionnaire: C4 - Targets and performance; C6 - Emissions data; C8 - Energy ▪ Sustainability Report: Environmental Management/Energy
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	▪ Annual Report: Business Overview/Plants and Manufacturing Processes ▪ CDP Climate Change Questionnaire: C4 - Targets and Performance; C6 - Emissions data; C8 - Energy ▪ Sustainability Report: Environmental Management/Energy performance
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	▪ Annual Report: Business Overview/Plants and Manufacturing Processes ▪ CDP Climate Change Questionnaire: C4 - Targets and Performance; C6 - Emissions data; C8 - Energy ▪ Sustainability Report: Environmental Management; Energy performance

EU Taxonomy on sustainable activities

The EU Taxonomy classification system introduced by the Regulation 2020/852 establishes a list of environmentally sustainable economic activities, supporting the EU Green Deal objectives[(1)]. The Regulation provides for common definitions that identify when an economic activity can be considered as environmentally sustainable.

There are currently six environmental[(2)] objectives in the EU Taxonomy. Climate Change Mitigation and Climate Change Adaptation are regulated by the Climate Delegated Act, while the Sustainable Use and Protection of Water and Marine Resources, Transition to a Circular Economy, Pollution Prevention and Control and Protection and Restoration of Biodiversity and Ecosystems are regulated by the Environmental Delegated Act.

For each objective, the EU Taxonomy defines the list of economic activities that can substantially contribute to it, provided that it meets the related technical screening criteria ("TSC")[(3)].

For financial year 2023, companies have to disclose information of both taxonomy-aligned and taxonomy-eligible economic activities for the first two environmental objectives: climate change mitigation (CCM) and climate change adaptation (CCA), as defined by the Climate Delegated Act (Delegated Regulation 2139/2021). In addition, companies have to disclose the taxonomy-eligible economic activities for the new activities added to the Climate Delegated Act, as well as the activities related to the four other environmental objectives (i.e. protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems) as defined by the Environmental Delegated Act (Delegated Regulation 2023/2486).

For each eligible activity for CCM and CCA, the Company shall then assess if the activity:

- contribute substantially to one or more of the environmental objectives;
- does not significantly harm (DNSH) any of the environmental objectives;
- complies with minimum safeguards referred to in Art. 18 of the EU Taxonomy Regulation, and
- complies with technical screening criteria.

Eligibility assessment of CNH economic activities'

CNH conducted an eligibility assessment of its core business activities and operations, comparing the latter against the subsections of Annexes I and II of the Commission Delegated Regulation (EU) 2021/2139.

In this context, CNH identified eligible activities corresponding to 5 out of 6 climate and environmental objectives (for additional detail refer to the below presented EU Taxonomy list of activities).

CNH defined as eligible the production of electric traction technologies, which falls within the definition of the activity 3.6 – "Manufacture of other low carbon technologies".

Moreover, the Group identified a list of additional activities, related to expenses incurred during 2023 that can be considered individually as Taxonomy-eligible investments, as contributing to the aim to reduce Group's greenhouse gas emissions:

- 1.1 – Manufacture of plastic packaging goods;
- 1.2 – Manufacture of electrical and electronic equipment;
- 2.1 – Water supply;
- 2.3 – Sustainable urban drainage systems (SUDS);
- 2.4 – Remediation of contaminated sites and areas;
- 3.3 – Demolition and wrecking of buildings and other structures;
- 3.4 – Maintenance of roads and motorways;
- 3.5 – Manufacture of energy efficiency equipment for buildings;
- 3.5 – Use of concrete in civil engineering;
- 3.8 – Manufacture of aluminum;
- 4.1 – Electricity generation using solar photovoltaic technology;
- 4.1 – Provision of IT/OT data-driven solutions;
- 4.9 – Transmission and distribution of electricity;
- 4.16 – Installation and operation of electric heat pumps;
- 5.1 – Construction, extension and operation of water collection, treatment and supply systems;
- 5.2 – Renewal of water collection, treatment and supply systems;
- 5.5 – Collection and transport of non-hazardous waste in source segregated fractions;
- 5.5 – Product-as-a-service and other circular use- and result-oriented service models;
- 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles;

- 6.14 – Infrastructure for rail transport;
- 7.1 – Construction of new buildings;
- 7.2 – Renovation of existing buildings;
- 7.3 – Installation, maintenance and repair of energy efficiency equipment;
- 7.4 – Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings);
- 7.5 – Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings;
- 7.6 – Installation, maintenance and repair of renewable energy technologies;
- 8.1 – Data processing, hosting and related activities;
- 8.2 – Data-driven solutions for GHG emissions reductions;
- 8.2 – Computer programming, consultancy and related activities;
- 9.1 – Research, development and innovation for direct air capture of CO_2;
- 9.2 – Close to market research, development and innovation;
- 11.1 – Education;
- 13.1 – Creative, arts and entertainment activities;
- 13.2 – Libraries, archives, museums and cultural activities;
- 14.1 – Emergency services.

Alignment Assessment

The activities related to the objectives of Climate Change Mitigation and Climate Change Adaptation carried out by the group were considered eligible, but not aligned, as it was not possible to assess their compliance with all the technical screening criteria laid down in the Appendix A: Generic Criteria for DNSH to Climate Change Adaptation.

Technical Screening Criteria ("TSC") are subdivided by Substantial Contribution Criteria ("SCC") and Do No Significant Harm Criteria ("DNSH"). SCC determines the conditions under which a specific economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation, respectively. The DNSH should ensure that the economic activity has no significant negative environmental impact. For all the expenses considered as eligible, as the Group did not assess the full compliance of the suppliers to the TSC and MSS, a precautionary approach was preferred.

For eligible activity 3.6, the Group assessed whether or not the technical screening criteria was met. For activity 3.6, an LCA verified by an independent third party for each solution is required, and it has to be compared to the best performing alternative technology/product/solution available on the market[4].

The assessment led us to determine activity 3.6 as not aligned because LCA verification has not been completed and does not satisfy requirements at this time.

For other OpEX and CapEX activities above listed and considered as eligible, the group assessed whether the technical screening criteria were met. Using a conservative approach, we cannot confirm that all technical screening criteria were met.

(1) *Individual measures as identified in Delegated Act – Annex I Art. 8, § 1.1.2.2, point c, related to the purchase of output from Taxonomy-aligned economic activities.*

(2) *1 - climate change mitigation; 2 - climate change adaptation; 3 - sustainable use and protection of water and marine resources; 4 - transition to a circular economy; 5 - pollution prevention and control; and 6 - protection and restoration of biodiversity and ecosystems.*

(3) *The list of economic activities and the related technical screening criteria are laid down in Annex 1 and Annex 2 of the Commission Delegated Act 2021/2139 supplementing Regulation (EU) 2020/852.*

(4) The manufacture of low carbon technologies and their key components that result in substantial GHG emission reductions in other sectors of the economy is only eligible if they demonstrate substantial higher net GHG emission reductions compared to the best performing alternative technology/ product/ solution available on the market on the basis of a recognized or standardized cradle-to-cradle carbon footprint assessment validated by a third party.

Minimum Safeguard Assessment

Article 3 of the EU Taxonomy Regulation sets a further requirement for the economic activities to be considered sustainable. Not only the activities shall meet the TSC, but they shall also be socially sustainable by meeting the minimum safeguards.

The Taxonomy Regulation requires that the entity conducting an eligible activity shall also implement measures to ensure the alignment with the OECD (Organization for Economic Cooperation and Development) Guidelines for Multinational Enterprises and with the UN Guiding Principles on Business and Human Rights. Those procedures include the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

To verify compliance with minimum safeguards on its activities, CNH conducted a specific assessment activity.

As referenced in our Corporate Governance Chapter, CNH respects and promotes human rights in line with national laws, the fundamental Conventions of the International Labour Organization (ILO), the UN's Universal Declaration of Human Rights, and the OECD Guidelines for Multinational Enterprises.

CNH is committed to ensuring respect for fundamental human rights wherever it operates and seeks to promote respect for these principles by others where it has an influence, particularly among contractors, suppliers, and other entities and individuals with whom it has a business relationship.

CNH monitors respect for human rights both internally, through the Internal Audit function, and for suppliers, through an annual assessment process. CNH also seeks to implement a variety of measures (e.g., training activities) to help employees understand and address human rights issues in the course of their work.

CNH has adopted an Anti-Corruption Compliance Policy, which assigns responsibilities and establishes procedures that are designed to ensure compliance with applicable anti-corruption legislation and regulations worldwide. The Company's tax risk management strategy focuses on managing and minimizing the possibility of operating in violation of tax regulations or in a way that is contrary to the principles or purposes of the tax system. The Company has established a compliance and ethics program and lastly, CNH's Code of Conduct and Supplier Code of Conduct, which stipulate, among other things, respect of fair competition and antitrust regulation.

Accounting Policy (1.2.1)

For the determination of the KPIs, the Group's Sustainability department, and the Accounting and Finance Department were involved, which, based on the indications given in Annex 1 to Disclosure Delegated Act (Delegated Regulation 2178/2021), identified the values to be included in the KPIs from the balance sheet items, as described in the next paragraph.

As for the calculation of the numerator, only the balance sheet items related to the identified activities (refer to the activities listed in the paragraph "*Eligibility assessment of CNH economic activities"*) were considered. As for the calculation of the denominator, all the items provided for by the regulations at a consolidated CNH Industrial N.V. level were included, as specified within the contextual information paragraph.

Assessment of compliance with Regulation (EU) 2020/852 (1.2.2)

CNH identified thirty-six taxonomy eligible activities, which do not meet all the relevant technical screening criteria.

To avoid any double counting in the calculation of the KPIs, the values were determined directly from the items included in the financial statement of CNH Industrial N.V. (for additional details refer to the below paragraph "*Contextual information (1.2.3.)"* and to the information presented in the EU Taxonomy list of activities table).

Contextual information (1.2.3)

Turnover KPI:

a) The denominator was identified based on Group's consolidated net turnover from industrial activities (Refer to Note 1 "Net revenues").
b) The numerator was identified including net sales from sales of electrical construction vehicles (activity 3.6 "Manufacture of other low carbon technologies").

CapEx KPI:

a) The denominator consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortization, and any re-measurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value (Refer to Note 13 "Intangible assets" and Note 14 "Property, plant and equipment" for Industrial Activities capital expenditures).
b) The numerator equals capital expenditures, that are part of the denominator, referred to the eligible activities and in particular capital expenditures on fixed assets and R&D costs capitalized of the industrial activities.

The main investments within the eligible costs are referred to renovation of plants with the aim to make them more energy sustainable and efficient on production; all the investments involve mainly the production plan and product development test labs. It also includes investments in relation to alternative propulsion (low carbon technologies) R&D and Capital investments.

OpEx KPI:

a) The denominator includes all direct non-capitalized costs related to maintenance, building renovation measures, research and development, short-term lease, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant, and equipment.

b) The numerator equals the direct non-capitalized costs that are part of the denominator referred to eligible activities and in particular innovation and advanced engineer development for Products Electrification and alternative propulsion solutions and R&D not capitalized of industrial activities.

There are no amounts in the reported values related to economic activities included in the taxonomy conducted for the internal consumption of the Group.

Within the CapEx and OpEx items, there are no items related to a plan to expand the economic activities aligned to the taxonomy.

After investigating and consulting on EU Taxonomy's list of activities, the KPIs related are included in the tables below.

Proportion of turnover from products associated with Taxonomy-aligned economic activities – disclosure covering year 2023:

	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm") (h)									
Economic Activities	Code (a)	Turnover	Proportion of Turnover	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned or eligible turnover, FY 2022	Category enabling activitiy	Category transitional activity
		$/million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
of which Enabling																			
of which Transitional																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
		$/million	%	EL-N/EL	EL-N/EL	EL-N/EL	EL-N/EL	EL-N/EL	EL-N/EL								%		
Manufacture of other low carbon technologies	3.6 CCM 3.6 CCA	28	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		28	0 %	0 %	0 %												0%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		28	0 %	0 %	0 %												0%		
B. TAXONOMY - NON - ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy - non - eligible activities		22,052	100 %																
Total (A+B)		**22,080**	**100 %**																

Proportion of CapEx from products associated with Taxonomy-aligned economic activities – disclosure covering year 2023:

	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm") (h)									
Economic Activities	**Code (a)**	**Capex**	**Proportion of Capex**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum Safeguards**	**Proportion of Taxonomy-aligned or eligible turnover, FY 2022**	**Category enabling activitiy**	**Category transitional activity**
		$/million	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
of which Enabling																			
of which Transitional																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
		$/million	**%**	**EL-N/EL**	**EL-N/EL**	**EL-N/EL**	**EL-N/EL**	**EL-N/EL**	**EL-N/EL**								**%**		
Manufacture of other low carbon technologies	3.6 CCM 3.6 CCA	67	7 %	EL	EL	N/EL	N/EL	N/EL	N/EL								1%		
Manufacture of energy efficiency equipment for buildings	3.5 CCM 3.5 CCA	0.2	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of aluminium	3.8 CCM 3.8 CCA	0.2	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Electricity generation using solar photovoltaic technology	4.1 CCM 4.1 CCA	0.5	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Transmission and distribution of electricity	4.9 CCM 4.9 CCA	0	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Installation and operation of electric heat pumps	4.16 CCM 4.16 CCA	0	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM 5.1 CCA	0.3	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Renewal of water collection, treatment and supply systems	5.2 CCM 5.2 CCA	0.3	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Collection and transport of non-hazardous waste in source segregated fractions	5.5 CCM 5.5 CCA	0	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM 6.5 CCA	0.4	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Infrastructure for rail transport	6.14 CCM 6.14 CCA	0	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Construction of new buildings	7.1 CCM 7.1 CCA 7.1 CE	2.1	0 %	EL	EL	N/EL	N/EL	EL	N/EL										
Renovation of existing buildings	7.2 CCM 7.2 CCA 7.2 CE	12.8	1 %	EL	EL	N/EL	N/EL	EL	N/EL								2%		
Installation, maintenance and repair of energy efficiency equipment	7.3 CCM 7.3 CCA	5.8	1 %	EL	EL	N/EL	N/EL	N/EL	N/EL								1%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4 CCM 7.4 CCA	0	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5 CCM 7.5 CCA	1.3	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Installation, maintenance and repair of renewable energy technologies	7.6 CCM 7.6 CCA	0	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Data processing, hosting and related activities	8.1 CCM 8.1 CCA	20.3	2 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Data-driven solutions for GHG emissions reductions	8.2 CCM	0.1	0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Research, development and innovation for direct air capture of CO_2	9.1 CCM	0	0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Computer programming, consultancy and related activities	8.2 CCA	1.4	0 %	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Close to market research, development and innovation	9.2 CCA	1.5	0 %	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Education	11.1 CCA	0.3	0 %	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Emergency services	14.1 CCA	0.1	0 %	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Water supply	2.1 WTR	0.2	0 %	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Sustainable urban drainage systems (SUDS)	2.3 WTR	0	0 %	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Manufacture of electrical and electronic equipment	1.2 CE	14.5	1 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Demolition and wrecking of buildings and other structures	3.3 CE	0.1	0 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL										

Maintenance of roads and motorways	3.4 CE	0.1	0 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Use of concrete in civil engineering	3.5 CE	0.4	0 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Provision of IT/OT data-driven solutions	4.1 CE	3.1	0 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Remediation of contaminated sites and areas	2.4 PPC	0.2	0 %	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Capex of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		133	13 %	11 %	11 %	0 %	0 %	3 %									4%		
A. Capex of Taxonomy eligible activities (A.1+A.2)		133	13 %	11 %	11 %	0 %	0 %	3 %									4%		
B. TAXONOMY - NON - ELIGIBLE ACTIVITIES																			
Capex of Taxonomy - non - eligible activities		864	87 %																
Total (A+B)		**997**	**100 %**																

Proportion of OpEx from products associated with Taxonomy-aligned economic activities – disclosure covering year 2023:

		2023		**Substantial Contribution Criteria**						**DNSH criteria ('Does Not Significantly Harm") (h)**									
Economic Activities	**Code (a)**	**Opex**	**Propor-tion of Opex**	**Climate Change Mitiga-tion**	**Climate Change Adapta-tion**	**Water**	**Pollu-tion**	**Circular econo-my**	**Biodi-versity**	**Climate Change Mitiga-tion**	**Climate Change Adapta-tion**	**Water**	**Pollu-tion**	**Circular econo-my**	**Biodi-versity**	**Mini-mum Safe-guards**	**Propor tion of Taxo nomy-aligned or eligible turnove r, FY 2022**	**Catego-ry ena-bling activitiy**	**Catego-ry transi-tional activity**
		$/million	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
of which Enabling																			
of which Transitional																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
		$/million	**%**	**EL-N/ EL**	**EL-N/ EL**	**EL-N/ EL**	**EL-N/ EL**	**EL-N/ EL**	**EL-N/ EL**								**%**		
Manufacture of other low carbon technologies	3.6 CCM 3.6 CCA	277.4	32 %	EL	EL	N/EL	N/EL	N/EL	N/EL								8%		
Renovation of existing buildings	7.2 CCM 7.2 CCA 7.2 CE	0.7	0 %	EL	EL	N/EL	N/EL	EL	N/EL										
Installation, maintenance and repair of energy efficiency equipment	7.3 CCM 7.3 CCA	0.1	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5 CCM 7.5 CCA	0	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Data processing, hosting and related activities	8.1 CCM 8.1 CCA	0.1	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Close to market research, development and innovation	9.2 CCA	0	0 %	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Opex of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		278	32 %	32 %	32 %			0 %									8%		
A. Opex of Taxonomy eligible activities (A.1+A.2)		278	32 %	32 %	32 %			0 %									8%		
B. TAXONOMY - NON - ELIGIBLE ACTIVITIES																			
Opex of Taxonomy - non - eligible activities		589	68 %																
Total (A+B)		**867**	**100 %**																

(a) *The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e., (i) Climate Change Mitigation - CCM; (ii) Climate Change Adaptation - CCA; (iii) Water and Marine Resources - WTR; (iv) Circular Economy - CE; (v) Pollution Prevention and Control - PPC; (vi) Biodiversity and ecosystems - BIO.*

Methodologies

This Non-Financial Statement addresses the requirements of the Dutch Decree dated March 14, 2017 on Non-Financial Information, that implemented the Directive 2014/95/EU into Dutch law. This Non-Financial Statement is based on the GRI Sustainability Reporting Standards ("GRI Standards") and the Sustainability Accounting Standards (“SASB Standards”).

Defining the contents of this Non-Financial Statement is a process based on principles of materiality, stakeholder inclusiveness, sustainability context, and completeness. Ensuring the quality of information concerns principles of balance, comparability, accuracy, timeliness, clarity, and reliability.

Environmental and social issues included in the Annual Report were selected on the basis of the materiality analysis and focus on key phases in the product life cycle. For further information on CNH's commitment to sustainable development, see the 2023 Sustainability Report.

The contents related to the different requirements stated in the Dutch Decree are included in this Annual Report in different sections. The table below shows the internal references where to find the information for each requirement.

EU Directive Non-Financial Information and Diversity information reference table

Topic	Subtopic	Included (yes/no)	Reference
Business model		Yes	Business Overview; Our Commitment to Sustainable Development and Long-term Value Creation; Corporate Governance/Code of Conduct
Relevant social and personnel matters (e.g., HR, safety etc.)	A description of the policies pursued, including due diligence.	Yes	Corporate Governance/Code of Conduct; Human Resources/Employees; Business Overview/Suppliers
	The outcome of those policies.	Yes	Corporate Governance/Code of Conduct; Human Resources/Employees; Business Overview/Suppliers
	Principle risks in own operations and within value chain.	Yes	Risk Management and Control System; Human Resources/Employees; Business Overview/Suppliers
	How risks are managed.	Yes	Risk Management and Control System; Human Resources/Employees; Business Overview/Suppliers
	Non-financial key performance indicators.	Yes	Human Resources/Employees; Business Overview/ Suppliers
Relevant Environmental matters (e.g., climate-related impacts)	A description of the policies pursued, including due diligence.	Yes	Corporate Governance/Code of Conduct; Business Overview/Plants and Manufacturing Processes
	The outcome of those policies.	Yes	Corporate Governance/Code of Conduct; Business Overview/Plants and Manufacturing Processes
	Principle risks in own operations and within value chain.	Yes	Risk Management and Control System; Business Overview/Plants and Manufacturing Processes
	How risks are managed.	Yes	Risk Management and Control System; Business Overview/Plants and Manufacturing Processes
	Non-financial key performance indicators.	Yes	Business Overview/Plants and Manufacturing Processes
Relevant matters with respect for human rights (e.g., labor protection)	A description of the policies pursued, including due diligence.	Yes	Corporate Governance/Code of Conduct; Corporate Governance/Respect for Human Rights
	The outcome of those policies.	Yes	Corporate Governance/Code of Conduct; Corporate Governance/Respect for Human Rights
	Principle risks in own operations and within value chain.	Yes	Risk Management and Control System; Corporate Governance/Respect for Human Rights
	How risks are managed.	Yes	Risk Management and Control System; Corporate Governance/Respect for Human Rights
	Non-financial key performance indicators.	Yes	Corporate Governance/Respect for Human Rights
Relevant matters with respect to anti-corruption and bribery	A description of the policies pursued, including due diligence.	Yes	Corporate Governance/Code of Conduct; Corporate Governance/Anti-Corruption and Bribery
	The outcome of those policies.	Yes	Corporate Governance/Code of Conduct; Corporate Governance/Anti-Corruption and Bribery
	Principle risks in own operations and within value chain.	Yes	Risk Management and Control System; Corporate Governance/Anti-Corruption and Bribery
	How risks are managed.	Yes	Risk Management and Control System; Corporate Governance/Anti-Corruption and Bribery
	Non-financial key performance indicators.	Yes	Corporate Governance/Anti-Corruption and Bribery
Insight into the diversity (executive board and the supervisory board)	A description of the policies pursued.	Yes	Corporate Governance/Board of Directors
	Diversity targets.	No	Human Resources/Corporate Governance/Board of Directors
	Description of how the policy is implemented.	Yes	Human Resources/Corporate Governance/Board of Directors
	Results of the diversity policy.	Yes	Human Resources/Corporate Governance/Board of Directors

SASB INDEX

TOPIC	SASB CODE	METRIC	UNIT OF MEASURE	RESPONSE COMMENT
Activity	RT-IG-000.A	Number of units produced by product category	Number	Agriculture 188,400 Construction 50,801
	RT-IG-000.B	Number of Employees	Number	40,220
Energy Management	RT-IG-130a.1	(1) total energy consumed	Gigajoules (GJ)	3,532,441
		(2) percentage grid electricity	%	33.6
		(3) percentage renewable	%	23.3
Employee Health and Safety	RT-IG-320a.1	(1) total recordable incident rate (TRIR)(1)	Rate	0.206
		(2) fatality rate(2)	Rate	0.031
		(3) near miss frequency rate (NMFR)(3)	Rate	18.883
Fuel Economy & Emissions in Use-Phase	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Gallons per 1,000 ton-miles	Not applicable to CNH
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment	Gallons per hour	(4)
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators	Watts per hour	Not applicable to CNH
	RT-IG-410a.4	Sales-weighted emissions of:	Grams per kilowatt-hour	(4)
		(1) nitrogen oxides (NOx) and		
		(2) particulate matter (PM) for:		
		(a) marine diesel engines,		
		(b) locomotive diesel engines,		
		(c) on-road medium- and heavy-duty engines, and		
		(d) other non-road diesel engines		
Materials Sourcing	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	n/a	CNH's products are highly complex, typically containing thousands of parts that come from many different direct suppliers within the Company's vast global supply network. This means that the Company must rely on its direct suppliers to work with their upstream supply chain to detect the presence and evaluate the origin of any critical substances contained in components or materials it purchases. The Company has adopted policies, programs, and procedures to manage risks related to material sourcing and to promote responsible sourcing, particularly with regard to tin, tantalum, tungsten, and gold (referred to as conflict minerals or 3TG), as well as cobalt (see Suppliers section)
Remanufacturing Design & Services	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	$ million	171

(1) The total recordable incident rate is the number of recordable work-related injuries and illnesses divided by the number of hours worked, multiplied by 200,000.

(2) The fatality rate is the number of work-related fatalities divided by the number of hours worked, multiplied by 200,000.

(3) The near miss frequency rate is the number of work-related near misses divided by the number of hours worked, multiplied by 200,000.

(4) Given the diversity of its products, the Company is currently identifying a methodology for the calculation of sales-weighted fuel efficiency and emissions data.

BUSINESS OVERVIEW

GENERAL

CNH is a leading global equipment and services company engaged in the design, production, marketing, sale, and financing of agricultural and construction equipment. We have industrial and financial services companies located in 32 countries and a commercial presence in approximately 164 countries.

Industrial Activities Segments:

- ***Agriculture*** designs, manufactures and distributes a full line of farm machinery and implements, including two-wheel and four-wheel drive tractors, crawler tractors, combines, grape and sugar cane harvesters, hay and forage equipment, planting and seeding equipment, soil preparation and cultivation implements, and material handling equipment. We are also a leading provider of technology dedicated to Precision Agriculture. Agricultural equipment is sold under the New Holland Agriculture and Case IH brands. Regionally focused brands include: STEYR, for agricultural tractors; Flexi-Coil specializing in tillage and seeding systems; Miller manufacturing application equipment. The Raven brand supports Precision Agriculture, digital technology and the development of autonomous systems. Hemisphere, acquired in 2023, provides high-performance satellite positioning technology for the agriculture and construction industries.

- ***Construction*** designs, manufactures and distributes a full line of construction equipment including excavators, crawler dozers, graders, wheel loaders, backhoe loaders, skid steer loaders, and compact track loaders along with a wide variety of attachments. Construction equipment is sold under the CASE Construction Equipment, New Holland Construction and Eurocomach brands.

Financial Services:

- ***Financial Services*** provides and administers financing to end-use customers for the purchase of new and used agricultural and construction equipment and components sold through CNH's dealer network, as well as revolving charge account financing and other financial services. Financial Services also provides wholesale financing to CNH dealers and distributors primarily to finance inventories of equipment for those dealers. Further, Financial Services provides trade receivables factoring services to CNH subsidiaries. The European Financial Services operations are supported by the Iveco Group's Financial Services segment. Financial Services also provides financial services to Iveco Group companies in the North America, South America and Asia Pacific regions.

Net Revenues by Segment and by Region:

Net revenues by segment in the years ended December 31, 2023 and 2022 were as follows:

($ million)	**2023**	**2022**
Agriculture	18,148	17,969
Construction	3,932	3,572
Eliminations and Other	—	—
Total Net Revenues of Industrial Activities	**22,080**	**21,541**
Financial Services	2,518	1,982
Eliminations and Other	(94)	(50)
Total Net Revenues	**24,504**	**23,473**

Net revenues by region in the years ended December 31, 2023 and 2022 were as follows:

($ million)	**2023**	**2022**
Europe, Middle East, Africa	6,827	6,736
North America	10,923	9,824
South America	4,397	4,833
Asia Pacific	2,357	2,080
Total	**24,504**	**23,473**

Net revenues for the fiscal year 2023 were $24,504 million, up 4.4% from 2022, mainly due to favorable price realization within the Agriculture and Construction segments. 2023 consolidated net profit was $2,327 million, with diluted earnings per share of $1.71 (net profit of $1,877 million in 2022, with diluted earnings per share of $1.37).

INDUSTRY OVERVIEW

Agriculture

The operators of dairy, livestock and row crop producing farms, as well as independent contractors that provide services to such farms, purchase most agricultural equipment. Row crop farmers typically purchase tractors at the mid-to-upper end of the horsepower ("hp") range, combine harvesters, harvesting equipment and crop production equipment. Dairy and livestock farmers typically utilize tractors in the mid-to-lower hp range and crop preparation and crop packaging implements. The key factors influencing sales of agricultural equipment are the level of net farm income and, to a lesser extent, general economic conditions, interest rates and the availability of financing and related subsidy programs, farmland prices and farm debt levels. Net farm income is primarily impacted by the volume of acreage planted, commodity and/or livestock prices and stock levels, crop yields, farm operating expenses (including fuel and fertilizer costs), fluctuations in currency exchange rates, government subsidies, tax incentives and trade policies. The availability, quality, and cost of used equipment for sale affects the level of new equipment sales. Weather conditions are a major determinant of crop yields and crop prices and therefore affect equipment-buying decisions. Global organization initiatives, such as those of the World Trade Organization, also can affect the market acceptance of genetically modified organisms such as seed, feed and animals and can promote climate change and sustainability initiatives that may have an impact on agriculture.

Demand for agricultural equipment also varies seasonally by region and product, primarily due to differing climates and farming calendars. Peak retail deliveries for tractors and planting, seeding, and application equipment typically occur in March through June in the Northern hemisphere and in September through December in the Southern hemisphere. Dealers order equipment year-round but harvesting equipment orders in the Northern hemisphere generally increase in the late fall and winter so that the dealers can receive inventory before the peak retail selling season, which generally extends from March through June. In the Southern hemisphere, dealers generally order between August and October so they can receive inventory before the peak retail-selling season, which extends from November through February. Agriculture's production levels are based upon estimated retail demand, which takes into account, among other things, the timing of dealer shipments, dealer and Company inventory levels, the need to retool manufacturing facilities to produce new or different models, and the efficient use of labor and facilities. As production and wholesale shipments adjust throughout the year to take into account the factors described above, sales of agricultural equipment in any given period may not reflect the timing of dealer orders and retail demand for that period. However, the Company strives to match production scheduling to retail demand, driving lean manufacturing and enabling the shortest lead time to the final customer.

Customer preferences regarding farming practices, and thus product types and features, vary by region. In North America, Australia, Brazil, Argentina and other areas where soil conditions, climate, economic factors and population density allow for intensive mechanized agriculture, farmers generally demand high capacity, sophisticated machines equipped with the most advanced technology. In Europe, where farms are generally smaller in size than those in North America and Australia, there is greater demand for somewhat smaller, yet equally sophisticated, machines. In the developing regions of the world where labor is more abundant and infrastructure, soil conditions and/or climate are not conducive to intensive agriculture, customers generally prefer simpler and easy to use machines with relatively lower acquisition and operating costs. In many developing countries, tractors are the primary type of agricultural equipment used, and much of the agricultural work in such countries that cannot be performed by tractors is carried out by hand. A growing number of part-time farmers, hobby farmers and customers engaged in landscaping, municipality and park maintenance, golf course and roadside mowing in Western Europe and North America prefer relatively simple, low-cost agricultural equipment. Our position as a geographically diversified manufacturer of agricultural equipment and our broad geographic network of dealers allows us to provide customers in each significant market with equipment that meets their specific requirements.

One agricultural trend in North America, Western European, and Brazil includes a reduction in number, but growth in size of farms, supporting increased demand for higher capacity agricultural equipment. In addition, we believe that the use of technology and other precision technology and solutions (including the development of autonomously operated equipment) to enhance productivity, profitability and environmental impact are becoming more important in the buyers' purchasing decision. In South America (other than Brazil), India and in other emerging markets, the number of farms is growing, and mechanization is replacing manual labor. In other markets, long-term demographic trends, increasing urbanization, and low level of farm mechanization represent the key drivers of demand for agricultural equipment.

Government farm programs, including the amount and timing of government payments, are a key income driver for farmers raising certain commodity crops in the United States (the "U.S.") and the European Union. The existence of comprehensive subsidies in these agricultural/farm markets reduces the effects of cyclicality in the agricultural equipment business. The existence and extent of subsidies depends largely on the U.S. Farm Bill and programs administered by the United States Department of Agriculture, the Common Agricultural Policy of the European Union and World Trade Organization negotiations. Additionally, the Brazilian government subsidizes the purchase of agricultural equipment through low-rate financing programs administered by the Banco Nacional de Desenvolvimento Economico e Social ("BNDES"). These programs have had over the years a significant influence on sales.

Global demand for renewable fuels increased considerably in recent years driven by consumer preference, government renewable fuel mandates, renewable fuel tax and production incentives. Biofuels, which include fuels such as ethanol and biodiesel, have become one of the most prevalent types of renewable fuels. The primary type of biofuel supported by government mandates and incentives varies by region. North America and Brazil are promoting ethanol first and then biodiesel, while Europe is primarily focused on biodiesel and biomethane.

The demand for biofuels has created an associated demand for agriculturally based feedstocks, which are used to produce biofuels. Currently, most of the ethanol in the U.S. and Europe is extracted from corn, while in Brazil it is extracted from sugar cane. Biodiesel is typically extracted from soybeans and rapeseed oil in the U.S. and Brazil, and from rapeseed and other oil seeds as well as food waste by-products in Europe. The use of corn and soybeans for biofuel has been one of the main factors affecting the supply and demand relationships, as well as the price for these crops. The economic feasibility of biofuels is significantly impacted by the price of oil. As the price of oil falls, biofuels become a less attractive alternative energy source. This relationship will, however, be impacted by government policy and mandates as governments around the world consider ways to combat global warming and avoid potential energy resource issues in the future.

Sustainability has been an ongoing focus for CNH. During the 2023 United Nations Climate Change Conference, COP28 event in the United Arab Emirates, there was an assessment of progress towards climate action and a call to accelerate carbon reduction with an establishment of a Loss and Damage Fund, which aims to provide financial assistance to nations most vulnerable and impacted by the effects of climate change. With the use of a bio-digester, animal and food waste can be processed to produce bio-methane. CNH has developed two New Holland brand key livestock models of methane-powered tractors (T6 and T7) that could also run on methane produced on the farm from animal and food waste. CNH has a controlling stake in Bennamann Ltd ("Bennamann"), a U.K.-based technology company, that has developed a solution to capture fugitive emissions of methane from livestock farm waste and repurpose it into a better-than-zero-carbon biofuel. The Company believes that this solution is suitable for small to medium size farms — enabling a farm to become energy independent, less polluting, net-zero carbon, sustainable and regenerative.

This approach also improves the sustainability of farmland management practices by minimizing artificial inputs (e.g., manufactured fertilizer), lowering operational costs and reducing pollutants. This concept is intended to contribute to a dairy farm's decarbonization.

The developments in precision technology and solutions are designed to allow farmers to increase yield with reduced input costs in the areas of labor, fertilizer, chemicals and water. Further, with shorter planting and harvesting cycles experienced in recent years, we believe that precision agriculture technology will help drive replacement demand for new farm equipment as this technology is designed to improve farm efficiency.

Construction

The construction equipment market consists of two principal segments: heavy construction equipment (excluding the mining and the specialized forestry equipment markets in which we do not participate), with equipment generally weighing more than 12 metric tons, and light construction equipment, with equipment generally weighing less than 12 metric tons.

In developed markets, customers tend to prefer more sophisticated machines equipped with the latest technology such as machine control, automation and features to improve operator productivity. In developing markets, customers tend to prefer equipment that is relatively less costly and has greater perceived durability. In North America and Europe, where the hourly cost of machine operators is higher relative to fuel costs and machine depreciation, customers typically emphasize productivity, performance, and reliability. In other markets, where the relative cost for machine operators is lower, customers often continue to use equipment after its relative performance and efficiency have begun to diminish.

Customer demand for power and operating capacity does not vary significantly from market to market. However, in many countries, restrictions on equipment weight or dimensions, as well as road regulations or job site constraints can limit demand for larger machines.

Although the demand for new construction equipment tends to decrease during periods of economic stagnation or recession, the aftersales market is historically less volatile than the new equipment market and, therefore, helps limit the impact of declines in new equipment sales on the operating results of full-line manufacturers, such as Construction.

Heavy Construction

Heavy construction equipment typically includes general construction equipment such as large wheel loaders and excavators, and road building and site preparation equipment such as graders, compactors and dozers. Purchasers of heavy construction equipment include construction companies, municipalities, local governments, rental fleet owners, quarrying and mining companies, waste management companies and forestry-related concerns.

Sales of heavy construction equipment depend on the expected volume of major infrastructure construction and repair projects such as highway, tunnel, dam and harbor projects, which depend on government spending and economic growth. Demand for aggregate mining and quarrying equipment is more closely linked to the general economy and commodity prices. In North America, a portion of heavy equipment demand has historically been linked to the development of new housing subdivisions, where the entire infrastructure needs to be created, thus linking demand for both heavy and light construction equipment. The heavy equipment industry generally follows macroeconomic cyclicality, linked to growth in gross domestic product and government spending.

Light Construction

Light construction equipment is also known as compact and service equipment, and it includes skid-steer loaders, compact track loaders, tractor loaders, rough terrain forklifts, backhoe loaders, small wheel loaders and excavators. Purchasers of light construction equipment include contractors, residential builders, utilities, road construction companies, rental fleet owners, landscapers, logistics companies, and farmers. The principal factor influencing sales of light construction equipment is the level of residential and commercial construction, remodeling and renovation, which is influenced by interest rates and the availability of financing. Other major factors include the construction of light infrastructure, such as utilities, cabling and piping and maintenance expenditures. The principal use of light construction equipment is to replace relatively high-cost, slower manual work. Product demand in the United States and Europe has generally tended to mirror housing starts, with lags of six to twelve months. In areas where labor is abundant, and the cost of labor is inexpensive relative to other inputs, such as in India, Africa and South America, the light construction equipment market is generally smaller. These regions represent potential areas of growth for light construction equipment in the medium to long-term as labor costs rise relative to the cost of equipment or the supply of labor contracts, leading to increased mechanization.

Equipment rental is a significant element of the construction equipment market. Compared to the U.K. and Japan, where there is an established market for long-term equipment rentals as a result of favorable tax treatment, the rental market in North America and Western Europe (except for the U.K.) consists mainly of short-term rentals of light construction equipment to individuals or small contractors for which the purchase of equipment is not cost effective or that need specialized equipment for specific jobs. In North America, the main rental product has traditionally been the backhoe loader and, in Western Europe, it has been the mini-excavator. As the market has evolved, a greater variety of light and heavy equipment products have become available to rent. In addition, rental companies have allowed contractors to rent machines for longer periods instead of purchasing the equipment, enabling contractors to complete specific job requirements with greater flexibility and cost control. Large, national rental companies can significantly impact the construction equipment market, with purchase volumes being driven by their decisions to increase or decrease the size of their rental fleets based on rental utilization rates.

Seasonal demand for construction equipment fluctuates somewhat less than for agricultural equipment. Nevertheless, in North America and Western Europe, housing construction generally slows during the winter months. North American and European industry retail demand for construction equipment is generally strongest in the second and fourth quarters.

Agricultural and landscaping customers also contribute to a significant portion of the North America light equipment market. In this segment the main applications are related to material handling.

In markets outside of North America, Western Europe and Japan, equipment demand may also be partially satisfied by importing used equipment. Used heavy construction equipment from North America may fulfill demand in the South American market and equipment from Western Europe may be sold to Central and Eastern European, North African and Middle Eastern markets. Used heavy and light equipment from Japan is mostly sold to other Southeast Asian markets, while used excavators from Japan are sold to almost every other market in the world. This flow of used equipment is highly influenced by exchange rates, the weight and dimensions of the equipment and the different local regulations in terms of safety and/or engine emissions.

The construction equipment industry has seen an increase in the use of hydraulic excavators and wheel loaders in earth-moving and material handling applications. In addition, the light equipment sector has grown as more manual labor is being replaced on construction sites by machines with a variety of attachments for specialized applications, such as skid steer loaders, compact track loaders and mini-crawler excavators.

COMPETITION

The Agriculture and Construction equipment industries are highly competitive. We believe that we have many competitive strengths that will enable us to improve our position in markets where we are already well established while we direct additional resources to markets and products with high-growth potential.

We compete with: (i) large global full-line equipment manufacturers with a presence in every market and a broad range of products that cover most customer needs, (ii) manufacturers who are product specialists focused on particular industry segments on either a global or regional basis, (iii) regional full-line manufacturers, some of which are expanding worldwide to build a global presence, and (iv) local, low-cost manufacturers in individual markets, particularly in emerging markets such as Eastern Europe, India and China.

Our competitive strengths include well-recognized brands, a full range of competitive products and features, including software, a strong presence, distribution and customer service network and a captive financing arm. There are multiple factors that influence a buyer's choice of industrial equipment. These factors include the strength and quality of the distribution network, brand loyalty, product features, quality and performance, availability of a full product range, pricing, technological innovations, product availability, financing terms, parts and warranty programs, resale value and customer service and satisfaction. The ability to meet or exceed applicable engine emissions standards as they take effect is also a key competitive factor, particularly in those markets where such standards are the subject of frequent legislative or regulatory scrutiny and change, such as Europe and North America. Emission regulations are becoming a significant competitive factor at global level with new legislation in India and China, which leads to increases in product costs. We continually seek to improve in each of these areas but focus primarily on providing high-quality and high-value products with environment protection features, and on supporting those products through our dealer networks. Customers' perceptions of product value in terms of productivity, reliability, digital content, resale value and dealer support are formed over many years. Buyers tend to favor brands based on experience with the product, the dealer, and the service network.

The efficiency of our manufacturing, logistics and scheduling systems are dependent on forecasts of industry volumes and our anticipated share of industry sales, which is predicated on our ability to compete successfully with others in the marketplace. We compete based on product performance, customer service, quality, precision technology and other innovations and price. The environment is by nature competitive from a pricing standpoint, but we have been able to counter inflationary cost increases with positive price realization. There is no guarantee that we can maintain positive price realization in the future. The ability of our supply chain and manufacturing system to timely deliver finished goods is also critical to meeting customer expectations. Failure to do so might imply losses of competitiveness.

Our main competitors in the agricultural equipment market are Deere & Company, AGCO Corporation, Claas Group, Kubota Tractor Corporation, Argo Tractors S.p.A., and the Same Deutz Fahr Group.

Our principal competitors in the construction equipment market are Caterpillar Inc., Komatsu Ltd., J C Bamford Excavators Ltd., Hitachi Construction Machinery Co, Ltd., Volvo Group, Liebherr Group, Develon, Bobcat, Kubota Tractor Corporation, SANY Heavy Industry Co., Ltd and Deere & Company.

PRODUCTS AND MARKETS

Agriculture

To capitalize on customer loyalty to its dealers and its brands, Agriculture's product lines are sold primarily under the Case IH and New Holland Agriculture brands as well as the STEYR and Kongskilde brands in Europe and the Miller and Flexi-Coil brands, primarily in North America and Australia. Raven primarily operates in North America, Australia, South America and Europe. Certain agricultural equipment products are also sold under the K-Line brand. We believe that these brands enjoy high levels of brand identification and loyalty among both customers and dealers.

Although newer generation tractors have a high percentage of common mechanical components, each brand and product remains differentiated by features, color, interior and exterior styling, warranty terms, technology offering, and model designation. Flagship products such as row crop tractors and large combine harvesters may have significantly greater differentiation.

Distinctive features that are specific to a particular brand such as the Supersteer® tractor axle or Twin Rotor combine threshing technology for New Holland, the Case IH tracked four-wheel drive tractor, Quadtrac®, and the front axle mounted hitch for STEYR tractors are examples of certain distinctive features that remain an important part of each brand's unique identity.

Agriculture's product lines include tractors, combine harvesters, hay and forage equipment, seeding and planting equipment, and self-propelled sprayers. Our agricultural equipment is sold with a limited warranty that typically runs from one to three years.

CNH is committed to advancing technology in agriculture and is investing in integrated solutions and precision technologies across the equipment portfolio. Our technology stack spans digital web and mobile platforms, core technologies such as global navigation satellite system (GNSS) positioning, connectivity and displays, automation covering product control and guidance, and capabilities like autonomy.

In the digital space, Case IH and New Holland Agriculture brands enable customers to visualize and share in-depth real-time machine and farm operation data within the respective AFS-PLM Farm solution and offer data sharing to a third-party providers at full control of the customer. Our digital capabilities were bolstered in 2019 by our acquisition of AgDNA, an industry-leading Farm Management Information System (FMIS) that automatically collects and analyzes data from equipment manufactured by CNH and third-party manufacturers. Our AFS-PLM digital platforms connect farmers to their equipment, dealers, input providers, partners, and advisors. By analyzing machine, agronomic, and environmental data, these platforms deliver insights, empowering customers to optimize their operational performance and enhance farm profitability

CNH's core technologies, inclusive of GNSS positioning, connectivity, and displays, were augmented by the acquisition of Raven Industries, Inc., ("Raven") in 2021 and Hemisphere GNSS ("Hemisphere") in 2023. With Raven as part of the agriculture product portfolio, we now design, manufacture, sell, and service a suite of core technology products both as factory-installed and in the aftermarket. The acquisition of Hemisphere, a company that specializes in high-performance satellite positioning technologies, gives us in-house control of our precision and navigation technologies. Hemisphere's proprietary GNSS solutions provide pinpoint accuracy for agriculture and construction industries and will drive precise and improved job execution for our customers.

Our automation and autonomous capabilities are propelled by guidance technology and product controls. The Raven integration has strengthened our portfolio with a wide range of innovative guidance offerings and has helped to accelerate the development of advanced machine automation and autonomous agriculture technology. In 2023, we acquired Augmenta Holding SAS ("Augmenta"), a machine vision company that automates and optimizes farming operations. Augmenta has built a real-time, multi-spectral sensor that can perceive canopy health, objects, and patterns. Their technology utilizes edge computing, computer vision, and machine learning and translates images into agronomic insights. Augmenta's solution is designed to ease the burden on farmers and growers so that they can simply and efficiently achieve their goals.

CNH supports our customers throughout the entire equipment lifecycle. We offer a suite of aftermarket solutions spanning guidance, automated steering systems, application control products, and correction services to ensure customers have technology options wherever they are in their precision tech adoption journey.

Construction

Construction's product lines are sold primarily under the CASE Construction Equipment and New Holland Construction brands. CASE provides a wide range of products on a global scale, including crawler excavators and mini-excavators. The New Holland Construction brand family also markets a full product line of construction equipment in South America and focuses on light equipment distributed by the Agriculture network in the other regions. In 2021, we completed the acquisition of Sampierana S.p.A., which provides Construction direct control over technology and manufacturing of Mini and Midi Excavators. In 2023, we developed and launched our first range of mini track loaders under our Eurocomach brand.

Construction's products often share common components to achieve economies of scale in manufacturing, purchasing, and development. Construction differentiates these products based on the relative product value, technology, design concept, productivity, product serviceability, color, and styling to preserve the unique identity of each brand.

Heavy construction equipment product lines include general construction equipment such as large excavators and wheel loaders, and road building and site preparation equipment such as compactors, graders and dozers. Light construction equipment is also known as compact and service equipment, and its product lines include backhoe loaders, skid steer and tracked loaders, mini- and midi- excavators, and compact wheel loaders. The brands each offer parts and support services for all of their product lines. Our construction equipment is generally sold with a limited warranty that typically runs from one to two years.

Beginning in 2023, we have produced and distributed battery-powered compact construction equipment, including electric mini excavators and small articulated loaders. We plan to continue to deliver battery-powered compact construction equipment solutions to help our customers reduce tailpipe emissions.

We continue to evaluate our Construction business with a view toward increasing efficiencies and profitability as well as evaluating its strategic alliances to improve its position in key markets.

SALES AND DISTRIBUTION

Agriculture sells and distributes products through dealers that sell either Case IH products, New Holland products or both brands. Overall in Agriculture, the CNH dealer network includes more than 2,600 dealer owners and more than 6,200 locations/points of sale. Construction sells and distributes products through approximately 406 full-line dealers and distributors with over 1,518 points of sale. Agriculture and Construction dealers are almost all independently owned and operated. Some Agriculture dealers also sell construction equipment. In the United States, Canada, Mexico, most of Western Europe, Brazil, Argentina, India, China, Thailand, Australia, and South Africa products are generally distributed directly through the independent dealer network. In the rest of the world, products are either sold to independent distributors who then resell to dealers, or to importers who have their own branches to sell products to retail customers.

As the equipment rental business becomes a more significant factor in both the agricultural and construction equipment markets, Agriculture and Construction are facilitating sales of equipment to the local, regional and national rental companies through their dealers as well as by encouraging dealers to develop their own rental activities. Agriculture and Construction have launched several programs to support their dealer service and rental operations, including training, improved dealer standards, financing, and advertising. As the rental market is a capital-intensive sector and sensitive to cyclical variations, we expand such activities gradually, with special attention to managing the resale of rental units into the used equipment market by our dealers, who can utilize this opportunity to improve their customer base and generate additional parts and service business.

We believe that it is generally more cost-effective to distribute our agricultural and construction equipment products through independent dealers, although as of December 31, 2023, we operate a network of owned dealers for Case IH and the Construction segment in South Africa. We promote a selective dealer development program, in territories with growth potential but underdeveloped representation by our agricultural and construction equipment brands, the program typically involves a transfer of ownership to a qualified operator through a buy-out or private investment after a few years.

Precision technology is integrated with our Agriculture equipment as well as offered as aftermarket parts for retrofit solutions through our dealer network. The Raven brand is distributed through the CNH dealer network in all the regions and through dealer/distributor networks, some of which are affiliated with strategic and industry partners. Raven products and services are also sold to other companies. In recent years, CNH has increased its investments in its technical stack and reduced reliance on third-party suppliers.

PRICING AND PROMOTION

The retail price of any piece of equipment is determined by the individual dealer or distributor and generally depends on market conditions, features, options and, potentially, regulatory requirements. Retail transaction prices may differ from the manufacturer-suggested list prices, as a result of different factors (markets' demand, customers' specific requirements, local market conditions, general economic conditions, access to financing, etc.). We sell most of our products and parts to our dealers and distributors at wholesale prices that reflect a discount from the manufacturer-suggested list prices. In the ordinary course of business, we engage in promotional campaigns that may include price incentives or preferential financing terms when a product is sold by a dealer to a final customer.

We regularly advertise our products to the community of farmers, builders, and agricultural and construction contractors, as well as to distributors and dealers in each of our major markets. To reach our target audience, we use a combination of general media, specialized design and trade magazines, the Internet, social media and direct mail. We also regularly participate in major international and national trade shows and engage in co-operative advertising programs with distributors and dealers. The promotion strategy for each brand varies according to the target customers for that brand.

PARTS AND SERVICES

The quality and timely availability of parts and services are important competitive factors for each of our businesses, as they are significant elements in overall customer satisfaction and important considerations in a customer’s original equipment purchase decision. We supply parts, many of which are proprietary, to support items in the current product line as well as for products we have sold in the past. We also offer personalized aftersales customer assistance programs that provide a wide range of modular and flexible maintenance and repair contracts, as well as warranty extension services, to meet a variety of customers’ needs and to support the equipment’s value over time. Many of our products can have economically productive lives of up to 20 years when properly maintained, and each unit has the potential to produce a long-term parts and services revenue stream for us and our dealers. To further support the productive life of the equipment, connected technology within our machines have allowed us with our cloud-based control rooms and our dealer service shops to obtain results through analytics blended with the professional knowledge of our products experts. We are increasing the number of connected units supported proactively by control rooms that leverage service alarms, operators’ insights, predictive repairs and maintenance that enrich a suite of machine and farm data.

As of December 31, 2023, we operated and administered 30 parts depots worldwide which support both Agriculture and Construction, either directly, through a joint venture, or through arrangements with warehouse service providers. This network includes 8 parts depots in North America, 10 in EMEA, 3 in South America, and 9 in other regions. These depots supply parts to dealers and distributors, which are responsible for sales to retail customers. Our parts depots and parts delivery systems provide customers with timely access to substantially all the parts required to support our products.

RESEARCH AND DEVELOPMENT

Our research, development and engineering personnel design, engineer, manufacture and test new products, components, and systems.

In a continuously and rapidly changing competitive environment, our research and development activities are a vital component in our strategic development. Our research and development activities are designed to accelerate time-to-market while taking advantage of specialization and experience in different markets.

We own a significant number of patents, trade secrets, licenses and trademarks related to our products and services, and that number is expected to grow as our R&D activities continue. We file patent applications in Europe, the U.S. and in other jurisdictions around the world to protect technology and improvements considered important to the business. Certain trademarks contribute to our identity and the recognition of our products and services and are an integral part of our business, and their loss could have a material adverse effect on us.

Technical and operational synergies and rapid technical communication form the basis of our research and development process. CNH’s innovation process consists of a series of clear-cut steps, from the evaluation of innovative concepts up to the final step before production. CNH believes innovation is essential to offering customers highly technological, eco-friendly, safe, and ergonomic products with a low Total Cost of Ownership (“TCO”).

In this spirit, research activities focus primarily on the development of products that can: reduce polluting and CO_2 emissions, use biofuels, adopt electric and hydrogen traction systems, incorporate advanced precision farming functionality and autonomous driving. For this reason, the Company’s research and development activities focus mainly on: efficient diesel engines, decarbonization, digitalization, and automation.

Each year the Group makes substantial investments in research and development. Such continuous investment and development activities are critically important to the continuing success of the Group.

In 2023, our expenditure on research and development (including capitalized development costs and costs charged directly to operations during the year) totaled $1,041 million(*), or 5% of net revenues from Industrial Activities.

The following table shows our total research and development expenditures, including capitalized development costs and costs charged directly to operations during the year, by segment for the years ended December 31, 2023 and 2022:

($ million)	2023(*)	2022(*)
Agriculture	937	778
Construction	104	88
Total of Industrial Activities	**1,041**	**866**
Financial Services	—	—
Eliminations	—	—
Total	**1,041**	**866**

(*) Numbers presented under US-GAAP.

We own a significant number of patents, trade secrets, licenses and trademarks related to our products and services, and that number is expected to grow as our R&D activities continue. We file patent applications in Europe, the U.S. and in other jurisdictions around the world to protect technology and improvements considered important to the business. Certain trademarks contribute to our identity and the recognition of our products and services and are an integral part of our business, and their loss could have a material adverse effect on us.

JOINT VENTURES

As part of a strategy to enter and expand in new markets, we are also involved in several commercial and/or manufacturing joint ventures. At December 31, 2023, they included the following:

- in Japan, we own 50% of New Holland HFT Japan Inc. (“HFT”), which distributes our products in Japan. HFT imports and sells the full range of New Holland agricultural equipment;
- in Pakistan, we own 43.2% of Al Ghazi Tractors Ltd., which manufactures and distributes New Holland tractors;
- in Turkey, we own 37.5% of TürkTraktör ve Ziraat Makineleri A.S., which manufactures and distributes various models of both New Holland and Case IH tractors;
- in Mexico, we own 50% of CNH de Mexico S.A. de C.V., which manufactures New Holland agricultural equipment and distributes our agricultural equipment through one or more of its wholly-owned subsidiaries.

SUPPLIERS

For CNH, supply chain sustainability means looking beyond corporate boundaries, strategically and effectively promoting a sense of shared responsibility.

CNH has adopted the Supplier Code of Conduct that provides the framework for responsible supply chain management. In addition to compliance with local legislation, the Supplier Code of Conduct calls for observance of human rights, environmental protection, trade restrictions and export controls and business ethics. All suppliers carrying on business with CNH are deemed to agree and accept the contents of the Supplier Code of Conduct, available on CNH's Supplier Portal.

CNH is committed to fostering long-term partnerships with its suppliers while integrating the respective business cultures and processes, to work jointly toward meeting market expectations. The Company is also committed to supporting small and local suppliers and minority-owned businesses.

Supplier profile

CNH manages purchases worth approximately $10 billion, with a total network of 3,192 direct material suppliers; the top 150 suppliers are considered strategic, not only because they generate 62% of the total value of purchases, but also because of the length of the relationships involved, along with the extent of their production capacity and management of spare parts.

Supplier assessment

Environmental and social sustainability are part of CNH's suppliers management program. To prevent or minimize any environmental or social impact, CNH has developed a process to assess suppliers on sustainability issues. The assessment process involves three consecutive steps over a 1-year period:

- Sustainability self-assessment: during the first step, suppliers are asked to fill out a sustainability self-assessment questionnaire which relates to human rights, environment, compliance and ethics, diversity and health and safety;
- Sustainability risk assessment: the questionnaires are analyzed and used to perform a sustainability risk assessment which allows identifying critical suppliers whose compliance with sustainability criteria needs to be addressed. The risk assessment step helps in classifying suppliers into three levels of risk (high, medium and low);
- Sustainability audits: sustainability audits are performed at suppliers' plants by either CNH Supplier Quality Engineers (SQEs) or independent third-party auditors. Audits are organized in agreement with the suppliers, aim at checking the information submitted in the self-assessment questionnaires and at defining possible improvement plans where necessary.

In 2023, 100% of the supplier base was invited to access the online sustainability self-assessment questionnaire and 1,495 questionnaires were completed. The average score achieved confirmed that social and environmental issues were being properly addressed, especially regarding the adoption of environmental management systems, emergency plans, and regulatory controls. Results slightly improved comparing to the previous year's findings, confirming the widespread implementation of sustainability initiatives, with a significant number of suppliers adopting their own social and environmental systems, setting specific targets and drafting periodic reports. Furthermore, in 2023, sustainability audits were conducted on 70 supplier plants.

Promoting the continuous improvement of environmental aspects

CNH continued to promote numerous initiatives to encourage innovation among suppliers. In particular, the Supplier's Proposal Program advocates a proactive approach to business and involves acting on supplier suggestions. With regards to supplier training activities, 165 suppliers were selected to participate in the CDP Supply Chain initiative which offers specific training on the CNH's approach and commitment to fighting climate change, highlighting the importance of a supply chain that is also focused on this issue. CDP questionnaires were centered on the suppliers' strategies to tackle climate change and on their initiatives to reduce CO_2 emissions.

For further and detailed information on the purchasing process and supplier management, refer to the Sustainability Report which will be issued for 2023.

FINANCIAL SERVICES

Financial Services offers a range of financial products and services to dealers and customers in the various regions in which it operates. Retail financing products primarily include retail notes, finance leases and operating leases to end use customers and revolving charge account financing to purchase parts, service, rentals, implements and attachments from CNH dealers. Wholesale financing consists primarily of dealer floorplan financing as well as the management and purchase of trade receivables from CNH subsidiaries. Dealer floorplan financing gives dealers the ability to maintain a representative inventory of products. In addition, Financial Services provides financing to dealers for used equipment and machines taken in trade, equipment utilized in dealer-owned rental yards, parts inventory, working capital and other financing needs. As a captive finance business, Financial Services is reliant on and supports the operations of Agriculture, Construction, their dealers, and customers.

Financial Services supports the growth of Industrial Activities by developing and structuring financial products with the objective of supporting equipment and parts sales as well as customer loyalty. Financial Services' strategy is to grow a core financing business to support the sale of our equipment and parts while at the same time maintaining its portfolio credit quality, service levels, operational effectiveness and customer satisfaction. Financial Services also offers products to finance third party equipment and machines sold through our dealer network or within our core businesses. Financed third party equipment include used equipment taken in trade by our dealers or equipment used in conjunction with or attached to our products.

In North America, retail customer and dealer financing activities, which support the sales of Agriculture and Construction, are managed through our wholly-owned financial services subsidiaries.

In Europe, Middle East and Africa, CNH Industrial Capital Europe S.a.S., which is 24.95% owned by CNH Industrial N.V. and accounted for under the equity method, provides retail financing to customers of Agriculture and Construction. Additionally, there are vendor programs with banking partners that provide customer financing to our industrial segments in certain countries.

In Europe, companies of Iveco Group's Financial Services segment manage and service CNH dealer financing receivables that are funded through a dedicated securitization. CNH Industrial Capital Solutions S.p.A. retains the securitization program's junior notes, and therefore retains substantially all the risks and the benefits of the underlying wholesale receivables.

For South America, retail customer and dealer financing activities are managed through our wholly-owned financial services subsidiary which supports the sales of Agriculture and Construction. For retail customer financing in Brazil, Banco CNH Industrial Capital S.A. also serves as a lender for funding provided by BNDES, a federally-owned financial institution linked to the Brazilian Ministry of Development, Industry and Foreign Trade. In Argentina, vendor programs with banking partners are also utilized. CNH Financial Services serves as a lender for Iveco Group dealers and end customers.

In Asia Pacific, CNH Financial Services supports the sales of Agriculture and Construction by providing retail customer and dealer financing activities in Australia, New Zealand and India, managed through wholly-owned financial services companies. In China, Agriculture dealer financing activities are provided by and managed through a wholly-owned financial services company. CNH Financial Services serves as a lender for Iveco Group and services the sale of Iveco Group in Australia and New Zealand.

Customer Financing

Financial Services has certain retail underwriting and portfolio management policies and procedures that are specific to Agriculture or Construction. This distinction allows Financial Services to reduce risk by deploying industry-specific expertise in each of these businesses. We provide retail financial products primarily through our dealers, who are trained in the use of the various financial products. Dedicated credit analysis teams perform retail credit underwriting. The terms for financing equipment retail sales typically provide for retention of a security interest in the equipment financed.

Financial Services' guidelines for minimum down payments for equipment generally range from 5% to 30% of the actual sales price, depending on equipment types, repayment terms, and customer credit quality. Finance charges are sometimes waived for specified periods or reduced on certain equipment sold or leased in advance of the season of use or in connection with other sales promotions. For periods during which finance charges are waived or reduced on the retail notes or leases, Financial Services generally receives compensation from the applicable Industrial Activities segment based on Financial Services' estimated costs and a targeted return on equity. The cost is recognized as a reduction in net revenues for the applicable Industrial Activities segment.

Dealer Financing

Financial Services provides dealer floorplan financing, and to a lesser extent, the financing of dealer operations. Under the standard terms of the wholesale receivable agreements, these receivables typically have a fixed period of "interest-free" financing to dealers. During the "interest-free" period, the applicable Industrial Activities segment compensates Financial Services based on Financial Services' estimated costs and a targeted return on equity. The cost is recognized as a reduction in net revenues for the applicable Industrial Activities segment. After the expiration of any "interest-free" period, interest is charged to dealers on outstanding balances until Financial Services receives payment in full.

A wholesale underwriting group reviews dealer financial information and payment performance to establish credit lines for each dealer. In setting these credit lines, Financial Services seeks to meet the reasonable requirements of each dealer while managing its own exposure to any one dealer. All risk is underwritten and supported by Financial Services. The credit lines are secured by the equipment financed. Dealer credit agreements generally include a requirement to repay individual receivables at the time of the retail sale of the related unit. Financial Services leverages employees, third-party contractors, and digital technologies like "geo-fencing" to conduct periodic stock audits at individual dealerships to confirm that the financed equipment is maintained in inventory. These audits are unannounced, and their frequency varies by dealer and depends on the dealer's financial strength, payment history, and prior performance.

Factoring

Financial Services also provides intragroup factoring of trade and other receivables. This activity involves the purchase, without recourse, of receivables of CNH subsidiaries, originating from the Industrial Activities segments, and due from third or related parties.

Sources of Funding

The long-term profitability of Financial Services' activities largely depends on the cyclical nature of the industries in which we operate, interest rate volatility, and the ability to access funding on competitive terms. Financial Services funds its operations and lending activity through a combination of term receivable securitizations, committed secured and unsecured facilities, uncommitted lines of credit, unsecured bonds, unsecured commercial paper, affiliated financing, and retained earnings. Financial Services' current funding strategy is to maintain sufficient liquidity and flexible access to a wide variety of financial instruments and funding options.

Financial Services has periodically accessed the asset-backed securities ("ABS") markets in the United States, Canada, and Australia, as part of its retail note and wholesale financing programs when those markets offer funding opportunities on competitive terms. Financial Services has also accessed the unsecured bond market in the United States, Canada, Brazil, Argentina and Australia and commercial paper markets in the United States to diversify its funding sources. Financial Services' ability to access these markets will depend, in part, upon general economic conditions and Financial Services' financial condition and portfolio performance. These factors can be negatively affected by cyclical swings in the industries in which we operate.

Competition

The financial services industry is highly competitive. Financial Services competes primarily with banks, equipment finance and leasing companies and other financial institutions. Typically, this competition is based upon the financial products and services offered, customer service, financial terms, and interest rates charged. Financial Services' ability to compete successfully depends upon, among other things, the availability and competitiveness of funding resources, the development of competitive financial products and services, and licensing or other governmental regulations.

HUMAN RESOURCES

Employees

The ability to attract, retain, and further develop qualified employees is crucial to the success of CNH's businesses and its ability to create value over the long-term. CNH's business is, by its nature, labor intensive and this is reflected in the high number of hourly employees.

The following table shows the breakdown of the number of employees by segment at December 31, 2023 and 2022:

(number)	**2023**	2022
Agriculture	33,490	33,115
Construction	5,856	6,052
Other Activities	46	80
Total of Industrial Activities	**39,392**	**39,247**
Financial Services	828	823
Total	**40,220**	**40,070**

The following table show the breakdown of the number of employees by continent at December 31, 2023 and 2022:

(number)	**2023(*)**	2022(*)
Europe	15,462	15,052
North America	12,154	11,769
South America	7,654	8,420
Rest of World	4,950	4,829
Total	**40,220**	**40,070**

(*) The continent view is based on the geographical division, which differs from the regional division adopted by CNH on its financial statements.

As of December 31, 2023, CNH had 40,220 employees, an increase of 150 employees from the 40,070 employees at year-end 2022. The change was mainly attributable to an increase of approximately 280 employees due to changes in scope of operations and the delta between new hires (approximately 6,400 employees) and departures (approximately 6,500 employees) during the year.

Focusing on changes in scope of operations, 2023 has been characterized by the acquisition of Bennamann (U.K.-based expert in solutions to capture, repurpose and store fugitive methane emissions for energy use), Hemisphere (global satellite navigation technology leader) and Augmenta (a technology company that gives machines selective spraying capabilities which precisely directs and regulates spray volume, furthering our Sense and Act capabilities).

Business activities in Russia have been divested and the sale of the undercarriage business unit, following the exercise of the call option by former owners, has been completed.

Excluding the changes in the scope of operations, the increase compared to year-end 2022 is mainly attributable to investments in Precision Technology and Research & Development personnel, to strengthen the pool of skills and competencies in view of technology transitions, particularly electrification, autonomous driving, alternative propulsion solutions, digitalization, and cloud web-based software technologies. A new plant has been inaugurated in Cesena, a production site dedicated to mini-excavators and mini track loaders, including electric models.

For 2024, the Group expects an overall reduction of the total number of employees, in connection with the targeted restructuring action announced during 2023.

As stated in CNH's Code of Conduct, occupational health and safety is an employee's fundamental right and a key part of Company's sustainability model and included in the Materiality Matrix as one of the most material topics for CNH and its stakeholders. Safety management engages all employees in creating a culture of accident prevention and risk awareness, sharing common occupational health and safety ethical principles to achieve improvement targets. One of the initiatives developed by CNH is an effective health and safety management system that conforms to ISO 45001 international standard. As a demonstration of the Company's commitment in this area, 31 plants are ISO 45001 certified. In 2023, approximately $68.2 million was spent on improving health and safety protection. To achieve the challenging targets that the Company has set, all employees are involved in informational activities and in classroom and hands-on training consistent with their roles and responsibilities. In 2023, CNH delivered 330,938 hours of occupational health and safety training (of which 205,330 on the job). Approximately 27,000 employees were engaged in training on the job activities on occupational health and safety, 84.7% of whom were hourly. Owing to the Company's many initiatives, the overall employee injury frequency rate in 2023 was 0.977 injuries per 1,000,000 hours worked, a 31.5% decrease compared to the previous year. The target set for 2024 is to reduce by 51% the employee injury frequency rate compared to 2018 data.

The Group realizes that the nature of today's socio-economic context calls for leaders with the ability to evolve and develop. A solid people management process is the key to success, as it includes employees in the formulation of the Group's business goals, takes advantage of employee talent and fuels workforce motivation. CNH is committed to supporting its employees with development opportunities and recognizing and rewarding their achievements and contribution to business results. In 2023, CNH delivered a total of 558,735 training hours to 34,368 individuals, of whom 78% were men and 22% were women.

Diversity and Inclusion

CNH's Board of Directors is committed to diversity and inclusion ("D&I") and adopted a Policy on Diversity and Inclusion in 2023. This policy applies to all CNH employees globally and provides that CNH rejects all forms of discrimination that is based on race, ethnicity, gender, sexual orientation, personal or social status, health, physical condition, disability, age, nationality, religious or personal beliefs, political opinion or against any other protected group.

CNH's Global Leadership Team ("GLT") is committed to creating a diverse and inclusive workplace where everyone benefits from equal opportunities based on their abilities and skills. Offering career and advancement opportunities free from discrimination while encouraging and respecting diversity are among the commitments emphasized in CNH's Human Capital Management Guidelines and Human Rights Policy, available on the Company's website and Intranet portal.

Further, the Global Leadership demonstrated its commitment to diversity and inclusion by preparing and adopting a statement, which confirms the Company's commitment to rejecting any form of discrimination and creating an environment where everyone benefits from equal opportunities based on their abilities and skills.

CNH's commitment to people engagement is reflected in the strategic sustainability targets it incorporated into the Strategic Business Plan in 2023: to have women holding 20% of leadership roles by year-end 2024, ensure that 100% of employees are trained in unconscious bias and encouraged to 'speak up' by the same year, institutionalize gender equality practices in career development and compensation, continuously increase the representation of women in the workforce, and expand the participation and scope of Employee Resource Groups (ERGs). In 2023, individual targets related to the material topics described above were included in the Performance Management Process for several managers responsible for the projects indicated in the Sustainability Plan, including the people engagement targets. In addition, CNH's Board annually reviews the company's D&I plans. As of December 31, 2023, 50% of CNH's executive directors are women, 43% of its non-executive directors are women, and 9% of its Global Leadership Team are women.

Collective bargaining

Approximately 700 hourly production employees in the United States were covered by a collective bargaining agreement with the United Automobile, Aerospace, and Agricultural Implement Workers of America with an expiration date of May 2, 2026. Additionally, approximately 800 U.S. production employees are covered by a collective bargaining agreement with International Association of Machinists with an expiration date of April 28, 2024. In Canada, a small number of employees are covered by a collective bargaining agreement between with the United Steelworkers Local Union No. 5917, that expires on April 15, 2026. In Europe, most employees are covered by collective labor agreements ("CLAs") stipulated either by a CNH subsidiary or by the employer association for the specific industry to which the CNH subsidiary belongs. Outside North America and Europe, CNH enters into employment contracts and agreements in those countries in which such relationships are mandatory or customary.

In 2024, our collective bargaining agreements with the International Association of Machinists in the United States will expire, which will require negotiation of new agreements. Refer to "Risk Factors" section for a discussion of the risks associated with our employment relationships.

ENVIRONMENTAL IMPACTS OF MANUFACTURING PROCESSES

CNH makes its product manufacturing processes more efficient through the application of streamlined systems and technologies, improvements to existing materials and processes, and through the development of new materials, systems, processes and techniques.

The highest responsibility for initiatives focusing on environmental protection at CNH lies with the Global Leadership Team (GLT).

CNH's Supply Chain function manages cross-segment manufacturing processes and supports segment organizations in ensuring that objectives are met and in line with business targets.

The Supply Chain function also:

- Drives the development, standardization, implementation and improvement if relevant manufacturing processes;

- Manages the optimization of technology investments and synergies;
- Oversees transport, production planning, and industrial logistics processes in all segments;
- Enforces worker health and safety and addresses issues concerning environmental and energy management; and
- Supports the development and implementation of new product manufacturing processes and improvements to existing ones, in line with the product segments.

As of December 31, 2023, 30 CNH plants were ISO 9011 certified. To achieve its quality standard, CNH devised a robust supply chain management process to ensure the procurement of quality components, which are essential for the production of equipment that meets the high standards demanded by customers.

CNH is committed to continuously improving the environmental performance of its production processes, by adopting both conventional and enhanced technologies and by acting responsibly to mitigate their environmental impact. Safeguarding the environment at CNH is based on principles of prevention. Protection, information sharing, and people engagement to ensure effective long-term management.

CNH manages its commitment to the environment with short, medium, and long-term target plans to responsibly manage the environmental aspects of manufacturing, particularly energy, natural resources, hazardous substances, polluting emissions, and waste. These aspects are included in CNH's environmental management system and require compliance with guidelines, procedures, and operating instructions, and regular internal audits and reviews by management. This approach enables the effective management of environmental aspects and the evaluation of results.

Significant environmental aspects are monitored, measured, and quantified to set improvement targets at both corporate and plant levels. As further evidence of the Company's commitment to protecting the environment, the indicators for 2023 improved as in previous years, and the improvement targets set were met in line with expectations.

In 2023, CNH's overall expenditure on environmental protection was $30.6 million, broken down as follows: approximately $20.9 million on waste disposal and emissions treatment, and almost $9.7 million on prevention and environmental management. A total of $6.1 million was invested in initiatives to reduce the Company's environmental impact, while improvement projects and measures generated $0.9 million in cost savings.

Process Certification

In 2023, CNH continued to pursue and maintain the certification of its plants' environmental management systems as per the ISO 14001 international standard. To date, every CNH manufacturing plant currently in operation and falling with the scope of application of the Sustainability Report, is ISO 14001 certified which requires the adoption and regular verification of emergency plans and procedures, and related staff training.

The environmental certification maintenance process entails a series of external third-party audits, carried out by accredited bodies, with annual monitoring and certification renewal every 3 years. Additionally, plants are required to perform an internal audit every year to verify the performance of their environmental management system.

Environmental performance

Consolidated monitoring and reporting systems are used to track environmental performance, measure the effectiveness of actions taken to achieve targets, and plan new improvement initiatives, through the management of appropriate key performance indicators (KPIs).

- **Safeguarding Air Quality**

  Reducing air emission is one the CNH's major goals, consistent with the results of the materiality analysis. The application of advanced technologies in the manufacturing process is critical to meet the improvement targets set by CNH. The main air emissions are monitored and results systematically recorded through specific programs and systems to verify compliance with existing regulations.

- **Water management**

  CNH draws water mainly for industrial use, specifically for painting, cooling, washing, and machining, and strives to increase water efficiency within all its industrial processes. Furthermore, CNH's plants operate locally to reduce water requirements and wastewater volumes without compromising quality standards. CNH believes that increasing the use of recycled water can reduce withdrawals from external sources, improving water independence and the availability of water for local communities.

  The impact on water resources is an integral part of each plant's environmental assessment, as required by the ISO 14001 standard; for this reason, all 30 ISO 4001-certifies plants have a water management plan in place.

- **Waste management**

  CNH aims to optimize manufacturing processes through improvements to waste management by reducing its waste generation and increasing recovery, both key aspects of its Environmental Policy.

  The manufacturing process at Company plants normally involves numerous raw materials, such as metal, plastic, chemical products, and components, each with its own packaging. Most manufacturing activities, such as assembly, machining, painting. Welding, testing, logistics, etc., can also generate actual and potential waste-related impacts.

Given the significance of water and waste efficiency, three operational targets are in place with regard to waste, hazardous waste, and waste recovery:

- 97% of waste recovered at Company plants by year-end 2030;
- -50% vs. 2018 of water withdrawal / hour of production at Company plants by year-end 2030.

Further and detailed KPIs are mentioned in CNH Sustainability 2023 Report.

Energy management system

CNH aims at reducing the energy impact of manufacturing processes and the risks associated with new legislation and rising energy costs, in part through the development and implementation of an energy management system. The energy management system enables each plant to understand, monitor and reduce energy consumption and the impact of CO_2 generated during manufacturing operations, which translates into benefits for the environment and lower production costs.

By the end of the 2023 certification period, CNH had maintained the certification of its 30 plants according to the ISO 50001:2018 standard, representing 100% of CNH's Operations energy consumption.

RISK FACTORS

This Annual Report contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this Annual Report are forward-looking statements. Forward-looking statements provide our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance, and business. You can identify forward-looking statements as they do not relate to historical or current facts and by words such as "believe," "expect," "estimate," "anticipate," "will," "should," "plan," "forecast," "target," "guide," "project," "intend," "could," and similar words or expressions.

All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, and other important information about forward-looking statements are disclosed under the section "Risk Factors," and "Operating and Financial Review and Prospects," in this Annual Report.

The following risks should be considered in conjunction with the other risks described in the Disclaimer, Risk Management and Control System section and Notes to the Consolidated Financial Statements. The following is a cautionary discussion of risks, uncertainties and assumptions that we believe are material to our business. These risks may affect our operating results and, individually or in the aggregate, could cause our actual results to differ materially from past and projected future results. Some of these risks and uncertainties could affect particular lines of business, while others could affect all of our businesses. Although risks are organized by headings, and each risk is discussed separately, many are interrelated. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events, or otherwise. You should, however, consult any subsequent disclosures we make from time to time in materials filed with the SEC.

STRATEGIC RISKS

Global economic conditions impact our businesses

Our results of operations and financial position are and will continue to be influenced by macroeconomic factors – including changes in gross domestic product, the level of consumer and business confidence, changes in interest rates, the availability of credit, inflation and deflation, energy prices, and the cost of commodities or other raw materials – which exist in the countries and regions in which we operate. Such macroeconomic factors vary from time to time and their effect on our results of operations and financial position cannot be specifically and singularly assessed and/or isolated.

Economic conditions vary across regions and countries, and demand for our products and services generally increases in those regions and countries experiencing economic growth and investment. Slower economic growth or a change in global mix of regions and countries experiencing economic growth and investment could have an adverse impact on our business, results of operations and financial condition. In a weaker economic environment, dealers and customers may delay or cancel plans to purchase our products and services and may not be able to fulfill their obligations to us in a timely fashion. Our suppliers may also be impacted by economic pressures, which may adversely affect their ability to fulfill their obligations to us or the price or availability of supplies we require. These factors could result in product delays, increased accounts receivable, defaults and inventory challenges. The persistent disparity with respect to the widely varying economic conditions amongst the individual countries of the European Union, and their implications for the Euro, as well as market perceptions concerning these and related issues, have led to further pressure on economic growth and may lead to new periods of economic volatility and recession in the European Union. Similarly, in Brazil and Argentina, macroeconomic conditions remain volatile. These adverse economic events have and may continue to adversely affect the Company's operations.

We are exposed to political, economic, trade and other risks beyond our control as a result of operating a global business

We manufacture and sell products and offer services in several continents and numerous countries around the world including those experiencing varying degrees of political and economic instability. Given the global nature of our activities, we are exposed to risks associated with international business activities that may increase our costs, impact our ability to manufacture and sell our products and require significant management attention. These risks include:

- changes in laws, regulations and policies that affect, among other things:
    - import and export duties and quotas;
    - currency restrictions;
    - the design, manufacture and sale of our products;
    - interest rates and the availability of credit to our dealers and customers;
    - where, to whom, and what type of products may be sold, including new or additional trade or economic sanctions imposed by the United States, European Union, the United Kingdom or other governmental authorities and supranational organizations (e.g., the United Nations); and
    - taxes;

- regulations from changing world organization initiatives and agreements;
- changes in the dynamics of the industries and markets in which we operate;
- labor disruptions;
- disruption in the supply of raw materials and components (e.g. as a result of pandemics or sanctions), including rare materials (they might be easily subjected to sudden cost increases due to a variety of factors, including speculative measures or unforeseen political changes);
- changes in governmental debt relief and subsidy program policies in certain significant markets, including the Brazilian government discontinuing programs subsidizing interest rates on equipment loans;
- withdrawal from or changes to trade agreements or trade terms, negotiation of new trade agreements and the imposition of new (and retaliatory) tariffs on certain countries or covering certain products and raw materials or embargoes, including developments in U.S.-China trade relations; and
- war, civil unrest and acts of terrorism.

In recent years, acts of terrorism have occurred around the world, leading to personal safety anxieties and political instability in many countries and, ultimately, an impact on consumers' confidence. More recently, growing populist and nationalist political movements in several major developed countries, changes in or uncertainty surrounding global trade policies and other unanticipated changes to the previous geopolitical order may have negative effects on the global economy.

Further, the continuing war in Ukraine, the Israel-Hamas war and heightened tensions in the Red Sea has given rise to regional instability which could impact our supply chain and operations.

There can be no guarantee that we will be able to quickly and completely adapt our business model to changes that could result from the foregoing, and any such changes may have an adverse effect on our business, results of operations and financial condition.

Reduced demand for equipment would reduce our sales and profitability

The agricultural equipment market is influenced by a number of factors such as:

- the general economic conditions and outlook, such as market volatility and rising interest rates;
- the price of agricultural commodities and the ability to competitively export agricultural commodities;
- the cost of farm inputs including the value of land, fertilizers, fuel, labor and other inputs;
- the profitability of agricultural enterprises, farmers' income and their capitalization;
- the demand for food products;
- the availability of stocks from previous harvests; and
- agricultural policies, including aid and subsidies to agricultural enterprises provided by governments and/or supranational organizations, policies impacting commodity prices or limiting the export or import of commodities, and alternative fuel mandates.

In addition, droughts, floods and other unfavorable climatic conditions, especially during the spring, a particularly important period for generating sales orders, could have a negative impact on decisions to buy agricultural equipment and, consequently, on our revenues.

The construction equipment market is influenced by factors such as:

- public infrastructure spending;
- new residential and non-residential construction; and
- capital spending in oil and gas and, to a lesser extent, in mining.

The above factors can significantly influence the demand for agricultural and construction equipment and consequently, our financial results. If demand for our products is less than we expect, we may experience excess inventories and be forced to incur additional charges and our profitability will suffer, including lower fixed costs absorption associated with lower production levels at our plants. Our business may be negatively impacted if we experience excess inventories or if we are unable to adjust on a timely basis our production schedules or our purchases from suppliers to reflect changes in customer demand and market fluctuations.

Competitive activity, or failure by us to respond to actions by our competitors, could adversely affect our results of operations

We operate in highly competitive global and regional markets. Depending on the particular country and product, we compete with other international, regional and local manufacturers and distributors of agricultural and construction equipment. Certain of our global competitors have substantial resources and may be able to provide products and services at little or no profit, or even at a loss, to compete with certain of our product and service offerings. We compete primarily on the basis of product performance, innovation, quality, distribution, customer service, and price. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays, quality issues, or our failure to price our products competitively could adversely affect our business, results of operations and financial position. Additionally, there has been a trend toward consolidation in the construction equipment industries that has resulted in larger and potentially stronger competitors in those industries. The markets in which we compete are highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered. Competition, particularly on pricing, has increased significantly in the markets in which we compete. Should we be unable to adapt effectively to market conditions, this could have an adverse effect on our business, results of operations and financial condition.

Changes in government monetary or fiscal policies may negatively impact our results

Most countries where our products and services are sold have established central banks to regulate monetary systems and influence economic activities, generally by adjusting interest rates. Some governments have implemented measures designed to slow inflationary pressure in their countries (e.g. higher interest rates, reduced financial assets purchases). Rising interest rates could have a dampening effect on the overall economic activity and/or the financial condition of our customers, either or both of which could negatively affect demand for our products and our customers' ability to repay obligations to us. Central banks and other policy arms of many countries may take further actions to vary the amount of liquidity and credit available in an economy. The impact from a change in liquidity and credit policies could negatively affect the customers and markets we serve or our suppliers, which could adversely impact our business, results of operations and financial condition. Government initiatives that are intended to stimulate demand for products sold by us, such as changes in tax treatment or purchase incentives for new equipment, can significantly influence the timing and level of our revenues. The terms, size and duration of such government actions are unpredictable and outside of our control. Any adverse change in government policy relating to those initiatives could have a material adverse effect on our business, results of operations and financial condition.

Our future performance depends on our ability to innovate and on market acceptance of new or existing products

Our success depends on our ability to maintain or increase our market share in existing markets and to expand into new markets through the development of innovative, high-quality products that provide adequate profitability. Further, customer preferences in certain markets are changing as a result of ongoing social and regulatory focus on sustainability. We have a strategic plan covering investments in innovation designed to further develop existing, and create new, product and service offerings responsive to customer needs, including developing and delivering connected and precision technology solutions, automation, electrification and autonomy. Achievement of these objectives is dependent on a number of factors, including our ability to maintain key dealer relationships, our ability to design and produce products that meet our customers' quality, performance and price expectations, our ability to develop precision technology solutions that improve the profitability and sustainability of customers through their production systems, our ability to develop effective sales, dealer training and marketing programs, and the ability of our dealers to support and service connected and precision technology solutions and emerging power solutions. Failure to develop and offer innovative products that compare favorably to those of our principal competitors in terms of price, quality, functionality, features, mobility and connected services, equipment electrification, fuel cell technology and autonomy, or delays in bringing strategic new products to market, or the inability to adequately protect our intellectual property rights or supply products that meet regulatory requirements, including engine emissions requirements, could result in reduced revenue and market share, which could have a material adverse effect on our business, results of operations and financial condition.

If we are unable to deliver precision technology solutions to our customers, it could materially adversely affect our performance

Our precision technology solutions include both hardware and software components that relate to guidance, connectivity, automation and autonomy. We must be able to successfully acquire and develop and introduce new precision technology solutions that improve profitability and result in sustainable farming techniques in order to remain competitive. We expect to make significant investments in research and development expenses, collaborative arrangements and other sources of technology to drive these outcomes. Such investments may not produce attractive solutions for our customers. We also may have to depend on third parties to supply certain hardware or software components or data services in our precision technology products. Our dealers ability to support such solutions also may impact our customers, acceptance and demand of such products. Further, we utilize automation and machine learning and intelligence in some of our products. While the use of these emerging technologies can present significant benefits, it also creates risks and challenges. Data sourcing, technology, integration and process issues, program bias into decision-making algorithms, security problems, and the protection of privacy could impair the adoption and acceptance of autonomous machine solutions. If we are not able to deliver precision technology solutions with differentiated features and functionality, or these solutions are not effective, customers may not adopt technology solutions, which could have a material adverse effect on the Company's reputation and business.

We may face challenges to our intellectual property rights which could adversely affect our reputation, business and competitive position

We own important intellectual property, including patents, trademarks, copyrights and trade secrets. Our intellectual property plays an important role in maintaining our competitive position in the markets that we serve. Our competitors may develop technologies that are similar or superior to our proprietary technologies or design around the intellectual property that we own or license. Despite our controls and safeguards, our technology may be misappropriated by employees, competitors or third parties. The pursuit of remedies for any misappropriation of intellectual property is expensive and the ultimate remedies may be insufficient. Further, in jurisdictions where the enforcement of intellectual property rights is less robust, the risk of misappropriation of our intellectual property is higher notwithstanding the efforts we undertake to protect it. Developments or assertions by or against us relating to intellectual property rights, and any inability to protect or enforce our rights sufficiently, could adversely affect our business, competitive position and results of operations.

We may not realize all of the anticipated benefits from our business and cost reduction initiatives

As part of our strategic plan, we are actively engaged in a number of initiatives to strengthen our business and increase our productivity, market positioning, efficiency and cash flow, all of which we expect will have a positive long-term effect on our business, results of operations and financial condition. These initiatives include our enhanced focus on precision technology solutions and alternative propulsion, as well as other initiatives aimed at improving our product portfolio, customer focus and manufacturing and business processes. There can be no assurance that we will benefit from these initiatives or others to the extent anticipated, or that the estimated efficiency or cash flow improvements will be realized to the extent anticipated or at all. If these initiatives are not successful, they could have an adverse effect on our operations. We have announced targeted restructuring actions to optimize our cost structure and improve the efficiency of our operations. In order to complete these actions, we will incur charges. Failure to realize anticipated savings or benefits from our business initiatives and cost reduction actions could have a material adverse effect on our business, prospects, financial condition, liquidity, results of operations and cash flows.

We may not be able to realize anticipated benefits from any acquisitions and, further, challenges associated with strategic alliances may have an adverse impact on our results of operations

We have engaged in the past, and may engage in the future, in investments and mergers and acquisitions or enter into, expand or exit from strategic alliances and joint ventures. These involve risks that could prevent us from realizing the expected benefits of the transactions or the achievement of strategic objectives or could divert management's time and attention. Such risks, many of which are outside our control, include:

- technological and product synergies, economies of scale and cost reductions not occurring as expected;
- unexpected liabilities;
- incompatibility of operating, information or other systems;
- inability to retain key employees;
- significant costs associated with terminating or modifying alliances; and
- problems in retaining customers and integrating operations, services, personnel, and customer bases.

If issues were to arise with respect to an acquisition or the parties to one or more of our joint venture or strategic alliances or other relationships for managerial, financial, or other reasons, or if such strategic alliances or other relationships were terminated, our product lines, businesses, results of operations and financial condition could be adversely affected.

Our business may be affected by climate change, unfavorable weather conditions or other calamities

Poor, severe or unusual weather conditions caused by climate change or other factors, particularly during the planting and early growing season, can significantly affect the purchasing decisions of our agricultural equipment customers. The timing and quantity of rainfall are two of the most important factors in agricultural production. Insufficient levels of rain prevent farmers from planting crops or may cause growing crops to die, resulting in lower yields. Excessive rain or flooding can also prevent planting or harvesting from occurring at optimal times and may cause crop loss through increased disease or mold growth. Temperature affects the rate of growth, crop maturity, crop quality and yield.

Temperatures outside normal ranges can cause crop failure or decreased yields and may also affect disease incidence. Natural disasters such as floods, hurricanes, storms, droughts, diseases and pests can have a negative impact on agricultural production. The resulting negative impact on farm income can strongly affect demand for our agricultural equipment in any given period.

In addition, natural disasters, pandemic illness, acts of terrorism or violence, acts of war, equipment failures, power outages, disruptions to our information technology systems and networks or other unexpected events could result in physical damage to, and complete or partial closure of, one or more of our manufacturing facilities or distribution centers, temporary or long-term disruption in the supply of parts or component products and disruption and delay in the transport of our products to dealers and customers. If such events occur, our financial results might be negatively impacted. Our existing insurance and risk management arrangements may not protect against all costs that may arise from such events.

Furthermore, the potentially long-term physical impacts of climate change on our facilities, suppliers and customers and therefore on our operations are highly uncertain and will be driven by the circumstances developing in various geographical regions. These may include long-term changes in temperature and water availability. These potential physical effects may adversely impact the demand for our products and the cost, production, sales and financial performance of our operations.

Regulators in Europe and the U.S. have also focused efforts on requiring and promoting enhanced disclosure related to sustainability. We may face liabilities in connection with our efforts to comply with these disclosure requirements as well as expectations by our stakeholders of enhanced disclosures regarding our climate change initiatives.

Changes in demand for food and alternative energy sources could impact our revenues

Changing worldwide demand for farm outputs to meet the world's growing food and alternative energy demands, driven by a growing world population and government policies, including those related to climate change, are likely to result in fluctuating agricultural commodity prices, which affect sales of agricultural equipment. While higher commodity prices will benefit our crop producing agricultural equipment customers, higher commodity prices also result in greater feed costs for livestock and poultry producers, which in turn may result in lower levels of equipment purchased by these customers. Lower commodity prices directly affect farm income, which could negatively affect sales of agricultural equipment. Moreover, changing alternative energy demands may cause farmers to change the types or quantities of the crops they grow, with corresponding changes in equipment demands. Finally, changes in governmental policies regulating bio-fuel utilization could affect demand for our equipment and result in higher research and development costs related to equipment fuel standards.

International trade policies may impact demand for our products and our competitive position

Government policies on international trade and investment such as sanctions, import quotas, capital controls or tariffs, whether adopted by non-governmental bodies, individual governments or addressed by regional trade blocks, may affect the demand for our products, technology and services, impact the competitive position of our products or prevent us from being able to sell products to certain customers or in certain countries. Trade restrictions, negotiation of new trade agreements, non-tariff trade barriers, local content requirements, and imposition of new or retaliatory tariffs against certain countries or covering certain products, including developments in U.S.-China trade relations, export control and sanctions against Russia, have limited, and could continue to limit, our ability to capitalize on current and future growth opportunities in international markets. These trade restrictions, and changes in, or uncertainty surrounding global trade policies, may affect our competitive position.

OPERATIONAL RISKS

We depend on suppliers for raw materials, parts and components

We rely upon many suppliers for raw materials, parts and components that we require to manufacture our products. We cannot guarantee that we will be able to maintain access to raw materials, parts and components, and in some cases, this access may be affected by factors outside of our control and the control of our suppliers. Certain components and parts used in our products are available from a single supplier and cannot be quickly sourced from other suppliers. Significant disruptions to the supply chain resulting from shortages of raw materials, components, and wholegoods can adversely affect our ability to meet customer demand. For example, recent attacks on merchant ships in the Red Sea have lead shipping companies to avoid this region, which could result in increased logistics costs. While we diligently monitor our supply chain risk and seek to respond promptly to address supply chain and logistics bottlenecks, there can be no assurance that our mitigation plans will be effective to prevent disruptions that may arise from shortages of materials that we use in the production of our products. Uncertainties related to the magnitude and duration of global supply chain disruptions have adversely affected, and may continue to adversely affect, our business and outlook.

We use a variety of raw materials in our businesses, including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium. The availability and price of these raw materials fluctuate, particularly during times of economic volatility or regulatory and geopolitical instability or in response to changes in tariffs, and while we seek to manage this exposure, we may not be successful in mitigating these risks. Further, increases in the prices for raw materials have resulted in and could continue to result in significant increases to our costs of production, which could have a material adverse effect on our business, results of operations and financial condition, particularly if we are unable to offset the increased costs through an increase in product pricing.

Our existing operations and expansion plans in emerging markets could entail significant risks

Our ability to grow our businesses depends to an increasing degree on our ability to increase market share and operate profitably worldwide and, in particular, in emerging market countries, such as Brazil, India, China, Argentina and Turkey. In addition, we could increase our use of suppliers located in such countries. Our implementation of these strategies will involve a significant investment of capital and other resources and exposes us to multiple and potentially conflicting cultural practices, business practices and legal requirements that are subject to change, including those related to tariffs, trade barriers, investments, property ownership rights, taxation, and sanction, export control and customs/import requirements. For example, we may encounter difficulties in obtaining necessary governmental approvals in a timely manner. In addition, we may experience delays and incur significant costs in constructing facilities, establishing supply channels, and commencing manufacturing operations. Further, customers in these markets may not readily accept our products as compared with products manufactured and commercialized by our competitors. The emerging market countries may also be subject to a greater degree of economic and political volatility that could adversely affect our financial position, results of operations and cash flows. Many emerging market economies have experienced slower growth, volatility, and other economic challenges in recent periods and may be subject to a further slowdown in gross domestic product expansion and/or be impacted by domestic political or currency volatility, potential hyperinflationary conditions, and/or increase of public debt.

Dealer equipment sourcing and inventory management decisions could adversely affect our sales

We sell our products primarily through independent dealers and are subject to risks relating to their inventory management decisions and operating and sourcing practices. Our dealers carry inventories of finished products and parts as part of ongoing operations and adjust those inventories based on their assessment of future sales opportunities and market conditions, including the level of used equipment inventory. If our dealers' inventory levels are higher than they desire, they may postpone product purchases from us, which could cause our sales to be lower than the end-user demand for our products and negatively impact our results. Similarly, our sales could be negatively impacted through the loss of time-sensitive sales if our dealers do not maintain inventory sufficient to meet customer demand. Further, dealers who carry other products that compete with our products may focus their inventory purchases and sales efforts on goods provided by other suppliers due to industry demand or profitability. Such inventory adjustments and sourcing decisions can adversely impact our sales, results of operations and financial condition.

Our results of operations may be adversely impacted by various types of claims, lawsuits, and other contingent obligations

In the ordinary course of business, we are involved in litigation and investigations on a wide range of topics, including securities laws in the U.S., dealer and supplier litigation, intellectual property rights disputes, product warranty and defective product claims, product performance, asbestos, personal injury, regulatory and contract issues, indirect tax issues, and environmental claims. The industries in which we operate are also periodically reviewed or investigated by regulators, which could lead to enforcement actions, fines and penalties or the assertion of private litigation claims. We are subject to regulation and oversight by securities regulatory authorities in the Netherlands and the United States. In the United States, we recently adopted on a voluntary basis the financial reporting standards and practices applicable to U.S. domestic issuers, which include certain incremental filing and reporting requirements. These additional obligations may increase the cost for ensuring compliance with the applicable reporting requirements and may subject us to an enhanced risk of regulatory investigations and private litigation. The ultimate outcome of these legal matters pending against us is uncertain, and although such legal matters are not expected individually to have a material adverse effect on our financial position or profitability, such legal matters could, in the aggregate, in the event of unfavorable resolutions thereof, have a material adverse effect on our results of operations and financial condition. Furthermore, we could in the future be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on our results of operations in any particular period. In addition, while we maintain insurance coverage with respect to certain risks, we may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against claims under such policies.

We establish reserves based on our assessment of contingencies, including contingencies related to legal claims asserted against us. Subsequent developments in legal proceedings may affect our assessment and estimates of the loss contingency recorded as a reserve and require us to make payments that exceed our reserves, which could have a material adverse effect on our results of operations and/or financial position. For further information see Note 27 "Commitments and contingencies" to the Consolidated Financial Statements at December 31, 2023.

A cybersecurity breach could interfere with our operations, compromise confidential information, negatively impact our corporate reputation and expose us to liability

We rely upon information technology systems and networks, some of which are managed by third parties, in connection with a variety of our business activities. These systems include supply chain, manufacturing, distribution, invoicing and collection of payments from dealers or other purchasers of our products and from customers of our financial services business, and connectivity services with and among equipment. We use information technology systems to record, process and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal and tax requirements. Additionally, we collect and store sensitive data, including intellectual property, proprietary business information and the proprietary information of our customers, suppliers and dealers, as well as personally identifiable information of our dealers, customers and employees, in data centers and on information technology networks. Operating these information technology systems and networks, and processing and maintaining this data, in a secure manner, are critical to our business operations and strategy. Increased information technology security threats (e.g. worms, viruses, malware, phishing attacks, ransomware, and other malicious threats) and more sophisticated computer crime, including through the use of artificial intelligence and machine learning, pose a significant risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. Cybersecurity attacks could also include attacks targeting customer data or the security, integrity and/or reliability of the hardware and software installed in our products.

While we actively manage information technology security risks within our control through security measures, business continuity plans and employee training around phishing and other cyber risks, our information technology networks and infrastructure have been and may be vulnerable to intrusion, attacks or disruptions or shutdowns due to attacks by cyber criminals, employee, supplier or dealer error or malfeasance or supply chain compromise.

A failure or breach in security, whether of our systems and networks or those of third parties on which we rely, could expose us and our customers, dealers and suppliers to risks of misuse of information or systems, the compromising of confidential information, loss of financial resources, manipulation and destruction of data, defective products, production downtimes and operations disruptions, which in turn could adversely affect our reputation, competitive position, businesses and results of operations. Security breaches could also result in litigation, regulatory action, unauthorized release of confidential or otherwise protected information and corruption of data, as well as remediation costs and higher operational and other costs of implementing further data protection measures. In addition, as security threats continue to evolve, we may need to invest additional resources to protect the security of our systems and data. The amount or scope of insurance coverage we maintain may be inadequate to cover claims or liabilities relating to a cybersecurity attack.

Security breaches with respect to our products could interfere with our business and our dealers, and/or customers, exposing us to liability that would cause our business and reputation to suffer

Our products increasingly include and depend on connectivity hardware and software typically used for telematics services and remote system updates. While we have implemented security measures intended to prevent unauthorized access to these products, malicious actors have reportedly attempted, and may attempt in the future, to gain unauthorized access to such products including through such connectivity hardware in order to gain control of the products, change the products’ functionality, user interface, or performance characteristics, or gain access to data stored in or generated by the products. Any unauthorized access to or control of our products or systems or any loss of data could result in legal claims against us or government investigations. In addition, reports of unauthorized access to our products, systems, and data, regardless of their veracity, may result in the perception that the products, systems, or data are capable of being hacked, which could harm our brands, prospects, and operating results.

We face risks associated with our employment relationships

In many countries where we operate, our employees are protected by laws and/or collective labor agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including repurposing, downsizing or closure of production facilities and reductions in personnel. Laws and/or collective labor agreements applicable to us could impair our flexibility in reshaping and/or strategically repositioning our business activities. Therefore, our ability to efficiently deploy personnel or implement permanent or temporary redundancy measures is subject to government approvals and/or the agreement of labor unions where such laws and agreements are applicable. Furthermore, the failure of the Company to successfully renegotiate labor agreements as they expire from time to time led, and could in the future lead, to work interruption or stoppage. Any strike, work stoppage, or other dispute with labor unions distracts management from operating the business, may affect the Company's reputation, could significantly impact the volume of products we manufacture and sell, which could have a material adverse effect on our business, results of operations and financial condition.

Our ability to execute our strategy depends upon our ability to attract, develop and retain qualified personnel

Our ability to compete successfully, to manage our business effectively, to expand our business and to execute our strategic direction, depends, in part, on our ability to attract, motivate and retain qualified personnel in key functions and markets. In particular, we are dependent on our ability to attract, motivate and retain qualified personnel with the requisite education, skills, background, talents and industry experience. Failure to attract and retain qualified personnel, whether as a result of an insufficient number of qualified applicants, difficulty in recruiting new personnel, or the inability to integrate and retain qualified personnel, could impair our ability to execute our business strategy and meet our business objectives. These may be affected by the loss of employees, particularly when departures involve larger numbers of employees. Higher rates of employee separations may adversely affect us through decreased employee morale, the loss of knowledge of departing employees, and the devotion of resources to recruiting and onboarding new employees.

COMPLIANCE RISKS

We are subject to increasingly stringent and evolving laws that impose significant compliance costs

We are subject to comprehensive and constantly evolving laws, regulations and policies in numerous jurisdictions around the world. We expect the extent of legal requirements affecting our businesses and our costs of compliance to continue to increase in the future. Such laws govern, among other things, products – with requirements on emissions of polluting gases and particulate matter, increased fuel efficiency and safety becoming increasingly strict – and industrial plants – with requirements for reduced air emissions, treatment of waste and water, and prohibitions on soil contamination also becoming increasingly strict. To comply with such laws, we make significant investments in research and development and capital expenditures and expect to continue to incur substantial costs in the future. Failure to comply with such laws could limit or prohibit our ability to sell our products in a particular jurisdiction, expose us to penalties or clean-up costs, civil or criminal liability and sanctions on certain of our activities, as well as damage to property or natural resources. Liabilities, sanctions, damages and remediation efforts related to any non-compliance with such laws, including those that may be adopted or imposed in the future, could negatively impact our ability to conduct our operations and our results of operations and financial condition. In addition, there can be no assurance that we will not be adversely affected by costs, liabilities or claims with respect to any subsequently acquired operations.

Further, environmental, health and safety regulations change from time to time, as may related interpretations and other guidance. For example, changes in environmental and climate change laws, including laws relating to engine and equipment emissions, safety regulations, sustainability, fuel requirements, restricted substances, or greenhouse gas emissions, could lead to new or additional investments in product designs to comply with these regulations. Our internal combustion engines are mainly supplied by FPT Industrial S.p.A., a company controlled by Iveco N.V., which is an independent public company following the 2022 spin-off, and compliance with emissions regulations is contractually allocated to our suppliers. Failure of our suppliers to ensure compliance with the applicable regulations may subject us to administrative and legal proceedings and other material consequences. Further, we may experience production delays if our suppliers are unable design and manufacture components for our products that comply with environmental standards. For instance, as we are required to meet more stringent engine emission reduction standards that are applicable to engines we incorporate into our products, we expect to meet these requirements through the introduction of new technology to our products, engines and exhaust after-treatment systems, as necessary. Failure to meet applicable requirements could materially affect our performance.

Changes to existing laws and regulations or changes to how they are interpreted or the implementation of new, more stringent laws or regulations could adversely affect our business by increasing compliance costs, limiting our ability to offer a product or service, requiring changes to our business practices, or otherwise making our products and services less attractive to customers. For example, so-called “right to repair” legislation proposals in certain states and at the federal level in the U.S. could require us to provide access to the software code embedded in our products, which, among other harmful consequences, could create product safety issues, compromise engine emissions and performance controls, adversely affect the protection of our intellectual property, and limit our ability to recoup necessary investments in innovation and research and development.

We are subject to extensive laws and regulations, the violation of which could expose CNH to potential liabilities, increased costs and other adverse effects

Due to the global scope of our operations, we are subject to many laws and regulations that apply to our operations around the world, including the U.S. Foreign Corrupt Practices Act, and the U.K. Bribery Act, as well as a range of national anti-corruption and antitrust or competition laws that apply to conduct in a particular jurisdiction. These anti-corruption laws prohibit improper payments in cash or anything of value to improperly influence third parties to obtain or retain business or gain a business advantage. These laws tend to apply regardless of whether those practices are legal or culturally acceptable in a particular jurisdiction. Over the past several years there has been an increase in the enforcement of anti-corruption and antitrust or competition laws both globally and in particular jurisdictions and we have from time to time been subject to investigations and charges claiming violations of anti-corruption or antitrust or competition laws. We are committed to operating in compliance with all applicable laws, in particular, anti-corruption and antitrust or competition laws. We have implemented a program to promote compliance with these laws and to reduce the likelihood of potential violations. Our compliance program, however, may not in every instance protect us from acts committed by our employees, agents, contractors, or collaborators that may violate the applicable laws or regulations of the jurisdictions in which we operate. Such improper actions could subject us to civil or criminal investigations and monetary, injunctive and other penalties as well as damage claims. Investigations of alleged violations of these laws tend to be expensive and require significant management time and attention, and these investigations of purported violations, as well as any publicity regarding potential violations, could harm our reputation and have a material adverse effect on our business, results of operations and financial position. For further information see Note 27 “Commitments and contingencies” to the Consolidated Financial Statements at December 31, 2023.

Changes in privacy laws could disrupt our business

The regulatory framework for privacy and data security issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. We collect personal information and other data as part of our business operations. This data is subject to a variety of U.S. and foreign laws and regulations. For example, the European Union's General Data Protection Regulation imposes more stringent data protection requirements and provides for significant penalties for noncompliance. New privacy laws will continue to come into effect around the world. We may be required to incur significant costs to comply with these and other privacy and data security laws, rules and regulations. Any inability to adequately address privacy and security concerns or comply with applicable privacy and data security laws, rules and regulations could have an adverse effect on our business prospects, results of operations and/or financial position.

New regulations or changes in financial services regulations could adversely impact us

Our Financial Services' operations are highly regulated by governmental and banking authorities in the locations where we operate, which can impose significant additional costs and/or restrictions on our business. In the U.S., for example, the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), including its regulations, as well as other efforts at regulatory reform in financial services may substantially affect the origination, servicing, and securitization programs of our Financial Services segment as well as limit the ability of our customers to enter into hedging transaction or finance purchases of our equipment. The Dodd-Frank Act includes extensive provisions regulating these securities and related capital market activities by the SEC and increases the regulation of the ABS markets through, among other things, a mandated risk retention requirement for securitizers and a direction to regulate credit rating agencies. Future regulations may affect our ability to engage in these capital market activities or increase the effective cost of such transactions, which could adversely affect our financial position, results of operations and cash flows.

We have identified a material weakness in our internal control over financial reporting. If our remediation of this material weakness is not effective, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, investors may lose confidence in the accuracy and completeness of our financial reports and the trading price of our common shares may decline

In connection with the preparation of our annual report for the year ended December 31, 2023, we identified a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness relates to the design and implementation of information technology, or IT, general controls in the areas of user access limits and segregation of duties related to enterprise resource planning (ERP) applications. This material weakness has not resulted in an error or misstatement to our financial statements or the need to revise any of our previously published financial results.

We are in the process of taking steps intended to remediate the material weakness. Our efforts have included enhancing our IT general controls framework that addresses risks associated with user access and security, application change management and IT operations. We also expect to engage in focused training for control owners to help sustain effective control operations and comprehensive remediation efforts relating to segregation of duties to strengthen user access controls and security.

While we believe these efforts will improve our internal controls and address the underlying causes of the material weakness, the material weakness will not be fully remediated until our remediation plan has been fully implemented and we have concluded that our controls are operating effectively for a sufficient period of time. We cannot be certain that the steps we are taking will be sufficient to remediate the control deficiencies that led to the material weakness in our internal control over financial reporting or prevent future material weaknesses or control deficiencies from occurring. In addition, we cannot be certain that we have identified all material weaknesses in our internal control over financial reporting, or that in the future we will not have additional material weaknesses in our internal control over financial reporting.

If we fail to effectively remediate the material weakness in our internal control over financial reporting, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls in the future, we may be unable to accurately or timely report our financial condition or results of operations. We also could become subject to sanctions or investigations by the securities exchange on which our common shares are listed, the SEC or other regulatory authorities. In addition, if we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, when required, investors may lose confidence in the accuracy and completeness of our financial reports, we may face restricted access to the capital markets, and the trading price of our common shares may decline.

FINANCIAL AND TAXATION RISKS

Difficulty in obtaining financing or refinancing existing debt could impact our financial performance

Our performance will depend on, among other things, our ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and access to capital markets or other sources of financing. A decline in revenues could have a negative impact on the cash-generating capacity of our operations. Consequently, we could find ourselves in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions with limited availability of funding and a general increase in funding costs. Instability in global capital markets, including market disruptions, limited liquidity and interest rate and exchange rate volatility, could reduce our access to capital markets or increase the cost of our short and long-term financing. Any difficulty in obtaining financing could have a material adverse effect on our business, results of operations and financial position.

Our ability to access the capital markets or other forms of financing and related costs are highly dependent on, among other things, the credit ratings of CNH Industrial N.V., its subsidiaries, ABS and other debt instruments. Rating agencies may review and revise their ratings from time to time, and any downgrade or other negative action with respect to our credit ratings by one or more rating agencies may increase our cost of capital, potentially limit our access to sources of financing, and have a material adverse effect on our business, results of operations and financial condition.

We are subject to exchange rate fluctuations, interest rate changes and other market risks

We operate in numerous markets worldwide and are exposed to market risks stemming from fluctuations in currency and interest rates, including as a result of changes in monetary or fiscal policies of governmental authorities from time to time. We are subject to currency exchange risk to the extent that our costs are denominated in currencies other than those in which we earn revenues. In addition, the reporting currency for our Consolidated Financial Statements is the U.S. dollar. Certain of our assets, liabilities, expenses and revenues are denominated in other currencies. Those assets, liabilities, expenses and revenues are translated into the U.S. dollar at the applicable exchange rates to prepare our Consolidated Financial Statements. Therefore, increases or decreases in exchange rates between the U.S. dollar and those other currencies affect the value of those items reflected in our Consolidated Financial Statements, even if their value remains unchanged in their original currency. Changes in currency exchange rates between the U.S. dollar and other currencies have had, and will continue to have, an impact on our results of operations and financial condition.

Rising interest rates could have a dampening effect on overall economic activity as well as on the financial health of our customers, either of which could negatively affect customer demand for our products and services as well as customers' ability to service any financing provided by our Financial Services segment. In addition, credit market dislocations could have an impact on funding costs, which in turn may make it more difficult for our Financial Services Segment to offer customers competitive financing rates. We also use various forms of financing to cover the funding requirements of our Industrial Activities and for financing offered to customers and dealers by Financial Services. Financial Services normally implements a matching policy to offset the impact of differences in interest rates on the financed portfolio and related liabilities. Nevertheless, any future changes in interest rates can result in increases or decreases in revenues, finance costs and margins.

Although we seek to manage our currency risk and interest rate risk, including through hedging activities, there can be no assurance that we will be able to do so successfully, and our business, results of operations and financial position could be adversely affected. In addition, by utilizing these instruments, we potentially forego the benefits that may result from favorable fluctuations in currency exchange and interest rates. For additional information, see Note 30 "Information on financial risks" to the Consolidated Financial Statements at December 31, 2023.

We also face risks from currency devaluations. Currency devaluations result in a diminished value of funds denominated in the currency of the country suffering the devaluation.

Because Financial Services provides financing for a significant portion of our sales worldwide, our operations and financial results could be impacted materially should negative economic conditions affect the financial services industry

Negative economic conditions can have an adverse effect on the financial services industry in which Financial Services operates. Financial Services, through wholly-owned financial services companies and joint ventures, provides financing for a significant portion of our sales worldwide. Financial Services may experience credit losses that exceed its expectations and adversely affect its financial condition and results of operations. Financial Services' inability to access funds at cost-effective rates to support its financing activities could have a material adverse effect on our business. Financial Services' liquidity and ongoing profitability depend largely on timely access to capital in order to meet future cash flow requirements and to fund operations and costs associated with engaging in diversified funding activities. Additionally, negative market conditions could reduce customer confidence levels, resulting in declines in credit applications and increases in delinquencies and default rates, which could materially impact Financial Services' write-offs and provision for credit losses. Financial Services may also experience residual value losses that exceed its expectations caused by lower pricing for used equipment and higher than expected equipment returns at lease maturity.

An increase in delinquencies or repossessions could adversely affect the results of Financial Services

Fundamental in the operation of Financial Services is the credit risk associated with its customers/borrowers. The creditworthiness of each customer, rates of delinquency and default, repossessions and net losses on loans to customers are impacted by many factors, including: relevant industry and general economic conditions; the availability of capital; the terms and conditions applicable to extensions of credit; the experience and skills of the customer's management team; commodity prices; political events, including government mandated moratoria on payments; weather; and the value of the collateral securing the extension of credit. An increase in delinquencies or defaults, or a reduction in repossessions could have an adverse impact on the performance of Financial Services and our earnings and cash flows. In addition, although Financial Services evaluates and adjusts its allowance for credit losses related to past due or non-performing receivables on a regular basis, adverse economic conditions or other factors that might cause deterioration of the customers' financial health could change the timing and level of payments received and thus necessitate an increase in Financial Services' reserves for estimated losses, which could have a material adverse effect on Financial Services' and our results of operations and cash flows.

We may be exposed to shortfalls in our pension plans

At December 31, 2023, the funded status for our defined benefit pension, healthcare and other post-employment benefits was a deficit of $411 million. The funded status is the balance between the present value of the defined benefit obligation and the fair value of related assets, in case of funded plans (plans managed by a separate fund, "trust"). Consequently, the funded status is subject to many factors, as discussed in the Consolidated Financial Statements at December 31, 2023, section "Material Accounting Policies" paragraph "Use of Estimates", as well as Note 22 "Provisions for employee benefits" to the Consolidated Financial Statements at December 31, 2023.

To the extent that our obligations under a plan are unfunded or underfunded, we will have to use cash flows from operations and other sources to pay our obligations as they become due. In addition, since the assets that currently fund these obligations are primarily invested in debt instruments and equity securities, the value of these assets is subject to changes due to market fluctuations.

We have significant outstanding indebtedness, which may limit our ability to obtain additional funding and may limit our financial and operating flexibility

As of December 31, 2023, we had an aggregate of $28,255 million (including $24,344 million relating to Financial Services' activities) of consolidated gross indebtedness, and our equity was $8,811 million, including non-controlling interests. The extent of our indebtedness could have important consequences on our operations and financial results, including:

- we may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- we may need to use a portion of our projected future cash flow from operations to pay principal and interest on our indebtedness, which may reduce the amount of funds available to us for other purposes;
- we may be more financially leveraged than some of our competitors, which could put us at a competitive disadvantage;
- we may not be able to invest in the development or introduction of new products or new business opportunities;
- our future cash flow may be exposed to the risk of interest rate volatility (see above);
- we may not be able to adjust rapidly to changing market conditions, which may make us more vulnerable to a downturn in general economic conditions; and
- we may not be able to access the capital markets on favorable terms, which may adversely affect our ability to provide competitive retail and wholesale financing programs.

These risks are exacerbated by the ongoing volatility in the financial markets, in part resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the European Union and South America, and from continued concerns about global economic growth, particularly in emerging markets.

Further, due to the cessation of the London Interbank Offered Rate ("LIBOR"), the Group has entered into financial transactions such as credit agreements and certain derivative transactions that use the relevant new benchmark rates. These new benchmark rates are calculated differently from LIBOR and have inherent differences, which could give rise to uncertainties, including the limited historical data and volatility in the benchmark rates. The full effects of the transition to these new benchmark rates remain uncertain.

Restrictive covenants in our debt agreements could limit our financial and operating flexibility

The agreements governing our outstanding debt securities and other credit agreements to which we are a party from time to time contain, or may contain, covenants that restrict our ability to, among other things:

- incur additional indebtedness by certain subsidiaries;
- make certain investments;
- enter into certain types of transactions with affiliates;
- sell or acquire certain assets or merge with or into other companies; and/or
- use assets as security in other transactions.

Although we do not believe any of these covenants materially restrict our operations currently, a breach of one or more of the covenants could result in adverse consequences that could negatively impact our businesses, results of operations, and financial position. These consequences may include the acceleration of amounts outstanding under certain of our credit facilities, triggering an obligation to redeem certain debt securities, termination of existing unused commitments by our lenders, refusal by our lenders to extend further credit under one or more of the facilities or to enter into new facilities or the lowering or modification of CNH's credit ratings or those of one or more of its subsidiaries. For further information, see Note 24 "Debt" to the Consolidated Financial Statements at December 31, 2023.

CNH Industrial N.V. operates and will continue to operate, as a company that is resident in the U.K. for tax purposes; other tax authorities may treat CNH Industrial N.V. as being tax resident elsewhere

CNH Industrial N.V. is incorporated in the Netherlands. In order to be resident in the U.K. for tax purposes, CNH Industrial N.V.'s central management and control must be located (in whole or in part) in the U.K. The U.K. and Dutch competent authorities have agreed, following a mutual agreement procedure (as contemplated by the Netherlands-U.K. tax treaty), that CNH will be regarded as solely resident in the U.K. for purposes of the application of the Netherlands-U.K. tax treaty based on the facts and circumstances outlined in the Company's mutual agreement application. If the facts upon which the competent authorities issued this ruling change over time, this ruling may be withdrawn or cease to apply and in that case the Netherlands may impose withholding taxes on dividends distributed to non-residents by CNH Industrial N.V. and may levy Dutch corporate income tax on CNH Industrial N.V., which could have a material adverse effect on our results of operations and financial condition.

CNH Industrial N.V. should not be deemed resident in Italy under Italian domestic law except to the extent of CNH Industrial N.V.'s Italian branch, and should be deemed resident exclusively in the U.K. from the date of its incorporation for purposes of the Italy-U.K. tax treaty. Because this analysis is highly factual and may depend on future changes in CNH's management and organizational structure, tax authorities may disagree with our determination of the Company's tax residence. Should CNH Industrial N.V. be treated as an Italian tax resident beyond its Italian branch, Italy may impose withholding taxes on dividends distributed by CNH Industrial N.V. and levy corporate income tax on CNH Industrial N.V.'s worldwide income, which could result in a material adverse effect on our results of operations and financial condition.

The Company could be characterized as a passive foreign investment company (PFIC) for U.S. federal income tax purposes

The U.S. federal income tax rules provide specific tax rules applicable to shareholders in companies that meet the definition of a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. We believe that the Company is not a passive foreign investment company, but this conclusion is a factual determination made annually and may be subject to change. U.S. Holders of our ordinary shares may suffer adverse tax consequences if we are characterized as a PFIC.

We may incur additional tax expense or become subject to additional tax exposure

We are subject to income taxes, as well as non-income-based taxes, in various jurisdictions in which we operate around the world. Our tax liabilities are dependent upon the mix of earnings among these different jurisdictions. Our future results of operations could be adversely affected by changes in the consolidated effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in our overall profitability, changes to our transfer pricing approach, changes in tax legislation and rates, changes in generally accepted accounting principles and changes in the valuation of deferred tax assets and liabilities. If our effective tax rates were to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued or paid, our operating results, cash flows, and financial position could be adversely affected. We are also subject to ongoing tax audits in the various jurisdictions in which we operate. Tax authorities may disagree with certain positions we have taken and assess additional taxes. We regularly assess the likely outcomes of these audits in order to determine the appropriateness of our tax provision. However, there can be no assurance that we will accurately predict the outcomes of these audits, and the actual outcomes of these audits could have a material impact on our business, results of operations, financial condition, and cash flows, see Note 10 "Income tax (expense) benefit" to the Consolidated Financial Statements at December 31, 2023.

The Organization for Economic Cooperation and Development (the OECD) has proposed a global minimum tax of 15% of reported profits (Pillar Two) that has been agreed upon in principle by over 140 countries. During 2023, many countries took steps to incorporate Pillar Two model rule concepts into their domestic laws. The Company continues to monitor developments in the Pillar Two legislation and is working to evaluate the impacts of this legislation on its longer-term financial position.

RISKS RELATED TO OUR COMMON SHARES

The loyalty voting program may affect the liquidity of our common shares and reduce our share price

CNH's loyalty voting program was established to reward shareholders for maintaining long-term share ownership by granting at inception initial shareholders and subsequently any other person holding shares continuously for at least three years, the option to elect to receive special voting shares. Issuance of special voting shares is subject to various conditions set forth in the Company's constituting documents, including the registration of the common shares held by each shareholder requesting the issuance of special voting shares in the CNH Loyalty Register. Special voting shares have minimal economic entitlements and cannot be traded. In the event any shareholder holding such special voting shares intends to transfer its common shares from the CNH Loyalty Register, immediately prior to such transfer, any corresponding special voting shares shall be transferred to CNH for no consideration *(om niet)*. This loyalty voting program is designed to encourage a stable shareholder base and, conversely, it may deter trading by those shareholders who are interested in gaining or retaining special voting shares. Therefore, the loyalty voting structure may reduce liquidity in our common shares and adversely affect their trading price.

The loyalty voting program may prevent or frustrate attempts by our shareholders to change our management and hinder efforts to acquire a controlling interest in us, and the market price of our common shares may be lower as a result

The provisions of our Articles of Association establishing the loyalty voting program may make it more difficult for a third party to acquire, or attempt to acquire, control of us, even if a change of control is considered favorably by shareholders holding a majority of our common shares. As a result of the loyalty voting program, a relatively large proportion of the voting power of our common shares could be concentrated in a relatively small number of shareholders who would have significant influence over us. As of February 29, 2024, EXOR N.V. had a voting interest in CNH of approximately 45.4%. For further information, see section “Major Shareholders” and Note 32 "Related party transactions" to the Consolidated Financial Statements at December 31, 2023. Such shareholders participating in the loyalty voting program could effectively prevent change of control transactions that may otherwise benefit our shareholders.

The loyalty voting program may also prevent or discourage shareholders’ initiatives aimed at changes in our management.

CYBERSECURITY

We assess, identify and manage risks from cybersecurity threats through our Information Technology Security and Compliance organization (“Cybersecurity Program”), which is part of our larger enterprise risk management framework. The Cybersecurity Program is currently overseen by the Audit Committee of the Board of Directors (the "Audit Committee") and is managed by our Chief Information and Digital Officer (“CIO”) and a dedicated Chief Information Security Officer (“CISO”). Our current CISO has over 10 years of experience in cybersecurity and has held numerous positions in the cybersecurity sector, including serving as a Global Director of Information Security at another global high-tech manufacturing company. The CISO's organization has oversight of cybersecurity strategy, policy, standards, architecture and processes for the security of our enterprise network and, information assets. The CISO’s organization monitors and manages, and works to identify and assess, cybersecurity risk through various technologies, resources, processes and policies that are updated to align with the changing threat landscape, our evolving business needs and global regulatory requirements. Our strategy includes risk assessments, risk and threat analysis, utilization of security tools, cybersecurity-related tabletop and phishing exercises designed to simulate cybersecurity incidents, and security awareness and technical security trainings.

We use a range of defenses to help protect against cybersecurity threats and to work to secure our assets, reduce detection time and improve recoverability These include the ongoing monitoring of our systems, including with the assistance of third party vendors, conducting exercises with employees and senior management, including our executive officers, to promote awareness and improve internal processes. In addition, to promote security awareness throughout the Company, employees with an email address received training and access to security awareness materials in 2023. Further, we are implementing a program for the assessment and monitoring of security standards and control procedures for external suppliers and vendors.

Under the Cybersecurity Program, cybersecurity matters are generally managed by a combination of functional groups that report to the Company’s global leadership team, as appropriate, on matters such as enterprise level cybersecurity initiatives, threat intelligence and product cybersecurity risks and remediations.

Our Board of Directors (the "Board") addresses our cybersecurity risk management as part of its general oversight function. The Audit Committee is responsible for overseeing our key risks and controls relating to information systems, including our assessment and mitigation of material risks from cybersecurity threats. The Audit Committee receives periodic reports, summaries or presentations related to cybersecurity threats, risk, mitigation and related processes from the Chief Information and Digital Officer and CISO. In addition, on at least an annual basis, the Board receives reports, summaries or presentations from our Chief Information and Digital Officer and CISO related to cybersecurity threats, risk, mitigation and related processes.

The CISO maintains and periodically updates a Cybersecurity Incident Response Plan which is a guide for to respond effectively and efficiently to cybersecurity incidents in a coordinated manner in the interest of minimizing the risk of harm to our customers, operations, partners, employees and third parties, consistent with our legal obligations. As of the date of this report, we do not believe that risks from cybersecurity threats have materially affected or are reasonably likely to materially affect our business strategy, results of operations or financial condition. However, we recognize the ever-evolving cyber risk landscape and cannot provide any assurances that we will not be subject to a material cybersecurity incident in the future. For a description of risks related to our information technology systems, including cybersecurity threats, see section "Risk Factors - Operational Risks".

PLANTS AND MANUFACTURING PROCESSES

As of December 31, 2023, we owned 42 manufacturing facilities. We also own other significant properties including spare parts depots, research laboratories, test tracks, warehouses, and office buildings. We consider each of our facilities to be in good condition and adequate for its present use. We believe that we have sufficient capacity to meet our current and anticipated manufacturing requirements.

We make capital expenditures in the regions in which we operate principally related to initiatives to introduce new products, enhance manufacturing efficiency and increase capacity, and for maintenance and engineering. In 2023, our total capital expenditures in long-lived assets, excluding equipment on operating leases, were $852 million of which 39% was spent in EMEA, 46% in North America, 10% in South America and 5% in Asia Pacific. These capital expenditures were funded through a combination of cash generated from operating activities and borrowings. In 2022, our total capital expenditures were $635 million.

The following table provides information about our manufacturing and engineering facilities as of December 31, 2023:

Location	Primary Functions	Approximate Covered Area (Sqm/000)
Italy		
San Piero in Bagno	Mini and Midi Excavators; R&D center	14
Jesi	Tractors	77
Lecce	TLBs, Wheel Loaders, Compact Wheel Loaders, Telehandlers; Graders; R&D center	130
Modena	Components	102
S. Matteo	R&D center	51
Cesena	Mini and Midi Excavators	8
United States		
Benson	SP Sprayers, Floaters; R&D center	41
Burlington	Backhoe Loaders, Forklift trucks; R&D center	91
Burr Ridge	R&D center	44
Fargo	Tractors, Wheeled Loaders; R&D center	88
Goodfield	Tillage, Cultivators; R&D center	39
Grand Island	Combines, Windrowers, Bale Wagons	128
Mt. Joy	R&D center	11
Mt. Vernon	Tracks; R&D center	7
New Holland	Hay & Forage; R&D center	104
Racine	Tractors, transmissions	105
Sioux Falls	Training and R&D center	23
St. Nazianz	Self-propelled Sprayers; R&D Center	24
Wichita	Skid Steer Loaders; R&D center	46
Wautoma	Aluminum sprayer booms	2
Sioux Falls	Precision Technology	16
Scottsdale	Two R&D centers, Digital and Satellite Navigation Technology	2
Ames	R&D	1
Wakarusa	R&D Service	1
Rapid City	R&D	1
Brookings	R&D	1
Casa Grande	Area Testing	1
Livonia	R&D Center, Battery Electric Vehicles	2
France		
Coex	Grape Harvesters; R&D center	26
Croix	Cabins	12
Brazil		
Belo Horizonte (Contagem)	Crawler Excavators, Crawler Dozers, Wheel Loaders, Graders, Backhoe Loaders; R&D center	58
Curitiba	Combines and Tractors; R&D center	117
Piracicaba	Sugar Cane Harvesters, Sprayers, Planters; R&D center	23
Sorocaba	Combines and others; R&D center	188
Paulinia	Precision Technology	1
China		
Harbin	Combines, Tractors, Balers; R&D center	121
Kunshan	Components	8

Location	Primary Functions	Approximate Covered Area (Sqm/000)
Belgium		
Antwerp	Components	77
Zedelgem	Combines, Forage Harvesters and Balers; R&D center	154
India		
Greater Noida	Tractors; R&D center	95
Pithampur	TLBs, Chex, Vibratory Compactors, Skid Steer Loaders; R&D center	58
Pune	Sugar Cane Harvesters; Combines; Balers and Tractors; R&D center	80
Gurgaon	ITC R&D center	9
Poland		
Kutno	Cultivators, Planters, Headers, Grass Pick-ups; R&D center	33
Plock	Combines, Balers and Headers; R&D center	129
Others		
Cordoba (Argentina)	Combines, Sprayers, Grain Headers, Tractors	35
St. Valentin (Austria)	Tractors; R&D center	54
Cowra (Australia)	Tillage; R&D center	6
Mannum (Australia)	Seeding & Tillage; R&D center	17
St. Mary's (Australia)	R&D	66
Saskatoon (Canada)	Sprayers, Planters, Seeders; R&D center	61
Regina (Canada)	R&D Center	2
Calgary (Canada)	R&D Center	1
Queretaro (Mexico)	Components	15
Överum (Sweden) Ploughs;	R&D center	49
Basildon (United Kingdom)	Tractors; R&D center	129
Newquay (United Kingdom)	R&D liquid and compressed methane gas	1
Chynoweth (United Kingdom)	R&D liquid and compressed methane gas	1
Tashkent (Uzbekistan)	Tractors	30
Metamorfosi (Greece)	R&D Sense and Act technology	1
Würzburg (Germany)	R&D Precision Technology	1
Hoorn (Netherland)	R&D Autonomy	1

LEGAL PROCEEDINGS

CNH in the ordinary course of business is exposed to numerous legal risks, including, without limitation, dealer and supplier litigation, intellectual property right disputes, product liability, asbestos, personal injury, emissions and/or fuel economy regulatory, competition law and other regulatory investigations and environmental claims. The most significant of these matters are described in Note 27 "Commitments and contingencies" to the Consolidated Financial Statements for the year ended December 31, 2023.

The outcome of any current or future proceedings, claims, or investigations cannot be predicted with certainty. Adverse decisions in one or more of these proceedings, claims or investigations could require CNH to pay substantial damages or fines or undertake service actions, recall campaigns or other costly actions. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurance and could affect CNH's financial position and results.

Although the ultimate outcome of legal matters pending against CNH and its subsidiaries cannot be predicted, management believes the reasonable possible range of losses for these unresolved legal matters in addition to the amounts accrued would not have a material effect on our Consolidated Financial Statements.

INSURANCE

We maintain insurance with third party insurers to cover various risks arising from our business activities including, but not limited to, risk of loss or damage to our assets or facilities, business interruption losses, general liability, automobile liability, product liability and directors' and officers' liability insurance. We believe that we maintain insurance coverage that is customary in our industry.

RISK MANAGEMENT AND CONTROL SYSTEM

CNH RISK MANAGEMENT

Risk management is an important component of CNH’s overall culture and is integral to the achievement of its long-term business plan. Accordingly, our Enterprise Risk Management (“ERM”) framework is designed to assist in the identification, evaluation and prioritization of business risks (including environmental, social, and governance risks), followed by a coordinated and balanced application of resources to minimize, monitor, and control the probability or impact of adverse events or to maximize the realization of opportunities.

CNH's ERM processes are aligned with the HCC Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) published framework, as well as the principles of the Dutch Corporate Governance Code, further adapted for specific business requirements by incorporating Company management knowledge and best practices identified by third-party risk consulting firms.

CNH's ERM framework has identified 43 primary enterprise risks, further broken down into 134 specific risk drivers. Primary risk drivers include a number of significant topics, such as business strategies and operations, competitive factors, social responsibility and environmental issues, and regulatory compliance. The process follows a bottom-up analysis starting at the business unit level, with risk survey completion by business and function leaders worldwide, followed by cross-functional reviews, one-on-one interviews with Global Leadership Team ("GLT"), presentations and risk assessment discussions with the Audit Committee of the Board, and review and discussion with the Board. Direct feedback received from each of these layers up to and including the Board is then used to identify and develop risk mitigation activities as necessary within the business or functional area, which are deployed by management.

Inherently, CNH's ERM framework is not meant to provide a guarantee of the accuracy or completeness of the risk assessments performed or on the full achievement of CNH’s objectives. CNH’s potential overall risk exposure is described in the Risk Factors section.

RISK MITIGATION ACTIVITIES

The risk mitigation activities initiated by management are designed to mitigate adverse impacts to CNH’s business plan, including financial and operational performance, during 2023 and beyond. The ERM framework is linked with our sustainability program and its strategic sustainability targets, our aspirational goals articulated in the strategic business plan and our employee and customer safety goals. These targets and goals, which are incorporated into the individual segment business plans, provide a framework to address the long-term challenges to increasing stakeholder value and proactively mitigate associated risks.

For example, "third-party viability" represents the risk that our key suppliers and service providers may become insolvent amid margin pressures, economic contraction, or other market forces such as inflation. Such risk can undermine our operational resiliency and ultimately impact our ability to deliver on customer performance obligations. Our ERM processes help to ensure we remain resilient amid such economic uncertainty. Corresponding actions that the Company has taken to mitigate third party viability risk include, for example, implementing a Kaizen approach on problem solving and root cause analysis performed in coordination with our at-risk suppliers to help the business stay ahead or preventable supply disruptions. Strategic sourcing initiatives are also underway that should further limit our exposure to potential supply chain disruptions caused by economic uncertainty.

Our ERM process also monitors emerging risks, which we define as new risks or risks for which the impacts are unknown or evolving and thus may be incorporated into risk assessment and mitigation activities when deemed necessary. For example, mass generative AI availability is among the top emerging risks within our industry given its broad area of impact, thus requiring close monitoring to ensure we are readily able to adapt and address aspects related to regulations as well as unintended consequences from AI's increasing use case portfolio. Planned mitigating actions include development of methodical approaches toward scenario and use case monitoring to ensure organizational alignment of AI usage and our ability to address new or elevated risks that responsible AI failures may cause.

RISK APPETITE

CNH's risk appetite is set within risk taking and risk acceptance parameters driven by our business plan, Code of Conduct, core principles and values, policies, and applicable laws. Our ERM framework includes a structured risk management process to address key risks, with a delineated risk appetite applied to each of the risk categories and enterprise risks as described below:

		Risk Category Description	Enterprise Risks	Risk Appetite
Long-term	***Strategic risks*** *Create value*	Strategic risks may affect CNH's long-term strategic business plan performance targets, innovation roadmap and sustainability objectives	Sociopolitical events, macroeconomics, competition, customer demands, product portfolio, technological innovation, investments, commercial practices, business combinations and ESG	Taking into consideration CNH stakeholders' interests, CNH has a medium-high appetite concerning strategic risk, meaning we are willing to accept additional risk while applying cost/benefit considerations in pursuing our long-term targets
Short- and Medium-term	***Operational risks*** *Enhance value*	Operational risks are related to internal processes, people and systems, or external events linked to the actual operation of CNH's portfolio of businesses	Production capacity, logistics, distribution channels, quality control, purchasing, labor relations, asset safeguarding, intellectual property, information technology, cybersecurity, artificial intelligence, force majeure and human rights	CNH seeks to minimize the occurrence and consequences of unforeseen operational risks with a medium-low appetite
	Financial & Taxation risks *Enhance & protect value*	Financial risks include uncertainty of returns and the potential for losses due to financial performance	Financial management, financing and trade receivables, reporting of results and tax implications	CNH has a low risk appetite with respect to financial risks (such as liquidity, market, foreign exchange and interest rate risks as explained in more detail in Note 30 of the Consolidated Financial Statements)
	Compliance risks *Protect value*	Compliance risks cover unanticipated failures to comply with applicable laws, regulations, policies and procedures	EHS, tech & safety regulations, regulatory requirements, records management & retention, company funds, labor regulations, contractual obligations, ethics & integrity, anti-corruption, antitrust/fair competition, consumer protection & product safety, corporate compliance & culture, misconduct reporting & resolution, import/export practices, privacy and third parties	CNH has an averse risk appetite with respect to compliance risks and requires full compliance

ENHANCEMENTS TO THE RISK MANAGEMENT PROCESS

The development and implementation of an effective and robust ERM framework requires continuous evaluation and improvement. As part of these efforts, CNH continues to enhance its risk management process, including the ongoing rollout of targeted risk assessments conducted by subject matter experts within the business. These assessments, which now cover nearly 70% of our full risk register, help identify important risk exposures outside of predetermined risk tolerance levels and trigger the execution of new or previously identified risk mitigation activities that are intended to reduce or, in certain cases, eliminate the risk exposures altogether. We have also better aligned our oversight functions to improve the internal transparency of our risk profile and increase efficiencies across ERM, Finance, Internal Audit, IT Security, Internal Controls (including Sarbanes-Oxley functions), Sustainability and Legal & Compliance. Quarterly risk reports are delivered to our ERM Supervising Committee as well as the GLT, giving business transparency to our risk management processes and latest risk profiles. Finally, we continue to expand our GRC software platform to provide more intuitive and automated coverage of common high-risk areas such as information technology and cybersecurity, business continuity management and environment, social and governance ("ESG") monitoring and reporting.

INTERNAL CONTROL SYSTEM

The Company has in place an internal control system, based on the model provided by COSO and the principles of the Dutch Corporate Governance Code, which consists of a set of policies, procedures and organizational structures aimed at identifying, measuring, managing, and monitoring the principal risks to which CNH is exposed. The system is integrated within the organizational and corporate governance framework adopted by CNH and contributes to the protection of corporate assets, as well as to ensuring the efficiency and effectiveness of business processes, reliability of financial information, and compliance with laws, regulations, the Company's Code of Conduct, policies, and internal procedures.

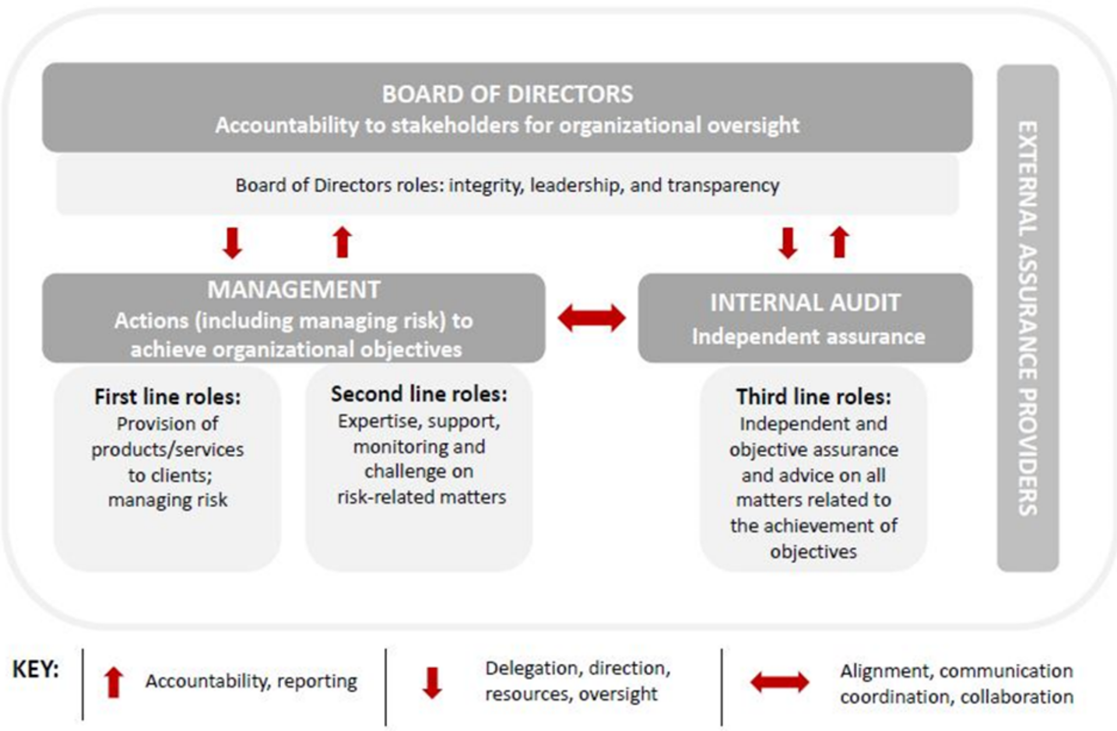
The system, which has been developed on the basis of international best practices, consists of the following three lines:

Management:

1. operating areas, which identify and assess risk and establish specific actions for management of such risk;
2. central functions responsible for risk control, which define methodologies and instruments for managing and monitoring such risk.

Internal Audit:

3. conducts independent evaluations of the system in its entirety.



Principal Characteristics of the Internal Control System and Internal Control over Financial Reporting

CNH has in place a system of risk management and internal control over financial reporting based on the model provided by COSO, according to which the internal control system is defined as a set of rules, procedures and tools designed to provide reasonable assurance of the achievement of corporate objectives. In relation to the financial reporting process, reliability, accuracy, completeness and timeliness of the information contribute to the achievement of such corporate objectives. Risk management is an integral part of the internal control system. A periodic evaluation of the system of internal control over financial reporting is designed to ensure the overall effectiveness of the components of the COSO Framework (Governance & Culture; Strategy & Objective-Setting; Performance; Review & Revision; and Information, Communication, & Reporting) in achieving those objectives.

CNH – which is listed on the NYSE and, consequently, is subject to Section 404 of the U.S. Sarbanes-Oxley Act since 2014 – has a system of administrative and accounting procedures in place that seeks to ensure a highly reliable system of internal control over financial reporting.

The approach adopted by CNH for the evaluation, monitoring and continuous updating of the system of internal control over financial reporting, is based on a 'top-down, risk-based' process consistent with the COSO Framework. This enables focus on areas of higher risk and/or materiality, where there is risk of significant errors, including those attributable to fraud, in the elements of the financial statements and related documents. The key components of the process are:

- identification and evaluation of the source and probability of significant errors in elements of financial reporting;
- assessment of the adequacy of key controls in enabling ex-ante or ex-post identification of potential misstatements in elements of financial reporting; and
- verification of the operating effectiveness of controls based on the assessment of the risk of misstatement in financial reporting, with testing focused on areas of higher risk.

Identification and evaluation of the risk of misstatements which could have material effects on financial reporting is carried out through a risk assessment process that uses a top-down approach to identify the organizational entities, processes and the related accounts, in addition to specific activities, which could potentially generate significant errors. Under the methodology adopted by CNH, risks and related controls are associated with the accounting and business processes upon which accounting information is based.

U.S. Securities and Exchange Commission guidance allows companies to exclude acquisitions from management's report on internal control over financial reporting for the first year after the acquisition when it is not possible to conduct an assessment. In March 2023, the Company acquired the remaining 89.5% of the capital stock of Augmenta Holding SAS ("Augmenta") it did not own and it acquired a controlling interest in Bennamann Ltd ("Bennamann"). In October 2023, the Company also acquired 100% of the capital stock of Hemisphere GNSS ("Hemisphere") (see Note 2). Due to the timing of the Augmenta, Bennamann and Hemisphere acquisitions, management has excluded Augmenta, Bennamann and Hemisphere from the annual assessment of the effectiveness of internal control over financial reporting as of December 31, 2023. Augmenta, Bennamann and Hemisphere represent less than 2% of the consolidated total net assets (excluding acquired intangible assets and goodwill in purchase accounting) and less than 1% of the consolidated Net revenues.

Our management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023, using the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, and the material weakness noted below, management believes that, as of December 31, 2023, the Company's internal control over financial reporting was not effective.

Deloitte & Touche LLP, the independent registered public accounting firm that audited our 2023 consolidated financial statements included in this Annual Report, has issued an attestation report on our internal control over financial reporting.

Material Weakness

In connection with the preparation of our quarterly report on Form 10-Q for the three months ended September 30, 2023 we identified a material weakness in our internal control over financial reporting, which persisted as of December 31, 2023. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness relates to the design and implementation of information technology (IT) general controls in the areas of user access limits and segregation of duties related to multiple enterprise resource planning (ERP) applications.

These control deficiencies have not resulted in an error or misstatements to our financial statements or the need to revise any previously published financial results. However, these deficiencies if not timely remediated, could impact maintaining effective segregation of duties, as well as the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatements to one or more assertions, and IT controls and underlying data that support the effectiveness of IT system-generated data and reports).

The control deficiencies could have resulted in a misstatement of one or more account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected, and accordingly, we determined that these control deficiencies constitute a material weakness.

Management's Plan to Remediate the Material Weakness

Subsequent to the identification of the material weakness, management under the oversight of the Audit Committee has been implementing measures and taking steps to address the underlying causes of the material weakness, including enhancing our IT general controls framework that addresses risks associated with user access and security, application change management and IT operations. We are implementing enhanced compensating controls and providing focused training for control owners to help sustain effective control operations and comprehensive remediation efforts relating to segregation of duties to strengthen user access controls and security.

While we believe these efforts have improved our internal controls and address the underlying cause of the material weakness, the material weakness will not be remediated until our remediation plan has been fully implemented and tested and we have concluded that following the improvements to our internal controls, our control environment is operating effectively for a sufficient period of time. In particular, the enhanced compensating controls and training will require time to test and assess. We cannot be certain that the steps we are taking will be sufficient to remediate the control deficiencies that led to the material weakness in our internal control over financial reporting or prevent future material weaknesses or control deficiencies from occurring. In addition, we cannot be certain that we have identified all material weaknesses in our internal control over financial reporting, or that in the future we will not have additional material weaknesses in our internal control over financial reporting.

Changes in Internal Control over Financial Reporting

As described above, the Company is taking steps to remediate the material weakness noted above. Other than in connection with these remediation steps, there have been no changes in our internal control over financial reporting during the three months ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Disclosure Controls and Procedures and Internal Control over Financial Reporting

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to the costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected.

CORPORATE GOVERNANCE

INTRODUCTION

CNH is a company, organized under the laws of the Netherlands, initially formed from a business combination of Fiat Industrial S.p.A. and CNH Global N.V. consummated on September 29, 2013. On January 1, 2022, the On-Highway businesses, now known as Iveco Group was separated from the Company and became a public listed company independent from the Company through a demerger under Dutch Law. CNH qualifies as a foreign private issuer under the applicable rules of the SEC and its common shares are listed on the NYSE.

We are subject to, among other things, the laws of the Netherlands and the laws and regulations applicable to foreign private issuers in the U.S., the Dutch Corporate Governance Code (the “Dutch Code” of "DCGC") and the NYSE listing standards, which are of particular significance to our corporate governance. In accordance with the NYSE Listed Company Manual, we are permitted to follow home country practice with regard to certain corporate governance standards. In accordance with the article 3, paragraph 1 of the Dutch Decree on establishing further rules regarding the content of the Annual Report (Besluit van 23 december 2004 tot vaststelling van nadere voorschriften omtrent de inhoud van het jaarverslag, the Decree) (the “Board Report Further Content Decree”), in the paragraph "Board Diversity" we include a statement relating to our compliance with the principles and best practices of the Dutch Code, including a description and motivation of deviations from the Dutch Code. The significant differences between our corporate governance practices and those required for domestic U.S. listed companies by the NYSE listing standards are described on our website.

BOARD OF DIRECTORS

The Board of Directors (the "Board"), as a one-tier board structure under Dutch law comprising both executive directors and non-executive directors, has collective responsibility for the strategy of the Company. During 2023, the Board reviewed and discussed with management, among other things, the Company’s strategy, and the sustainable long-term value creation strategies of the Company’s Agriculture, Construction and Financial Services segments and their deployment in the regions.

All Board members are expected to attend not less than 75% of all Board and Committee meetings. In addition, Non-Executive Directors are limited to being on not more than four (4) boards of other public companies.

The Board met five (5) times during 2023. During 2023, all incumbent directors attended 75% or more of the meetings of the Boards and Committees on which they served. Overall attendance at Board meetings was 98%.

At this time, we do not have a policy regarding the Board members' attendance at annual general meetings of shareholders. Directors followed the 2023 Meeting via live webcast.

The positions of Chief Executive Officer and Executive Chair of the Board are held by two different individuals (Scott W. Wine and Suzanne Heywood, respectively). This structure allows our Chief Executive Officer to focus on our day-to-day business while our Chair provides advice to and exercises executive oversight of management. The Board appointed Mr. Vagn Sørensen as Senior Non-Executive Director, the Non-Executive Chair for purposes of Section 2:219 a(1) of the Dutch Civil Code and best practice provision 5.1.3, and in compliance with best practice provision 2.1.9, of the Dutch Code. The Senior Non-Executive Director is responsible for the proper functioning of the Board and its Committees.

The Non-Executive Directors believe that in consideration of the size of the Company, the complexity and specific characteristics of the segments in which it operates and the worldwide presence of its business, an adequate and diversified mix of skills, experience and cultures and other diversity factors are necessary prerequisites to achieve a Board having the appropriate diversification and collegial capabilities, also assured by an appropriate balance between the number of Executive Directors and Non-Executive Directors. Independent Directors – identified as such both pursuant to NYSE and Dutch Code provisions – have an essential role in protecting the interests of all stakeholders and in the proper composition and functioning of the Board Committees, further described below. It is generally recognized that more diverse boards are more effective in performing their monitoring and advisory activities, due to the variety of professional experience, perspectives, insights, skills and connections to the outside world that diversity can add. Accordingly, the Board will continue to actively seek diverse candidates for possible appointment to the Board. In 2023, the Board adopted a Policy on Diversity and Inclusion as required by the Dutch Code. The Policy provides that in light of the size of the Company, the complexity and specific characteristics of the segments in which it operates and the geographic distribution of its businesses, the Board should be composed of individuals with skills, experience and cultural background, both general and specific, acquired in an international environment and relevant to an understanding of the macro-economy and global markets, more generally, as well as the industrial and financial sectors, more specifically. An appropriate and diversified mix of skills, professional backgrounds, and diversity factors (inclusive of age, nationality, religious or personal beliefs, political opinion or belonging to other protected groups) are fundamental to the proper functioning of the Board as a collegial body. In compliance with article 3d of the Board Report Further

Content Decree, the Human Resources section of our Annual Report includes a statement regarding the proportional distribution of Board seats among males and females and target scheme policy in relation to the current number of male and female members on the Board and among certain selected senior managers as of December 31, 2023, the targets, the plan to reach such targets and, insofar targets are not met, the reasons therefore.

The ESG Committee periodically assesses the skills, experience and other attributes of the individual Directors with a view toward ensuring an appropriate level of diversity and ensuring the Directors have the necessary expertise to fulfill their respective duties. In 2023, the ESG Committee conducted such an assessment in connection with its evaluation of candidates to be recommended to the Board for nomination of (re)appointment as a Director.

Below are the names, year of birth and position of each person currently serving as a director of the Company.

			Committee Membership		
Name, Age	**Independence (for NYSE and Dutch Code purposes)**	**Joined CNH Board**	**Environmental, Social and Governance**	**Human Capital and Compensation**	**Audit**
Suzanne Heywood, 54		2016			
Scott W. Wine, 56	CEO	2021			
Elizabeth Bastoni, 58	Independent	2023	Member	Chairperson	
Howard W. Buffett, 40	Independent	2020	Member	Member	
Richard J. Kramer, 61	Independent	2023			Member
Karen Linehan,65	Independent	2022			Chairperson
Alessandro Nasi, 49		2019	Chairperson	Member	
Vagn Sørensen, 64	Independent	2020			Member
Åsa Tamsons, 42	Independent	2021			Member

There are no family relationship between any Director or Executive Officer of the Company.

The current composition of the Board is the following:

- **Suzanne Heywood,** Chair (Executive-Director)

  Suzanne Heywood is the Chief Operating Officer of Exor. She first joined Exor as a Managing Director in 2016. Prior to that she worked at McKinsey & Company which she joined as an associate in 1997 and left as a Senior Partner (Director) in 2016. Suzanne co-led McKinsey's global service line on organization design for several years and also worked extensively on strategic issues with clients across different sectors. She has published a book, “Reorg,” and multiple articles on these topics. Suzanne started her career in the U.K. Government as a Civil Servant in the U.K. Treasury. At the Treasury she worked as Private Secretary to the Financial Secretary (who is responsible for all direct taxation issues) as well as leading thinking on the Government's privatization policy and supporting the Chancellor in his negotiations at ECOFIN (the meeting of European Finance Ministers) in Brussels. Prior to that she studied science at Oxford University (BA) and then at Cambridge University (PhD). Lady Heywood is Chair of Iveco Group N.V., and of Shang Xia. She is also a non-executive director of Louboutin and The Economist. She grew up sailing around the world with her family recreating Captain James Cook's third voyage. Born in 1969, British citizenship. Date of Employment: April 15, 2016

- **Scott W. Wine,** Chief Executive Officer (Executive-Director)

  Scott W. Wine is the Chief Executive Officer of CNH and an executive director on the Company's Board. Leading a workforce of circa 40,000 across the globe, Mr. Wine assumes complete accountability for the Company's results, whilst ensuring it delivers them in accordance with the highest ethical standards. His focus is on best supporting CNH's dealers and customers through a diverse and inclusive workforce, industry leading technology, exceptional safety and quality, and unmatched innovation. Mr. Wine has an exceptional track record as a proven leader, with both considerable international experience across a variety of industries, and extensive mergers and acquisitions expertise in the U.S., Europe and Asia. Prior to joining CNH in 2021, he was Chairman and CEO of Polaris Inc., a manufacturer of off-road vehicles, electric cars, motorcycles, snowmobiles and boats. He joined Polaris in 2008 as Chief Executive Officer and was named Chairman in 2013. In 2007, Mr. Wine joined UTC Fire and Security, a subsidiary of United Technologies Corporation, as President of Fire Safety America. From 2003 to 2007 he held positions of increasing importance across a range of Danaher Corporation companies, serving as President of Jacobs Vehicle Systems, a commercial truck braking systems manufacturer, from 2003 until 2006, when he became President of The VeederRoot Co., a manufacturer of fuel-tank measuring equipment. In 1996 Mr. Wine joined Allied Signal Corp, a US aerospace, automotive and engineering company. Following its 1999 acquisition of Honeywell, in 2001 Wine assumed the role of Managing Director of Honeywell Aerospace GmBh, based in Germany, before being appointed Vice President of the European Engine Services Division. From 1989 to 1996 he served as a supply officer in the United States Navy. Mr. Wine holds an MBA from the University of Maryland and a bachelor's degree from the United States Naval Academy. He serves on the Boards of US Bancorp (a NYSE-listed company) and the U.S. Naval Academy Foundation. Born in 1967, he holds American citizenship. Date of first appointment: April 15, 2021.

- **Howard W. Buffett,** Director (Non-Executive Director—Independent), Member of the Environmental, Social, and Governance Committee, Member of the Human Capital and Compensation Committee

  Howard W. Buffett was appointed Director of CNH in April 2020. He is a Professor at Columbia University's School of International and Public Affairs in New York, U.S.A., with research focused on ESG, sustainability, and impact measurement and management. He previously served on the Advisory Committee on Socially Responsible Investing, which advises the University's $15 billion endowment on social and environmental investment policies. Earlier in his career, Howard W. Buffett was the Executive Director of the Howard G. Buffett Foundation. He also held a variety of roles in the U.S. government, including in the U.S. Department of Defense, where he oversaw economic stabilization and redevelopment programs in Iraq and Afghanistan. For his work in Afghanistan, he received the Joint Civilian Service Commendation Award. Howard W. Buffett also served as Policy Advisor for the White House Domestic Policy Council and in the Office of the Secretary at the U.S. Department of Agriculture. Howard W. Buffett serves on several Corporate Boards and Advisory Boards including Toyota Motor North America, Inari Agriculture, REEF Technology, StateBook International and Reflection Analytics. He chairs the Advisory Council for Harvard University's International Negotiation Program and serves on several nonprofit Advisory Boards, including the Daugherty Water for Food Global Institute, the Learning by Giving Foundation, and the Chicago Council on Global Affair's Center on Global Food and Agriculture Panel of Advisors. Howard W. Buffett is also a former Term Member of the Council on Foreign Relations. A New York Times bestselling author, Howard W. Buffett holds a Bachelor of Science in Communications Science and Political Science from Northwestern University, U.S.A., a Master's in Public Policy and Administration in Advanced Management and Finance from Columbia University, U.S.A., and executive education certificates from Harvard Business School, U.S.A. Born in 1983, U.S. citizenship. Date of first appointment: April 16, 2020.

- **Åsa Tamsons,** Director (Non-Executive Director—Independent), Member of the Audit Committee

  Åsa Tamsons is a Senior Vice President and Head of Business Area Enterprise Wireless Solutions at Ericsson where she is also a member of the Company's Executive Team. Ms. Tamsons primary focus is to establish Ericsson's Enterprise Business and make 5G solutions pervasive in the enterprise segments. Ms. Tamsons' business portfolio is focused on 5G based networking and security solutions to Enterprises. The business includes Cradlepoint – the US-based market leader in Wireless WAN Edge solutions serving 65,000+ enterprise customers around the world, Ericsson's Private 5G Network business with products used by industry companies and the public safety sector, and an emerging enterprise security business offering unified SASE solutions to enterprises. Previously, between 2018-2023, Ms. Tamsons held the role as Head of Business Area Technologies and New Businesses at Ericsson, with focus on driving growth in new business areas and creating new revenue streams for Ericsson, with emphasis on SaaS and software centric connectivity offerings. Her business portfolio included Ericsson's world-leading IPR & Licensing business, the global number portability leaders, iconectiv - and a number of growth businesses in the fintech, adtech, enterprise connectivity and security markets. Between 2018-2020, Ms. Tamsons was also responsible for Ericsson's Group Strategy, M&A and Corporate Venture Capital investments. Ms. Tamsons joined Ericsson as a Partner from McKinsey where between 2006-2017 she served tech, telecom and industrial companies around the world. She has worked across the world and during her career has been based in Stockholm, Paris, Singapore, San Francisco and Sao Paulo. Ms. Tamsons holds a Master of Science in Business Administration from the Stockholm School of Economics in Sweden. Born in 1981, Swedish citizenship. Date of first appointment: December 23, 2021.

- **Alessandro Nasi,** Director (Non-Executive Director), Chairperson of the Environmental, Social, and Governance Committee, Member of the Human Capital and Compensation Committee

Alessandro Nasi started his career as a financial analyst in several banks, gaining experience at a division of UniCredit in Dublin, Ireland; PricewaterhouseCoopers in Turin, Italy; Merrill Lynch and JP Morgan in New York, U.S.A.. He also worked as an Associate in the Private Equity Division of JP Morgan Partners in New York, U.S.A.. Mr. Nasi joined the Fiat Group in 2005 as manager of Corporate and Business Development, heading the APAC division and supporting Fiat Group sectors in Asia Pacific. In 2007, Mr. Nasi was appointed Vice President of Business Development and a member of the Steering Committee of Fiat Powertrain Technologies. In 2008, he joined CNH in the role of Senior Vice President of Business Development and from 2009 to 2011 he also served as Senior Vice President of Network Development. In January 2011, he was also appointed Secretary of the Industrial Executive Council of Fiat Industrial, continuing in the role of Executive Coordinator to the successor Group Executive Council of CNH until January 2019. In 2013 he was appointed President Specialty Vehicles, a role he held until January 2019. Mr. Nasi is a Director of EXOR N.V., Chairman of Comau, Director of Iveco Group and Chair of its Environmental, Social, and Governance Committee and member of its Human Capital & Compensations Committee. He is Chairman of Iveco Defence (an affiliate of Iveco Group) and Chairman of Astra Veicoli Industriali (an affiliate of Iveco Group). Since 2019 he is a member of the Advisory Board of the Lego Brand Group and since May 2023 is Chairman of GVS S.p.A.. In October 2022, he was appointed member of the Board of Istituto Italiano di Tecnologia and member of the Strategic Advisory Board of 3 Boomerang Capital LLC. Mr. Nasi obtained a degree in Economics from the University of Turin. Born in 1974, Italian citizenship. Date of first appointment: April 12, 2019.

- **Vagn Sørensen,** Director (Senior Non-Executive Director—Independent), Member of the Audit Committee

  Vagn Sørensen was appointed Director of CNH in April 2020. He has spent the majority of his executive career in the aviation industry. After a 17-year career with Scandinavian Airlines, where he held the position of deputy CEO, from 2001 to 2006 he served as the CEO of Austrian Airlines. Following this, he has pursued a career as an Independent Director, primarily in the leisure, hotel and aviation sectors. His appointments, however, also encompass additional sectors including software development, telecommunications and heavy machinery. Mr. Sørensen can draw on over 20 years' experience in private equity, primarily gained with EQT. Mr. Sørensen is currently Chairman of Vakantie Discounter, Big Bus Tours, Air Canada and Scandlines. He serves as an Independent Director on the Board of Royal Caribbean Cruises. He also sits on the Boards of Parques Reunidos and is a member of the Board of Trustees of the Rock'n Roll Forever Foundation. Mr. Sørensen has previously been the Chairman of F L Smidth A/S, SSP Group Plc, British Midland Airways, Scandic Hotels Group, Automic Software, Bureau van Dijk, KMD and Flying Tiger Copenhagen. He was a Member of the Supervisory Board of Lufthansa Cargo, Deputy Chairman of DFDS, Chairman of the Association of European Airlines, a Member of the Board of the International Air Transport Association (IATA) and was Chairman of TDC A/S, the Danish incumbent telecommunications operator. Mr. Sørensen attended the Aarhus Business School in Denmark, and obtained a Master of Science degree in Economics and Business Administration. Born in 1959, Danish citizenship. Date of first appointment: April 16, 2020.

- **Karen Linehan**, Director (Non-Executive Director—Independent), Chairperson of the Audit Committee

  Karen Linehan is a former Executive Vice President and General Counsel of Sanofi, a French global healthcare company, a role she held from 2007–2021. During this time Ms. Linehan supported multiple acquisitions and divestitures, complex litigations and government investigations as well as being a founding member of Sanofi's Gender Balance Board. She joined Sanofi in 1991 and held roles of increasing importance including Assistant General Counsel from 1991–1996, International Counsel from 1996–2000 and Deputy Head of Legal Operations from 2000–2007. Prior to joining Sanofi, Karen Linehan was a Corporate Attorney at the New York-based legal firm Townley & Updike. She started her career in the Congressional Office of the Speaker of the US House of Representatives, the Honorable Thomas P. O'Neill, Jr. Ms. Linehan is currently a board member of Aelis Farma (France), a company which specializes in developing drugs targeting diseases of the brain, where she chairs the Audit Committee and serves as a member of the Remuneration Committee. She also sits on the board of Veon Ltd. (The Netherlands), a multinational telecommunication services company, where she serves as a member of the Audit Committee and the Nomination and Governance Committee. Ms. Linehan was a Non-Executive Director of The Global Antibiotic Research and Development Partnership (GARDP) (North America), a Non-Profit Organization which is focused on pursuing the development of treatments for drug resistant infections. Ms. Linehan holds a Bachelor of American Studies and a Juris Doctor (J.D.) degree in Law, both from Georgetown University in the U.S.A. Born in 1959, American and Irish citizenship. Date of first appointment: April 13, 2022.

- **Elizabeth Bastoni,** Director (Non-Executive Director—independent), Member of the Environmental, Social and Governance Committee, Chairperson of the Human Capital and Compensation Committee

Elizabeth Bastoni is respected as a credible voice for decision making in the boardroom. She demonstrates sound business judgment, an ability to focus on critical matters in complex situations and is grounded in the financial information that levers the business. Ms. Bastoni has expertise in establishing governance boundaries; enabling strategy development and execution; and leading effective oversight. Ms. Bastoni currently serves as Independent Lead-Director and Chair of the Nomination and Compensation Committee for France-based Euroapi, which was spun-out from parent Sanofi in May of 2022. She also serves as a director and Audit Committee member for Portugal based Jerónimo Martins. Elizabeth has also previously held a range of other board and committee leadership roles in Europe and the US. Prior to her Board service, Elizabeth served in C-suite and executive leadership positions at a number of large-scale, global organizations including Carlson, The Coca-Cola Company, Thales, Suez Environment and KPMG. Ms. Bastoni holds a BA degree with a concentration in Accounting from Providence College, Rhode Island. She has a degree from Paris Sorbonne Université (Paris IV) in French Civilization and studied Art History at the Ecole du Louvre in Paris. Born in 1965, American citizenship. Date of first appointment: April 14, 2023.

- **Richard J. Kramer**, Director (Non-Executive Director—Independent), Member of the Audit Committee

  Mr. Kramer served as Chairman of the Board, Chief Executive Officer and President of The Goodyear Tire & Rubber Company (global manufacturer, marketer and distributor of tires) from 2010 through January 2024. Mr. Kramer joined Goodyear in March 2000 and held various positions at Goodyear, including Chief Operating Officer from June 2009 to April 2010, President, North American Tires from March 2007 to February 2010, Executive Vice President and Chief Financial Officer from June 2004 to August 2007, Senior Vice President, Strategic Planning and Restructuring from August 2003 to June 2004, Vice President, Finance - North American Tires from August 2002 to August 2003, and Vice President - Corporate Finance from March 2000 to August 2002. Prior to joining Goodyear, Mr. Kramer was with PricewaterhouseCoopers LLP for 13 years, including two years as a partner. Mr. Kramer is a Director of the Whirlpool Corporation (a NYSE-listed company) and a member of its Corporate Governance and Nominating Committee and Human Resources Committee. Mr. Kramer also serves as a Director of The Federal Reserve Bank of Cleveland, The Cleveland Clinic, The Cleveland Orchestra, and previously served as a Director of the Sherwin-Williams Company from 2012 to 2022. Born in 1963, American citizenship. Date of first appointment: April 14, 2023.

More information about the Composition of the Board is available on the Company’s website, (www.cnh.com).

Our Board has established an Audit Committee, a Human Capital and Compensation Committee, and an Environmental, Social, and Governance Committee. Members serve on these committees until their resignation or until otherwise determined by our Board.

On certain key industrial matters, the Board is advised by the Company's executive officers and Global Leadership Team ("GLT"). The GLT is an operational decision-making body of CNH, which is responsible for reviewing the operating performance of the segments and making decisions on certain operational matters. Additional information is available on the Company’s website, (www.cnh.com).

Each year, under the oversight of the Environmental, Social and Governance Committee and with the assistance of the Chief Legal and Compliance Officer, the Board undertakes an annual evaluation of its own effectiveness and performance, and that of the Committees and individual Directors. For 2023, the evaluation of the Board and its Committees consists of a self-assessment by each of the directors facilitated by a written questionnaire covering key functions such as composition of the Board, collegiality, information, oversight and involvement, and effectiveness of the Committees, and designed to promote a robust and comprehensive performance assessment discussion. The Chair meets with each of the Directors to discuss the performance of the Board, the Committees, and individual directors.
No unsatisfactory findings have been identified. The Board discusses the results of such performance assessment, in executive session, and agrees upon actions to take advantage of identified opportunities for improvement. On the recommendation of the Environmental, Social, and Governance Committee, the Board periodically engages a third party to facilitate the annual performance assessment.

BOARD DIVERSITY

Our director nominees exhibit a diversified mix of skills, experience, cultures, diversity and perspectives:

GENDER DIVERSITY

AVERAGE TENURE(1)

3.5 YEARS

BOARD REFRESHMENT

2023: ***Elizabeth Bastoni***
2023: ***Richard J. Kramer***
2022: ***Karen Linehan***
2021: ***Scott W. Wine***

INDEPENDENCE

AVERAGE AGE(1)

54 YEARS

(1) As of the date of the Annual Report and Proxy Statement.

Diverse and Balanced Mix of Attributes and Experience

GLOBAL EXPERIENCE	CEO / LEADERSHIP	CORPORATE GOVERNANCE / BOARD OF DIRECTORS EXPERIENCE	FINANCE & ACCOUNTING
100%	78%	89%	78%
GOVERNMENT & REGULATORY AFFAIRS	**RISK MANAGEMENT**	**TECHNOLOGY & INNOVATION**	**INDUSTRY**
44%	56%	56%	78%

BOARD'S ROLE IN RISK OVERSIGHT

The Board believes that Risk management is an important component of is integral to the achievement of its long-term business plan. The Board, directly and through its committees, is responsible for monitoring risks that affect CNH (refer to Section "Risk Management and Control System".

BOARD REGULATIONS

The regulations governing the operations of the Board and its Committees contain provisions concerning the manner in which meetings of the Board are called and held, including the decision-making process. Pursuant to the regulations, meetings may be held by telephone conference or video-conference, provided that all attending Directors can follow the proceedings and participate in real-time discussion of the items on the agenda.

The Board can only transact business, including the adoption of resolutions, if a majority of the Directors in office shall be present at the Board meeting or be represented at such meeting.

A member of the Board may only be represented by a co-member of the Board authorized in writing.

The expression in writing shall include any message transmitted by current means of communication.

A member of the Board may not act as proxy for more than one co-member.

All resolutions shall be adopted by the favorable vote of the majority of the Directors present or represented at the meeting, provided that the regulations may contain specific provisions in this respect. Each Director shall have one vote.

The Board shall be authorized to adopt resolutions without convening a meeting if all Directors shall have expressed their opinions in writing, unless one or more Directors shall object to a resolution being adopted in this way.

The regulations are available on the Company's website, (www.cnh.com).

AUDIT COMMITTEE

Our Audit Committee currently consists of Ms. Linehan (Chairperson), Mr. Kramer, Mr. Sørensen and Ms. Tamsons, all of whom are independent, non-executive directors. Under the Audit Committee Charter, the Audit Committee is elected by the Board and is comprised of at least three members who may be appointed for terms of up to two years, each of whom must be a non-executive director. Member of the Audit committee may be reappointed. Audit Committee members are also required (i) not to have any material relationship with the Company or to serve as auditors or accountants for the Company, (ii) to be "independent", under the NYSE rules, Rule 10A-3 under the Exchange Act and the Dutch Code, and (iii) to be "financially literate" and have "accounting or selected financial management expertise" (as determined by the Board). At least one member of the Audit Committee shall be a "financial expert" as defined in the rules of the SEC and best practice provisions of the Dutch Code. Our Board has determined that Richard Kramer, Vagn Sørensen and Åsa Tamsons are audit committee financial experts. No Audit Committee member may serve on more than two audit committees for other public companies, absent a waiver from the Board. Unless decided otherwise by the Audit Committee, the independent auditors of the Company, as well as the Chief Financial Officer of the Company, attend its meetings.

The Audit Committee is responsible for, among other things, assisting the Board's oversight of: (i) the integrity of the Company's financial statements, (ii) the Company's policy on tax planning, (iii) the Company's financing, (iv) the Company's application of information and communication technology, (v) the systems of internal controls that management and the Board have established, (vi) the Company's compliance with legal and regulatory requirements, (vii) the Company's compliance with recommendations and observations of internal and external auditors, (viii) the Company's policies and procedures for addressing certain actual or perceived conflicts of interest, (ix) the independent auditors' qualifications, independence, remuneration and any non-audit services for the Company, (x) the performance of the Company's internal audit function and of the independent auditors, (xi) risk management guidelines and policies, and (xii) the implementation and effectiveness of the Company's ethics and compliance program. The Company has established a separate department for the internal audit function and the head of the internal audit function reports to the Audit Committee, which reviews and approves the annual internal audit plan.

During 2023, the Audit Committee reviewed and discussed the annual and quarterly financial statements (and the independent auditors' review or audit thereof), the key risks and controls relating to the Company's information systems including cybersecurity, the appropriateness and completeness of the Company's system of internal control, the performance of the Company's internal audit function, the performance of the Company's independent public auditors, legal matters facing the Company, and the implementation and effectiveness of the Company's ethics and compliance program.

The Audit Committee met eight times during 2023. Overall attendance at the Audit Committee meetings was 96%.

The Charter for the Audit Committee is available on our web site (www.cnh.com).

THE HUMAN CAPITAL AND COMPENSATION COMMITTEE

Our Human Capital and Compensation Committee currently consists of Ms. Bastoni (Chairperson), Mr. Buffett, and Mr. Nasi. All the members of the Human Capital and Compensation Committee are non-executive directors and all, other than Mr. Nasi, meet the requirements of independence in the current NYSE and SEC rules and regulations and the Dutch Code.

The Human Capital and Compensation Committee is responsible for, among other things, assisting the Board in: (i) determining executive compensation consistent with the Company's Remuneration Policy, (ii) reviewing and recommending for approval the compensation of Executive Directors, (iii) administering equity incentive plans and deferred compensation benefit plans, (iv) discussing with management the Company's policies and practices related to compensation and issuing recommendations thereon, (v) talent development/talent management and succession plans for the Global Leadership Team, (vi) the Company's policies and initiatives related to equal employment opportunity, as well as diversity, equity and inclusion, and (vii) the Company's programs designed to measure and improve overall employee engagement.

The Human Capital and Compensation Committee met five times during 2023. Overall attendance at the Human Capital and Compensation Committee meetings was 92%.

The Charter for the Human Capital and Compensation Committee is available on our website (www.cnh.com).

THE ENVIRONMENTAL, SOCIAL, AND GOVERNANCE COMMITTEE

Our ESG Committee currently consists of Mr. Nasi (Chairperson), Ms. Bastoni, and Mr. Buffett. All members of the ESG Committee are non-executive directors and all, other than Mr. Nasi, meet the independence in the current NYSE and SEC rules and regulations and the Dutch Code.

The ESG Committee is responsible for, among other things, assisting the Board with: (i) the identification of the criteria, professional and personal qualifications for candidates to serve as directors of the Company, (ii) periodic assessment of the size and composition of the Board, (iii) periodic assessment of the functioning of individual Board members and reporting on this to the Board, (iv) proposals for appointment of Executive and Non-Executive Directors, (v) supervision of the selection criteria and appointment procedure for senior management, (vi) overseeing and evaluating the policies, procedures, and practices related to the environment health and safety of Company employees, (vii) monitoring and evaluating reports on the Company's sustainable development policies and practices, management standards, strategy, performance and governance globally, and (viii) reviewing, assessing and making recommendations as to strategic guidelines for sustainability-related issues, and reviewing the Company's annual Sustainability Report.

The ESG Committee met five times during 2023. Overall attendance at the ESG Committee meetings was 88%.

The Charter for the ESG Committee is available on our web site (www.cnh.com).

THE GLOBAL LEADERSHIP TEAM

CNH established the GLT to strengthen the quality of the Company's decision-making and the implementation of its strategy.

The GLT is an operational decision-making body of CNH, which is responsible for reviewing the operating performance of the segments and making decisions on certain operational matters. The Board remains accountable for the decisions of the GLT and has ultimate responsibility for the Company's management and external reporting. The GLT is comprised of CNH's Chief Executive Officer, and key senior managers.

The GLT is effectively supervised by the Non-Executive Directors of the Board. For this purpose, the GLT, either directly or through the Executive Directors, provides the Non-Executive Directors with all information the Non-Executive Directors require to fulfill their responsibilities. During 2023, the leaders of various Segments and business units (all GLT members) presented to the Board their operating results, updated strategic business plans, and long-term value creation strategies as well as their top short-term and mid-term operational and strategic risks. The presentations allowed management to articulate their strategies for achievement of their business objectives and mitigation of risks and permitted the Board to give feedback on management's plans.

AMOUNT AND COMPOSITION OF THE REMUNERATION OF THE BOARD OF DIRECTORS

Details of the remuneration of the Board and its Committees are set forth under the section Remuneration of Directors. Non-Executive Directors are not awarded remuneration in the form of shares and/or rights to shares (they are paid only in cash) and their compensation is not affected by Company results.

INDEMNIFICATION OF MEMBERS OF THE BOARD OF DIRECTORS

Pursuant to Article 17 of the Articles of Association, the Company has committed to indemnify any and all of its Directors, officers, former Directors, former officers and any person who may have served at its request as a Director or officer of another company in which it owns shares or of which it is a creditor, against any and all expenses actually and necessarily incurred by any of them in connection with the defense of any action, suit or proceeding in which they, or any of them, are made parties, or a party, by reason of being or having been Director or officer of the Company, or of such other company, except in relation to matters as to which any such person shall be adjudged in an action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified persons may be entitled otherwise.

DIRECTOR'S INDEPENDENCE AND CONFLICTS OF INTEREST

We have a one-tier board structure (i.e. board that is composed of both members having responsibility for our day-to-day operations, who are referred to as "executive directors", and members not having such responsibility, who are referred to as "non-executive directors"). Our executive directors, Ms. Heywood and Mr. Scott Wine, and the non-executive directors were elected at the Company's annual general meeting of shareholders held on April 14, 2023. The term of office of the current Board will expire on May 3, 2024, the date of the Company's next Meeting.

Six directors (67%) qualify as independent for purposes of NYSE rules, Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the Dutch Code and that none of the independent directors has any material relationship with the Company, other than as a director or shareholder of the Company.

The Board has designed procedures to avoid conflicts of interest by Board members. A Director must without delay report any conflict of interest or potential conflict of interest to the Chair and to the other Directors, or, in case any conflict of interest or potential conflict of interest of the Chair, to the Senior Non-Executive Director and to the other Directors. The Director in question must provide all relevant information to the Board, so that the Board can decide whether a reported (potential) conflict of interest of a Director qualifies as a conflict of interest within the meaning of the relevant laws. A Director may not take part in the decision-taking process of the Board in respect of any situation in which he or she has a conflict of interest.

In 2023, there were no conflicts of interest (actual or potential) in relation to the members of the Board between their duties to the Company and their private interests and/or other duties. The Company is compliant with best practice 2.7.3 to 2.7.4 of the Corporate Governance Code.

The Conflict-of-Interest Policy is available on the Company's website, (www.cnh.com).

LOYALTY VOTING PROGRAM

Our authorized share capital is €40,000,000 consisting of two billion (2,000,000,000) common shares and two billion (2,000,000,000) special voting shares to be held with associated common shares, each having a par value of one euro cent (€0.01). Our common shares are registered shares represented by an entry in the share register of CNH. Beneficial interests in our common shares traded on the NYSE are held through the book-entry system provided by DTC and are registered in the register of shareholders in the name of Cede & Co., as DTC's nominee.

CNH has a loyalty voting program, pursuant to which shareholders elect to receive one CNH special voting share to be held only with each CNH common share. The CNH common shares held by shareholders that participate in the loyalty voting program are registered in the Company's Loyalty Register. Following this registration, a corresponding number of special voting shares are allocated to such shareholders, and the additional voting rights could be exercised at CNH shareholders' meeting that followed the registration. By signing an election form, whose execution was necessary to elect to participate in the loyalty voting program, shareholders also agree to be bound by the terms and conditions thereof, including the transfer restrictions described below. The terms and conditions applicable to special voting shares are available on the Company's website (www.cnh.com).

A holder of Qualifying Common Shares may at any time request the de-registration of some or all such shares from the Loyalty Register, which will allow such shareholder to freely trade its CNH common shares. From the moment of such request, the holder of Qualifying Common Shares shall be considered to have waived his/her/its rights to cast any votes associated with the loyalty voting shares corresponding to its previously Qualifying Common Shares. Upon the de-registration from the Loyalty Register, the relevant common shares will therefore cease to be Qualifying Common Shares. Any de-registration request would automatically trigger a mandatory transfer requirement pursuant to which the special voting shares will be surrendered to CNH for no consideration.

CNH's common shares are freely transferable. Special voting shares are not admitted to listing and are transferable only in very limited circumstances and only along with the common shares to which they are associated. Any transfer of common shares that are registered on the Loyalty Register will trigger the de-registration of such common shares from that register and any associated special voting shares will automatically be surrendered to CNH for no consideration.

The purpose of the loyalty voting program is to grant long-term CNH shareholders an extra voting right as qualifying shareholders are entitled to exercise an additional vote through the common share and the associated special voting share held. However, under Dutch law, the special voting shares cannot be excluded from economic entitlements. As a result, in accordance with the Articles of Association, holders of special voting shares are entitled to a minimum dividend, which is allocated to a separate special dividend reserve (the "Special Dividend Reserve"). The distribution of dividends from the Special Dividend Reserve can only be approved by the general meeting of the holders of special voting shares upon proposal of the Board. The power to vote upon the distribution from the Special Dividend Reserve is the only power that is granted to that meeting, which can only be convened by the Board as it deems necessary. No distribution has been made from this reserve. The special voting shares do not have any other economic entitlement.

Section 10 of the special voting share terms and conditions includes liquidated damages provisions intended to discourage any attempt by participants in the loyalty voting program to violate the terms thereof. These liquidated damages provisions may be enforced by CNH by means of a legal action brought by the Company in the courts of the Netherlands. A violation of the provisions of the above-mentioned terms and conditions concerning the transfer of special voting shares may lead to the imposition of liquidated damages.

Pursuant to Section 12 of the special voting share terms and conditions, any amendment to the terms and conditions (other than merely technical, non-material amendments) may only be made with the approval of the general meeting of shareholders of CNH.

A shareholder must promptly notify CNH upon the occurrence of a change of control, which is defined in Article 4(1)(n) of the Articles of Association as including any direct or indirect transfer, carried out through one or a series of related transactions, by a CNH shareholder that is not an individual of (i) the ownership or control of 50% or more of the voting rights of such shareholder, (ii) the *de facto* ability to direct the casting of 50% or more of the votes which may be expressed at the general meetings of such shareholder, or (iii) the ability to appoint or remove half or more of the Directors, Executive Directors or Board members or executive officers of such shareholder or to direct the casting of 50% or more of the voting rights at meetings of the Board, governing body or executive committee of such shareholder. In accordance with Article 4(1)(n) of the Articles of Association, no change of control shall be deemed to have occurred if (i) the transfer of ownership and/or control is the result of the succession or the liquidation of assets between spouses or the inheritance, *inter vivos* donation or other transfer to a spouse or a relative up to and including the fourth degree or (ii) the fair market value of the Qualifying Common Shares held by the relevant CNH shareholder represents less than 20% of the total assets of the Transferred Group at the time of the transfer and the Qualifying Common Shares, in the sole judgment of CNH, are not otherwise material to the Transferred Group or the change of control transaction. Article 4(1)(n) of the Articles of Association defines "Transferred Group" as comprising the relevant shareholder together with its affiliates, if any, over which control was transferred as part of the same change of control transaction, as such term in defined in Article 4(1)(n) of the Articles of Association. A change of control will trigger the de-registration of the applicable Qualifying Common Shares from the Loyalty Register and the suspension of the special voting rights attached to such Qualifying Common Shares.

GENERAL MEETING OF SHAREHOLDERS

At least one general meeting of Company shareholders shall be held every year, within six months after the close of the prior financial year, upon calling alternatively by the Board, the Chairperson, the Senior Non-Executive Director or the Chief Executive Officer. In addition, the Board, the Chair, the Senior Non-Executive Director or the Chief Executive Officer are entitled to convene a general meeting when deemed necessary.

ISSUANCE OF SHARES

The general meeting of shareholders or alternatively the Board, if it has been designated to do so by the general meeting of shareholders, shall have authority, for no longer than five years, to resolve on any issuance of shares and on the conditions thereof. The general meeting of shareholders shall, for as long as any such designation of the Board for this purpose is in force, no longer have authority to decide on the issuance of shares.

The designation may be extended from time to time for periods not exceeding five years and may not be withdrawn unless otherwise provided in the resolution in which the designation is made.

If the Board is designated to have authority to decide on the issuance of shares, such designation shall specify the class of shares and the maximum number of shares that can be issued under such designation. When making such designation the duration thereof shall be resolved upon at the same time.

The AGM held on April 14, 2023:

- authorized the Board to issue special voting shares up to 10% of the Company’s share capital as of April 14, 2023, from September 27, 2023, up to and including September 27, 2028;
- authorized the Board for a period of 18 months, beginning April 14, 2023, to issue shares or grant rights to subscribe for shares. The authorization will be limited to 10% of the Company's issued capital per the date of the Annual General Meeting of 2023. The authorization may be used in connection with awards under the Company's equity incentive plans, but may also serve other purposes, such as the funding of acquisitions.

In the event of an issuance of common shares, every holder of common shares shall have a right of pre-emption with regard to the shares to be issued of that class in proportion to the aggregate amount of his shares of that class; provided, however, that no such right of pre-emption shall exist in respect of shares to be issued to Directors or employees of the Company or of a group company pursuant to any Company equity incentive or compensation plan.

The right of pre-emption may be limited or excluded by a resolution of the general meeting of shareholders or a resolution of the Board if it has been designated to do so by the general meeting of shareholders and provided the Board has also been authorized to resolve on the issuance of shares of the company.

At the AGM held on April 14, 2023, for a period of 18 months beginning April 14, 2023, the Board has been authorized by the shareholders to restrict or exclude the preemptive rights in relation to the issuance of common shares or granting rights to subscribe for shares, pursuant to the share issuance authorization described above.

A shareholder shall have no right of pre-emption for shares that are issued against a non-cash contribution.

In the event of an issuance of special voting shares to Qualifying Shareholders, shareholders shall not have any right of pre-emption.

Either the general meeting of shareholders or the Board, shall decide when passing the resolution to issue shares in which manner and, subject to paragraph 3 of Article 6 of the Articles of Association, within what period the right of pre-emption may be exercised.

PRINCIPAL OFFICE AND HOME MEMBER STATE

The Company is incorporated under the laws of the Netherlands. It has its corporate seat in Amsterdam and the place of effective management of the Company is in the United Kingdom.

The Company’s principal office and business address is at Cranes Farm Road, Basildon, Essex, SS14 3AD, United Kingdom.

The Company is registered with the trade register of the Netherlands Chamber of Commerce under file number 56532474 and at the Companies House in the United Kingdom under file number FC031116 BR016181.

CULTURE

The Board is responsible for creating and fostering a culture aimed at long-term value creation for the Group and all its stakeholders, operating in compliance with all applicable laws and consistent with the Company’s values and expectations. Accordingly, to clarify and make explicit the Company’s values and expectations, in 2014 the Board adopted the Company’s code of conduct (which was renewed and updated in 2019, the “Code of Conduct”) and the Company issued its Supplier Code of Conduct. In addition, the Company established a compliance and ethics program that is overseen by the Global Compliance and Ethics Committee ("GCEC"), including the: Chief Executive Officer, Chief Financial Officer, head of Internal Audit, Chief Legal and Compliance Officer, Chief Information Officer, President of the Financial Services segment and head of the Human Resources function. The GCEC meets at least quarterly to, among other things, review and discuss compliance and ethics trends and topics, review and discuss compliance risk assessments, discuss compliance-related training to be deployed, consider the need for new or modified compliance-related corporate policies, and review matters submitted to the Company's Compliance Helpline and related investigations. The extent to which each employee complies with and promotes such culture and values is assessed each year through, among other things, the Company's performance assessment process.

CODE OF CONDUCT

Our Board has adopted a Code of Conduct which is applicable to all employees, officers and directors, including our principal executive officer, principal financial officer and the principal accounting officer and controller. Our Code of Conduct is intended to meet the definition of "code of ethics" under the SEC rules and regulations. We intend to disclose future amendments to certain provisions of our code of conduct, or waivers of these provisions, on our website or in public filings. We require all employees to complete training on our Code of Conduct, and, where permitted by law, also require certification by certain employees regarding compliance with the Code of Conduct. In addition, we maintain a global compliance hotline to allow for concerns of potential violations of the Code, global policies, or the law to be brought forward.
Our Code of Conduct is posted on our website, (www.cnh.com), and may be found as follows: from our main page, first click on "Our Company", then on "Governance" and then on "Code of Conduct".

RESPECT FOR HUMAN RIGHTS

CNH respects and promotes human rights in line with national laws, the fundamental Conventions of the International Labour Organization (ILO), the UN's Universal Declaration of Human Rights, and the OECD Guidelines for Multinational Enterprises. In addition to setting out principles of professional conduct, the Company's Code of Conduct also underscores the importance of respect for the individual.

The Company is committed to ensuring respect for fundamental human rights wherever it operates and seeks to promote respect for these principles by others where it has an influence, particularly among contractors, suppliers, and other entities and individuals with whom it has a business relationship. The Company will not establish or continue a relationship with an entity or individual that refuses to respect the principles of its Code of Conduct.

COMMUNITY RELATIONS

As stated in the Code of Conduct, CNH is aware of the potential direct and indirect impact of its decisions on the communities in which it operates. For this reason, the Company promotes an open dialogue to ensure that the legitimate expectations of local communities are taken into consideration, and voluntarily endorses projects and activities that encourage their economic, social, and cultural development. Moreover, CNH acts in a socially responsible manner by respecting the culture and traditions of each country, and by operating with integrity to earn the trust of the community.

The individual Segments or brands, in consultation with local management, decide which projects to support based on actual local needs, maximizing open dialogue with local stakeholders, and collecting their suggestions for improvement. They also decide whether to act directly or through partnerships with local institutions and organizations working in the social sphere.

The CNH Community Investment Policy, available on the Company's website, ensures that activities are managed consistently, identifying methods, and defining areas of application at a global level.

In addition, CNH strives to respond rapidly to the needs of people affected by natural disasters. The Company channels resources (vehicles and financial and technical support) to aid impacted communities, and coordinates employees who want to voluntarily assist in relief efforts.

RELATED PARTY TRANSACTIONS POLICY

The Audit Committee has adopted a written Related Party Transactions Policy that governs reviewing, approving, or ratifying all related person transactions. The written Related Person Transactions Approval Policy applies to: (1) executive officers and directors of the Company; (2) any person or enterprise owing, directly, or indirectly an interest in the voting power of the Company that gives it significant influence over the Company; and (3) immediate family members of anyone in category (1) or (2).

Each year, our directors and executive officers complete questionnaires designed to elicit information about potential related person transactions. In addition, the directors and officers must promptly advise our Chief Legal and Compliance Officer if there are any changes to the information they previously provided. Transactions deemed reasonably likely to be related person transactions are submitted to the Audit Committee for pre-approval at its next meeting.

Since the beginning of 2023, there were no related party transactions requiring disclosure herein.

SUSTAINABILITY PRACTICES

CNH is committed to operating in an environmentally and socially-responsible manner, creating long-term value for all its stakeholders. For this purpose, the Company has a robust Governance model, to manage all its operations in an ethical and transparent way. Sustainability in CNH is a way of doing business and it involves every area, function and employee within the organization.

The main tools of the sustainability management system are: the materiality analysis, which defines social and environmental priorities; approximately 200 KPIs, which are used to help monitor sustainability performance; the Sustainability Plan, which tracks commitments; and the annual Sustainability Report.

For further details see the previous section on "Our Commitment to Sustainable Development and Long-term Value Creation".

COMPLIANCE WITH DUTCH CORPORATE GOVERNANCE CODE

While CNH endorses the principles and best practice provisions of the Dutch Code, its current corporate governance structure deviates from the following best practice provisions, only with respect to minor aspects as follows:

- Under best practice provision 5.1.3, the chairman of the management board should be an independent Director. CNH has adopted a one-tier governance structure with two Executive Directors and, in accordance with section 14(2) of the Articles of Association, the Board has granted to them, respectively, the title of 'Chair' and 'Chief Executive Officer'. The Board has entrusted to an independent Director the duties attributed by the Dutch Code to the chairman of the management board in one-tier companies (or to the chairman of the supervisory board in two-tier companies). The Board has granted to such independent Director the title of 'Senior Non-Executive Director' (so as to distinguish such Director from the Chairperson of the Company, who is an Executive Director). As a consequence, despite the difference in corporate titles, the Company believes it complies with best practice provision 5.1.3, as the current Senior Non-Executive Director satisfies the requirements described in best practice provision 5.1.3 of the Dutch Code.
- CNH deviates from best practice provision 2.3.4 in that the Senior Non-Executive Director (who is independent) is the chairman of the Human Capital and Compensation Committee, whereas the Dutch Code provides that the person who chairs the board meeting should not assume the role of chairman of the remuneration committee. The Company believes that such duplication of role enhances the effectiveness of the Senior Non-Executive Director and is consistent with the intent of best practice provision 2.3.4.
- The Board has not appointed a vice-chairman in the sense of best practice provision 2.3.7 of the Dutch Code. Since the Company adopted a one-tier governance structure with a single management board comprised of Executive Directors and Non-Executive Directors, the Board has granted the title of 'Chairperson' to one Executive Director and designated as 'Senior Non-Executive Director' one of the Non-Executive Directors. The Senior Non-Executive Director is responsible for the proper functioning of the Board and its Committees. Furthermore, the Board Regulations provide that in the absence of the Senior Non-Executive Director any other Non-Executive Director chosen by a majority of the Directors present at a meeting shall preside at meetings of the Board. The Company considers the above sufficient to ensure that the role and function assigned by the Dutch Code to the vice-chairman is properly discharged.
- Pursuant to best practice provision 4.1.8 of the Dutch Code, every Executive and Non-Executive Director nominated for appointment should attend the Annual General Meeting at which votes will be cast on his/her nomination. Since, pursuant to the Articles of Association, the term of office of Directors is approximately one year, such period expiring on the day the first Annual General Meeting of Company shareholders is held in the following calendar year, all members of the Board are nominated for (re)appointment each year. By publishing the relevant biographical details and curriculum vitae of each nominee for (re)appointment, the Company ensures that the Company's general meeting of shareholders is well informed in respect of the nominees for (re)appointment and in practice only the Executive Directors, and Non-Executive Directors nominated for the first time for appointment to the Board, will therefore attend the Annual General Meeting.
- The Company does not have a retirement schedule as referred to in paragraph 2.2.4 of the Dutch Code. Pursuant to the Articles of Association, the term of office of Directors is approximately one year, such period expiring on the day the first Annual General Meeting of Company shareholders is held in the following calendar year. This approach is in line with the general practice for companies listed in the U.S.. As the Company is listed on the NYSE, it also relies on certain U.S. governance requirements and practices, one of which is the reappointment of Directors at each Annual General Meeting of Company shareholders.

Statement by the Board of Directors

Based on the assessment performed and the identification of a material weakness, the Board of Directors believes that, as of December 31, 2023, the Group's and the Company's Internal Control over Financial Reporting is considered not effective and that (i) the Board Report provides sufficient insights into any material weakness and management's plan for remediation, in the effectiveness of the internal risk management and control systems. This is discussed in the section "Internal Control System"; (ii) the internal risk management and control systems are designed to provide reasonable assurance that the financial reporting does not contain any material inaccuracies and reviewed to take any step to remediate identified material weaknesses. This is discussed in section "Internal Control System"; (iii) based on the current state of affairs, it is justified that the Group's and the Company's financial reporting is prepared on a going concern basis. This is justified by the discussion in the Notes to the Consolidated Financial Statements and in the Notes to the Company Financial Statements; and (iv) the Board Report states those material risks and uncertainties that are, in the Board of Director's judgement, relevant to the expectation of the CNH's continuity for the period of twelve months after the preparation of the Board Report. Refer to section "Risk Factors".

March 19, 2024

Suzanne Heywood

Chair

Scott W. Wine

Chief Executive Officer

Responsibilities in respect of the Annual Report

The Board of Directors is responsible for preparing the Annual Report, inclusive of the Consolidated and Company Financial Statements and Board Report, in accordance with Dutch law and International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union (“EU-IFRS”).

In accordance with Section 5:25c, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors states that, to the best of its knowledge, the Financial Statements prepared in accordance with applicable accounting standards provide a true and fair view of the assets, liabilities, financial position and profit or loss for the year of CNH Industrial N.V. and its subsidiaries and that the Board Report provides a true and a fair view of the performance of the business during the financial year and the position at balance sheet date of CNH Industrial N.V. and its subsidiaries, together with a description of the principal risks and uncertainties that CNH Industrial N.V. and the Group face.

March 19, 2024

The Board of Directors

Suzanne Heywood

Scott W. Wine

Elizabeth Bastoni

Howard W. Buffett

Richard J. Kramer

Karen Linehan

Alessandro Nasi

Vagn Sørensen

Åsa Tamsons

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

INTRODUCTION

The following Operating and Financial Review and Prospects is intended to promote understanding of CNH's condition and results of operations. It is provided as a supplement to, and should be read in conjunction with, the consolidated financial statements and the accompanying Notes to the Consolidated Financial Statements.

The results presented in this Annual Report are prepared in accordance with EU-IFRS and use the U.S. dollar as the presentation currency.

CNH is a leading equipment and services company engaged in the design, production, marketing, sale, and financing of agricultural and construction equipment.

During 2021, CNH completed a strategic project to separate the Commercial and Specialty Vehicles business, the Powertrain business, and the related Financial Services business (together the "Iveco Group Business") from the Agriculture business, the Construction business, and the related Financial Services business.

The Iveco Group Business was separated from CNH Industrial N.V. in accordance with Section 2:334a (3) of the Dutch Civil Code (Burgerlijk Wetboek) by way of a legal statutory demerger (jurisdiche afsplitsing) to Iveco Group N.V. (the "Demerger"), effective January 1, 2022.

Since January 3, 2022 CNH Industrial N.V. and Iveco Group N.V. have been quoted separately on the regulated markets and operate as independent listed companies, each with its own management and Board of Directors.

Following the voluntary delisting of common shares from Euronext Milan and since January 2, 2024, CNH Industrial N.V. common stock is single listed on the New York Stock Exchange ("NYSE") under the symbol "CNHI".

We generate revenues and cash flows principally from the sale of equipment to dealers and distributors. Financial Services provides a range of financial products focused on financing the sale and lease of equipment to our dealers and their customers.

Revenues of Industrial Activities are presented net of discounts, allowances, settlement discounts and rebates, as well as costs for sales incentive programs, determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognized. Our sales incentive programs may include the granting by Financial Services of retail financing at discounts to market interest rates. The corresponding cost to Industrial Activities is recognized at the time of the initial sale and the revenues of Financial Services are recognized on a pro rata basis in order to match the cost of funding.

PRINCIPAL FACTORS AFFECTING RESULTS

Our operating performance is highly correlated to sales volumes, which are influenced by several different factors that vary across our segments.

For Agriculture, the key factors influencing sales are the level of net farm income, which is influenced by commodity prices, and, to a lesser extent, general economic conditions, interest rates and the availability of financing and related subsidy programs. Variations by region and product are also attributable to differences in typical climate and farming calendars, as well as extraordinary weather conditions.

For Construction, segmentation varies by regional market: in developed markets, demand is oriented toward more sophisticated machines that increase operator productivity, while in developing markets, demand is oriented toward more utilitarian models with greater perceived durability. Sales levels for heavy construction equipment are particularly dependent on the expected level of major infrastructure construction and repair projects, which is a function of expected economic growth and government spending. For light construction equipment, the principal factor influencing demand is the level of residential and commercial construction, remodeling and renovation, which is influenced in turn by interest rates and availability of financing, as well as, in the residential sector, levels of disposable income and, in the commercial sector, the broader economic cycle.

Demand for services and service-related products, including parts, is a function of the nature and extent of the use of the related agricultural and construction equipment. The after-sales market is historically less volatile than the wholegoods market and, therefore, helps reduce the impact on operating results of fluctuations in new sales.

Our cost base principally comprises the cost of raw materials and personnel costs.

Raw material costs are closely linked to commodity markets and largely outside of our control, although we are making a targeted effort to increase procurement and production efficiencies. Historically, we have been able to pass on to our customers most of the increase in the cost of raw materials through increases in product pricing. Nevertheless, even when we are able to do so, there is usually a time lag between an increase in materials cost and a realized increase in product prices and, accordingly, our results are typically adversely affected at least in the short-term until price increases are accepted in the market.

Personnel costs change over time and are impacted by the terms of collective bargaining agreements, inflation and average number of employees. A significant proportion of our employees are based in countries where labor laws impose significant protection of employers' rights and, accordingly, we have limited ability to downsize our personnel in response to a decrease in production during periods of market downturn.

Our results are also affected by changes in foreign exchange rates from period to period, mainly due to the difference in geographic distribution between our manufacturing activities and our commercial activities, resulting in cash flows from exports denominated in currencies that differ from those associated with production costs. In addition, our Consolidated Financial Statements are expressed in U.S. dollars and are therefore subject to movements in exchange rates upon translation of the financial statements of subsidiaries whose functional currency is not the U.S. dollar.

Finally, our results may be materially affected, directly or indirectly, by governmental policies, including monetary and fiscal policies and policies on international trade and investment.

Global Business Conditions

In combination with the economic recovery factors and repercussions from geopolitical events, the global economy continues to experience volatile disruptions including to the commodity, labor and transportation markets. These disruptions have contributed to an inflationary environment which has affected, and may continue to affect, the price and availability of certain products and services necessary for the Company's operations. For example, the Company experienced supply chain disruptions and inflationary pressures in 2022 and, while these trends improved in 2023, the Company continues to experience some disruptions. The reduction in supply chain disruptions contributed to improved efficiencies in our manufacturing operations, but purchasing costs remain elevated.

In addition, the Company continues to monitor global economic conditions and the impact of macroeconomic pressures, including repercussions from rising interest rates, fluctuating currency exchange rates, inflation and recession fears, on the Company's business, customers and suppliers.

For a discussion of the Company's risks and uncertainties, see section "Risk Factors".

ALTERNATIVE PERFORMANCE MEASURES (OR "NON-GAAP FINANCIAL MEASURES")

CNH monitors its operations through the use of several non-GAAP financial measures. CNH's management believes that these non-GAAP financial measures provide useful and relevant information regarding its operating results and enhance the readers' ability to assess CNH's financial performance and financial position. Management uses these non-GAAP measures to identify operational trends, as well as to make decisions regarding future spending, resource allocations and other operational decisions as they provide additional transparency with respect to our core operations. These non-GAAP financial measures have no standardized meaning under EU-IFRS or U.S. GAAP and are unlikely to be comparable to other similarly titled measures used by other companies and are not intended to be substitutes for measures of financial performance and financial position as prepared in accordance with EU-IFRS or U.S. GAAP.

As of December 31, 2023, CNH's non-GAAP financial measures are defined as follows:

- *Adjusted EBIT of Industrial Activities under EU-IFRS:* is defined as profit/(loss) before: taxes, Financial Services' results, Industrial Activities' financial expenses, restructuring costs, and certain non-recurring items. Such non-recurring items are specifically disclosed items that management considers rare or discrete events that are infrequent in nature and not reflective of on-going operational activities.
- *Adjusted EBIT of Industrial Activities under U.S. GAAP:* is derived from financial information prepared in accordance with U.S. GAAP and is defined as net income (loss) before income taxes, Financial Services' results, Industrial Activities' interest expenses, net, foreign exchange gains/losses, finance and non-service component of pension and other post-employment benefit costs, restructuring expenses, and certain non-recurring items.
- *Net Cash/(Debt) and Net Cash/(Debt) of Industrial Activities under EU-IFRS:* Net Cash/(Debt) is defined as total debt plus Derivative liabilities, net of Cash and cash equivalents, Current securities, Derivative assets and other current financial assets (primarily current securities, short-term deposits and investments towards high-credit rating counterparties). We provide the reconciliation of Net Cash (Debt) to Total (Debt), which is the most directly comparable GAAP financial measure included in our consolidated statement of financial position. Due to different sources of cash flows used for the repayment of the debt between Industrial Activities and Financial Services (by cash from operations for Industrial Activities and by collection of financing receivables for Financial Services), management separately evaluates the cash flow performance of Industrial Activities using Net Cash (Debt) of Industrial Activities.
- *Net Cash/(Debt) and Net Cash/(Debt) of Industrial Activities under U.S. GAAP:* are derived from financial information prepared in accordance with U.S. GAAP. Net Cash (Debt) under U.S. GAAP is defined as total debt less intersegment notes receivable, cash and cash equivalents, restricted cash, other current financial assets (primarily

current securities, short-term deposits and investments towards high-credit rating counterparties) and derivative hedging debt.

- *Free Cash Flow of Industrial Activities (or Industrial Free Cash Flow) under EU-IFRS:* refers to Industrial Activities, only, and is computed as consolidated cash flow from operating activities less: cash flow from operating activities of Financial Services; investments of Industrial Activities in property, plant and equipment and intangible assets; as well as other changes and intersegment eliminations.
- *Free Cash Flow of Industrial Activities (or Industrial Free Cash Flow) under U.S. GAAP*: is derived from financial information prepared in accordance with U.S. GAAP; it refers to Industrial Activities, only, and is computed as consolidated cash flow from operating activities less: cash flow from operating activities of Financial Services; investments of Industrial Activities in assets sold under operating leases, property, plant and equipment and intangible assets; change in derivatives hedging debt of Industrial Activities; as well as other changes and intersegment eliminations.
- *Change excl. FX or Constant Currency:* we discuss the fluctuations in revenues on a constant currency basis by applying the prior year average exchange rates to current year's revenues expressed in local currency in order to eliminate the impact of foreign exchange rate fluctuations.

OPERATING RESULTS

The operations and key financial measures and financial analysis, differ significantly for manufacturing and distribution businesses and financial services businesses; therefore, management believes that certain supplemental disclosures are important in understanding our consolidated operations and financial results. For a better understanding of our operations and financial results, we present the following commentary split by Industrial Activities and Financial Services. Transactions between Industrial Activities and Financial Services have been eliminated to arrive at the consolidated data.

Consolidated Results of Operations

The following table presents the consolidated income statement of CNH for the year ended December 31, 2023, compared to the year ended December 31, 2022, split by Industrial Activities and Financial Services:

	2023					2022				
($ million)	Industrial Activities(1)	Financial Services	Eliminations		Consolidated	Industrial Activities(2)	Financial Services	Eliminations		Consolidated
Net revenues	22,080	2,518	(94)	(2)	24,504	21,541	1,982	(50)	(2)	23,473
Cost of sales	16,828	1,870	(94)	(3)	18,604	16,789	1,428	(50)	(3)	18,167
Selling, general and administrative costs	1,646	136	—		1,782	1,548	130	—		1,678
Research and development costs	1,012	—	—		1,012	881	—	—		881
Result from investments	167	18	—		185	93	15	—		108
Gains/(losses) on disposal of investments	(21)	—	—		(21)	—	—	—		—
Restructuring costs	63	2	—		65	34	—	—		34
Other income/ (expenses)	(76)	(8)	—		(84)	(5)	(4)	—		(9)
Financial income/ (expenses)	(194)		—		(194)	(177)	—	—		(177)
PROFIT/(LOSS) BEFORE TAXES	**2,407**	**520**	**—**		**2,927**	**2,200**	**435**	**—**		**2,635**
Income tax benefit (expense)	(471)	(129)	—		(600)	(642)	(116)	—		(758)
PROFIT/(LOSS) FOR THE PERIOD	**1,936**	**391**	**—**		**2,327**	**1,558**	**319**	**—**		**1,877**

(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes the Group's Agriculture and Construction segments, and other corporate assets, liabilities, revenues and expenses not reflected within Financial Services.

(2) Elimination of Financial Services' interest income earned from Industrial Activities.

(3) Elimination of Industrial Activities' interest expense to Financial Services.

Net revenues

We recorded net revenues of $24,504 million in 2023, an increase of 4.4% (up 4.8% on a constant currency basis) compared to 2022. This increase is primarily due to favorable price realization.

Cost of sales

Cost of sales were $18,604 million in 2023 compared to $18,167 million in 2022. As a percentage of net revenues, cost of sales of Industrial Activities was 76.2% in 2023 (77.9% in 2022), as a result of favorable price realization, partially offset by higher manufacturing and purchasing costs. In 2022, these costs included $49 million of asset write-downs and financial receivable allowances as a result of the suspension of operations in Russia.

Selling, general and administrative costs

Selling, general and administrative ("SG&A") costs were $1,782 million in 2023 (7.3% of net revenues) compared to $1,678 million in 2022 (7.1% of net revenues). The year over year increase is primarily due to increased labor costs. In 2022, these costs also included $11 million in write-downs due to the suspension of operations in Russia.

Research and development costs

In 2023, research and development (“R&D”) costs were $1,012 million (compared to $881 million in 2022) and included all R&D costs not recognized as assets in the year amounting to $841 million ($698 million in 2022) and the amortization of capitalized development cost of $171 million ($183 million in 2022). During 2023, CNH capitalized new expenditures for development costs for $210 million ($175 million in 2022). The costs in both periods were primarily attributable to continued investment in new products, technologies and digital solutions.

Result from investments

Result from investments was a net gain of $185 million in 2023 and a net gain of $108 million in 2022, respectively, primarily realized form our joint ventures.

Gains/(losses) on disposal of investments

Losses on disposal of investments were $21 million in 2023 and nil in 2022, respectively.

Restructuring costs

Restructuring costs were $65 million and $34 million in 2023 and in 2022, respectively.

Other income/(expenses)

Other expenses were $84 million in 2023 compared to $9 million in 2022. In both periods, this item primarily included legal costs, indirect taxes and the benefit cost for former employees. In 2023, this item also included a gain of $13 million in relation to the fair value remeasurement of previously held investments in Augmenta and Bennamann.

In 2022, this item included $22 million ($54 million after-tax) of loss on the sale of the Raven Engineered Films and Aerostar divisions, net of income from the Raven businesses held for sale during the period, separation costs in connection with the spin-off of the On-Highway business of $25 million and a $65 million gain from the sale of a facility in Canada.

Financial income/(expenses)

Net financial expenses were $194 million in 2023 compared to $177 million in 2022. The increase was primarily attributable to higher negative foreign exchange impact, partially offset by an increase in interest income on cash due to higher rate and higher intersegment.

Income tax benefit (expense)

($ million)	**2023**	**2022**
Profit before taxes	2,927	2,635
Income tax (expense)	(600)	(758)
Effective tax rate	**20.5 %**	**28.8 %**

In 2023, CNH income taxes were an expense of $600 million, based on CNH's profit before taxes of $2,927 million, compared to an income tax expense of $758 million in 2022. The effective tax rates for 2023 and 2022 were 20.5% and 28.8%, respectively.

The 2023 tax rate was reduced by the recognition of $80 million of previously unrecognized deferred tax assets in the U.K., a lower share of consolidated earnings in higher taxing jurisdictions compared to the prior year, higher credits and incentives, and tax benefits related to the sale of CNH Industrial Russia, partially offset by discrete tax expense.

In 2022, income taxes were an expense of $758 million with an effective tax rate of 28.8%. The Company's 2022 tax rate was increased by greater profitability in high-tax jurisdictions as a percent of total profit, tax expenses associated with the disposition of Raven's Engineered Films and Aerostar Divisions, and additional reserves for uncertain tax positions.

The Company's tax rate in 2022 was reduced by $5 million related to recognizing deferred tax assets associated with the Company's operations in Italy.

The Organization for Economic Cooperation and Development (the OECD) has proposed a global minimum tax of 15% of reported profits (Pillar Two) that has been agreed upon in principle by over 140 countries. During 2023, many countries took steps to incorporate Pillar Two model rule concepts into their domestic laws. The Company continues to monitor developments in the Pillar Two legislation and is working to evaluate the impacts of this legislation on its longer-term financial position.

Profit/(loss)

Net profit was $2,327 million in 2023 (net profit of $1,877 million in 2022). In 2023, net profit also includes a loss of $23 million on the sale of CNH Industrial Russia and CNH Capital Russia and restructuring costs of $65 million, partially offset by a gain of $13 million in relation to the fair value remeasurement of previously held investments in Augmenta and Bennamann.

In 2022, net profit was $1,877 million and included $22 million ($54 million after-tax) of loss on the sale of the Raven Engineered Films and Aerostar Divisions, net of income from the Raven businesses held for sale during the period, a charge of $72 million related to asset write-downs, financial receivable allowances and valuation allowances on deferred tax assets as a result of the suspension of operations in Russia, separation costs in connection with the spin-off of the On-Highway business of $25 million ($24 million after-tax), restructuring costs of $34 million and a gain of $65 million from the sale of our Canada parts depot.

Industrial Activities and Business Segments

The following tables include Net Revenues and Adjusted EBIT of Industrial Activities by segment. We have also included a discussion of our results by Industrial Activities and each business segments.

Net revenues by segment

($ million)	2023	2022	% change	% change excl. FX
Agriculture	18,148	17,969	1.0	0.9
Construction	3,932	3,572	10.1	9.8
Eliminations and Other	—	—	—	—
Total Net revenues of Industrial Activities	**22,080**	**21,541**	**2.5**	**2.4**
Financial Services	2,518	1,982	27.0	33.1
Eliminations and Other	**(94)**	**(50)**	—	—
Total Net revenues	**24,504**	**23,473**	**4.4**	**4.8**

Adjusted EBIT of Industrial Activities by segment

($ million)	2023	2022	Change	2023 Adjusted EBIT margin	2022 Adjusted EBIT margin
Agriculture	2,688	2,460	228	14.8 %	13.7 %
Construction	232	119	113	5.9 %	3.3 %
Unallocated items, eliminations and other	(246)	(143)	(103)	—	—
Adjusted EBIT of Industrial Activities	**2,674**	**2,436**	**238**	**12.1 %**	11.3 %

Net revenues of Industrial Activities were $22,080 million in 2023, up 2.5% compared to the prior year (up 2.4% on a constant currency basis), primarily due to favorable price realization.

Adjusted EBIT of Industrial Activities was $2,674 million ($2,436 million in 2022), with an adjusted EBIT margin of 12.1% (11.3% in 2022). The increase in adjusted EBIT was primarily attributable to gross margin improvement in our Agriculture and Construction segments, partially offset by increased SG&A expenditures and R&D investments.

The following tables summarize the reconciliation of Adjusted EBIT of Industrial Activities, a non-GAAP financial measures, to consolidated Profit/(loss), the most comparable EU-IFRS financial measure, for 2023 and 2022.

	2023			
($ million)	Agriculture	Construction	Unallocated items, elimination and other	Total
Consolidated Profit/(loss)				2,327
Less: Consolidated Income tax benefit (expense)				(600)
Consolidated Profit (loss) before taxes				2,927
Less: Financial Services				
Financial Services Net Profit				391
Financial Services Income taxes				129
Add back of the following Industrial Activities items:				
Financial expenses				194
Adjustments for the following Industrial Activities items:				
Restructuring costs	49	12	2	63
Other discrete items(1)			10	10
Adjusted EBIT of Industrial Activities	**2,688**	**232**	**(246)**	**2,674**

(1) This item includes a loss of $17 million on the sale of CNH Industrial Russia and a loss of $ 6 million on the sale of CNH Capital Russia, partially offset by a gain of $ 13 million in relation to the fair value remeasurement of previously held investments in Augmenta and Bennamann.

				2022
($ million)	Agriculture	Construction	Unallocated items, elimination and other	Total
Consolidated Profit/(loss)				1,877
Less: Consolidated Income tax benefit (expense)				(758)
Consolidated Profit (loss) before taxes				2,635
Less: Financial Services				
Financial Services Net Profit				319
Financial Services Income taxes				116
Add back of the following Industrial Activities items:				
Financial expenses				177
Adjustments for the following Industrial Activities items:				
Restructuring costs	21	13	—	34
Other discrete items[1]			25	25
Adjusted EBIT of Industrial Activities	**2,460**	**119**	**(143)**	**2,436**

(1) This item included $43 million of asset write-downs, $25 million of separation costs in connection with our spin-off of the Iveco Group Business, $22 million costs from the activity of the two Raven businesses held for sale, including the loss on the sale of the Raven Engineered Films and Aerostar Divisions, partially offset by a $65 million gain on the sale of our Canada parts depot.

Agriculture

Net revenues

The following table includes Agriculture net revenues by geographic region in 2023 compared to 2022.

Agriculture Net revenues – by geographic region:

($ million)	2023	2022	% Change
North America	7,157	6,769	5.7
Europe, Middle East, Africa	5,878	5,776	1.8
South America	3,178	3,738	-15.0
Asia Pacific	1,935	1,686	14.8
Total	**18,148**	**17,969**	**1.0**

Net revenues for Agriculture were $18,148 million in 2023, a 1.0% increase (up 0.9% on a constant currency basis) compared to 2022. The increase was driven by favorable price realization, partially offset by dealer destocking actions due to lower industry demand.

In North America, industry volume was up 20% year over year in 2023 for tractors over 140 hp and was down 9% for tractors under 140 hp; combines were up 2%. In Europe, Middle East and Africa (EMEA), tractor and combine demand was flat and up 8%, respectively, of which Europe tractor and combine demand was down 3% and 3%, respectively. South America tractor demand was down 8% and combine demand was down 18%. Asia Pacific tractor demand was down 5% and combine demand was down 37%.

Adjusted EBIT

Adjusted EBIT was $2,688 million in 2023, compared to 2,460 million in 2022. The $228 million increase was mostly driven by gross margin improvement, partially offset by increased production costs, SG&A expenses and R&D investments. Adjusted EBIT margin was 14.8%.

Construction

Net revenues

The following table includes Construction net revenues by geographic region in 2023 compared to 2022.

Construction Net revenues – by geographic region:

($ million)	2023	2022	% change
North America	2,253	1,721	30.9
Europe, Middle East, Africa	851	907	-6.2
South America	559	665	-15.9
Asia Pacific	269	279	-3.6
Total	**3,932**	**3,572**	**10.1**

Net revenues for Construction were $3,932 million in 2023, a 10.1% increase (up 9.8% on a constant currency basis) compared to 2022, driven by favorable price realization and positive volume/mix mainly in North America; partially offset by lower net revenue from South America, and ceased activities in China and Russia.

Global industry volume for construction equipment decreased in both Heavy and Light sub-segments year over year in 2023, down 14% and 1%, respectively. Aggregated demand increased 2% in EMEA, increased 3% in North America, decreased 24% in South America and decreased 17% for Asia Pacific, particularly in China.

Adjusted EBIT

Adjusted EBIT was $232 million in 2023 (up $113 million compared to 2022). The improvement was due to favorable volume and mix and favorable price realization, partially offset by higher raw materials and manufacturing costs and increased R&D investments. Adjusted EBIT margin was 5.9%.

Financial Services Performance

($ million)	2023	2022	Change
Net revenues	2,518	1,982	27.0%
Net profit	391	319	72

Net revenues

Financial Services reported net revenues of $2,518 million in 2023, up 27.0% compared to 2022 (up 33.1% on a constant currency basis), primarily driven by favorable volumes and higher base rates across all regions, partially offset by lower used equipment sales due to decreased operating lease maturities.

Net profit

For the year ended December 31, 2023, net profit was $391 million, a $72 million increase compared to 2022, driven by favorable volumes in all regions, partially offset by margin compression in all regions, higher risk costs, increased labor costs and higher taxes, primarily due to increased profitability.

In 2023, retail originations (including unconsolidated joint ventures) were $11.5 billion, up $1.5 billion compared to 2022 (up $1.5 billion on a constant currency basis). The managed portfolio (including unconsolidated joint ventures) was $28.9 billion as of December 31, 2023 (of which retail was 64% and wholesale 36%), up $5.1 billion compared to December 31, 2022 (up $4.4 billion on a constant currency basis).

At December 31, 2023, the receivable balance greater than 30 days past-due as a percentage of receivables was 1.4% (1.3% as of December 31, 2022).

STATEMENT OF FINANCIAL POSITION BY ACTIVITY

The operations, and key financial measures and financial analysis, differ significantly for manufacturing and distribution businesses and Financial Services businesses; therefore, for a better understanding of the financial position of CNH, and in particular of the Net cash/(Debt) position, we present the following table providing the statement of financial position of the Group, split between Industrial Activities and Financial Services.

Specific comments on the Net cash/(Debt) position of CNH split by Industrial Activities and Financial Services are included in the subsequent section Liquidity and Capital Resources.

	At December 31, 2023				At December 31, 2022			
($ million)	Industrial Activities[1]	Financial Services	Eliminations	Consolidated	Industrial Activities[1]	Financial Services	Eliminations	Consolidated
ASSETS								
Intangible assets:	5,548	142	—	5,690	5,033	139	—	5,172
Goodwill	3,517	115	—	3,632	3,225	115	—	3,340
Other intangible assets	2,031	27	—	2,058	1,808	24	—	1,832
Property, plant and equipment	2,225	2	—	2,227	1,778	2	—	1,780
Investments and other non-current financial assets	623	127	(145) *(3)*	605	289	119	—	408
Leased assets	39	1,378	—	1,417	28	1,473	—	1,501
Defined benefit plan assets	10	—	—	10	12	—	—	12
Deferred tax assets	812	168	(139) *(4)*	841	315	99	(71) *(4)*	343
Total Non-current assets	**9,257**	**1,817**	**(284)**	**10,790**	**7,455**	**1,832**	**(71)**	**9,216**
Inventories	5,529	23	—	5,552	4,835	13	—	4,848
Trade receivables	134	10	(12) *(2)*	132	171	2	(5) *(2)*	168
Receivables from financing activities	726	24,659	(714) *(3)*	24,671	1,166	19,430	(985) *(3)*	19,611
Current tax receivables	45	2	(8) *(6)*	39	92	7	(45) *(6)*	54
Other current receivables and financial assets	350	103	—	453	638	109	—	747
Prepaid expenses and other assets	136	7	—	143	107	6	—	113
Derivative assets	48	104	(17) *(5)*	135	83	128	(22) *(5)*	189
Cash and cash equivalents	3,532	790	—	4,322	3,802	574	—	4,376
Restricted cash	96	627	—	723	158	595	—	753
Total Current assets	**10,596**	**26,325**	**(751)**	**36,170**	**11,052**	**20,864**	**(1,057)**	**30,859**
TOTAL ASSETS	**19,853**	**28,142**	**(1,035)**	**46,960**	**18,507**	**22,696**	**(1,128)**	**40,075**
EQUITY AND LIABILITIES								
Total Equity	**6,004**	**2,807**	**—**	**8,811**	**5,253**	**2,306**	**—**	**7,559**
Provisions:	3,943	22	—	3,965	3,024	22	—	3,046
Employee benefits	677	14	—	691	678	16	—	694
Other provisions	3,266	8	—	3,274	2,346	6	—	2,352
Debt:	4,770	24,344	(859) *(3)*	28,255	5,252	19,385	(985) *(3)*	23,652
Asset-backed financing	—	11,722	—	11,722	—	9,753	—	9,753
Other debt	4,770	12,622	(859) *(3)*	16,533	5,252	9,632	(985) *(3)*	13,899
Derivative liabilities	116	116	(17) *(5)*	215	133	93	(22) *(5)*	204
Trade payables	3,414	199	(12) *(2)*	3,601	3,479	216	(5) *(2)*	3,690
Tax liabilities	593	88	(8) *(6)*	673	379	84	(45) *(6)*	418
Deferred tax liabilities	40	139	(139) *(4)*	40	22	204	(71) *(4)*	155
Other current liabilities	973	427	—	1,400	965	386	—	1,351
Total Liabilities	**13,849**	**25,335**	**(1,035)**	**38,149**	**13,254**	**20,390**	**(1,128)**	**32,516**
TOTAL EQUITY AND LIABILITIES	**19,853**	**28,142**	**(1,035)**	**46,960**	**18,507**	**22,696**	**(1,128)**	**40,075**

(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes CNH's Agriculture and Construction segments, and other corporate assets, liabilities, revenues and expenses not reflected within Financial Services.
(2) Eliminations of primarily receivables/payables between Industrial Activities and Financial Services.
(3) Eliminations of financing receivables/payables between Industrial Activities and Financial Services.
(4) Reclassification of deferred tax assets/liabilities in the same jurisdiction and reclassification needed for appropriate consolidated presentation.
(5) Elimination of derivative assets/liabilities between Industrial Activities and Financial Services.
(6) Elimination of tax receivables/payables between Industrial Activities and Financial Services.

Cash Flow by Activities

The following table presents the cash flows from operating, investing and financing activities by activity for the years ended December 31, 2023 and 2022:

($ million)	2023				2022			
	Industrial Activities[(1)]	Financial Services	Eliminations	Consolidated	Industrial Activities[(1)]	Financial Services	Eliminations	Consolidated
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**3,960**	**1,169**	**—**	**5,129**	**4,514**	**1,331**	—	5,845
B) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:								
Profit/(loss)	1,936	391	—	2,327	1,558	319	—	1,877
Depreciation and amortization excluding depreciation and amortization of assets under operating leases	620	5	—	625	571	3	—	574
Other non-cash items	(88)	73	—	(15)	17	72	—	89
(Gains)/losses on disposal of non-current assets	10	—	—	10	(42)	—	—	(42)
Dividends received	111	—	(48) [(2)]	63	223	—	(188) [(2)]	35
Change in provisions	837	1	—	838	215	(2)	—	213
Change in deferred income taxes	(444)	(106)	—	(550)	40	(99)	—	(59)
Change in operating lease items [(a)]	(9)	94	—	85	—	223	—	223
Change in working capital	(568)	55	—	(513)	(409)	3	—	(406)
TOTAL CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	**2,405**	**513**	**(48)**	**2,870**	**2,173**	**519**	**(188)**	**2,504**
C) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:								
Investments in:								
Property, plant and equipment and intangible assets (net of assets sold under operating leases)	(846)	(6)	—	(852)	(630)	(5)	—	(635)
Consolidated subsidiaries and other equity investments	(528)	—	211	(317)	(82)	—	38	(44)
Proceeds from the sale of non-current assets	74	—	—	74	463	—	—	463
Net change in receivables from financing activities	(22)	(4,810)	—	(4,832)	21	(4,245)	—	(4,224)
Change in other current financial assets	254	—	—	254	(295)	—	—	(295)
Other changes	435	(560)	—	(125)	(1,289)	769	—	(520)
TOTAL CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	**(633)**	**(5,376)**	**211**	**(5,798)**	**(1,812)**	**(3,481)**	**38**	**(5,255)**
D) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:								
Net change in debt and derivative assets/liabilities	(995)	4,931	—	3,936	(124)	2,968	—	2,844
Capital increase	—	211	(211) [(3)]	—	—	38	(38) [(3)]	—
Dividends paid	(538)	(48)	48 [(2)]	(538)	(423)	(188)	188 [(2)]	(423)
(Purchase)/sale of treasury shares	(652)	—	—	(652)	(153)	—	—	**(153)**
(Purchase)/sale of ownership interests in subsidiaries	(11)	—	—	(11)	—	—	—	—
TOTAL CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**(2,196)**	**5,094**	**(163)**	**2,735**	**(700)**	**2,818**	**150**	**2,268**
Translation exchange differences	92	17	—	109	(215)	(18)	—	(233)
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	**(332)**	**248**	**—**	**(84)**	**(554)**	**(162)**	—	**(716)**
F) CASH AND CASH EQUIVALENTS AT END OF YEAR	**3,628**	**1,417**	**—**	**5,045**	**3,960**	**1,169**	—	**5,129**

(a) Cash from operating lease is recognized under operating activities in a single line item, which includes capital expenditure, depreciation, write-downs and changes in inventory.

(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes CNH's Agriculture and Construction and other corporate assets, liabilities, revenues and expenses not reflected within Financial Services.

(2) This item includes the elimination of dividends from Financial Services to Industrial Activities, which are included in Industrial Activities net cash from/(used in) operating activities.

(3) This item includes the elimination of paid in capital from Industrial Activities to Financial Services.

LIQUIDITY AND CAPITAL RESOURCES

Our operations are capital intensive and subject to seasonal variations in financing requirements for dealer receivables and dealer and company inventories. Whenever necessary, funds from operating activities are supplemented from external sources. CNH, focuses on cash preservation and leveraging its good access to funding in order to maintain solid financial strength and liquidity. See section "Risk Factors" for additional information concerning risks related to our business, strategy and operations.

Capital Resources

The cash flows, funding requirements and liquidity of CNH are managed on a standard and centralized basis. This centralized system is designed to optimize the efficiency and effectiveness of our management of capital resources.

Our subsidiaries participate in a company-wide cash management system, which we operate in a number of jurisdictions. Under this system, the cash balances of our subsidiaries are aggregated at the end of each business day to central pooling accounts. The centralized treasury management offers financial and systems expertise in managing these accounts, as well as providing related services and consulting to our business segments.

Our policy is to keep a high degree of flexibility with our funding and investment options in order to maintain our desired level of liquidity to achieve our rating targets while improving the Group capital structure over time. In managing our liquidity requirements, we are pursuing a financing strategy that aims at extending over time our Industrial Activities debt profile by issuing long-term bonds and retiring short-term debt through opportunistic transactions, deleveraging our Industrial Activities balance sheet by reducing gross debt, and diversifying funding sources.

A summary of our strategy is set forth below:

- Industrial Activities sells certain of its receivables to Financial Services and relies on internal cash flows including managing working capital to fund its near-term financing requirements. We will also supplement our short-term financing by drawing on existing or new facilities with banks.
- To the extent funding needs of Industrial Activities are determined to be of a longer-term nature, we will access public debt markets as well as private investors and banks, as appropriate, to refinance borrowings and replenish our liquidity.
- Financial Services' funding strategy is to maintain sufficient liquidity and flexible access to a wide variety of financial instruments. While we expect securitizations and sale of receivables (factoring) to continue to represent a material portion of our capital structure and intersegment borrowings to remain a marginal source of funding, we will continue to diversify our funding sources and expand our investor base within Financial Services to support our investment grade credit ratings. These diversified funding sources include secured and unsecured facilities, a repurchase agreement, commercial paper and unsecured notes.

On a global level, we will continue to evaluate alternatives to ensure that Financial Services has access to capital on favorable terms to support its business, including agreements with global or regional partners, new funding arrangements or a combination of the foregoing. Our access to external sources of financing, as well as the cost of financing, is dependent on various factors, including our credit ratings.

On January 4, 2022, Fitch Ratings raised its Long-Term Issuer Default Rating ("IDR") on CNH Industrial N.V. to 'BBB+' from 'BBB-'. Fitch also upgraded CNH Industrial Finance Europe S.A.'s senior unsecured rating to 'BBB+' from 'BBB-'. The Outlook is stable. On January 7, 2022, Fitch upgraded the Long-Term IDR and senior long-term debt ratings of CNH Industrial Capital LLC and CNH Industrial Capital Canada Ltd. to 'BBB+' from 'BBB-'. The outlook is stable. Fitch has also upgraded CNH Industrial Capital LLC's short-term IDR and commercial paper ratings to 'F2' from 'F3'.

On February 25, 2022, Moody's upgraded the senior unsecured ratings of CNH Industrial N.V. and its supported subsidiaries including CNH Industrial Capital LLC, CNH Industrial Finance Europe S.A., CNH Industrial Capital Australia Pty. Ltd. and CNH Industrial Capital Canada Ltd. to Baa2 from Baa3. At the same time, Moody's withdrew CNH Industrial Finance Europe S.A. short term rating of (P)P-3. The rating outlook is stable.

On November 30, 2023, Standard & Poor's ("S&P") Global Ratings raised its long-term issuer credit ratings on CNH Industrial N.V. and its subsidiary, CNH Industrial Capital LLC, to 'BBB+' from 'BBB'. S&P Global Ratings also affirmed the 'A-2' short-term issuer credit rating. Additionally, S&P Global Ratings raised the issue-level ratings on CNH Industrial N.V. and its industrial subsidiaries' debt, as well as the issue-level ratings on CNH Industrial Capital LLC's senior unsecured debt, to 'BBB+' from 'BBB'. The outlook is stable.

Current ratings for the Group are as follows:

	CNH Industrial N.V.[1]			CNH Industrial Capital LLC		
	Long-Term	Short-Term	Outlook	Senior Long-Term	Short-Term	Outlook
S&P Global Ratings	BBB+	A-2	Stable	BBB+	A-2	Stable
Fitch Ratings	BBB+	-	Stable	BBB+	F2	Stable
Moody's Investors Service	Baa2	-	Stable	Baa2	-	Stable

(1) Includes treasury subsidiary, CNH Industrial Finance Europe S.A..

The Group's debt is investment grade, which the Group believes will allow it to access funding at better rates.

A credit rating is not a recommendation to buy, sell or hold securities. Ratings may be subject to revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating. A deterioration in our ratings could impair our ability to obtain debt financing and would increase the cost of such financing. Ratings are influenced by a number of factors, including, among others: financial leverage on an absolute basis or relative to peers, the composition of the balance sheet and/or capital structure, material changes in earnings trends and volatility, ability to dividend monies from subsidiaries and our competitive position. Material deterioration in any one, or a combination, of these factors could result in a downgrade of our ratings, thus increasing the cost, and limiting the availability, of financing.

Debt

As of December 31, 2023 and 2022, our consolidated Debt was as detailed in the following table:

($ million)	Consolidated		Industrial Activities		Financial Services	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Debt	**(28,255)**	(23,652)	**(4,770)**	(5,252)	**(24,344)**	(19,385)

We believe that Net Cash/(Debt), a non-GAAP financial measure as defined in the section "Alternative performance measures (or "Non-GAAP financial measures")", of section "General" above, is a useful analytical metric for measuring our effective borrowing requirements. We provide a separate analysis of Net Cash/(Debt) of Industrial Activities and Net (Cash)/Debt of Financial Services to reflect the different cash flow management practices in the two activities. Industrial Activities reflects the consolidation of all majority-owned subsidiaries, including those performing centralized treasury activities, except for Financial Services subsidiaries. Financial Services reflects the consolidation of the Financial Services' businesses.

The calculation of Net Cash/(Debt) at December 31, 2023 and 2022, and the reconciliation of Debt, the EU-IFRS financial measure that we believe to be most directly comparable, to Net Cash/(Debt), are shown below:

	Consolidated		Industrial Activities		Financial Services	
($ million)	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Third party debt	(28,109)	(23,496)	(4,463)	(5,184)	(23,646)	(18,312)
Intersegment notes payable	—	—	(301)	(63)	(558)	(922)
Financial payables to Iveco Group N.V.[1]	(146)	(156)	(6)	(5)	(140)	(151)
Debt[2]	**(28,255)**	**(23,652)**	**(4,770)**	**(5,252)**	**(24,344)**	**(19,385)**
Financial receivables from Iveco Group N.V.[1]	380	298	302	234	78	64
Cash and cash equivalents	4,322	4,376	3,532	3,802	790	574
Restricted cash	723	753	96	158	627	595
Intersegment notes receivable	—	—	558	922	301	63
Other current financial assets[3]	—	300	—	300	—	—
Derivatives hedging debt[4]	(80)	(15)	(68)	(50)	(12)	35
Net Cash/(Debt)[5]	**(22,910)**	**(17,940)**	**(350)**	**114**	**(22,560)**	**(18,054)**

(1) This item includes financial receivables/(payables) related to purchases of receivables or collections with settlement in the following days.

(2) Total Debt of Industrial Activities includes Intersegment notes payable to Financial Services of $301 million and $63 million as of December 31, 2023 and 2022, respectively. Debt of Financial Services includes Intersegment notes payable to Industrial Activities of $558 million and $922 million as of December 31, 2023 and 2022, respectively.

(3) This item includes short-term deposits and investments towards high-credit rating counterparties.

(4) Derivatives hedging debt include the positive and negative fair values of derivative financial instruments.

(5) The net intersegment receivable/(payable) balance owed by Financial Services relating to Industrial Activities was negative of $257 million and of $859 million as of December 31, 2023 and 2022, respectively.

Excluding the exchange rate differences effect of $381 million, Net Debt at December 31, 2023 increased by $4,589 million compared to December 31, 2022, mainly reflecting the increase in portfolio receivables of Financial Services of $4,705 million, the cash-out of $1,190 million related to yearly dividend and shares buy-back program, partially offset by a Free Cash Flow generation from Industrial Activities of $1,135 million.

Cash Flow Analysis

For the year ended December 31, 2023, Cash and cash equivalents and Restricted cash combined were $5,045 million, a decrease of $84 million from December 31, 2022, primarily due to receivables portfolio absorption, dividends paid, investments in fixed assets, and acquisition of businesses and other equity investments, partially offset by operating activities cash generation and increase in external borrowings to support working capital requirements.

At December 31, 2023, Cash and cash equivalents were $4,322 million ($4,376 million at December 31, 2022) and Restricted cash was $723 million ($753 million at December 31, 2022) respectively. At December 31, 2023, undrawn medium-term unsecured committed facilities were $5,945 million ($5,061 million at December 31, 2022) and Other current financial assets were nil ($300 million at December 31, 2022). At December 31, 2023, the aggregate of Cash and cash equivalents, Restricted cash, undrawn medium-term unsecured committed facilities, net financial receivables from Iveco Group and Other current financial assets, which we consider to constitute our principal liquid assets (or "Available liquidity"[(1)]), totaled $11,224 million ($10,632 million at December 31, 2022).

At December 31, 2023 this amount also included $234 million of net financial receivables from Iveco Group ($142 million of net financial receivables at December 31, 2022) consisting of net financial receivables mainly towards Financial Services of Iveco Group due to certain day to day transactions linked to purchase of receivables by our financial services organization which avails itself of the services of Iveco Capital Financial Services in Europe.

The following table summarizes the changes to cash flows from operating, investing and financing activities for the years ended December 31, 2023 and 2022.

($ million)	2023	2022
Cash provided by/(used in):		
Operating activities	2,870	2,504
Investing activities	(5,798)	(5,255)
Financing activities	2,735	2,268
Translation exchange differences	109	(233)
Net increase/(decrease) in cash and cash equivalents	**(84)**	**(716)**

Net Cash from Operating Activities

Cash provided by operating activities in 2023 totaled $2,870 million and primarily comprised the following elements:

- $2,327 million profit;
- plus $625 million in non-cash charges for depreciation and amortization (excluding depreciation and amortization of assets under operating leases);
- plus change in provisions of $838 million;
- plus $158 million of other changes primarily attributable to assets under operating leases for $85 million;
- less $513 million of change in working capital;
- less $550 million of changes in deferred income taxes;
- less $15 million of other non-cash items.

In 2022, cash provided by operating activities was $2,504 million mainly due to the result of $1,877 million profit, $574 million of non-cash charges for depreciation and amortization (net of assets under operating leases), $223 million of changes in assets under operating leases and $213 million of change in provisions, partially offset by $406 million of change in working capital.

Net Cash from Investing Activities

In 2023, Net cash used in investing activities was $5,798 million primarily due to receivables portfolio's absorption of $4,705 million, investments in property, plant and equipment and intangible assets of $852 (including $210 million in capitalized development costs), investments in consolidated subsidiaries and other equity investments of $317 and other changes of $125 million, partially offset by changes in other current financial assets of $254 million and by proceeds of non-current assets for $74 million.

In 2022, cash used in investing activities totaled $5,255 million, primarily due to investments in property, plant and equipment and intangible assets of $635 million (including $175 million in capitalized development costs), receivables portfolio's absorption of $4,224, payment to Iveco Group of $503 million debt outstanding at December 31, 2021, and other investing activities of $295 million, partially offset by proceeds of non-current assets for $463 million, of which $350 million related to the sale of Raven Engineered Films Division.

(1) a non-GAAP financial measure as defined in section "Alternative performance measures (or “Non-GAAP financial measures”)" above.

The following table summarizes our investments in tangible assets (excluding assets leased on operating leases) by segment and investments in intangible assets for the years ended December 31, 2023 and 2022:

($ million)	2023	2022
Agriculture	396	282
Construction	79	48
Total Industrial Activities investments in tangible assets	**475**	**330**
Industrial Activities investments in intangible assets	371	300
Total Industrial Activities capital expenditures	**846**	**630**
Financial Services investments in tangible assets	—	—
Financial Services investments in intangible assets	6	5
Total Financial Services capital expenditures	**6**	**5**
Total Capital expenditures	**852**	**635**

We incurred these capital expenditures principally related to initiatives to introduce new products, enhance manufacturing efficiency and increase capacity, and for maintenance and engineering. Capital expenditures were higher than 2022 due to higher investments in new product introductions and technology.

Net Cash from Financing Activities

In 2023, cash provided by financing activities totaled $2,735 million, primarily due to an increase in external borrowings to support working capital requirements and an increase to the Financial Services portfolio, partially offset by dividends paid and shares buy-back program.

In 2022, cash provided by financing activities totaled $2,268 million, primarily due to increase in debt, mainly due to increase in receivables portfolio of Financial Services, dividends paid and shares buy-back acquisition.

The following table includes the change in Net Cash/(Debt) of Industrial Activities for the year ended December 31, 2023 and 2022:

($ million)	December 31, 2023	December 31, 2022
Net Cash/(Debt) of Industrial Activities at beginning of year	**114**	**(1,374)**
Adjusted EBIT of Industrial Activities	2,674	2,436
Depreciation and amortization	620	571
Depreciation of assets under operating leases	8	6
Cash interest and taxes	(675)	(646)
Changes in provisions and similar[1]	346	273
Change in working capital	(568)	(409)
Investments in property, plant and equipment, and intangible assets[2]	(846)	(630)
Other changes	(424)	(10)
Free Cash Flow of Industrial Activities	**1,135**	**1,591**
Capital increases and dividends[2]	(1,190)	(576)
Currency translation differences and other[3]	(409)	473
Change in Net Cash/(Debt) of Industrial Activities	**(464)**	**1,488**
Net Cash/(Debt) of Industrial Activities at end of year	**(350)**	**114**

(1) Including other cash flow items related to operating leases.
(2) This item also includes share buy-back transactions.
(3) In the year ended December 31, 2023 this item also includes payments for the Augmenta, Bennamann and Hemisphere acquisitions of $312 million. In the year ended December 31, 2022, this item also includes the proceed of Raven Engineered Films Division for $350 million.

We believe that Free Cash Flow of Industrial Activities (a non-GAAP financial measure as defined in the section "Alternative performance measures", or “Non-GAAP financial measures", above) is a useful analytical metric for measuring the cash generation ability of our Industrial Activities.

For the year ended December 31, 2023, the generation of Free Cash Flow of Industrial Activities was $1,135 million (generation of $1,591 million for the year ended December 31, 2022), primarily due to adjusted EBIT results of the segments, partially offset by a decrease in working capital, capital expenditures, cash interest and taxes.

The reconciliation of Free Cash Flow of Industrial Activities to Net cash provided by/(used in) Operating Activities, the EU-IFRS financial measure that we believe to be most directly comparable, for the years ended December 31, 2023 and 2022 is shown below:

($ million)	December 31, 2023	December 31, 2022
Net cash provided by/(used in) Operating Activities	**2,870**	**2,504**
Less: Cash flows from Operating Activities of Financial Services net of eliminations and other	(465)	(273)
Operating cash flow of Industrial Activities	**2,405**	**2,231**
Investments in property, plant and equipment, and intangible assets of Industrial Activities	(846)	(630)
Other changes	(424)	(10)
Free Cash Flow of Industrial Activities	**1,135**	**1,591**

The non-GAAP financial measures (Net Cash/(Debt) and Free Cash Flow of Industrial Activities), used in this section, should neither be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with EU-IFRS. In addition, these non-GAAP financial measures may not be computed in the same manner as similarly titled measures used by other companies.

Industrial Activities

Capital Markets

At December 31, 2023, we had an aggregate amount of $9.4 billion in bonds outstanding, of which $4.0 billion was issued by Industrial Activities.

The capital markets debt of Industrial Activities mainly related to notes issued under the Euro Medium Term Note Programme (and the notes issued under its predecessor, the Global Medium Term Notes Programme), and senior unsecured debt securities issued by CNH Industrial N.V. described below.

Euro Medium Term Note ("EMTN") Programme. We have a medium-term note programme allowing for the placement of debt securities up to a total authorized amount of €10 billion ($11 billion). At December 31, 2023, €3,200 million ($3,537 million) was outstanding under the programme, all such debt having been issued by CNH Industrial Finance Europe S.A. and guaranteed by CNH Industrial N.V..

CNH Industrial N.V. Senior Notes. In the United States, CNH Industrial N.V has issued notes from time to time. In 2016, CNH Industrial N.V. issued $600 million of notes at an interest rate of 4.50% due August 2023 (the "2023 Notes") at an issue price of 100 percent of their principal amount, and, in 2017, CNH Industrial N.V. issued $500 million of notes at an interest rate of 3.850% due November 2027 (the "2027 Notes") at an issue price of 99.384% of their principal amount. The 2023 Notes and the 2027 Notes are collectively referred to as the "CNH Industrial N.V. Senior Notes" On August 15, 2023, the Company paid off the 2023 Notes in cash on the scheduled due date by utilizing available liquid resources.

The notes issued under the EMTN (and its predecessor the Global Medium Term Notes Programme) as well as the CNH Industrial N.V. Senior Notes impose covenants and other obligations on CNH Industrial N.V. as issuer and, in certain cases, as guarantor and CNH Industrial Finance Europe S.A. as issuer, including: (i) a negative pledge provision which requires that, if any security interest over assets of the issuer or the guarantor is granted in connection with debt that is, or is capable of being, listed or any guarantee is granted in connection with such debt, such security or guarantee must be equally and ratably extended to the outstanding notes; (ii) a status (or *pari passu*) covenant, under which the notes rank and will rank *pari passu* with all other present and future outstanding unsubordinated and unsecured obligations of the issuer and/or the guarantor (subject to mandatorily preferred obligations under applicable laws); (iii) an events of default provision setting out certain customary events (such as cross defaults, insolvency related events, etc.) the occurrence of which entitles the holders of the outstanding notes to accelerate the repayment of the notes; (iv) change of control provisions which, when combined with a rating downgrade of CNH Industrial N.V., grant the note holders the right to require immediate repayment of the notes; and (v) other clauses that are generally applicable to securities of a similar type. A breach of these obligations may require the early repayment of the notes. At December 31, 2023, CNH was in compliance with the covenants of the notes issued under the EMTN (and its predecessor the Global Medium Term Notes Programme) and the CNH Industrial N.V. Senior Notes.

CNH intends to repay the issued bonds in cash at the due date by utilizing available liquid resources. In addition, CNH may from time to time repurchase or enforce the available call options of issued bonds. Such repurchases, if made, depend upon market conditions, the financial situation of CNH and other factors which could affect such decisions.

Bank Debt

At December 31, 2023, Industrial Activities available committed unsecured facilities expiring after twelve months amounted to $5.4 billion ($4.5 billion at December 31, 2022).

Euro 4 billion Revolving Credit Facility. In March 2019, the Company signed a five-year committed revolving credit facility for €4 billion ($4.5 billion at March 31, 2019 exchange rate) due to mature in 2024 with two extension options of

1-year each, exercisable on the first and second anniversary of the signing date. CNH exercised the first of the two extension options as of February 28, 2020 and the second extension option as of February 26, 2021. The facility is now due to mature in March 2026 for €3,950.5 million; €49.5 million within the facility will mature in March 2025. The credit facility replaced a five-year €1.75 billion credit facility scheduled to mature in 2021 and includes:

- customary covenants (including a negative pledge, a status (or *pari passu*) covenant and restrictions on the incurrence of indebtedness by certain subsidiaries);
- customary events of default (some of which are subject to minimum thresholds and customary mitigants), including cross-default provisions, failure to pay amounts due or to comply with certain provisions under the loan agreement and the occurrence of certain bankruptcy-related events; and:
- mandatory prepayment obligations upon a change in control of CNH or the borrower;
- a financial covenant (Net debt/EBITDA ratio relating to Industrial Activities) (this covenant is not applicable given the current ratings levels).

CNH Industrial N.V. has guaranteed any borrowings under the revolving credit facility with cross-guarantees from each of the borrowers (*i.e.*, CNH Industrial Finance S.p.A., CNH Industrial Finance Europe S.A. and CNH Industrial Finance North America Inc.). At December 31, 2023, CNH was in compliance with the covenants of the Revolving Credit Facility.

CNH entered into an 18-month committed unsecured credit facility on December 19, 2023, was undrawn at December 31, 2023 and was fully drawn on January 12, 2024.

Financial Services

Total debt of Financial Services was $24.3 billion at December 31, 2023, compared to $19.4 billion at December 31, 2022.

Asset-Backed Financing

At December 31, 2023, Financial Services' committed asset-backed facilities expiring after twelve months amounted to $3.7 billion ($2.9 billion at December 31, 2022), of which $3.7 billion was utilized at December 31, 2023, ($2.1 billion at December 31, 2022).

We sell certain of our financial receivables to third parties in order to improve liquidity, to take advantage of market opportunities and, in certain circumstances, to reduce credit and concentration risk in accordance with our risk management objectives.

The sale of financial receivables is executed primarily through ABS transactions and involves retail notes and wholesale receivables originated to our Financial Services subsidiaries from end-use customers and dealers, respectively.

At December 31, 2023, our receivables from financing activities included receivables sold and financed through both ABS and factoring transactions of $14.1 billion ($12.6 billion at December 31, 2022), which do not meet derecognition requirements and therefore are recorded on our consolidated statement of financial position. These receivables are recognized as such in our financial statements even though they have been legally sold; a corresponding financial liability is recorded in the consolidated statement of financial position as debt (see Note 18 "Current receivables and Other current financial assets" to our Consolidated Financial Statements).

Repurchase Agreement

In September 2023, CNH Industrial Capital LLC entered into a Global Master Repurchase Agreement which expires in September 2024. At December 31, 2023, the Company had CAD 299.9 million ($226.3 million) outstanding under the repurchase agreement, with an obligation to repurchase the underlying receivables in 30 days. The repurchase agreement is treated as a financing arrangement for accounting purposes.

Capital Markets

In April 2022, Banco CNH Industrial Capital S.A. issued BRL 600 million of notes in two tranches: BRL 177 million at CDI + 0.90%, due in 2024 and BRL 423 million at CDI +1.10%, due in 2025.

In May 2022, Banco CNH Industrial Capital S.A. issued BRL 350 million of notes at CDI +1.10%, due in 2025, through a private placement.

In May 2022, CNH Industrial Capital LLC issued USD 500 million of 3.95% notes due in 2025 at an issue price of 99.469% of their principal amount.

In September 2022, Banco CNH Industrial Capital S.A. issued BRL 700 million of notes in three tranches: BRL 268 million at CDI + 0.90%, due in 2024; BRL 193 million at CDI +1.05%, due in 2025; and BRL 239 million at CDI +1.30%, due in 2026.

In October 2022, CNH Industrial Capital LLC issued USD 400 million of 5.45% notes due in 2025 at an issue price of 99.349% of their principal amount.

In October 2022, CNH Industrial Capital Argentina issued USD 23 million of 0% notes due in 2025. This was a voluntary exchange offer for the outstanding USD-linked Series 1 notes issued in 2020 due August 2023.

In November 2022, Banco CNH Industrial Capital S.A. issued BRL 22 million of notes at CDI + 1.05%, due in 2025, through a private placement.

In December 2022, Banco CNH Industrial Capital S.A. issued BRL 190 million of notes at CDI + 0.85%, due in 2024, through a private placement.

In April 2023, CNH Industrial Capital LLC issued USD 600 million of 4.550% notes due 2028, with an issue price of 98.857% of their principal amount.

In May 2023, CNH Industrial Capital Argentina issued USD 36.4 million of 0% notes due in 2025 at an issue price of 124% of their principal amount.

In May 2023, Banco CNH Industrial Capital S.A. issued BRL 500 million of notes in two tranches: BRL 400 million at CDI + 1.40%, due in 2025 and BRL 100 million at CDI +1.60%, due in 2026.

In July 2023, CNH Industrial Capital Australia Pty. Limited issued AUD 175 million of 5.800% notes due in 2026 at an issue price of 99.715% of their principal amount.

In August 2023, CNH Industrial Capital Canada Ltd. issued CAD 400 million of 5.500% notes due in 2026, with an issue price of 99.883% of their principal amount.

In September 2023, CNH Industrial Capital LLC issued USD 500 million of 5.500% notes due in 2029 at an issue price of 99.399% of their principal amount.

In October 2023, Banco CNH Industrial Capital S.A. issued BRL 600 million of notes in three tranches: BRL 312.1 million at CDI + 0.90%, due in 2025, BRL 172.4 million at CDI + 1.00%, due in 2026 and BRL 115.5 million at CDI +1.30%, due in 2027.

Bank Debt

At December 31, 2023, Financial Services' available committed, unsecured facilities expiring after twelve months amounted to $0.5 billion ($0.6 billion at December 31, 2022).

Commercial Paper Programs

CNH Industrial Capital LLC outstanding commercial paper totaled $351 million as of December 31, 2023 ($299 million outstanding at December 31, 2022).

Banco CNH Industrial S.A. outstanding commercial paper totaled $488 million as of December 31, 2023 ($230 million outstanding at December 31, 2022).

Support Agreement in the Interest of CNH Industrial Capital LLC

CNH Industrial Capital LLC benefits from a support agreement issued by CNH Industrial N.V., pursuant to which CNH Industrial N.V. agrees to, among other things, (a) make cash capital contributions to CNH Industrial Capital LLC, to the extent necessary to cause its ratio of net earnings available for fixed charges to fixed charges to be not less than 1.05:1.0 for each fiscal quarter (with such ratio determined, on a consolidated basis and in accordance with U.S. GAAP, for such fiscal quarter and the immediately preceding three fiscal quarters taken as a whole), (b) generally maintain an ownership of at least 51% of the voting equity interests in CNH Industrial Capital LLC and (c) cause CNH Industrial Capital LLC to have, as of the end of any fiscal quarter, a consolidated tangible net worth of at least $50 million. The support agreement is not intended to be, and is not, a guarantee by CNH Industrial N.V. of the indebtedness or other obligations of CNH Industrial Capital LLC. The obligations of CNH Industrial N.V. to CNH Industrial Capital LLC pursuant to this support agreement are to the company only and do not run to, and are not enforceable directly by, any creditor of CNH Industrial Capital LLC, including holders of the CNH Industrial Capital LLC's notes or the trustee under the indenture governing the notes. The support agreement may be modified, amended or terminated, at CNH Industrial N.V.'s election, upon thirty days' prior written notice to CNH Industrial Capital LLC and the rating agencies of CNH Industrial Capital LLC, if (a) the modification, amendment or termination would not result in a downgrade of CNH Industrial Capital LLC rated indebtedness; (b) the modification, amendment or notice of termination provides that the support agreement will continue in effect with respect to the company's rated indebtedness then outstanding; or (c) CNH Industrial Capital LLC has no long-term rated indebtedness outstanding.

For more information on our outstanding indebtedness, see Note 24 “Debt” to our Consolidated Financial Statements.

Future Liquidity

We have adopted formal policies and decision-making processes designed to optimize the allocation of funds, cash management processes and financial risk management. Our liquidity needs could increase in the event of an extended economic slowdown or recession that would reduce our cash flow from operations and impair the ability of our dealers and retail customers to meet their payment obligations. Any reduction of our credit ratings would increase our cost of funding and potentially limit our access to the capital markets and other sources of financing.

We believe that funds available under our current liquidity facilities, those realized under existing and planned asset-backed securitization programs and issuances of debt securities and those expected from ordinary course refinancing of existing credit facilities, together with cash provided by operating activities, will allow us to satisfy our debt service requirements for the coming year. At December 31, 2023, the Group had available committed, unsecured facilities expiring after twelve months of $5.9 billion ($5.1 billion at December 31, 2022).

Financial Services securitized debt is repaid with the cash generated by the underlying amortizing receivables. Accordingly, additional liquidity is not normally necessary for the repayment of such debt. Financial Services has traditionally relied upon the term ABS market and committed asset-backed facilities as a primary source of funding and liquidity. At December 31, 2023, Financial Services' committed asset-backed facilities expiring after twelve months amounted to $3.7 billion ($2.9 billion at December 31, 2022), of which $3.7 billion at December 31, 2023 ($2.1 billion at December 31, 2022) were utilized.

If Financial Services were unable to obtain ABS funding at competitive rates and at the same time were unable to access other sources of finding at similar conditions, its ability to conduct its financial services activities would be limited.

Pension and Other Post-employment Benefits

Pension Plans

Pension plan obligations primarily comprise the obligations of our pension plans in the United States, the U.K. and Germany.

Under these plans, contributions are made to a separate fund (trust) which independently administers the plan assets. Our funding policy is to contribute amounts to the plan equal to the amounts required to satisfy the minimum funding requirements pursuant to the laws of the applicable jurisdictions. The significant pension plans that we are required to fund are in the United Sates and the U.K.. In addition, we make discretionary contributions in addition to the funding requirements. To the extent that a fund is overfunded, we are not required to make further contributions to the plan in respect of minimum performance requirements so long as the fund is in surplus.

The investment strategy for the plan assets depends on the features of the plan and on the maturity of the obligations. Typically, less mature plan benefit obligations are funded by using more equity securities as they are expected to achieve long-term growth exceeding inflation. More mature plan benefit obligations are funded using more fixed income securities as they are expected to produce current income with limited volatility. Risk management practices include the use of multiple asset classes and investment managers within each asset class for diversification purposes. Specific guidelines for each asset class and investment manager are implemented and monitored.

At December 31, 2023 and 2022, the difference between the present value of the pension plan obligations and the fair value of the related plan assets was a deficit of $243 million and $225 million, respectively. In 2023, we contributed $46 million to the plan assets and made direct benefit payments of $12 million for our pension plans. Our expected total contribution to pension plan assets and direct benefit payments is estimated to be $46 million for 2024.

Healthcare Plans

Healthcare postretirement benefit plan obligations comprise obligations for healthcare and insurance plans granted to our employees working in the United States and Canada. These plans generally cover employees retiring on or after reaching the age of 55 who have completed at least 10 years of employment. United States salaried and non-represented hourly employees and Canadian employees hired after January 1, 2001 and January 1, 2002, respectively, are not eligible for postretirement healthcare and life insurance benefits under our plans. These plans are not required to be funded. Beginning in 2007, we made contributions on a voluntary basis to a separate and independently managed fund established to finance the North America healthcare plans.

At December 31, 2023 and 2022, the difference between the present value of the healthcare plan obligations and the fair value of the related plan assets was a deficit of $121 million and $123 million, respectively. In 2023, we did not contribute to the plan assets and made direct benefit payments for healthcare plans of $19 million and we expect to make direct benefit payments of $16 million in 2024.

Other Post-employment Benefits

Other post-employment benefits consist of benefits for Italian Employee Leaving Entitlements up to December 31, 2006, loyalty bonus in Italy and various other similar plans in France, Germany and Belgium. Until December 31, 2006, Italian companies with more than 50 employees were required to accrue for benefits paid to employees upon them leaving the company. The scheme has since changed to a defined contribution plan. The obligation on our consolidated balance sheet represents the residual reserve for years until December 31, 2006. Loyalty bonuses are accrued for employees who have reached certain service seniority and are generally settled when employees leave the company. These plans are not required to be funded and, therefore, have no plan assets.

At December 31, 2023 and 2022, the present value of the obligation for other post-employment benefits amounted to $66 million and $60 million, respectively.

In 2023, we made direct benefit payments of $4 million for other post-employment benefits and expect to make direct benefit payments of $5 million in 2024.

For further information on pension and other post-employment benefits, see Note 22 "Provisions for employee benefits" of the CNH Consolidated Financial Statements.

Off-Balance Sheet Arrangements

We use certain off-balance sheet arrangements with unconsolidated third parties in the ordinary course of business, including financial guarantees. Our arrangements are described in more detail below. For additional information, see Note 27 “Commitments and contingencies” to the CNH Consolidated Financial Statements.

Financial Guarantees

Our financial guarantees require us to make contingent payments upon the occurrence of certain events or changes in an underlying instrument that is related to an asset, a liability or the equity of the guaranteed party. These guarantees include arrangements that are direct obligations, giving the party receiving the guarantee a direct claim against us, as well as indirect obligations, under which we have agreed to provide the funds necessary for another party to satisfy an obligation. CNH provided guarantees on the debt or commitments of third parties and performance guarantees on non-consolidated affiliates, totaling $37 million as of December 31, 2023.

Tabular Disclosure of Contractual Obligations

The following table sets forth our contractual obligations and commercial commitments with definitive payment terms that will require significant cash outlays in the future, as of December 31, 2023:

	At December 31, 2023				
($ million)	**within one year**	**between one and three years**	**between three and five years**	**beyond five years**	**Total**
Contractual obligations[1]					
Debt obligations:[2]					
Bonds	2,043	4,361	1,848	1,122	**9,374**
Borrowings from banks	2,408	740	634	612	**4,394**
Asset-backed financing	5,795	4,660	1,199	68	**11,722**
Other debt[3]	1,741	469	255	—	**2,465**
Total Debt obligations	**11,987**	**10,230**	**3,936**	**1,802**	**27,955**
Undiscounted lease payments	86	121	71	73	**351**
Purchase obligations	207	—	—	—	**207**
Total Contractual obligations	**12,280**	**10,351**	**4,007**	**1,875**	**28,513**

(1) Reserves for uncertain tax positions are not included within this table as the timing and ultimate uncertainty of settlement with the relevant taxing authorities is not known.

(2) Amounts presented exclude the related interest expense that will be paid when due. The table above does not include obligations for pension plans, health care plans, other post-employment benefits and other employee benefits. Our best estimate of expected contributions in 2024 to pension plans is $33 million. Potential outflows in the years after 2024 are subject to a number of uncertainties, including future asset performance and changes in assumptions, and therefore we are unable to make sufficiently reliable estimates of future contributions beyond 2024.

(3) Other debt includes $2,138 million of payables represented by securities, $181 million of other debt and $146 million of payables to Iveco Group.

Debt Obligations

For information on our debt obligations, see “Capital Resources” above and Note 24 “Debt” to the CNH Consolidated Financial Statements.

The amount reported as Total Debt obligations in the table above consists of our bonds, borrowings from banks, asset-backed financing and other debt, which can be reconciled to the amount in the December 31, 2023 consolidated statement of financial position as follows:

		At December 31, 2023
($ million)	Note	
Debt reflected in the consolidated statement of financial position	(24)	**28,255**
Less: Lease liabilities	(24)	(300)
Total Debt obligations		**27,955**

Undiscounted Lease Payments

Our assets under lease agreements consist mainly of industrial buildings and plant, machinery and equipment used in our businesses. The amounts reported above include the minimum future lease payments and payment commitments due under such leases.

Purchase Obligations

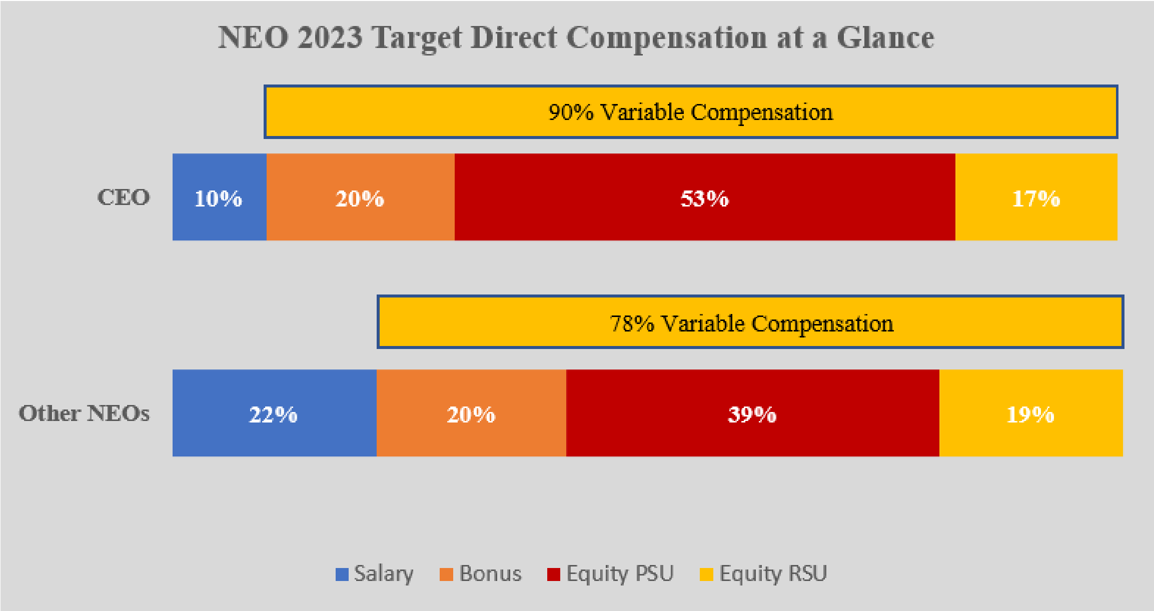
Our purchase obligations at December 31, 2023, included commitments to purchase tangible fixed assets, largely in connection with planned capital expenditures, in an aggregate amount of approximately $207 million.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion & Analysis ("CD&A") provides our shareholders and other stakeholders with information about CNH's performance, compensation framework, compensation decisions and associated governance for our Named Executive Officers ("NEOs") in 2023. Notwithstanding its status as a foreign private issuer, CNH, as part of a commitment to transparency and shareholder engagements, has voluntarily chosen to include a CD&A that combines the disclosures required under Dutch law and the Dutch Code in the remuneration section of our annual report, with the disclosure of information required of U.S. domestic filers (for example, the compensation of certain executive officers who are not members of our Board).

Scott W. Wine	Oddone Incisa	Derek Neilson	Stefano Pampalone	Marc Kermisch
Chief Executive Officer	Chief Financial Officer	President, Agriculture	President, Construction	Chief Digital and Information Officer
("CEO") (Executive Director on the Board of CNH)	("CFO")			

Table of Contents



Annual Bonus	2023 Equity Awards
Based 100% on corporate performance for CEO; based on a combination of corporate and individual performance for other NEOs	CEO target equity awards are delivered 75% in Performance Share Units ("PSUs") and 25% in Restricted Share Units ("RSUs"); other NEOs equity awards are delivered 67% in PSUs and 33% in RSUs
Corporate performance assessed based on Consolidated Adjusted EBIT Margin %, Consolidated Revenue @CC $, Cash Conversion Ratio %, CO_2 Emissions %, and Accident Frequency Rate	Corporate performance for PSUs assessed based on Cumulative Adjusted Diluted Earnings Per Share (EPS), Average Industrial Return on Invested Capital (RoIC), and Cumulative Relative Total Shareholder Return (TSR)
	Awards vest following a three-year performance and/or service period

Year in Review

Performance Highlights

In its second full year as a pure-play agriculture and construction business, the Company delivered record full year revenue and EBIT margins across both Agriculture and Construction segments, while the Financial Services segment achieved a record receivable portfolio balance and segment net income, bringing the consolidated company to achieve record net income and earnings per share. Headwinds from a slowing agriculture cycle, higher interest rates, and commodity price fluctuations created lower demand in some key markets, especially in South America. Given these conditions, the Company has been proactive in taking actions to drive cost reductions in the production system, initiated a comprehensive reduction plan to reduce selling, general, and administrative (SG&A) expenses, and drove margin expansion through disciplined commercial execution. Tireless efforts to simplify the company, expand through-cycle margins, and integrate world-class technology with great iron drives operational excellence. Furthermore, the Company prioritized investments in quality improvement and network development. Even in this challenging year, the Company returned an unprecedented $1.2 billion to shareholders through dividends and share repurchases.

The Company also continues to integrate recent acquisitions and is sustaining elevated investments in R&D relative to prior years, seeking to further its technological advancements and reaffirm a commitment to digital integration and enhancement. The Company launched 72 new products in 2023 and won several significant industry awards including the only Gold Innovation Medal at Agritechnica, seven AE50 awards from the American Society of Agricultural and Biological Engineers, and four Good Design awards. Additionally, the Company placed in the top 5% of over 9,000 companies rated in S&P's Global Corporate Sustainability Assessment and took second place overall in the Dow Jones World Index in the machinery and electric component category.

Over the last three years, under the leadership of CEO Scott Wine, the Company has achieved strong revenue growth (80th percentile) and net income (90th percentile) relative to companies in both the S&P 500 and S&P 500 Industrials indexes. The Company's rating was also raised in 2023 to BBB+ by S&P Global Ratings. These results, and the momentum generated for future business cycles, position the Company to continue creating value for shareholders, dealers, end customers, and team members.

Aligning Pay and Performance

The Company's business strategy includes enhancing culture, continuously improving productivity, and relentlessly innovating to drive profitable growth for customers, employees, shareholders, and all stakeholders. CNH's compensation program is designed to motivate employees to execute this strategy.

Based on the Scorecard summarized below and detailed further in the balance of this CD&A, the payout factors in respect to 2023 performance was 90.7% of target for the Company Bonus Plan and 183.3% of target for the PSU portion of the 2021-2023 Long-Term Incentive Plan.

2023 Company Bonus Plan Measure	Weight	Target	Actual	Actual vs. Target	Weighted Payout Factor
Consolidated Adjusted EBIT Margin %	40%	12.7%	13.1%	Exceeded Target	45.0%
Consolidated Revenues @ CC[1] ($M)	20%	$25,418	$24,651	Below Target	16.6%
Cash Conversion Ratio %	20%	70.0%	52.6%	Below Threshold	0.0%
CO_2 Emissions %	10%	-30.0%	-35.5%	Exceeded Target	20.0%
Accident Frequency Rate[2]	10%	0.141	0.100	Exceeded Target	9.0%[3]
Company Performance Payout Factor		**100.0%**			**90.7%**

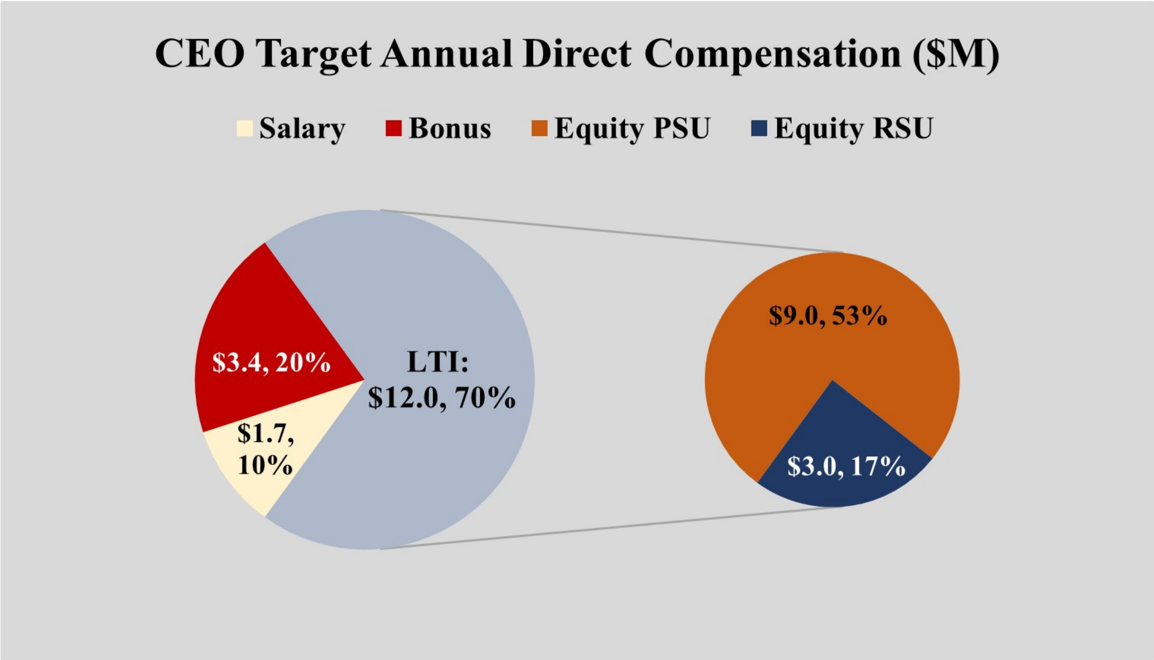
(1) At constant currency
(2) Accident Frequency Rate has a declining goal value for maximum payout, so a value lower than target indicates that the achievement level exceeded target.
(3) Discretionary downward adjustment made in Accident Frequency Rate Weighted Payout Factor.

2021-2023 Long-Term Incentive Plan Measures	Weighting	Target	Actual	Actual vs. Target	Weighted Payout Factor
Cumulative Adjusted Diluted Earnings per Share (EPS)	50%	$2.09	$4.44	Exceeded Target	100%
Average Industrial Return on Invested Capital (RoIC)	50%	10.1%	18.9%	Exceeded Target	100%
2021 Relative Total Shareholder Return (TSR)	± 25% Modifier, weighted at 33%	Ranked at Peer Group Median	Ranked 1st in Peer Group	Exceeded Target	125%
2022 - 2023 Cumulative Relative Total Shareholder Return (TSR)	± 25% Modifier, weighted at 67%	Ranked at Peer Group Median	Ranked 13th in Peer Group	Below Target	75%
Company Performance Payout Factor		**100.0%**			**183.3%**

CEO Compensation

Mr. Wine was appointed as CEO of CNH in 2021 and his target compensation is fixed for a period of five years, with all at-risk variable pay earned based on quantitative, objective, and quantifiable company performance. 90% of Mr. Wine's target compensation is variable in nature, with 70% of his target compensation coming in equity grants that must be held for a minimum of five years following the date of grant, further solidifying long-term shareholder alignment.

In 2021, Mr. Wine purchased 200,000 common shares of the Company and purchased an additional 150,000 shares in 2022. He held 100% of the 289,119 shares that vested in 2022 and the 289,120 shares that vested in 2023 from LTI grants, electing to pay 1.98 million in cash to cover tax withholding in lieu of selling shares in both 2022 and 2023.
In December 2023, he invested an additional $5.54 million under the company's nonqualified deferred compensation plan. The Company's share ownership guidelines and executive compensation practices ensure that this alignment with shareholders' interests will continue over time. Mr. Wine's share ownership significantly exceeds the threshold required by the guidelines, and investment of his own money in the Company's stock demonstrates the alignment between Mr. Wine's and the shareholders' interests during his tenure.



Mr. Wine's annual and long-term incentive payouts are based primarily on company performance payout factors, which are comprised of objective quantitative performance goals. Based on the achievements summarized above and detailed further in the CD&A, Mr. Wine earned an annual incentive equivalent to 90.7% of target and a PSU equivalent to 183.3% of target in 2023.

Compensation Design

Compensation Philosophy

CNH has a pay-for-performance culture that drives long-term value creation. Market-competitive pay is offered to recruit, motivate, and retain talent. Challenging strategic goals, aligned with the industry's cyclical nature, are set to reinforce a commitment to profitable growth, the environment, and sustainability. Executive compensation is highly variable, rewards performance, and aligns with stakeholder interests. Share ownership guidelines build long-term commitment and alignment with shareholders.

The compensation philosophy and programs are designed to instill a strong performance culture through pay for performance, rigorous performance management, and incentives aligned with company goals. The policy is reviewed and updated on a consistent basis to focus on shareholder value creation, ensure alignment with stakeholder interests, perform comparisons against key competitors, and reference market best practices related to compensation design.

Principle	How we achieve this at CNH
Pay for Performance	Compensation is based on merit, considering Company performance, individual performance, and promotion of Company values. A majority of NEO compensation is delivered through short and long-term at-risk elements.
Provide Competitive Compensation	Compensation levels are set to be competitive relative to a clearly defined, comparable, market-reference peer group targeting a median revenue broadly aligned with the Company.
Support Business Strategy & Goal Alignment	Compensation is linked to achievement of goals that align with our objectives.
Ensure Business Cycle Alignment	Driving toward alignment with other companies in the industry given the cyclical nature of agriculture and construction businesses.
Commitment to Sustainability	ESG-centric quantitative metrics are incorporated into bonus calculations for salaried participants. LTI participants have sustainability components tied to individual performance goals. Engagement surveys are conducted regularly covering the salaried population, with strategic adjustments and actions taken following results.
Align with 'Stakeholders' Interests	Performance goals align with the interests of our shareholders and other stakeholders. LTIs are delivered in Company stock, with PSUs subject to a relative TSR modifier. Shareholder ownership guidelines reinforce long-term thinking and a focus on sustainable value creation.
Comply with Regulations & Policies	Incentive-based compensation paid to executive officers are subject to the Company's Compensation Recovery Policy.
Support Share Ownership	Members of the Global Leadership Team (GLT) are subject to share ownership guidelines. Discretionary LTI awards are granted to select individuals in the talent pipeline and technical functions, representing over 35% of participants.

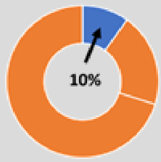
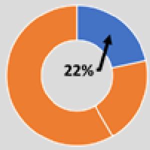
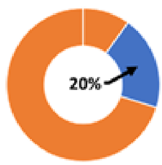
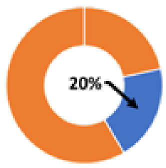
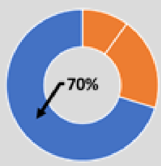
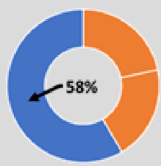
Strategic Alignment

Five priorities underpin the Company's strategic roadmap and are reflected across our compensation programs. The measures impacting compensation programs, especially regarding annual bonus and PSU awards, seek to align NEO compensation with a commitment to drive results for all stakeholders.

	Strategic Priorities				
	Customer Inspired Innovation	**Technology Leadership**	**Brand & Dealer Strength**	**Operational Excellence**	**Sustainability Stewardship**
	Financial Measures				
Annual Bonus					
Consolidated Adjusted EBIT Margin % *Measures success in optimizing productivity and focuses on profitable product and services sales mix*	X	X	X	X	X
Consolidated Revenues @ Constant Currency $ *Measures success in boosting customer demand for our products*	X	X	X	X	
Cash Conversion Ratio % *Measures success in working capital management and encourages informed capital expenditure decision-making*				X	X
PSUs					
Cumulative Adjusted Diluted EPS *Measures success in delivering bottom-line earnings*	X	X	X	X	X
Average Industrial Return on Invested Capital *Measures success in efficiently using capital*	X	X		X	X
Cumulative Relative TSR *Measures success in delivering superior market returns*	X	X	X	X	X
	Environmental, Social, & Governance ("ESG") Measures				
Annual Bonus					
CO_2 Emissions % *Measures success in promoting energy efficient operations*	X	X		X	X
Accident Frequency Rate *Measures success in improving workplace safety and encourages accountability for preventative action*				X	X

Compensation Framework

The following table summarizes the fundamental purpose and features of our core compensation elements for our NEOs in 2023.

2023 Target Compensation Mix			
Element and Purpose	**CEO**	**Other NEOs[1]**	**Key Features and Pay for Performance Rationale**
Base Salary *Attract and retain well-qualified executives; provide sufficient fixed pay to discourage inappropriate risk-taking.*			Fixed cash compensation Set based on the NEO's role, market data, skills, geographic scope, and prior experience
Annual Bonus *Focus and drive near-term business priorities; motivate achievement of objectives critical to annual operating and strategic plans, safety, and sustainability.*			At risk variable cash compensation **No change from 2022** Earned based on achieving quantifiable performance objectives For any incentive to be earned, a minimum level of Consolidated Adjusted EBIT Margin % must be achieved No guaranteed minimum Threshold provides for 30% of the target opportunity Maximum capped at 200% of the target opportunity CEO's incentive is based 100% on Company performance; other NEOs' incentives are based on a combination of Company performance and an individual performance modifier range of 0%-125% Subject to the Compensation Recovery Policy (clawback)[2]
Long Term Equity Incentives *Encourage achievement of long-term strategic objectives; encourage stock ownership and retention; motivate sustainable value creation; align NEOs' interests with those of shareholders.*			Incentive linked to long-term value creation **No change from 2022 in mix of awards, vesting schedule, and maximum payout levels, adjusted 2023-2025 thresholds per market practice** Combination of PSUs (75% CEO; 67% other NEOs) and RSUs (25% CEO; 33% other NEOs) At-risk variable PSUs earned based on achievement of quantifiable performance objectives, with the maximum number of shares that can be earned capped at 200% of target CEO awards subject to five-year holding period from the date of grant Subject to the Compensation Recovery Policy (clawback)[2]
Benefits and Contractual Agreements *Attract and retain well-qualified leaders by providing post-employment security and other benefits.*			See Benefits Summary table by NEO in the Benefits Section Alignment with local market norms extended to other employees Certain provisions and contractual terms for certain Global Leadership Team members

(1) "Other NEOs" column reflects the average for the non-CEO NEOs calculated in local currency.
(2) No variable remuneration has been clawed-back, and no variable remuneration has been adjusted retroactively from Executive or Non-Executive Directors or Other NEOs as no relevant occurrence was identified.

Compensation Policies and Practices

The compensation framework is supported by various Company policies and practices that further support the compensation philosophy and reflect CNH's high corporate governance standards. The policies also reflect the global nature of the executive leadership team and are designed to align with local market norms where relevant.

Set **challenging performance targets** with pre-determined stretch goals set at the beginning of the performance period
Pay for performance, balancing short- and long-term time horizons, conducting scenario analyses to assess alignment
Deliver the **majority** of NEO compensation in the form of **at-risk, performance-based pay**
Maintain **robust share ownership guidelines**
Apply a **clawback policy** to all incentive pay
Consider pay ratios when establishing NEO compensation
Operate a **simple, transparent** structure with goals, values and performance management that cascades through the Company
Double trigger equity treatment applies on a change in control
Apply a **five-year holding period** to CEO equity awards from the date of grant
Encourage **prudent risk taking** and design programs that do not encourage unnecessary or excessive risk
Apply **caps** to incentive payouts (200% of target) and permit no payout for performance below threshold
Prohibit guaranteed compensation and loans for NEOs
Avoid excessive compensation practices
Engage with our shareholders to inform decision making

Compensation Governance

Role of the HCC Committee

The Human Capital & Compensation Committee (the "HCC Committee") is comprised of three directors, two of whom are independent; independence of all the members of the Committee is not required per foreign private issuer status. The directors are responsible for oversight of executive compensation, the Company's remuneration policy, compensation of non-executive directors, and broader human capital management matters, in accordance with Dutch laws and the Dutch Corporate Governance Code (the "DCGC").

In undertaking its role, the HCC Committee has continued interaction with the CEO, Executive Chair, and other members of the Global Leadership Team, including the Chief Human Resources Officer (the "CHRO") and Head of Total Rewards. No individual is present when the HCC Committee considers and discusses matters concerning such individual's compensation. The Company also engages a compensation consultant, WTW, who routinely provides support to the HCC Committee upon request, across a broad range of compensation matters, inclusive of peer group development, market benchmarking, and incentive compensation design. The HCC Committee invites WTW to attend meetings at the Committee's discretion.

Use of Market Data

The Company periodically benchmarks its executive and NEO compensation programs utilizing a pre-approved peer group. In 2022, the HCC Committee approved a revised peer group, reflective of CNH's size and primary industry classification (the “2022 Compensation Peer Group”). The Company has retained the same peer group for 2023 (the “2023 Compensation Peer Group”).

Although CNH is headquartered in the U.K., the U.S. market has a prominent impact on the business. This is evidenced by a strong commercial presence in the U.S., robust returns generated by such presence, a high concentration of peer companies and competitors in the U.S., relevant talent markets, and nationalities represented in the leadership team. Accordingly, the compensation peer group appropriately reflects this reality.

As in 2022, the 2023 Compensation Peer Group is comprised of a combination of companies based in the U.S. and Europe with a view to positioning CNH around the median of key financial scoping criteria, primarily revenue and market capitalization. When the current Compensation Peer Group was approved by the HCC Committee in 2022, the Company ranked at the 46th percentile on projected 2022 revenue, and the 38th percentile on market capitalization amongst its peers.

Compensation Peer Group

Ticker	Company	European Listed Companies	U.S. Listed Companies
ACS	ACS(1)	X	
AGCO	AGCO Corporation		X
ALO	Alstom SA	X	
CAT	Caterpillar Inc.		X
CON	Continental Aktiengesellschaft	X	
CMI	Cummins Inc.		X
DE	Deere & Company		X
GD	General Dynamics Corporation		X
ITW	Illinois Tool Works Inc.		X
KGX	KION GROUP AG	X	
PCAR	PACCAR Inc		X
PH	Parker-Hannifin Corporation		X
SAND	Sandvik AB	X	
VOLV.B	AB Volvo	X	
WAB	WABTEC(2)		X

(1) Actividades de Construcción y Servicios, S.A.
(2) Westinghouse Air Brake Technologies Corporation

When benchmarking compensation for the NEOs other than Mr. Wine, the Company considers a combination of available data provided by its consultant, WTW, and internal resources. Similar principals are used in identifying survey peers based on size and industry applicability. In assessing compensation levels, the Company primarily references median figures, considering various factors, such as location, scope of role, and experience in setting individual NEO pay relative to median.

Compensation Risk

The Company is committed to maintaining and enhancing a culture focused on integrity and accountability. The Company has adopted several policies, including those detailed below, that reflect organizational culture and compensation principles of aligning executives' interests with long-term shareholder value creation and encouraging prudent risk taking. Additionally, the compensation tool used to allocate and distribute bonus and LTI awards to participants has internal safeguards, like preventative budget caps for teams and functions, to provide live audits of compensation practices. Furthermore, an internal risk analysis analyzing multiple variable compensation components was completed and validated for thoroughness by an external consultant, and control procedures have been reviewed and validated by external auditors. We have concluded that CNH's executive compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

Share Ownership Requirements

NEOs are subject to robust stock ownership guidelines, which require them to build up an interest in CNH stock over time as summarized below.

Minimum Requirements	CEO: five-times base salary with an interim milestone of two and a half-times base salary as of December 31, 2022 Other NEOs: three-times base salary
Time Horizon	Within five years of policy implementation (2021) or a NEO's date of appointment as applicable
Covered Equity Interests	Beneficially owned shares or shares in which the executive has a beneficial interest, e.g., owned by a spouse Unvested awards do not count towards the requirement
Retention Requirement	The CEO must hold vested shares for five years from grant date Other NEO's must hold 50% of net shares following vesting until the share ownership requirement is met

At the end of 2023, all NEOs were progressing towards their share ownership requirement within the permitted five-year time horizon or in compliance with their respective share ownership requirement.

Compensation Recovery Policy

The Company's compensation recovery policy (the “Compensation Recovery Policy”) was adopted effective November 2, 2023, in accordance with SEC requirements and the NYSE listing standards. The Compensation Recovery Policy authorizes the Company to recover, or "clawback", certain incentive compensation erroneously awarded predicated upon achieving financial results and the financial results are subsequently subject to an accounting restatement.

Covered Employees	All current or former executive officers.
Triggering Events	An accounting restatement resulting from material noncompliance with financial reporting requirements under securities laws.
Covered Compensation	Any compensation that is granted, earned, or vested based wholly or in part on the attainment of a Financial Reporting Measure, where Financial Reporting Measures are measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures, regardless of whether such measures are presented within the Company’s financial statements or included in a filing with the Securities and Exchange Commission.
Time Horizon	Incentive compensation received during the three-year period preceding the date on which the Company is required to prepare an accounting restatement

No recovery of incentive compensation was warranted under any of the Company's incentive plans during 2023.

2023 Compensation Decisions and Outcomes

The following sections detail NEO compensation and incentive outcomes for 2023.

Base Salary

As previously disclosed, the CEO's target compensation, including his base salary, is fixed for the five-year duration of his employment agreement.

NEO	2022 Base Salary (USD)[(1)]	2023 Base Salary (USD)[(1)]	Increase
Scott W. Wine	1,700,000	1,700,000	—
Oddone Incisa	681,219	708,468	4.0%
Derek Neilson[(2)]	584,116	636,686	9.0%
Stefano Pampalone	556,200	575,667	3.5%
Marc Kermisch[(2)]	500,000	525,000	5.0%

(1) The base salaries of Messrs. Incisa, Neilson, and Pampalone are converted to U.S. dollars at the 2023 full year average exchange rate for both 2022 and 2023 for a constant currency comparison per the following table:

NEO	Local Currency	2023 Average Exchange Rate
Oddone Incisa	EUR	1.0813
Derek Neilson	GBP	1.2428
Stefano Pampalone	CHF	1.1124

(2) Relatively higher salary increases reflect strong performance and the Iron/Digital integration.

Annual Cash Incentives

The NEOs’ annual variable compensation, delivered under the Company Bonus Plan (the "CBP"), is contingent on the achievement of pre-established, rigorous financial measures and other designated performance objectives, including ESG-related key performance indicators ("KPIs"). The goals of the incentive plan align with the Company's five strategic priorities, which in addition to customer service, emphasize safety, quality, delivery, and profitability for all stakeholders. Awards under the CBP are subject to our Compensation Recovery Policy.

TARGET BONUS OPPORTUNITY	X	COMPANY PERFORMANCE	X	INDIVIDUAL PERFORMANCE	=	EARNED BONUS
75% - 200% of year-end salary		0% – 200% of target		CEO: N/A[(1)] Other NEOs: 0% – 125% of target		To earn any bonus, a threshold hurdle rate of Consolidated Adjusted EBIT Margin % must be achieved

Subject to an overall cap of 200% of target

(1) No subjective discretion by the Board in determining the outcomes of the CEO's bonus, in alignment with Company policy developed in reference to the Dutch Corporate Governance Code (DCGC) at the time of hiring.

The HCC Committee approved the 2023 compensation design with reference to CNH's strategic priorities, communicated goals and market practices. With respect to annual bonuses, a threshold hurdle rate of Consolidated Adjusted EBIT Margin % must be achieved. Company performance is assessed based on three financial performance measures and two ESG measures, with established threshold, target, and maximum goals. Achieving threshold performance earns 30% of the target opportunity, and maximum performance earns 200% of the target opportunity.

2023 CBP Measures[1]	Weight	Definition
Consolidated Adjusted EBIT Margin %	40%	Consolidated Adjusted EBIT divided by Consolidated Revenues, pay out will only occur if result is at or above 70% of target
Consolidated Revenues @ CC ($M)	20%	Consolidated Revenues in constant currency
Cash Conversion Ratio %	20%	Free Cash Flow of Industrial Activities divided by Adjusted Net Income
CO_2 Emissions %	10%	Reduction in emissions versus 2018, measured as percentage change in tons of CO_2 emissions per hours of production in manufacturing
Accident Frequency Rate	10%	Number of injuries divided by the number of hours worked multiplied by 100,000

(1) CNH adjusts U.S. GAAP financial measures for purposes of financial performance measure to ensure the results properly reflect management contributions.

CBP Outcomes

The following goals and achievements applied for 2023, with the HCC Committee approving a Company performance payout factor of 90.7% of target.

Measure[1]	Weight	Threshold	Target	Maximum	Actual	Actual vs. Target	Weighted Payout Factor
Consolidated Adjusted EBIT Margin %	Hurdle[2]	8.9%	N/A	N/A	13.1%	Exceeded	N/A
Consolidated Adjusted EBIT Margin %	40%	11.1%	12.7%	15.9%	13.1%	103.1%	45.0%
Consolidated Revenues @CC ($M)	20%	$22,241	$25,418	$29,231	$24,651	97.0%	16.6%
Cash Conversion Ratio %	20%	59.5%	70.0%	105.0%	52.6%	75.1%	—%
CO_2 Emissions %	10%	-28.5%	-30.0%	-34.5%	-35.5%	118.3%	20.0%
Accident Frequency Rate[3]	10%	0.148	0.141	0.120	0.100	129.1%	9.0%[4]
Company Performance Payout Factor	**100%**	**30%**	**100%**	**200%**	**—**	**—**	**90.7%**

(1) CNH adjusts U.S. GAAP financial measures for purposes of financial performance measures to ensure the results properly reflect management contributions.
(2) If this hurdle level of Consolidated Adjusted EBIT Margin is not achieved, no annual cash incentive will be paid regardless of the level of performance achievement in respect to the other measures.
(3) Accident Frequency Rate has a declining goal value for maximum payout, so a value lower than target is an exceeds target achievement.
(4) Discretionary downward adjustment made in Accident Frequency Rate Weighted Payout Factor.

While the CEO is only subject to the company performance factor and any negative discretion applied by the HCC Committee, other NEOs' awards are also subject to an individual performance factor, which can range from 0% - 125%, based on achievements against previously determined performance goals. Following an assessment of individual performance during 2023, the HCC Committee approved individual performance factors ranging from 100% - 110% of target.

The table below summarizes the resulting annual cash incentives in U.S. dollars earned by the NEOs under the CBP in respect to 2023 performance, which are scheduled to be paid in March 2024:

Named Executive Officer	Eligible Earnings (USD)[1]	Bonus Target%	Target Annual Cash Incentive (USD)[1]	Individual Performance Modifier	Company Performance Factor	2023 Earned Annual Cash Incentive (USD)[1][6]
Scott W. Wine[3]	1,700,000	200%	3,400,000	N/A[2]	90.7%	3,083,800
Oddone Incisa	702,180	100%	702,180	100%	90.7%	636,886
Derek Neilson[4]	623,544	100%	623,544	110%	90.7%	622,146
Stefano Pampalone	570,800	100%	570,800	105%	90.7%	543,630
Marc Kermisch[5]	518,750	75%	389,063	110%	90.7%	388,200

(1) The non-U.S. eligible earnings, target, and earned annual cash incentives of Messrs. Incisa, Neilson, and Pampalone are converted to U.S. dollars at the 2023 full-year average exchange rate as previously disclosed in the Base Salary section above.
(2) No subjective discretion by the Board in determining the outcomes of the CEO's bonus, in alignment with Company policy developed in reference to the Dutch Corporate Governance Code (DCGC) at the time of hiring.
(3) See the breakout of Mr. Wine's CBP payment by each KPI in the Dutch disclosures section of this Remuneration report.

(4) Performance modifier reflects Mr. Neilson's strong performance, specifically overachieving on EBIT, playing an integral role in cost-cutting initiatives, and assisting in the integration of Digital and Technology teams.

(5) Performance modifier reflects Mr. Kermisch's efforts in dual roles during 2023 as interim CTO and Chief Digital and Information Officer, while continuing to drive Precision growth.

(6) Earned annual cash incentives of Messrs. Incisa, Neilson, and Pampalone are paid in local currency, which is rounded to the nearest hundred.

Equity Incentives

Equity incentives delivered under the LTI plan are a vital component of the NEOs' overall reward packages. Equity incentives support the Company's long-term strategy and recognize the NEOs' leadership and achievement of strategic objectives. Since 2022, the Company grants equity awards on an annual basis, whereas awards granted in and prior to 2021 were made on a 'front-loaded' basis, meaning awards were generally made once every three years. This change was made in response to shareholder feedback, to better align our design with competitive market norms, to enhance the retention impact of awards, and to maximize alignment with strategic priorities. Equity is delivered in a combination of PSUs and RSUs, both of which are subject to the terms of the Compensation Recovery Policy. The Company does not pay dividends or dividend equivalents on PSUs and RSUs.

Named Executive Officer	Target Annual LTI Opportunity (USD)[1]	PSU Weight	RSU Weight
Scott W. Wine[2]	12,000,000	75%	25%
Oddone Incisa	2,656,754	67%	33%
Derek Neilson	2,387,574	67%	33%
Stefano Pampalone	1,151,334	67%	33%
Marc Kermisch[3]	1,050,000	67%	33%

(1) The non-U.S. target LTI of Messrs. Incisa, Neilson, and Pampalone are converted to U.S. dollars at the 2023 full year average exchange rate as previously disclosed in footnote under the Base Salary section.

(2) Mr. Wine is required to hold any shares that vest for a period of up to five years from the date of grant. Other NEOs are required to hold 50% of net shares that vest to the extent that they have not achieved their stock ownership guideline.

(3) Part of Mr. Kermisch's compensation included a one-time $500,000 award related to his dual role as interim CTO during part of 2023 until the new CTO came onboard.

2023-2025 Performance Share Unit ("PSU") Awards

The performance measures for the 2023 PSU awards comprise two weighted financial metrics and a modifier based on the Company's TSR performance relative to a group of our peers. All measures are calculated over the period of January 1, 2023 - December 31, 2025.

50% Adjusted EPS	**+**	**50% Industrial ROIC**	**x**	**0.75x – 1.25x Relative TSR Multiplier**	**=**	**FINAL PAYOUT**

2023–2025 PSU Measures[1]	Weight	Definition
Cumulative Adjusted Diluted Earnings per Share (EPS)	50%	Net income (loss) excluding any nonrecurring items (after tax), divided by the weighted average outstanding number of common shares on a fully diluted basis, measured on a cumulative basis
Average Industrial Return on Invested Capital (RoIC)	50%	Adjusted EBIT (after-tax) divided by Average Industrial Invested Capital, calculated as a three-year average
Cumulative Relative Total Shareholder Return (TSR)	Modifier	Three-year TSR measured relative to peers, calculated using a twenty-one day moving average method (further detail below)

(1) CNH adjusts U.S. GAAP financial measures for purposes of financial performance measures to ensure the results properly reflect management contributions.

The payout ranges for PSU awards range from a threshold of 30% of target (can be modified up/down based on Relative TSR Modifier for final payout of 22.5% - 37.5%) to a maximum of 200% of target (capped, regardless of Relative TSR Modifier) for outstanding performance. If the threshold performance for either goal is not achieved, none of the PSUs will vest.

Average of 2023–2025 Industrial RoIC							
Outstanding	**≥ 23.9%**	90%	115%	150%	165%	**200%**
Above Target	**22.4%**	65%	90%	125%	**150%**	165%
Target	**21.3%**	50%	65%	**100%**	125%	150%
Below Target	**18.1%**	35%	**50%**	65%	90%	115%
Threshold	**≥12.2%**	**30%**	35%	50%	65%	90%
		≥$3.11	**$4.50**	**$5.29**	**$5.86**	**≥$6.43**
		Threshold	**Below Target**	**Target**	**Above Target**	**Outstanding**
		Cumulative 2023–2025 Adjusted Diluted EPS				

	Cumulative Relative TSR Modifier		
	Outstanding	**≥75th Percentile**	**1.25**
x	**Target**	**50th Percentile**	**1.00**
	Threshold	**≤ 25th Percentile**	**0.75**

Linear interpolation applies for performance between the threshold, target, and maximum performance levels. The maximum payout is subject to an overall cap of 200% of target.

Relative TSR performance will be assessed against a single peer group (the "2023 TSR Peer Group") of sixteen companies that reflect both the agriculture and construction equipment aspects of our business. The 2023 TSR Peer Group is set forth in the table below.

Ticker	Company	Country	Agriculture	Construction
6301	Komatsu Ltd.	Japan		X
6326	Kubota Corporation	Japan	X	
AGCO	AGCO Corporation	USA	X	
ALO	Alstom SA	France		X
BUCN	Bucher Industries AG	Switzerland	X	X
CAT	Caterpillar Inc.	USA		X
CMI	Cummins Inc.	USA	X	X
DE	Deere & Company	USA	X	X
HUSQ.B	Husqvarna AB	Sweden	X	
KGX	KION GROUP AG	Germany		X
SAND	Sandvik AB	Sweden		X
TEX	Terex Corporation	USA		X
TTC	The Toro Company	USA	X	
TRMB	Trimble Inc.	USA	X	X
VOLV.B	AB Volvo	Sweden		X
WAB	WABTEC(1)	USA		X

(1) Westinghouse Air Brake Technologies Corporation

Performance in respect of all measures will be assessed over the three-year period ending December 31, 2025, with any earned PSUs vesting in 2026 following approval from the HCC Committee.

2021 - 2023 PSU Awards

Effective January 1, 2022, CNH and Iveco Group N.V. (the "Iveco Group") separated under Dutch law as a demerger (the "Demerger"), splitting into the Off-Highway Business (Agriculture, Construction, and related Financial Services business) and On-Highway Business (Commercial and Specialty Vehicles, Powertrain, and related Financial Services business) respectively. As a result of the Demerger, the performance period of the 2021-2023 PSU awards spans pre- and post-Demerger periods. The HCC Committee realigned the performance conditions for the proportional post-Demerger CNH scope of business operations only. The HCC Committee sought to ensure that the performance goals remained challenging and reflected the same degree of stretch after the perimeter adjustment.

The 2021 PSU awards were subject to a different performance matrix than the one used for the 2023 PSUs, assessing Cumulative Adjusted Diluted EPS, Average Industrial RoIC, and a Cumulative Relative TSR modifier. To reflect the Demerger, the HCC Committee approved updated Adjusted Diluted EPS and Industrial RoIC goals to simply reflect the Company's contributions to the original pre-Demerger targets. In addition, the HCC Committee determined that the TSR component would be assessed relative to the original peer group for 2021 performance, and the updated peer group disclosed in respect of the 2022 PSUs for the remaining two years of the performance period. The resulting modifier would be weighted one-third based on 2021 performance and two-thirds based on 2022 – 2023 performance when determining a final outcome.

The adjusted 2021–2023 performance goals, restated to reflect the Company's (off-highway) performance contributions contemplated in the original goals, are as follows:

Average 2021–2023 Industrial RoIC	**Outstanding**	**≥ 12.0%**	100%	125%	150%	**200%**
	Target	**10.1%**	50%	75%	**100%**	150%
	Threshold	**8.4%**	25%	**50%**	75%	125%
	Threshold	**< 8.4%**	**0%**	25%	50%	100%
			< $1.67	**$1.67**	**$2.09**	**≥ $2.51**
			Threshold	**Threshold**	**Target**	**Outstanding**
			Cumulative 2021 - 2023 Adjusted Diluted EPS			

x

Cumulative Relative TSR Modifier		
Outstanding	**≥ 75th Percentile**	**1.25**
Target	**50th Percentile**	**1.00**
Threshold	**≤ 25th Percentile**	**0.75**

The Relative TSR modifier for 2021 has been assessed relative to the original peer group (below). The Company ranked first relative to these companies for 2021, so one-third of the final relative TSR modifier is scored at 1.25.

Ticker	Company	Country	Agriculture	Construction	Other
6301	Komatsu Ltd.	Japan		X	
6326	Kubota Corporation	Japan	X		
8TRA	Traton SE	Germany			X
AGCO	AGCO Corporation	USA	X		
CAT	Caterpillar Inc.	USA		X	
CMI	Cummins Inc.	USA	X	X	
DE	Deere & Company	USA	X	X	
PCAR	PACCAR Inc.	USA			X
VOLV.B	AB Volvo	Sweden		X	

The relative TSR modifier for 2022 and 2023 has been assessed relative to the 2023 TSR Peer Group disclosed in respect to the 2023 PSUs for the final two years performance period. The Company ranked 13th relative to these companies over the last two years of the plan, so two-thirds of the final relative TSR modifier is scored at 0.75.

The 2021-2023 PSU payout rewards strong financial achievement, headlined by the maximum 200% achievement on 3-year Cumulative Adjusted Diluted EPS and Average Industrial RoIC. In 2021-2023, the Company's Cumulative Adjusted Diluted EPS performance was 212.4% of approved goals across all three years and the Average Industrial RoIC actual performance was 186.8% of the target metrics in the same time span. The overall relative TSR resulted in a modifier of 92% over the three-year period. The final payout modifier on PSUs for the 2021-2023 period is 183.3%.

Benefits

The Company seeks to align NEO benefits with local market norms and to provide eligible NEOs with participation in broader employee benefits programs offered in the countries where each NEO is based. Some provisions are specific to the NEO's Global Leadership Team role. The following table summarizes the key benefits offered to each of the NEOs:

Benefits Summary		Wine, Scott W. CEO	Incisa, Oddone CFO	Neilson, Derek President, Agriculture	Pampalone, Stefano President, Construction	Kermisch, Marc Chief Digital and Information Officer
Post-Employment Benefits	**Defined Contribution**(1)	401(k) & NQ Deferred Compensation Plans	Italy contract DC Plan: FIPDAF	U.K. DC plan: GPP and supplemental benefits	Swiss DC plan: LPP (second pillar)	401(k) & NQ Deferred Compensation Plans
	Pension(2)	N/A		Closed DB effective Feb 1, 2020; prior service benefits	N/A	
	U.S. Retiree Healthcare(3)	Vests after five years CEO service and minimum age of 55	N/A			Vests after five years GLT service and minimum age of 50
Other Benefits	**Car Benefit**(4)	Per country lease car policy			Reimbursement in lieu of Swiss leased car	Per country lease car policy
	Personal Usage of Corporate Aircraft(5)	Limited to 175 flight hours per year	N/A			
	Benefit Allowances(6)	N/A			Legacy international transfer benefits	N/A
	Tax Equalization(7)	N/A				N/A
Contractual Agreements	**Country of Agreement**	U.S. employment agreement	Italy national contract plus 2019 GLT terms agreement	U.K. employment agreement with union provisions plus 2019 GLT terms agreement	Swiss employment agreement plus 2019 GLT terms agreement	U.S. employment agreement
	Restrictive Covenants(8)	One year Non-Compete and Non-Solicitation	One year Non-Compete and Non-Solicitation	Two year Non-Compete and Non-Solicitation	One year Non-Compete and Non-Solicitation	Two year Non-Compete three year Non-Solicitation
	Severance(9)	12 months	34 months	24 months	17 months	24 months

(1) All NEOs participate in the defined contribution plans in their respective countries. In the U.S., CNH also has a non-qualified deferred compensation plan that allows contributions over the qualified 401(k) plan limits to continue plus allows additional elective deferrals. There are no supplemental plans offered by the Company in Italy or in Switzerland. For Mr. Neilson, contributions made into the U.K. GPP are over tax limits and as such are taxable and covered by the Company. Additional supplemental contributions are paid as he earns them and are his tax responsibility.

(2) Mr. Neilson has a U.K. defined benefit that has been closed to service accruals as of February 1, 2020.

(3) Messrs. Wine and Kermisch are eligible for post-employment supplemental retiree healthcare if they remain employed until age 55 and have five years as CEO and age 50 and have five years of Global Leadership Team member service, respectively.

(4) Global Leadership Team members' benefits follow their respective country's car lease policy with the exception of a larger variety of brands and models available, if available in their country. Mr. Pampalone receives reimbursement for a car leased in Italy in lieu of a Swiss leased car. Mr. Kermisch elects not to use the leased car benefit available per the U.S. policy for Executives.

(5) The CEO's personal use of private aviation for commuting from his residence to Chicago is limited to 100 flight hours per year and additionally for a maximum of 75 hours per year of other personal travel. Any taxes associated with the use of the aircraft will be the sole responsibility of the CEO.

(6) Mr. Pampalone receives an annual housing allowance of CHF 30,000, taxable to him, as part of a legacy agreement when he transferred to Lugano Switzerland from Italy in December 2012.

(7) Mr. Pampalone's position is based in Lugano, Switzerland but he also maintains tax residency in Italy. Per his employment agreement, his tax is equalized to Switzerland taxes, meaning the Company pays any higher Italy taxes, net (grossed up).

(8) There is no additional compensation during the restrictive covenant period(s) as their Global Leadership Team terms and conditions are deemed full consideration for the restrictions.

(9) See the table for "Potential Payments at Termination" for estimates based on eligibility as of December 31, 2023 and explanation of benefits. The eligible pay for Mr. Incisa's months of severance is base salary, the average of 3-year bonus and car benefit. The other NEO's eligible pay is base salary.

Additional Information

HCC Committee Report

The HCC Committee has reviewed and discussed with management the CD&A set forth above. Based on such review and discussions, the HCC Committee recommended to the Board that the CD&A be included in the Proxy Statement for filing with the SEC and in the Remuneration section of our IFRS Annual Report.

Elizabeth Bastoni (Chair)

Alessandro Nasi

Howard W. Buffett

Executive Compensation Tables

In this section, we provide tabular and narrative information regarding the compensation of our NEOs for the 2023 fiscal year. All values are in US dollars unless otherwise noted.

Fiscal 2023 Summary Compensation Table

Name and Principal Position	Year	Salary[1][2]	Bonus $[3]	Stock Awards $[4]	Non-equity Incentive Plan Compensation[5][6][7]	Change in Pension Value and Nonqualified Deferred Compensation Earnings[8][9]	All Other Compensation[10]	Total
Scott W. Wine *CEO*	2023	1,700,000	2,355,000	10,407,703	3,083,800	74,046	478,056	18,098,605
	2022	1,700,000	4,248,000	11,511,892	4,960,300	18,640	476,829	22,915,662
	2021	1,700,000	1,573,133	36,090,720	5,100,000	2,588	337,846	44,804,287
Oddone Incisa *CFO*	2023	702,159	—	2,424,600	636,886	—	231,305	3,994,950
	2022	663,421	—	2,470,857	1,064,632	—	323,954	4,522,864
	2021	679,773	—	—	1,587,829	—	156,117	2,423,719
Derek Neilson *President, Agriculture*	2023	623,549	—	2,262,364	622,146	151,868	130,376	3,790,304
	2022	580,389	—	2,177,993	1,058,407	—	119,959	3,936,748
	2021	646,679	—	—	1,527,815	—	173,559	2,348,053
Stefano Pampalone *President, Construction*	2023	570,791	—	1,041,122	543,630	—	252,470	2,408,013
	2022	524,056	—	1,010,805	688,086	—	240,749	2,463,696
	2021	546,984	—	—	1,148,667	—	237,386	1,933,037
Marc Kermisch *Chief Digital & Information Officer*	2023	514,423	—	1,392,421	388,200	—	62,165	2,357,209
	2022	400,000	—	791,868	437,700	—	73,522	1,703,091
	2021	269,231	174,000	1,982,894	425,300	—	—	2,851,425

(1) For Mr. Wine, the amounts include deferrals into the CNH Industrial Deferred Compensation Plan. Salary amounts deferred in 2023 are shown in the Fiscal 2023 Nonqualified Deferred Compensation Table.

(2) For the non-U.S. based NEOs, their local currency base earnings were converted to USD using the average year exchange rate. For each fiscal year, the table below shows the exchange rates (USD per local currency) used for each of the non-U.S. based NEOs:

Name	Local Currency	2023 Average Exchange Rate	2022 Average Exchange Rate	2021 Average Exchange Rate
Oddone Incisa	EUR	1.0813	1.0530	1.1827
Derek Neilson	GBP	1.2428	1.2348	1.3759
Stefano Pampalone	CHF	1.1124	1.0481	1.0940

(3) The amount in 2023 was the second of three annual installments of a cash award totaling $7.578M which replaces the CEO's forfeited long-term awards from his prior employer which were not covered under the CNH 2021-2023 LTI awards. The third installment is $0.975M and was paid in January 2024 and will be reported in the Company's executive compensation disclosure for fiscal 2024. The amount in 2021 was a cash sign-on bonus paid to Mr. Wine upon hiring to compensate for the forfeited 2020 bonus from the prior employer.

(4) Represents the aggregate grant date fair value of PSUs and RSUs computed in accordance with FASB ASC Topic 718. The values in this column exclude the effect of estimated forfeitures. Assumptions made in the calculation of these amounts are included in Note 21, "Equity," of our Consolidated Financial Statements. For PSUs, the value at the grant date is based upon a target payout of the performance metric over the three-year performance period. For the 2023 PSUs, if the highest level of payout were achieved, the value of the PSU awards as of the grant date would be as follows: $18.269M (Wine), $4.064M (Incisa), $3.792M (Neilson), $1.745M (Pampalone), and $2.334M (Kermisch). RSUs will vest three years after the grant date, at which time they may be settled in CNH common stock. Refer to the Fiscal 2023 Grants of Plan-Based Awards table for a detailed description of the grant date fair value of stock awards.

(5) Based on actual company performance, as discussed in the CD&A under "CBP Outcomes" in the Annual Cash Incentive section, the NEOs earned a Company Bonus Plan (CBP) award equal to 90.7% of the target opportunity. The awards for NEOs other than the CEO were adjusted for individual performance by a factor that ranged from 100% to 110%.

(6) Mr. Wine defers 50% of the earned Company Bonus Plan (CBP) bonus into the CNH Industrial Deferred Compensation Plan. Bonus amounts deferred in 2023 are shown in the Fiscal 2023 Nonqualified Deferred Compensation Table and relate to the 2022 plan year bonus.

(7) Messrs. Incisa, Neilson and Pampalone local currency cash bonuses were converted to USD using the full year average exchange rate for the given year, as shown in the Base Salary section above.

(8) For Mr. Wine, the amounts include above market interest earned on deferred compensation for each year.

(9) For Mr. Neilson, the amount includes the change in value of his defined benefit plan accumulated benefit. The U.K. CNH Pension Scheme was discontinued effective January 31, 2020, for additional service, but benefits increase annually for inflation as measured by the U.K. retail price index (RPI).

(10) All Other Compensation incurred in fiscal 2023 is detailed and explained in the following table:

Name	Car[a]	Personal Usage of Corporate Aircraft[b]	Benefit Allowances[c]	Tax Equalization[d]	Retiree Healthcare[e]	Defined Contribution Savings Plan Company Contributions[f][g][h]	Total
Scott W. Wine	22,343	177,609	—	—	74,104	204,000	478,056
Oddone Incisa	9,661	—	—	—	—	221,644	231,305
Derek Neilson	50,918	—	—	—	—	79,459	130,377
Stefano Pampalone	19,756	—	33,371	14,023	—	185,319	252,469
Marc Kermisch	—	—	—	—	32,204	29,961	62,165

(a) The NEOs are eligible for a leased car pursuant to the Company's car policy in each country in connection with the Company's arrangements with Stellantis N.V.. The values provided above reflect the value of each NEO's selected car, as selected from a list of Fiat Chrysler brands and per the respective NEO's countries' tax code. Mr. Kermisch does not utilize the lease car benefit that is available under the U.S. car policy.

(b) The Company has a lease arrangement with NetJets for corporate business and limited personal usage purposes. Per Mr. Wine's employment agreement, the CEO is entitled to limited personal usage of the aircraft.

(c) Mr. Pampalone receives an annual housing allowance of CHF 30,000, taxable to him, as part of a legacy agreement when his role transferred to Lugano, Switzerland from Italy in December 2012.

(d) Mr. Pampalone's position is based in Lugano, Switzerland but he is a resident of Italy for tax purposes. Per Mr. Pampalone's employment agreement, he is tax equalized to Switzerland taxes, meaning the Company pays any amount in respect of Italian taxes that would result in Mr. Pampalone's net taxes exceeding what he otherwise would have paid in Switzerland.

(e) Messrs. Wine and Kermisch are eligible for post-employment supplemental retiree healthcare if they remain employed until age 55 and have five years as CEO and age 50 and have five years of Global Leadership Team member service, respectively. The amount is the annual service cost of the future potential benefits per the annual actuarial valuation.

(f) All the NEOs participate in their countries' defined contribution plan for Salaried employees and in the case of Mr. Incisa, for Directors as defined in the *Contratto Collettivo di Lavoro per i Dirigenti*, the collective Labor Contract for Directors. The amounts include the 2023 contributions the Company made into their respective savings plans.

(g) For Mr. Wine, company matching amounts above the qualified 401(k) plan limits ($22,500 for 2023) are also included above and are also disclosed in the non-qualified deferred compensation table. Mr. Kermisch does not contribute above the qualified 401(k) plan limits.

(h) For Mr. Neilson, the amount listed above includes supplemental contributions over the tax qualified limits which are paid directly to him as they are earned. The supplemental benefits are described in a later section regarding Pension Benefits. Of the total amount provided above, $15,444 covers the tax and gross-up on the portion that is tax-protected by the Company.

Fiscal 2023 Grants of Plan-Based Awards

The following table provides additional information regarding both the short-term and long-term (LTI) awards and potential payout ranges for awards that were granted in fiscal 2023. The short-term incentive awards were granted under the 2023 CBP and the LTI awarded solely in equity awards consists of RSU and PSU awards under the CNH 2023-2025 LTI plan. The equity awards will deliver payout in future years subject to meeting the vesting and performance conditions. These awards are further described in the CD&A under "**2023 Compensation Decisions and Outcomes | Annual Cash Incentives | Equity Incentives**."

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards[2]			Estimated Future Payouts Under Equity Incentive Plan Awards (shares)[3]				
NEO & Position	**Grant Date[1]**	**Threshold**	**Target**	**Maximum**	**Threshold**	**Target**	**Maximum**	**All Other Stock Awards: Number of Shares of Stock or Units (#)[4]**	**Grant Date Fair Value of Stock and Option Awards ($)[5]**
Scott W. Wine	2/22/2023	$1,020,000	$3,400,000	$6,800,000					
CEO	5/10/2023				189,743	632,475	1,264,950	210,825	$10,407,703
Oddone Incisa	2/22/2023	$212,540	$708,468	$1,416,936					
CFO	5/10/2023				38,150	127,166	254,332	62,634	$2,424,600
Derek Neilson	2/22/2023	$191,006	$636,686	$1,273,373					
President, Agriculture	5/10/2023				35,597	118,657	237,314	58,443	$2,262,364
Stefano Pampalone	2/22/2023	$172,700	$575,667	$1,151,334					
President, Construction	5/10/2023				16,382	54,605	109,210	26,895	$1,041,122
Marc Kermisch, *Chief Digital &*	2/22/2023	$118,125	$393,750	$787,500					
Information Officer	5/10/2023				21,909	73,030	146,060	35,970	$1,392,421

(1) For the non-equity incentive plan awards, the grant date is the date the HCC Committee approved the range of estimated potential payouts for the 2023 performance year under the CBP. For equity awards, the grant date is the notification date of awards to the NEOs after the Committee's approval of the 2023-2025 LTI plan.

(2) These columns show the range of potential payouts under the CBP for the achievement of the company performance metrics' goals set. The metrics and range of performance goals for threshold, target and maximum are described in the CD&A in the "2023 Compensation Decisions and Outcomes | Annual Cash Incentives" section. For actual performance between threshold, target, and maximum linear interpolation will apply. For the NEOs other than the CEO, an individual modifier between 0% and 125% will be applied based on the CEO's assessment of their individual and team goals set in the Company's Performance Management Process (PMP) for 2023.

(3) Represents the potential payout range of PSUs granted in May 2023. The number of shares that vest is based on the achievement of predetermined performance metrics' goals for the three-year period of January 1, 2023, through December 31, 2025. The metrics and range of performance goals for threshold, target and maximum are described in the CD&A in the "2023 Compensation Decisions and Outcomes | Equity Incentives" section. At the end of the three-year performance period, the actual award earned, delivered as CNH common stock, can range from 0% to 200% of the target value of the original grant. The awards may be forfeited for unfavorable individual performance at the sole discretion of the Committee. No dividend equivalents are earned during the vesting period.

(4) Represents the number of RSUs granted in May 2023. RSUs will vest on April 30, 2026, at which time they will be settled in CNH common stock. The awards may be forfeited for unfavorable individual performance at the sole discretion of the Committee. No dividend equivalents are earned during the vesting period.

(5) Amounts shown represent the grant date fair value of equity awards granted to the NEOs in fiscal 2023 calculated in accordance with FASB ASC Topic 718. The values in this column exclude the effect of estimated forfeitures. For both the PSUs and RSUs, fair value is the market value of the underlying stock on the grant date, excluding dividends. The valuation of the PSUs assumes a target payout.

For additional information on the valuation assumptions, refer to Note 21. "Equity" to the Consolidated Financial Statements.

Outstanding Equity Awards at Fiscal 2023 Year-End

The following table itemizes outstanding RSUs and PSUs held by the NEOs, for the fiscal year ending December 31, 2023. Valuation depends on the stock price and PSUs also depend on achievement/overachievement of set goals included in our strategic business plan.

Name	Grant Date	Number of Shares or Units of Stock that Have Not Vested (#)[(1)]	Market Value of Shares or Units of Stock that Have Not Vested ($)[(2)]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)[(3)]	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested ($)[(4)]
Scott W. Wine	1/4/2021	289,120	$3,409,032	5,206,448	$63,414,537
	5/20/2022	208,700	$2,383,253	1,252,200	$14,764,767
	5/10/2023	210,825	$2,331,866	1,264,950	$14,445,115
	Total	**708,645**	**$8,124,151**	**7,723,598**	**$92,624,419**
Oddone Incisa	12/3/2020	77,748	$916,731	1,038,996	$12,654,971
	5/20/2022	57,933	$661,567	231,734	$2,732,390
	5/10/2023	62,634	$692,774	254,332	$2,904,348
	Total	**198,315**	**$2,271,072**	**1,525,062**	**$18,291,709**
Derek Neilson	12/3/2020	65,779	$775,604	1,087,182	$13,241,877
	5/20/2022	51,067	$583,160	204,266	$2,408,513
	5/10/2023	58,443	$646,419	237,314	$2,710,011
	Total	**175,289**	**$2,005,183**	**1,528,762**	**$18,360,401**
Stefano Pampalone	12/3/2020	28,377	$334,595	480,260	$5,849,567
	5/20/2022	23,700	$270,642	94,800	$1,117,793
	5/10/2023	26,895	$297,477	109,210	$1,247,125
	Total	**78,972**	**$902,714**	**684,270**	**$8,214,485**
Marc Kermisch	4/26/2021	14,674	$173,022	178,766	$2,177,370
	5/20/2022	18,567	$212,026	74,266	$875,675
	5/10/2023	35,970	$397,852	146,060	$1,667,934
	Total	**69,211**	**$782,900**	**399,092**	**$4,720,979**

(1) The outstanding RSUs that were granted in 2021 and 2020 vest in one remaining installment on April 30, 2024. The RSUs granted in 2023 vest on April 30, 2026, and the RSUs granted in 2022 vest on April 30, 2025. The share units will be settled in CNH common stock.

(2) The amount shown represents the number of RSUs that have not vested multiplied by the closing price for CNH common stock on the NYSE on December 29, 2023 (the final trading day of the year) which was $12.18.

(3) The outstanding PSUs that were granted in 2021 and 2020 vest on February 28, 2024, subject to the final determination of the 3-year performance. The number of PSUs for those grants represents the expected performance payout based on achievement through December 31, 2024, which is reflected in the table at maximum, 200% of target. The PSUs granted in 2023 vest on February 28, 2026, subject to the final determination of the 3-year performance, which is reflected in the table at maximum, 200% of target. The PSUs granted in 2022 vest on February 28, 2025, subject to the final determination of the 3-year performance, which is reflected in the table at maximum 200% of target. The PSUs will be settled in CNH common stock.

(4) The amount shown represents the number of PSUs that have not vested multiplied by the closing price for CNH common stock on the NYSE on December 29, 2023, (the final trading day of the year) which was $12.18.

Stock Awards Vested at Fiscal 2023 Year-End

The following table shows the equity awards that vested during 2023 for the NEOs.

NEO	Vesting Date	Number of Shares Acquired on Vesting (#)[(1)]	Value Realized on Vesting ($)[(2), (3), (4)]
Scott W. Wine	4/30/2023	289,120	$4,028,887
Oddone Incisa	4/30/2023	43,312	$1,120,752
Derek Neilson	4/30/2023	34,994	$916,616
Stefano Pampalone	4/30/2023	17,588	$400,102
Marc Kermisch	4/30/2023	7,998	$204,496

(1) The amounts reflect the vesting of the second of three annual installments of the 2021-23 LTI RSU award. Mr. Wine paid the taxes in cash rather than selling shares to cover his tax withholding obligation to acquire the maximum number of shares. All other NEOs sold shares to cover their respective tax withholding obligation.

(2) FMV at date of vesting was $13.9350/share, the average of the high and low prices on the vesting date, for Messrs. Wine, Neilson, and Kermisch.

(3) FMV at date of vesting was $14.4150/share, the average of the closing prices for the prior 30 days as of the vesting date, for Mr. Incisa.

(4) FMV at date of vesting was $14.10/share, which is the closing price on the vesting date, for Mr. Pampalone.

Benefits

Pension Benefits

Mr. Neilson, who is located in the U.K., is the only NEO who participates in a qualified defined benefit pension plan that provides a benefit based on an individual's service and salary. Mr. Neilson participates in the CNH Pension Scheme (the "Scheme") in which all salaried U.K. employees hired prior to December 31, 2002, participate in. The Scheme was closed to future service accruals from January 31, 2020.

The following table shows the present value of accumulated benefit using assumptions consistent with the Company's financial disclosure on the Scheme.

NEO & Position	Plan Name	Number of Years Credited Service(1)	Present Value of Accumulated Benefit(2)	Payments During Last Fiscal Year
Derek Neilson President, Agriculture	CNH Pension Scheme	22.8	£1,002,739	£ 0

(1) The years of credited service ended January 31, 2020 when the Scheme was discontinued for additional service.

(2) The present value of the accumulated benefit fluctuates year-over year for market conditions impacting the financial assumptions used, primarily the discount rate. The actual benefit is adjusted annually for inflation.

Features of the Scheme	Definition/Description
Form of Benefit	Lifetime benefit begins at retirement based on individual's service and salary. Members have the option to exchange up to 25% of their pension for a tax-free cash lump sum.
Pensionable Service	Mr. Neilson is entitled to senior staff benefits under the Scheme and as such received pensionable service credit based on his actual service ("Pensionable Service").
Pensionable Pay	Final pensionable pay varies by service period, but Mr. Neilson is subject to capped pensionable pay levels.
Accrual Rates	For service up to March 31, 2012, the accrual rate is 1/55th of final pensionable pay for each complete year of service. The accrual rate applied for service from April 1, 2012 is 1/80th.
Normal Retirement Date	The earliest date for an unreduced benefit is age 65.
Revaluation Prior to Retirement	Pensions earned in respect of Pensionable Service on or before April 5, 2009 will be revalued each year in line with the Retail Price Index ("RPI"), up to a maximum of 5.0% a year. Pensions earned in respect of Pensionable Service on or after April 6, 2009 will be revalued each year in line with the annual increase in the Consumer Prices Index ("CPI"), up to a maximum of 2.5% each year.
Increases in Payment	Pensions earned in respect of Pensionable Service completed before April 6, 1997 are not guaranteed to increase in payment, but they are reviewed annually by the Company and are increased at its discretion when financial resources permit. Pensions earned in respect of Pensionable Service completed between April 6, 1997 and April 5, 2005 will be increased automatically each year in line with the CPI, up to a maximum of 5% a year. Pensions earned in respect of Pensionable Service on or after April 6, 2005 will be increased automatically each year in line with the annual increase in the Consumer Prices Index ("CPI"), up to a maximum of 2.5% each year.

Defined Contribution Benefits

Each of the NEOs participates in a Company-sponsored defined contribution plan available to salaried employees in their country of employment. All such defined contribution plans are tax-qualified plans. The U.S. based NEOs, Messrs. Wine and Kermisch also participate in a nonqualified deferred compensation plan for limits over the tax-qualified plans, as described in the "Nonqualified Deferred Compensation" section. Mr. Neilson receives supplemental contributions over the tax-qualified limits which are paid to him directly for his own personal retirement savings.

The following table provides an overview of certain provisions of the defined contribution plans of the NEOs:

NEO & Position	Plan	Employee Contributions	Employer Matching Contributions	Supplemental Contributions
Scott W. Wine CEO	CNH Industrial U.S. Retirement Savings / CNH Industrial Deferred Compensation Plan	Up to 10% of base salary to receive maximum Company match In 2023, 20% deferral elected	Maximum 12% of base salary	401(k) elections continue over the qualified plan limits See Nonqualified Deferred Compensation Section
Oddone Incisa CFO	FIPDAF (Fondo Integrativo Previdenza 3.5% Dirigenti Aziende Fiat)	3.5%	5.0% on uncapped earnings	None
	Termination Indemnity or TFR (Trattamento di Fine Rapporto) fund accumulates as earned	None	7.41% (1/13.5th of salary) on regular, repetitive nature pay	None
	Both per Italy Contract			
Derek Neilson President, Agriculture	CNH Industrial Group Personal Pension Plan (the GPP)	None	£ 19,666 per U.K. fiscal year, tax protected, per 2012 agreement revalued each April for RPI	£ 27,306 per U.K. fiscal year, not tax protected; per 2020 pension subsidy agreement revalued each April based on U.K. Pension Earnings Cap
Stefano Pampalone President, Construction	LPP (2nd Pillar) pension	5% of base + bonus (capped beginning 2022)	21.5% combined employer and employee contributions up to max insured salary per Swiss law, 2023: CHF 980,000 (base + bonus)	None
Marc Kermisch Chief Digital and Information Officer	CNH Industrial U.S. Retirement Savings / CNH Industrial Deferred Compensation Plan	Up to 10% of base salary to receive maximum Company match In 2023, 6% deferral elected	Maximum 12% of base salary	401(k) elections continue over the qualified plan limits See Nonqualified Deferred Compensation Section

Nonqualified Deferred Compensation Plan Benefits

In the U.S., CNH offers the Case New Holland Industrial Inc. 2005 Deferred Compensation Plan (the “Company Deferred Compensation Plan”) to certain U.S. salaried employees, including U.S. based NEOs, to provide longer-term savings opportunities on a tax-efficient basis for retirement and future income needs. Similar deferred compensation benefits are commonly offered by U.S. companies with which we compete for talent. Mr. Wine participates in the Company Deferred Compensation Plan. Mr. Kermisch elected not to participate in the Company Deferred Compensation Plan

Key Features of the Company Deferred Compensation Plan

Contributions

Eligible participants may elect annually to tax defer up to 90% of their salary and eligible bonus and also elect supplemental contributions over the qualified plan limits under the Company's U.S. Retirement Plan (a 401(k) plan).

There are two types of supplemental contributions under the Company Deferred Compensation Plan:

- Elective Deferrals, also called Excess 401(k) Contributions (made by employees)
- Employer Matching Contributions (Company matching contributions on Excess 401(k) contributions)

Elective Deferrals: Once the participant has reached the elective deferral limit in the Company U.S. Retirement Savings Plan, supplemental tax-deferred contributions (Excess 401(k) Contributions) are credited to their Company Deferred Compensation Plan account for the remainder of the year.

Employer Matching Contributions: Supplemental Employer Matching Contributions are made based on Excess 401(k) Contributions. The participant must complete a year of eligibility service to begin receiving matching contributions. The Company matches 200% of the first 2% of eligible pay and then 100% of the next 8% of pay that is contributed to the 401(k) plan and the Company Deferred Compensation Plan, for a maximum match of 12% of eligible pay.

The first-year eligibility for Company matching contributions was waived for Mr. Wine, as part of his CEO employment agreement. The amounts were credited to Mr. Wine’s Company Deferred Compensation Plan account at the end of 2021. No exceptions were made for Mr. Kermisch or other NEOs in the Company Deferred Compensation Plan.

The U.S. based NEO’s 2023 deferral elections are noted in the footnotes to the Nonqualified Deferred Compensation table.

Earnings

The CNH Industrial Deferred Compensation Plan accounts are credited with a rate of return based on the investment election made from a list of allowable investment options by the participant on all participant and Company matching contributions. The earnings are also on a tax-deferred basis, thus maximizing the combined benefit of pre-tax deferrals and tax-deferred growth.

The rate of return is variable and the investment election can be changed at any time by the participant within the selection of the investment portfolio.

Until September 30, 2023, the Deferred Compensation Plan accounts were credited with a rate of return based on the effective annual yield of 130% of Moody’s Corporate Bond Index on all participant and Company matching contributions. Because this rate of return was above the U.S. applicable federal rate ("AFR") each year, earnings in excess of the AFR are included on the Summary Compensation Table.

As of October 1st, the Deferred Compensation Plan was administered by Fidelity and the Moody's Bond Index was no longer used for earnings on deferred balances. Participants could invest their deferrals by selecting and changing elections based on the portfolio available in the Fidelity are able to invest their deferrals in the investment choices offered by Fidelity. The earnings are also on a tax-deferred basis, thus maximizing the combined benefit of pre-tax deferrals and tax-deferred growth.

Vesting

- Participant deferrals and related earnings are 100% vested.
- Employer Matching Contributions vest after three years of continued service.

Forms of Payment

The Company Deferred Compensation Plan provides flexible payment options for participants who remain employed as of a specific date (a “scheduled distribution”) and/or after the participant retires or otherwise terminates their employment with the Company.

Retirement Accounts: Can be elected to be paid in a lump sum (after six months of termination for key employees such as the NEOs) or in annual installments over a period of up to 10 years.

- If installments are elected, that election will apply if the participant at the time of termination of employment reaches age 62 or reaches age 55 with 10 years of credited service.
- If the participant is not retirement eligible at the time of termination of employment with the company, accounts will be paid in a lump sum.
- If the participant becomes disabled while employed, accounts are treated as retirement payments, regardless of reaching retirement eligibility.

Scheduled Distributions: Can be paid in a lump sum or annual installments up to five years.

- The payment commencement year must be at least five years after the plan year when the schedule is established.
- All scheduled distribution subaccounts that commence in a year after the participant’s termination of employment will be paid according to the participant’s retirement election for that plan year.

Fiscal 2023 Nonqualified Deferred Compensation Table

NEO & Position	Plan	Executive Contributions in Last FY ($) (1)	Registrant Contributions in FY ($) (2)	Aggregate Earnings in Last FY ($) (3)	Aggregate Withdrawals/ Distributions in Last FY	Aggregate Balance at Last FYE ($) (4)
Scott W. Wine CEO	CNH Industrial Deferred Compensation Plan	3,643,996	188,308	1,010,723	—	10,225,496
Marc Kermisch Chief Digital and Information Officer	CNH Industrial Deferred Compensation Plan	—	—	—	—	—

(1) The amounts in this column represent employee compensation deferrals that are included in the Fiscal 2023 Summary Compensation Table under the “Salary” and “Non- Equity Incentive Plan Compensation” columns. Mr. Wine deferred 20% of salary in excess of tax-qualified 401(k) plan limits and an additional 50% of salary and bonus. Mr. Kermisch didn't participate in the Company Deferred Compensation Plan.

(2) CNH contributions are included in the All-Other Compensation column of the Summary Compensation Table and are the Company match on Executive contributions in excess of the 401(k) tax-qualified limits.

(3) The account balances earn 130% of the Moody’s Bond Index. The quarterly rates of return in 2023 are shown in the following table and are applicable through September 30th. As of October 1st, the Company Deferred Compensation Plan was administered by Fidelity and the Moody's Bond Index was no longer used for earnings on deferred balances. Participants could invest their deferrals by selecting and changing elections based on the portfolio available in the Fidelity are able to invest their deferrals in the investment choices offered by Fidelity. Of this amount, $533,555 represented the value of CNH common stock at year-end.

2023 Quarters	130% of Moody's Bond Rate
Q1	6.591%
Q2	6.578%
Q3	7.076%
Q4	7.408%(3)

(4) Of the aggregate balance, the amount that was reported as compensation in the Summary Compensation Table in 2022, the second year of participation for Mr. Wine was $3,943,532.

Fiscal 2023 Potential Payments Upon Termination or Change in Control

Potential Payments upon Change in Control

The Company Equity Incentive Plan (the "EIP") includes change in control provisions that apply to participants' outstanding equity awards and are intended to facilitate continuity of management in the event of a change in control (as defined in the EIP) ("CIC").

The Committee believes the EIP's CIC provisions:

- Encourage executives to act in the best interest of shareholders when evaluating transactions that, without a CIC arrangement, could be personally detrimental;
- Keep executives focused on running the business in the face of definitive, contemplated or rumored transactions;
- Protect the Company's value by retaining key talent despite potential corporate changes;
- Protect the Company's value after a CIC by including restrictive covenants (such as non-compete provisions) and a general release of claims in favor of the Company; and
- Help the Company remain competitive in its ability to attract and retain skilled executives.

Other Potential Payments Upon Other Qualifying Terminations

In addition, the NEOs and other Global Leadership Team members have qualifying termination terms and conditions which include other qualifying terminations.

No severance payments were made to Executive or Non-Executive Directors.

Fiscal 2023 Potential Payments upon Termination Table (USD)

Payments in connection with a CIC or other qualifying termination are shown in the following table and described by each NEO below. The amounts reported in the table below assume a change of control and/or termination of employment on December 29, 2023, and the value of equity acceleration reported below is based on a price per share of CNH common stock of $12.18 (the closing price per share on the NYSE on December 29, 2023, the final trading day of the year).

NEO & Position	CIC Provision	Salary(1)	Bonus	LTI	Welfare Benefits	Total
Scott W. Wine *CEO*	Change in Control with Qualifying Termination	1,700,000	$3,330,000	54,436,360	22,631	59,488,990
	Qualifying Termination - Other than Change in Control	1,700,000	$3,330,000	67,513,763	22,631	72,566,394
Oddone Incisa *CFO*	Change in Control with Qualifying Termination	4,989,192	—	11,416,927	—	16,406,118
	Qualifying Termination - Other than Change in Control	4,989,192	—	—	—	4,989,192
Derek Neilson *President, Agriculture*	Change in Control with Qualifying Termination	1,302,782	—	11,185,384	—	12,488,166
	Qualifying Termination - Other than Change in Control	1,302,782	—	—	—	1,302,782
Stefano Pampalone *President, Construction*	Change in Control with Qualifying Termination	767,247	—	5,009,956	—	5,777,204
	Qualifying Termination - Other than Change in Control	767,247	—	—	—	767,247
Marc Kermisch *Chief Digital and Information Officer*	Change in Control with Qualifying Termination	1,050,000	—	3,656,347	8,300	4,714,647
	Qualifying Termination - Other than Change in Control	1,050,000	—	—	8,300	1,058,300

(1) For Messrs. Incisa, Neilson, and Pampalone, their local currency potential payments for termination were converted to U.S. dollars using the December 31 year end exchange rate, as shown in the table below:

Name	Local Currency	2023 Year End
Oddone Incisa	EUR	1.0500
Derek Neilson	GBP	1.2715
Stefano Pampalone	CHF	1.1933

CIC and a Qualifying Termination

In the event of a CIC and a Qualifying Termination within 24 months following the CIC, all terms and conditions of the outstanding equity awards shall be deemed met on RSUs and all performance criteria shall be deemed achieved at target levels and all other terms and conditions met on PSUs; and all RSUs and PSUs shall be paid out as promptly as practicable (but in no event later than 60 days following the termination event). If the awards are not assumed as part of a CIC, awards vest prior to the CIC. All performance criteria shall be deemed achieved at target levels and all other terms and conditions shall be considered met on PSUs.

Termination Provisions by NEO

Scott W. Wine

Per the employment agreement between Mr. Wine and the Company, effective January 4, 2021, a Qualifying Termination other than a change in control is defined as a termination of Mr. Wine's service as an employee of the Company and all Company entities due to (A) a termination by the Company other than Cause, (B) Mr. Wine's resignation with Good Reason, (C) Mr. Wine's death, or (D) Mr. Wine's Disability. Good Reason is without Mr. Wine's consent a material diminution of salary, target bonus, and/or duties, responsibilities, and authority or a material breach of the employment agreement by the Company occurred, with respect to which Mr. Wine gave the Company notice of termination within 90 days of the event constituting Good Reason and the Company did not cure such event within 30 days of the Executive's notice.

Under a Qualifying Termination, subject to execution and non-revocation of a release, Mr. Wine would be entitled to the following:

- Cash severance equal to one (1) time the Executive’s annual base salary (gross), in accordance with DCGC for Executive Directors,
- Any unpaid portion of Mr. Wine's $7,578,000 cash sign-on award (shown in the Bonus column in the table),
- A portion of the outstanding equity awards will continue to vest based on the time employed during the vesting period and subject to the performance terms and conditions; provided, however, that with respect to the RSUs granted to Mr. Wine in commencement of his employment with CNH (the "Initial RSU Award"), no less than two-thirds of the Initial RSU Award (taking into account any portion of such award settled prior to the date of the Qualifying Termination) will continue to vest, and
- Company provided health care benefits and life, accidental death and dismemberment, and disability insurances continue for the duration of the severance period unless electing a lump sum payment.

Mr. Wine’s receipt of severance is also subject to continued compliance with applicable restrictive covenants, including covenants not to compete with or solicit employees, officers, consultants, or agents of the Company during employment and for one year thereafter.

Oddone Incisa

Under the statutory requirements of the Italy Contract, upon an involuntary termination without cause, Mr. Incisa would be entitled to 12 months of eligible pay for the notice period, plus 22 months of additional indemnity based on his service, age and having dependents. Eligible pay is defined based on annual base salary plus the average of last three years’ cash bonus plus any taxable car benefit value.

In the case of any other termination, Mr. Incisa would be entitled to the following:

- Termination with cause: no payment
- Resignation: no payment
- Retirement: 22 months of eligible pay
- Death due to illness: 12 months of eligible pay

Derek Neilson

Upon an involuntary termination without cause, Mr. Neilson is entitled to certain benefits, as provided in the employment agreement between Mr. Neilson and the Company, effective March 22, 2019. Mr. Neilson will be entitled to receive cash severance equal to two times his annual base salary (gross), less any statutory and/or contractual severance payments, garden leave payment and/or pay in lieu of notice payments, except in the event that Mr. Neilson elects the Separation Payment with Early Retirement Pension as defined in the December 14, 2006 Enabling Agreement between CNH U.K. Limited and the Transport and General Workers' Union (the "TGWU").

A qualifying termination is defined as a termination by the Company of Mr. Neilson's service as an employee of the Company and all of its affiliates during Mr. Neilson's service on the Global Leadership Team for any reason other than: (i) Mr. Neilson's death; (ii) Mr. Neilson's disability (as defined in the employment agreement); (iii) Mr. Neilson's resignation or retirement (other than with good reason within 24 months after a change of control, in each case as defined in the employment agreement); or (iv) for cause (as defined in the employment agreement).

Stefano Pampalone

Under the Swiss Salaried separation policy, upon an involuntary termination without cause, Mr. Pampalone would be entitled to 12 months of base pay for severance, three months' base pay for the notice period and two months' base pay for a seniority separation indemnity, for a total of 17 months' base pay. In the case of any other termination, Mr. Pampalone would be entitled to the following:

- Termination with cause: no payment
- Resignation: no payment
- Retirement or Death: two months seniority separation
- Disability: the Company may terminate employment after six months' absence and three months' notice period and two months seniority separation is payable.

Marc Kermisch

Upon an involuntary termination without cause, Mr. Kermisch is entitled to certain benefits, as provided in the employment agreement between Mr. Kermisch and the Company, effective April 1, 2021. Mr. Kermisch will be entitled to receive cash severance equal to two times his annual base salary (gross). The Company-provided health care benefits and life, accidental death and dismemberment, and disability insurances continue for the duration of the severance period unless electing a lump sum payment.

A Qualifying Termination is defined as a termination by the Company of Mr. Kermisch service as an employee of the Company and all of its affiliates during Mr. Kermisch service on the Global Leadership Team for any reason other than: (i) Mr. Kermisch death; (ii) Mr. Kermisch disability (as defined in the employment agreement); (iii) Mr. Kermisch resignation or retirement (other than with good reason within 24 months after a change of control, in each case as defined in the employment agreement); or (iv) for Cause (as defined in the employment agreement).

Fiscal 2023 Pay Versus Performance (PvP)

A key principle of the Company's compensation philosophy, incorporated throughout our compensation policies and programs, is pay for performance. The Company leverages variable pay elements tied to challenging Company goals that are aligned to the business strategy, while ensuring no adverse risk taking by offering appropriate and competitive fixed pay elements. The following tables, supporting footnotes and narrative and graphic disclosure aim to demonstrate the link between compensation actually paid, per the SEC definition, for our NEOs to the Company's performance, both in absolute terms and as compared to the market for the fiscal years 2023, 2022, 2021 and 2020.

Specifically, this PvP section discusses the relationship between:

- "Compensation actually paid" ("CAP") by the Company and the total compensation as disclosed in the Summary Compensation Table ("SCT");
- CAP and the Company's financial performance (GAAP Net Income and Adjusted Diluted EPS); and
- The Company's TSR and peer group TSR.

Year	SCT Total for PEO 1 $[(1)]	CAP to PEO 1 $[(1)]	SCT Total for PEO 2 $[(2)]	CAP to PEO 2 $[(2)]	SCT Total for PEO 3 $[(3)]	CAP to PEO 3 $[(3)]	Average SCT Total for non-PEO NEOs $[(4)]	Average CAP to non-PEO NEOs $[(4)]	Value of Initial Fixed $100 Invest based on: CNH TSR[(5)]	Value of Initial Fixed $100 Invest based on: Peer Group TSR[(6)]	Net Income $[(7)]	Company Selected Measure: Adjusted Diluted EPS $[(8)]
2023	n/a	n/a	n/a	n/a	18,098,605	(8,909,832)	3,137,619	(788,144)	135	150	2,383	1.70
2022	n/a	n/a	n/a	n/a	22,915,662	24,697,237	3,298,580	3,502,374	173	127	2,039	1.46
2021	n/a	n/a	n/a	n/a	44,804,287	108,388,604	2,782,334	11,403,669	178	135	1,801	1.28
2020	2,031,133	447,010	3,149,194	3,149,194	n/a	n/a	8,291,838	9,092,540	117	111	(198)	0.42

(1) These columns reflect the SCT and CAP for Hubertus Mühlhäuser, CEO until his departure on March 22, 2020.

(2) These columns reflect the SCT and CAP for Suzanne Heywood's Acting CEO role in 2020 who assumed the role upon the departure of Hubertus Mühlhäuser

(3) These columns reflect the SCT and CAP for our CEO, Scott W. Wine, who has served as our Principal Executive Officer (PEO) since 2021.

(4) These columns reflect the average SCT and CAP for Messrs. Incisa, Neilson, Pampalone and Barr for 2020 - 2022. Starting in 2023, it's Messrs. Incisa, Neilson, Pampalone and Kermisch.

(5) CNH TSR is indexed from 2019, source S&P Capital IQ.

(6) The Peer Group used for TSR comparisons reflects S&P 500 Industrial Index indexed from 2019, source S&P Capital IQ.

(7) Net Income per U.S. GAAP is a required metric for the PvP Table but is not currently used in our variable incentive plans as a performance measure.

(8) Adjusted Diluted EPS, a Company selected measure, is a key metric in the LTI Plan and for investor guidance. This is a non-GAAP financial measure.

To calculate CAP for our PEOs, the following adjustments were made to SCT total:

Adjustments	CEO Serving as PEO 2023	2022	2021	2020 (PEO 1)	2020 (PEO 2)
Summary Compensation Table Total	**18,098,605**	**22,915,662**	**44,804,287**	**2,031,133**	**3,149,194**
Deduction for amount reported in “Stock Awards” column of the Summary Compensation Table	10,407,703	11,511,892	36,090,720	—	—
Addition of fair value at fiscal year (FY) end, of equity awards granted during the FY that remained outstanding	11,793,416	17,710,807	99,675,037	—	—
Addition of fair value at vesting date, of equity awards granted during the FY that vested during the FY	—	—	—	—	—
Addition of change in fair value at FY end versus prior FY end for awards granted in prior FY that remained outstanding	(32,423,037)	(8,574,871)	—	—	—
Addition of change in fair value at vesting date versus prior FY end for awards granted in prior FY that vested during the FY	4,028,887	4,157,531	—	(375,222)	—
Deduction of the fair value at the prior FY end for awards granted in prior FY that failed to meet their vesting conditions	—	—	—	1,208,900	—
Deduction for values reported in the “Change in Pension Value and Nonqualified Deferred Compensation Earnings” column of the Summary Compensation Table	—	—	—	—	—
Addition for the Service Cost attributable to services rendered during the FY	—	—	—	—	—
Compensation Actually Paid	**(8,909,832)**	**24,697,237**	**108,388,604**	**447,010**	**3,149,194**
Memo: Total Equity Value for CAP	(16,600,734)	13,293,467	99,675,037	(1,584,122)	—

To calculate CAP for the other NEOs the following adjustments were made to SCT total:

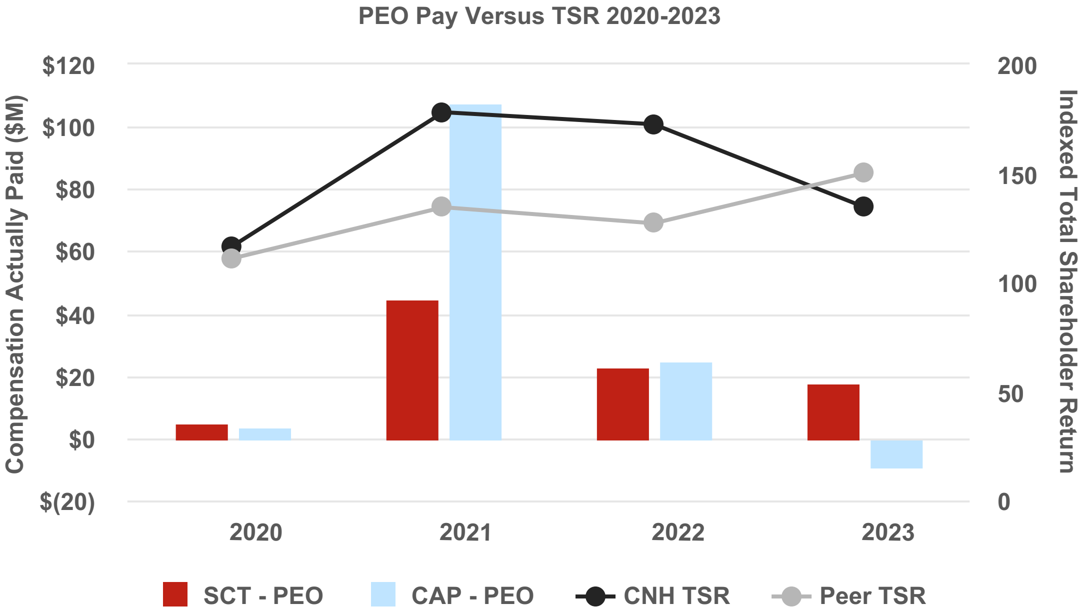
Adjustments	Other NEO Average 2023	2022	2021	2020
Summary Compensation Table Total	**3,137,619**	**3,298,580**	**2,782,334**	**8,291,838**
Deduction for amount reported in "Stock Awards" column of the Summary Compensation Table	1,780,127	1,662,284	845,321	7,047,435
Addition of fair value at fiscal year (FY) end, of equity awards granted during the FY that remained outstanding	1,905,323	2,402,570	1,454,332	6,412,380
Addition of fair value at vesting date, of equity awards granted during the FY that vested during the FY	—	—	—	1,615,486
Addition of change in fair value at FY end versus prior FY end for awards granted in prior FY that remained outstanding	(4,012,991)	(536,492)	7,287,773	(123,259)
Addition of change in fair value at vesting date versus prior FY end for awards granted in prior FY that vested during the FY	—	—	724,552	—
Deduction of the fair value at the prior FY end for awards granted in prior FY that failed to meet their vesting conditions	—	—	—	—
Deduction for values reported in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column of the Summary Compensation Table	37,967	—	—	58,426
Addition for the Service Cost attributable to services rendered during the FY	—	—	—	1,957
Compensation Actually Paid	**(788,144)**	**3,502,374**	**11,403,669**	**9,092,540**
Memo: Total Equity Value for CAP	(2,107,669)	1,866,078	9,466,656	7,904,607

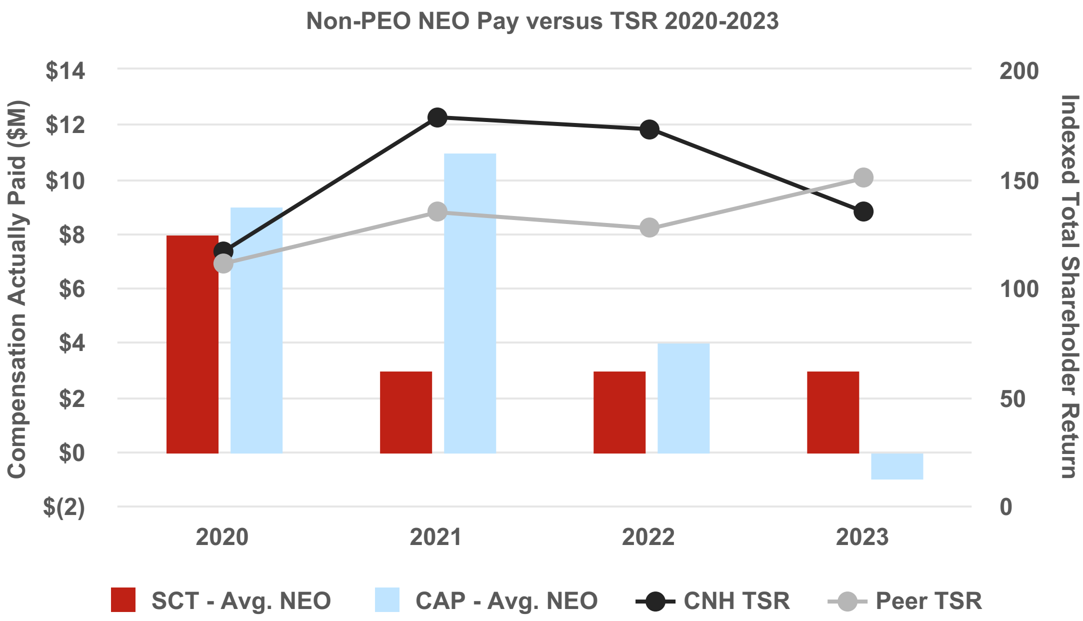
CAP equity valuations are calculated on a basis consistent with grant date fair valuations, with assumptions updated to reflect the respective measurement dates. The following tables summarizes the assumptions used for each fiscal year end valuation.

Compensation Actually Paid Versus Company Performance

PEO and Average NEO CAP versus TSR 2020-2023

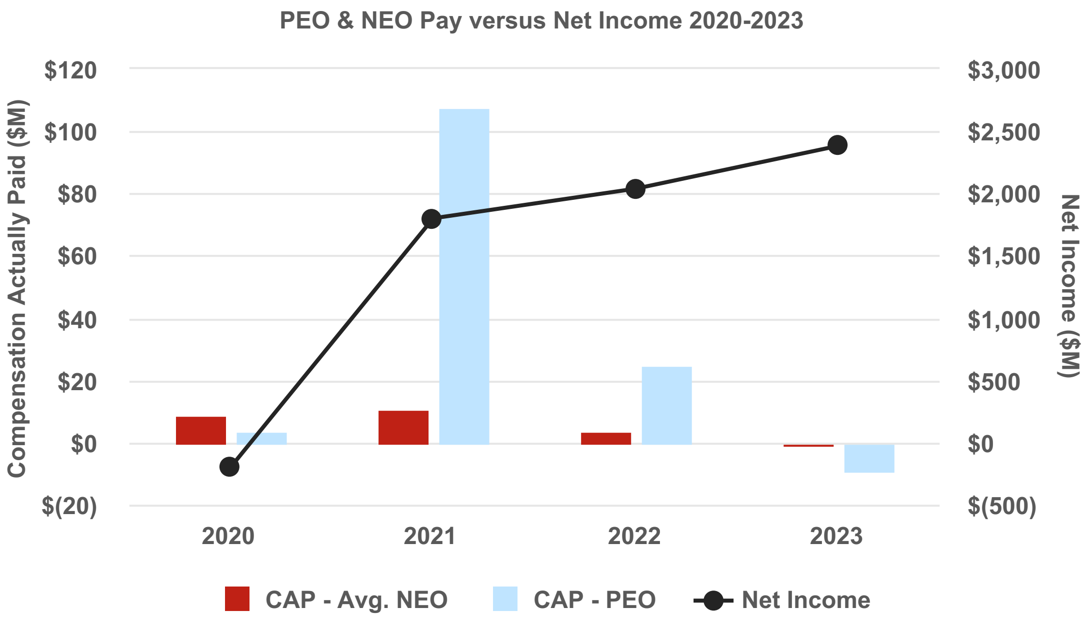
The following charts show the TSR trend versus the PEO's SCT compensation and CAP and non-PEO NEO's SCT compensation and CAP, respectively.





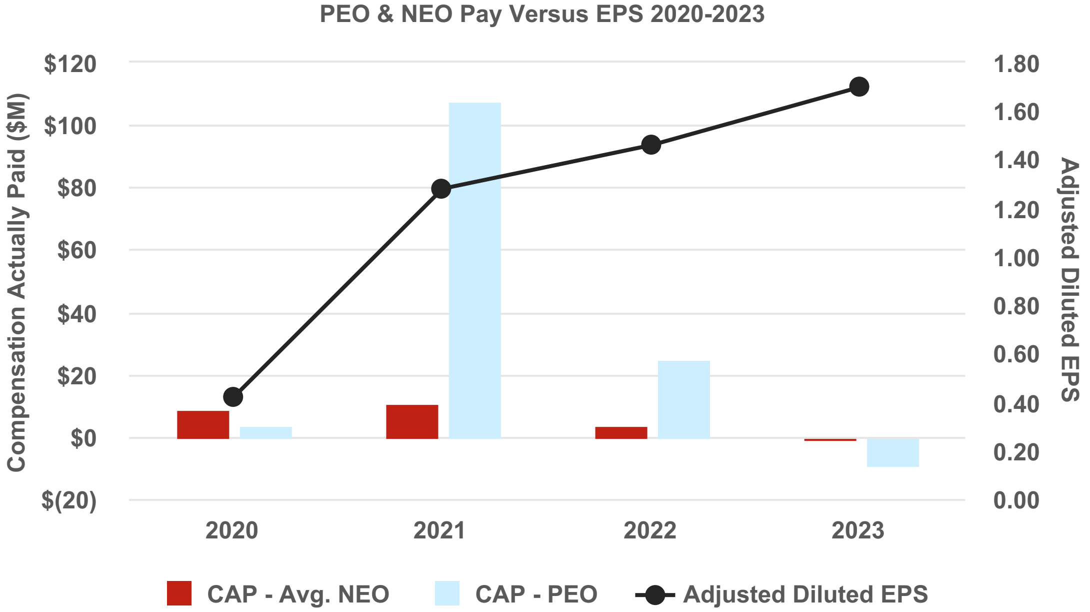
PEO and Average NEO CAP versus U.S. GAAP Net Income

The chart below shows the relationship between cumulative PEO CAP and average non-PEO NEO CAP, and U.S. GAAP Net Income. The Company does not use U.S. GAAP Net Income in the compensation program, but there has been consistent improvement in Net Income since 2021.



PEO and Average NEO CAP versus Adjusted Diluted EPS

The chart below shows the relationship between cumulative PEO CAP and average non-PEO NEO CAP, and the Company selected measure of Adjusted Diluted EPS, which features in the PSU performance measures for 2022 and 2023.



Tabular List of Company Performance Measures

The following table alphabetically lists the measures the Company believes are most important in linking compensation actually paid to company performance during 2023.

(1) Adjusted Diluted EPS ($)
(2) Cash Conversion
(3) CNH TSR
(4) Consolidated Adjusted EBIT Margin (%)
(5) Consolidated Revenues ($)
(6) Industrial Return on Invested Capital ("Industrial ROIC %)

All identified financial measures are listed. Further details on these measures and how they feature in our compensation plans can be found in the CD&A.

Fiscal 2023 Pay Ratio

As required by and pursuant to SEC 17 C.F.R. § 229.402, the Company's median employee total compensation as compared to Scott W. Wine, CEO, for 2023 has been calculated.

- The annual total compensation for our median employee was $46,282.
- The annual total compensation of our CEO as reported in the Summary Compensation Table was $18,098,605.
- The ratio of Mr. Wine's total compensation to our median employee's total compensation for the 2023 fiscal year was approximately 391 to 1.

Our median employee was identified using the following methodology:

- We chose November 30, 2023 as the date to determine median employee compensation.
- We included all full-time, part-time, temporary, and seasonal employees globally (excluding the CEO) for a total of 40,496 employees, 27.4% located in the USA and 72.6% outside the USA.
- The Company did not exclude any employees when determining our employee population.
- We used annualized base pay as our consistently applied compensation measure to identify the median employee.

The CEO pay ratio reported above is a reasonable estimate calculated in a manner consistent with SEC 17 C.F.R. § 229.402 based on the methodologies and assumptions described above.

Compensation of Directors

The Board of Directors consists of a one-tier structure including Executive Directors (the Chair and the CEO roles) with managerial roles and Non-Executive board members with supervisory roles. The Board has collective responsibility for the strategy of the Company and is currently composed of nine Directors. The Board of Directors of the Company appointed the following internal committees: (i) an Audit Committee, (ii) an Environmental, Social and Governance Committee, and (iii) a Human Capital and Compensation Committee.

The CEO is also the primary NEO in this report whose compensation is disclosed in detail in the CD&A and corresponding compensation tables section. The Chair's compensation is disclosed in this section with the Non-Executive Directors, although her compensation is structured differently, as indicated below.

We have structured the compensation of our Non-Executive Directors with the following objectives in mind:

- Offer competitive compensation to attract and retain highly qualified leaders to guide and govern a large, global, complex organization;
- Recognize the substantial investment of time and expertise necessary for the directors to discharge their duties;
- Ensure that compensation is easy to understand and is regarded positively by our shareholders and employees; and
- Comply with Dutch corporate governance best practices and comply with Dutch and U.S. SEC regulations.

The compensation of Non-Executive Directors is not dependent on the Company's financial results. Non-Executive Directors do not receive benefits upon termination of their service as directors, nor any other benefit, perquisites. No meeting fees are paid, but Directors are reimbursed for expenses related to meeting attendance. For some countries, Non-Executive Directors and the Company are subject to social contributions on the fees earned.

The compensation of the Chair and Non-Executive Directors was reviewed by the HCC Committee in 2023.

Compensation for Non-Executive Directors

The compensation of Non-Executive Directors is governed by the Company's Compensation Plan within the scope of the Company's Remuneration Policy. The following chart describes compensation paid to Non-Executive Directors:

Non-Executive Director Compensation	Total
Annual cash retainer	$125,000
Additional retainer for Audit Committee member	$25,000
Additional retainer for Audit Committee Chair	$35,000
Additional retainer for member of other Board committees	$20,000
Additional retainer for Chair of other Board committees	$25,000

In 2019, upon the recommendation of the HCC Committee, the Board resolved to implement share ownership guidelines for the Non-Executive Directors. Applicable to Non-Executive Directors appointed or reappointed in April 2019 or thereafter, Non-Executive Directors are required to own Company shares in an aggregate amount of not less than 1x their annual retainer fee, which is $125,000, within 24 months of first appointment to the Board. The Non-Executive Directors are expected to hold Company shares as a long-term investment and, as such, are expected to hold their Company shares while on the Board and for an additional three months after their Board service terminates. All the Non-Executive Directors have currently met the guideline except for Mr. Kramer and Ms. Bastoni who have until April 2025 to meet the guideline.

Compensation for the Chair

The Chair role, held by Suzanne Heywood, is an Executive Director managerial board role, whose compensation differs from the Non-Executive supervisory board members. The Chair is not a NEO and therefore her compensation is not included in the CD&A section of this report.

The following table summarizes the fundamental purpose and features of the Chair's compensation elements for 2023:

Element and Purpose	Chair	Key Features
Base Salary Provide competitive salary; provide sufficient fixed pay to discourage inappropriate risk-taking		Fixed cash compensation Target at median reference for relevant benchmark for Chair only role Set taking into account role scope, market data, and an individual's skills and prior experience Base salary for fiscal 2023 was set at $500,000 (fixed)
Long-term Equity Incentives (LTI) Encourage achievement of long-term strategic objectives; encourage share ownership and retention; motivate sustainable value creation; align Chair's interests with those of shareholders		At-risk variable equity compensation Target awards combine PSUs (75%) and RSUs (25%) PSUs earned based on achieving quantifiable performance objectives, with the maximum number of shares that can be earned capped at 200% of target Chair award subject to a five-year holding period from the date of grant Subject to the recoupment policy (clawback) Prorated equity award vesting in the event of death, disability, or involuntary termination by the company (not for cause). The target equity grant for fiscal 2023 was $1,500,000 The associated maximum equity value before share price movements is taken into account is $2,625,000 (assumes 75% of the award is earned at 200% of target and 25% of the award is earned at 100% of target)
Post Employment Benefits Provide future income security		Retirement savings benefits comparable to U.K. based salaried employees No cash severance benefit
Other Benefits Attract and retain well-qualified executive		Select U.K. executive benefits including life, accident, and disability insurance. Limited personal usage of car service for security
Share Ownership Guidelines Align Chair's interests with those of shareholders		Acquisition and holding of the Company's common shares with a value of five-times base salary within five years of appointment to the Board (requirement already met).

Directors' Compensation Table:

The following table summarizes remuneration paid or awarded (in USD) to the Company's non-NEO Directors for the years ended December 31, 2023, 2022 and 2021:

Name	Position	Year	Fees Earned or Paid in Cash[(1)]	Stock Awards[(2)]	All Other Compensation[(3)]	Total
Suzanne Heywood	Chair	2023	500,000	1,302,043	280,019	2,082,062
		2022	500,000	1,439,676	225,757	2,165,433
		2021	500,000	—	144,142	644,142
Elizabeth Bastoni	Director	2023	85,000	—	—	85,000
Howard W. Buffett	Director	2023	165,000	—	—	165,000
		2022	165,000	—	—	165,000
		2021	128,792	—	—	128,792
Richard Kramer	Director	2023	75,000	—	—	75,000
Karen Linehan	Director	2023	160,000	—	—	160,000
		2022	76,083	—	—	76,083
Alessandro Nasi	Director	2023	170,000	—	—	170,000
		2022	170,000	—	—	170,000
		2021	132,694	—	—	132,694
Vagn Sørensen	Director	2023	150,000	—	—	150,000
		2022	150,000	—	—	150,000
		2021	117,083	—	—	117,083
Åsa Tamsons	Director	2023	150,000	—	—	150,000
		2022	118,820	—	—	118,820

(1) All fees earned in fiscal year 2023 for services as a Director, including committee chairperson and member fees.

(2) Represents the aggregate grant date fair value of PSUs and RSUs computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation and does not correspond to the actual value that will be realized by the Chair. For fiscal 2023, the grant date was May 10, 2023, and the grant price was $12.18 for the 26,375 RSUs and $12.43 for the 79,125 PSUs granted. As of December 31, 2023, the Chair held 91,866 outstanding RSUs and 511,941 outstanding PSUs.

(3) The amounts in All Other Compensation for the Chair include the following:

Suzanne Heywood	Personal Usage of Car Service	Executive Health Assessment	Defined Contributions	National Insurance	Total ($)
2023	101,894	10,036	22,300	145,789	280,019

For the Non-Executive Directors, the amounts include Pension and Similar benefits, specifically, social security and national insurance contributions, as required in their countries.

The following table discloses the 2023 remuneration paid or awarded (in USD) of CNH Board of Directors who ended their CNH board service in 2023:

Name	Position	Year	Fees Earned or Paid in Cash (1)	Stock Awards	All Other Compensation	Total
Catia Bastioli(1)	Director	2023	82,500	—	—	82,500
Léo W. Houle(1)	Senior Non-Executive Director	2023	85,000	—	—	85,000

(1) Ms. Bastioli and Mr. Houle stepped down from CNH Board of Directors' as of the AGM on April 14, 2023.

Disclosures According to Dutch Civil Code and Dutch Corporate Governance Code

Implementation of Remuneration Policy in 2023

The following table summarizes remuneration paid or awarded (in USD) for the years ended December 31, 2023, and 2022 to the Company Executive Directors (the "Summary Remuneration Table"):

			Fixed Remuneration		Variable Remuneration					
Executive Director	Position	Year	Base Salary or Fees	Fringe Benefits(1)	One–year Variable(2)(3)	Multi–year Variable(4)	Extra-ordinary Items(5)	Pension & Similar Benefits(6)	Total Remuneration	Proportion of fixed to variable remuneration(7)
Scott W. Wine	CEO	2023	1,700,000	241,563	3,083,800	24,773,369	2,355,000	557,766	32,711,498	8%
		2022	1,700,000	176,866	4,960,300	23,504,170	4,248,000	586,393	35,175,729	7%
Suzanne Heywood	Chair	2023	500,000	118,117	—	2,965,558	—	168,089	3,751,764	23%
		2022	500,000	46,344	—	2,765,089	—	184,157	3,495,590	22%

(1) For the CEO, the amount includes a Company leased vehicle, health care and life insurances, and personal usage of aircraft. For the Chair, the amount includes personal use of a Company-provided car service, healthcare and life insurances and executive health assessment.

(2) The 2023 amount represents the bonus approved for the performance year and paid in 2024. See the Incentives section in the CD&A for details of the payout and in the "*CEO's 2023 Company Bonus Plan Performance Factor Calculations:"* shown in the next table.

(3) The Chair does not participate in the annual cash incentive plan.

(4) The amounts represent each fiscal year's share-based compensation (SBC) expense under applicable accounting standards relating to grants issued with a portion of the vesting period in the fiscal year. For 2023, the amount includes the 2023-2025, 2022-2024 and the 2021-2023 LTI plans. The performance factor assumption is 1.31 for the 2023-2025 LTI PSUs, 1.69 for the 2022-2024 LTI PSUs and 1.83 for the 2021-2023 LTI PSUs. This valuation differs from the equity value required to be reported in the Summary Compensation Table under the U.S. disclosure requirements (which is the aggregate grant date fair value of RSUs and PSUs granted during the fiscal year).

The following shows the SBC expense comparing the range of payout at target, assumed performance, and maximum:

Executive Director	Position	Year	At Target ($)	At Assumed Performance ($)	At Maximum ($)
Scott W. Wine	CEO	2023	15,594,596	24,773,369	28,368,464
		2022	14,018,559	23,504,170	24,452,627
Suzanne Heywood	Chair	2023	1,872,251	2,965,558	3,403,224
		2022	1,652,281	2,765,089	2,883,703

(5) The amount in 2023 represents the second of three annual installments of a cash award which will total $7.578M. This award replaces the CEO's forfeited long-term awards which were not covered under the CNH 2021-2023 LTI awards. The third installment will equal $0.975M and is set to be paid in 2024. The 2024 payment was made in fiscal 2024 and will be reported in the Company's executive compensation disclosure for fiscal 2024.

(6) For the CEO, the 2023 amount includes expense recorded for accruing retiree healthcare benefits and Company contributions into deferred retirement savings plans and U.S. Social Security and Medicare. For the Chair, the amount includes Company contributions for retirement savings and U.K. National Insurance. The U.S. Social Security and Medicare and U.K. National Insurance contributions are not included in the Summary Compensation Table .

(7) The ratio is the percentage of fixed pay elements over the percentage of variable pay elements. Variable elements include variable incentives and extraordinary items.

CEO's 2023 Company Bonus Plan Performance Factor Calculations:

Corporate Measures[1]			Weight	Threshold	Target	Maximum	Results	Results vs. Targets	Weighted Payout Factor
Consolidated Adjusted EBIT Margin %[2]		a)	40%	11.1%	12.7%	15.9%	13.1%	103.1%	45.0%
		b)		$408,000	$1,360,000	$2,720,000	$1,531,900		
Consolidated Revenues @CC ($M)		a)	20%	$22,241	$25,418	$29,231	$24,651	97.0%	16.6%
		b)		$204,000	$680,000	$1,360,000	$565,900		
Cash Conversion Ratio %		a)	20%	59.5%	70.0%	105.0%	52.6%	76.3%	—%
		b)		$204,000	$680,000	$1,360,000	$—		
ESG KPIs	CO_2 Emissions %	a)	10%	-28.5%	-30.0%	-34.5%	-35.5%	118.3%	20.0%
		b)		$102,000	$340,000	$680,000	$680,000		
	Accident Frequency Rate[3]	a)	10%	0.148	0.141	0.120	0.100	129.1%	9.0%
		b)		$102,000	$340,000	$680,000	$306,000		
Total		**a)**	**100%**						90.70%
		b)		**$1,020,000**	**$3,400,000**	**$6,800,000**	**$3,083,800**		

(1) See the Compensation Design section of the CD&A for more detail on how implementation of the remuneration policy for 2023 contributes to sustainable long term value creation.

(2) We adjust U.S. GAAP financial measures for purposes of our financial performance measures to ensure the results properly reflect management contributions.

(3) Accident Frequency Rate has a declining goal value for maximum payout, so a value lower than target indicates that the achievement level exceeded target.

The Company confirms the following for the year 2023:

- No severance or other payments or termination of employment or engagement were made to Executive or Non-Executive Directors;
- No variable remuneration has been clawed-back, and no variable remuneration has been adjusted retroactively from Executive or Non-Executive Directors; and
- No personal loans have been granted to Executive or Non-Executive Directors and no guarantees have been granted in favor of any Executive or Non-Executive Directors.

Share Awards

The following table summarizes unvested performance share units and restricted share units held by Executive Directors as of December 31, 2023:

Table - Shares Awarded or Due to the Directors for the Reported Financial Year

The main conditions of share unit plans						Information regarding the reported financial year							
						Opening Balance	During the Year			Closing Balance			Accounting Expense (1)
Name of Director, Position	Award Name	Performance Period	Award Date	Vesting Date	End of Holding Period	Share Units Awarded at the Beginning of the Period	Share Units Awarded / FMV at Grant (US$000s)	Shares Forfeited	Share Units Vested / FMV at Vest (US$000s)	Share Units Subject to a Performance Condition	Share Units Unvested	Share Units Subject to a Holding Period	US$000s
Scott W. Wine, CEO	2023-2025 PSU(2)	01/01/23-12/31/25	5/10/2023	2/28/2026	5/10/2028	—	632,475	—	—	632,475	632,475	632,475	—
						—	7,861	—	—	—	—	—	2,211
	2023-2025 RSU(2)	01/01/23-04/30/25	5/10/2023	4/30/2026	5/10/2028	—	210,825	—	—	—	210,825	210,825	—
						—	2,547	—	—	—	—	—	516
	2022-2024 PSU(3)	01/01/22 - 12/31/24	5/20/2022	2/28/2025	5/20/2027	626,100	—	—	—	626,100	626,100	626,100	—
						—	—	—	—	—	—	—	5,655
	2022-2024 RSU(3)	01/04/22 - 04/30/25	5/20/2022	4/30/2025	5/20/2027	208,700	—	—	—	—	208,700	208,700	—
						—	—	—	—	—	—	—	965
	2021-2023 PSU(4)	01/01/21 - 12/31/23	1/4/2021	2/28/2024	1/4/2026	2,603,224	—	—	—	2,603,224	2,603,224	2,603,224	14,087
	2021-2023 RSU(4)	01/04/21 - 04/30/24	1/4/2021	4/30/2022	1/4/2026	—	—	—	—	—	—	289,119	—
				4/30/2023		289,120	—	—	289,120	—	—	289,120	435
						—	—	—	4,029	—	—	—	—
				4/30/2023		289,120	—	—	—	—	289,120	289,120	905
Suzanne Heywood, Chair	2023-2025 PSU(2)	01/01/23-12/31/25	5/10/2023	2/28/2026	5/10/2028	—	79,125	—	—	79,125	79,125	79,125	—
						—	983	—	—	—	—	—	277
	2023-2025 RSU(2)	01/01/23-04/30/25	5/10/2023	4/30/2026	5/10/2028	—	26,375	—	—	—	26,375	26,375	—
						—	319	—	—	—	—	—	64
	2022-2024 PSU(3)	01/01/22 - 12/31/24	5/20/2022	2/28/2025	5/20/2027	78,300	—	—	—	78,300	78,300	78,300	—
						—	—	—	—	—	—	—	707
	2022-2024 RSU(3)	01/04/22 - 04/30/25	5/20/2022	4/30/2025	5/20/2027	26,100	—	—	—	—	26,100	26,100	—
						—	—	—	—	—	—	—	121
	2021-2023 PSU(4)	01/01/21 - 12/31/23	12/14/2020	2/28/2024	12/14/2025	354,516	—	—	—	354,516	354,516	354,516	1,640
	2021-2023 RSU(4)	12/14/20 - 4/30/24	12/14/2020	4/30/2022	12/14/2025	—	—	—	—	—	—	39,391	—
				4/30/2023		39,390	—	—	39,390	—	—	39,390	51
						—	—	—	549	—	—	—	
				4/30/2024		39,391	—	—	—	—	39,391	39,391	106
					Total Share Units:	**4,553,961**	**948,800**	**—**	**328,510**	**4,373,740**	**5,174,251**	**5,831,271**	**—**
					Total FMV ($000s)	**—**	**11,710**	**—**	**4,578**	**—**	**—**	**—**	**27,739**

(1) The accounting valuation of share-based compensation expense is the value reported for equity awards in the Summary Remuneration table.

(2) The 2023-2025 performance cycle awards which consists of a Company performance component, with potential vesting of PSUs, and an individual performance component, with potential vesting of RSUs. The PSUs vest at the end of the performance cycle, while the RSUs on April 30, 2026.

(3) The legacy 2022-2024 performance cycle awards which consists of a Company performance component, with potential vesting of PSUs, and an individual performance component, with potential vesting of RSUs. The PSUs vest at the end of the performance cycle, while the RSUs on April 30, 2025.

(4) The legacy 2021-2023 performance cycle awards, which consist of a Company performance component, with potential vesting of PSUs, and an individual performance component, with potential vesting of RSUs. The PSUs vest at the end of the performance cycle, while the RSUs vest in three equal annual installments over the performance cycle.

Internal Pay Ratios

When setting the Executive Directors' compensation, the Committee considers both the appropriate external benchmark as well as the internal pay ratios within the Company. Although the primary consideration is market competitiveness to attract and retain highly qualified senior executives in a large, global, complex organization, a baseline internal comparison is set, and trends are tracked. The trend in executives' compensation is evaluated in relation to the trend in employees' compensation.

In line with the guidance under the DCGC, the CEO Pay ratio and trend is disclosed in the annual executive compensation disclosure of the annual report. The basis of the pay ratio comparison uses the prevalent Dutch methodology of average employee compensation, including all labor costs. Consistent with prior years, CEO compensation and average employee compensation use the accounting value of equity awards. Under this methodology, the value of an equity award is allocated over the period between grant and vesting.

The CEO's pay in 2023, 2022 and 2021 reflect the pay of Scott W. Wine, hired on January 4, 2021 with a highly competitive pay package and hiring incentive awards to attract him to join the Company and leave a highly paid CEO position at his former employer. Additionally, the incentive included one-time highly leveraged performance-based equity awards to align him with Company shareholders and provide upside potential reward linked to performance for the risk he assumed changing from a known company and industry to a much larger, globally diverse, and complex company in a different industry. His performance-based equity awards have experienced above target performance under Mr. Wine's leadership across each of the metrics, Adjusted Diluted EPS, Industrial ROIC, and relative TSR. The 2023 value of the equity awards reflects achievement of PSUs for the 2022-2024 LTI PSUs. Additional explanation of the CEO's pay in 2023 and 2022 can be referenced in the CD&A and the Pay versus Performance section of this report.

The average employee compensation is the total personnel costs reported in the Annual Report, which excludes CEO compensation, divided by average year headcount reported in the Annual Report, less the CEO who is included in the total average year headcount. Over the five-year period, the average employee compensation has been impacted, due to changing business conditions, by shifts in the labor market in the different geographies.

The five-year trend of CEO pay versus average employee compensation is shown in the following table:

	2023	**2022**	**2021**	**2020**	**2019**	**5-year trend**
CEO compensation ($000s)(1)	32,712(1)	35,176(2)	21,805(2)	5,702(3)	6,632(4)	493%
Average Employee compensation(6) ($000s)	81.6	76.4	69.7	60.2	60.5	135%
CEO Pay Ratio	400	460	313	95	110	364%

Notes:

(1) The compensation for the CEO is as reported in the Summary Remuneration table per the DCGC and Dutch Civil Code unless otherwise noted in subsequent footnotes. In 2023, the CEO's compensation includes the value of the CEO's performance-based equity awards representing each fiscal year's share-based compensation (SBC) expense under applicable accounting standards relating to grants issued with a portion of the vesting period in the fiscal year. For 2023, the amount includes the 2023-2025, 2022-2024 and the 2021-2023 LTI plans. The performance factor assumption is 1.31 for the 2023-2025 LTI PSUs, 1.69 for the 2022-2024 LTI PSUs, and 1.82 for the 2021-2023 LTI PSUs. This valuation differs from the equity value in the Summary Compensation Table under the 10-K regulations which applies the FMV at grant date of the awards granted during the fiscal year. Mr. Wine's target total direct compensation which is fixed for five years is $17.1M, which would result in a CEO pay ratio of 224 and maximum payout opportunity of $29.5 million, resulting in a ratio of 386.

(2) In 2022, the CEO's compensation includes the value of the CEO's performance-based equity awards with an expected 2x payout for the 2021-2023 LTI PSUs and 1.5x payout for the 2022-2023 LTI PSUs and the extraordinary compensation of $4.2 million related to the first installment of three of the hiring cash incentive which replaces the forfeited equity not covered under the 2021-2023 LTI awards. Mr. Wine's target total direct compensation which is fixed for five years is $17.1 million, which would result in a CEO pay ratio of 224 and maximum payout opportunity of $29.5 million, resulting in a ratio of 386.

(3) The CEO, hired January 4, 2021, received a signing incentive to leave his prior employer before his 2020 bonus payout. The ratio excluding that one-off payment is 290. The equity expense included in the total CEO compensation is assuming target payout for the company performance share units. The actual payout is at the end of the performance period and will be determined in February 2024. The ratio assuming maximum payout for the company performance share units is 434.

(4) For 2020, data incorporates the compensation of the former CEO and the Acting CEO, as was reported in the Summary Remuneration table.

(5) For 2019, CEO compensation is consistent with the Summary Remuneration table include in the 2019 report, excluding the 2019 accounting value of the CEO's one-time "Make Whole" award, which vested in September 2019. Including the 2019 Make Whole accounting value of $2.8 million, the CEO pay ratio would be 156. The 2019 CEO Pay Ratio calculation includes $2.9 million in accounting value related to the 2017-2019 PSUs that did not meet the threshold achievement for any payout and have been forfeited. The CEO Pay Ratio excluding the forfeited PSU award would be 62.

(6) Average employee compensation is derived from personnel costs reported under IFRS, which does not include personnel costs for the Executive Directors, divided by the average headcount. Personnel costs as disclosed with the IFRS Annual Report for 2023, 2022, 2021, 2020, and 2019 are $3.331 million, $2.976 million, $4.695 million, $3.820 million, and $3.909 million, respectively. Average number of employees as disclosed within the IFRS Annual Report for 2023, 2022, 2021, 2020, and 2019 are 40,696, 38,966, 67,318, 63,482, and 64,596, respectively.

For perspective, the Company's key performance metrics for the same past five years are shown below:

Selected Performance Data(1)(2)	**2023**	**2022**	**2021**	**2020**	**2019**	**5-year trend**
Net Income – US GAAP ($ million)	2,039	2,039	1,801	(198)	797	256%
Adjusted Diluted Earnings/(Loss) per share ($)	1.70	1.46	1.28	0.42	0.64	266%
Absolute Total Shareholder Return - Indexed from 2018(3)	152	208	199	128	118	129%

Notes:

(1) Includes non-GAAP metrics derived from financial information prepared in accordance with U.S. GAAP.

(2) Figures from 2019 to 2023 reflect the continuing operations scope of CNH, that is excluding the Iveco Group businesses results.

(3) Using dividend-adjusted closing prices at the ending of each year and indexing from a 2018 year end baseline (i.e., index at 100).

Under the leadership of the current CEO, the 2023 and 2022 operational results on numerous key metrics hit strong levels and shareholders earned a high cumulative two-year return. In the Pay versus Performance section, additional metrics are shown, including a comparison to the relative TSR of the S&P 500 Industrial index, a group of industrial peers.The investment in securing Mr. Wine's expertise, vision and leadership has already paid off through the increased value delivered to shareholders and stakeholders.

MAJOR SHAREHOLDERS

The following table shows the number of CNH common shares beneficially owned as of February 29, 2024, (unless otherwise indicated) by each person who, to our knowledge, beneficially owns more than 5% of our common shares.

Name of Beneficial Owner	Shares Beneficially Owned and Held	Percentage of Common Shares (d)
Greater than 5% owner		
EXOR N.V. (a)	366,927,900	29.5 %
Harris Associates L.P. (b)	160,517,694	12.9 %
BlackRock, Inc.(c)	85,186,368	6.8 %

(a) In addition, EXOR N.V. holds 366,927,900 special voting shares; EXOR N.V.'s voting power in CNH is 45.4%, calculated as the ratio of (i) the aggregate number of common and special voting shares owned by EXOR N.V. and (ii) the aggregate number of outstanding common shares and special voting shares of CNH as of February 29, 2024, being respectively 1,245,352,431 outstanding common shares and 370,997,621 special voting shares.

(b) Information based on a Schedule 13G/A (Amendment No. 4) filed with the SEC on February 14, 2024. Harris Associates L.P.'s voting power in CNH is 9.9% calculated as the ratio of (i) the number of common shares owned by Harris Associates L.P.'s as reported on such Schedule 13G/A and (ii) the aggregate number of outstanding common shares and special voting shares of CNH as of February 29, 2024.

(c) Information based on the filing made by BlackRock, Inc. on a Schedule 13G filed with the SEC on February 2, 2024, BlackRock, Inc.'s voting power is 5.3%[(*)] calculated as the ratio of (i) the number of common shares owned by BlackRock, Inc. as reported on such Schedule 13G and (ii) the aggregate number of outstanding common shares and special voting shares of CNH as of February 29, 2024.

[(*)] The amount does not include potential holdings where BlackRock, Inc. has a contractual right to indirectly acquire common shares potentially enabling the increase of common share and voting rights.

(d) There were 1,245,352,431 outstanding common shares at February 29, 2024. The “Percent of Common Shares” is calculated by using the latest publicly disclosed number of owned common shares as the numerator, respectively, and the number of the Company’s outstanding common shares as of February 29, 2024 as the denominator.

As of February 29, 2024, EXOR N.V.’s voting power in CNH as a result of the loyalty voting program was approximately 45.4%. EXOR N.V., through its voting power, has the ability to significantly influence the decisions submitted to a vote of our shareholders, including approval of annual dividends, the election and removal of directors, mergers or other business combinations, the acquisition or disposition of assets and issuances of equity and the incurrence of indebtedness.

As of January 2, 2024, CNH Industrial N.V. common stock is single listed on the New York Stock Exchange (“NYSE”) under the symbol "CNHI". Prior to January 2, 2024, CNH Industrial N.V. common stock also had a secondary listing on Euronext Milan in Italy.

At January 31, 2024, there were 403 registered holders of our common stock in the U.S., including 123 shareholders that hold special voting shares associated with their common shares. This number does not include stockholders who hold their stock through brokers, banks and other nominees or hold their shares outside of the United States.

Our shares may be held in the following three ways:

- If a shareholder holds common shares directly in his or her own name in the United States, such shares are held in registered form in an account at Computershare Trust Company, N.A., our transfer agent;
- Interests in our common shares that are traded on the NYSE are held through the book-entry system provided by The Depository Trust Company (“DTC”) and are registered in the register of shareholders in the name of Cede & Co., as DTC’s nominee.
- Special voting shares and the associated common shares are registered in the books and records of the Company’s transfer agents in the United States and Italy. As noted above, the special voting shares and associated common shares are not tradable. The associated common shares are only tradable after they are de-registered from the loyalty voting program at which time the associated special voting shares are surrendered to the Company. There is no possibility to hold a special voting share without holding an associated common share.

Other Shareholder Matters

Taxation

Nothing within this section should be considered or relied upon as tax advice. Rather, all prospective purchasers and holders of CNH stock, regardless of their country of residency, should consult their own tax advisors regarding the U.S. federal, state, local and foreign tax consequences of owning and disposing of CNH stock based upon their particular circumstances.

Taxation of Loyalty Voting Program

The Company maintains a Loyalty Register which provides for special voting shares to reward long-term ownership of the Company's common shares and to promote stability of its shareholder base, as further defined in Note 21 to the Consolidated Financial Statements.

The tax consequences to Shareholders of owning special voting shares are uncertain because no statutory, judicial or administrative authority directly discusses how the receipt, ownership or disposition of special voting shares should be treated for tax purposes.

U.S. Passive Foreign Investment Company (PFIC)

The U.S. federal income tax rules provide specific tax rules applicable to shareholders in companies that meet the definition of a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. CNH believes that shares of its stock are not stock of a PFIC, but this conclusion is a factual determination made annually and thus may be subject to change. U.S. holders of our ordinary shares may suffer adverse tax consequences if we are characterized as a passive foreign investment company.

Material U.K. Tax Consequences

This section summarizes the material U.K. tax consequences of the ownership of CNH common shares for U.S. Shareholders. It is intended only as a general guide and does not purport to be a complete analysis of all potential U.K. tax consequences of holding CNH common shares. This section is based on current U.K. tax law and what is understood to be the current practice of H.M. Revenue and Customs, as well as applicable tax treaties, as of the date of this form. This law and practice and these treaties are subject to change, possibly on a retroactive basis.

This section applies only to shareholders of CNH that are U.S. Shareholders, that are not resident or domiciled in the U.K., that hold their shares as an investment, and that are the absolute beneficial owner of both the shares and any dividends paid on the shares. This section does not apply to members of any special class of shareholders subject to special rules, such as:

- a pension fund;
- a charity;
- persons acquiring their shares in connection with an office or employment;
- a dealer in securities;
- an insurance company; or
- a collective investment scheme.

In addition, this section may not apply to:

- any shareholders that, either alone or together, with one or more associated persons, such as personal trusts and connected persons, control directly or indirectly at least 10% of the voting rights or of any class of share capital of CNH; or
- any person holding shares as a borrower under a stock loan or an interim holder under a repurchase agreement.

Taxation of Dividends

Withholding from dividend payments

Under U.K. domestic law, dividend payments on CNH common shares may be made without withholding or deduction for or on account of U.K. income tax.

Non-U.K. - Resident Shareholders

A shareholder of CNH common shares that is not resident in the U.K. for U.K. tax purposes will not be liable to account for income or corporation tax in the U.K. on dividends paid on the shares unless the shareholder carries on a trade (or profession or vocation) in the U.K. and the dividends are either a receipt of that trade (or profession or vocation) or, in the case of U.K. corporation tax, the shares are held by or for a U.K. permanent establishment through which the trade is carried on.

Taxation of Capital Gains

Non-U.K. - Resident Shareholders

As long as CNH does not maintain any share register in the U.K., the disposal of CNH common shares by a shareholder that is not resident in the U.K. for tax purposes (other than individuals temporarily non-resident in the U.K. for a period of less than five complete tax years) will not give rise to a chargeable gain or allowable loss.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

As long as CNH does not maintain any share register in the U.K., (i) U.K. stamp duty will not normally be payable in connection with a transfer of common shares, provided that the instrument of transfer is executed and retained outside the U.K. and no other action is taken in the U.K. by the transferor or transferee, and (ii) no U.K. SDRT will be payable in respect of any agreement to transfer CNH common shares.

Tax Consequences of Participating in the Loyalty Voting Program

A non-U.K.-resident shareholder that would not be subject to tax on dividends or capital gains in respect of CNH common shares will not be subject to U.K. tax in respect of the special voting shares.

As long as CNH does not maintain any share register in the U.K., no liability to U.K. stamp duty or SDRT will arise to shareholders on the issue or repurchase of special voting shares.

Netherlands Taxation

This section summarizes solely the principal Dutch tax consequences of the acquisition, the ownership and the disposal of CNH common shares and / or special voting shares, by Non-Resident holders of such shares (as defined below). It does not purport to describe every aspect of Dutch taxation that may be relevant to a particular holder of CNH common shares and, if applicable, CNH special voting shares. Tax matters are complex, and the tax consequences to a particular holder of CNH common shares and, if applicable, CNH special voting shares, will depend in part on such holder's circumstances. Shareholders and any potential inventor should consult their own tax advisors regarding the Dutch tax consequences of acquiring, owning and disposing of CNH common shares and, if applicable, CNH special voting shares in their particular circumstances.

Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this section the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands

This summary also assumes that the board shall control the conduct of the affairs of CNH and shall procure that CNH is organized in accordance with the facts, based upon which the competent authorities of the U.K. and the Netherlands have ruled that CNH should be treated as solely resident of the U.K. for the application of the tax treaty as concluded between the U.K. and the Netherlands. A change in facts and circumstances based upon which the ruling was issued may invalidate the contents of this section, which will not be updated to reflect any such change.

This summary is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the date of this form. The law upon which this summary is based is subject to change, perhaps with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such changes.

Scope of the Summary

The summary of Dutch taxes set out in this section "Material Dutch tax consequences" only applies to a holder of shares who is a Non-Resident holder of shares. For the purpose of this summary, a holder of shares is a Non-Resident holder of shares if such holder is neither a resident nor deemed to be resident in the Netherlands for purposes of Dutch income tax or corporation tax as the case may be.

This Dutch taxation discussion does not address the Dutch tax consequences for a holder of CNH common shares and, if applicable, special voting shares, who:

(1) Is a person who may be deemed an owner of CNH common shares and, if applicable, CNH special voting shares for Dutch tax purposes pursuant to specific statutory attribution rules in Dutch tax law;

(2) Owns CNH common shares and, if applicable, CNH special voting shares in connection with a membership of a management board or a supervisory board, an employment relationship, a deemed employment relationship or management role; or

(3) Is for Dutch tax purposes taxable as a corporate entity and resident of Aruba, Curaçao, or Sint Maarten.

Dividend Withholding Tax

CNH is generally required to withhold Dutch dividend withholding tax at a rate of 15 percent from dividends distributed by it. The competent authorities of the U.K. and the Netherlands have ruled that CNH is resident of the U.K. for the application of the tax treaty as concluded between the Netherlands and the U.K. Consequently, payments made by

CNH on the common shares and / or the special voting shares to Non-Resident shareholders may be made free from Dutch dividend withholding tax.

Taxes on income and capital gains from the ownership and disposition of CNH common shares and / or special voting shares

Individuals

If a Non-Resident holder of CNH common shares and, if applicable, CNH special voting shares is an individual, the holder will not be subject to Dutch income tax in respect of any benefits derived or deemed to be derived from or in connection with CNH common shares and, if applicable, CNH special voting shares, except if:

- *(a)* the holder derives profits from an enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, and such enterprise is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and such holder's CNH common shares and, if applicable, CNH special voting shares are attributable to such permanent establishment or permanent representative; or
- *(b)* the holder benefits or is deemed to derive benefits from or in connection with CNH common shares and, if applicable, CNH special voting shares that are taxable as benefits from miscellaneous activities performed in the Netherlands; or
- *(c)* the holder derives profits pursuant to the entitlement to a share in the profits of an enterprise, other than as a holder of securities, which is effectively managed in the Netherlands and to which enterprise CNH common shares and, if applicable, CNH special voting shares are attributable.

Corporate entities

If a Non-Resident holder of CNH common shares and, if applicable, CNH special voting shares is a corporate entity, or an entity including an association, a partnership and a mutual fund, taxable as a corporate entity, it will not be subject to Dutch corporation tax in respect of any benefits derived or deemed to be derived from or in connection with CNH common shares and, if applicable, CNH special voting shares, except if:

- *(a)* it derives profits from an enterprise directly which is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and to which permanent establishment or permanent representative its CNH common shares and, if applicable, CNH special voting shares are attributable; or
- *(b)* it derives profits pursuant to a co-entitlement to the net value of an enterprise which is managed in the Netherlands, other than as a holder of securities, and to which enterprise its CNH common shares and, if applicable, CNH special voting shares are attributable.

Gift and Inheritance Taxes

No Dutch gift or inheritance taxes will arise with respect to an acquisition or deemed acquisition of CNH common shares and, if applicable, CNH special voting shares by way of a gift by, or upon the death of, a holder of CNH common shares, and, if applicable, special voting shares, who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax except if, in the event of a gift whilst not being a resident nor being a deemed resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, a holder of CNH common shares and, if applicable, a holder of CNH special voting shares becomes a resident or a deemed resident in the Netherlands and dies within 180 days after the date of the gift.

For purposes of Dutch gift and inheritance taxes, a gift of CNH common shares and, if applicable, CNH special voting shares made under a condition precedent is deemed to be made at the time the condition precedent is satisfied.

Registration Taxes and Duties

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands in respect of or in connection with the execution and/or enforcement (including by legal proceedings and including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of CNH common shares and / or special voting shares or the performance by CNH of its obligations under such documents, or the transfer of CNH common shares and / or special voting shares.

SUBSEQUENT EVENTS AND OUTLOOK

SUBSEQUENT EVENTS

The Company's Board of Directors authorized a $500 million share buyback program under which the Company may repurchase its common shares commencing after the maturity or exhaustion of the limit of the existing $1 billion share buyback program in the open market or through privately negotiated or other transactions, including at the Company's election trading plans under Rule 10b5-1 under the Securities Exchanges Act of 1934 depending on share price, market conditions and other factors.

On January 16, 2024, CNH Industrial Capital LLC repaid the principal amount of $500 million of its 4.200% unsecured note due in 2024.

2024 U.S. GAAP OUTLOOK

CNH manages its operations, assesses its performance and makes decision about allocation of resources based on financial results prepared only in accordance with U.S. GAAP, and, accordingly, also the full year guidance presented below is prepared under U.S. GAAP.

The Company forecasts that 2024 global industry retail sales will be lower in both the agriculture and construction equipment markets when compared to 2023. While projections vary among geographies and product types, in the aggregate for key markets where the Company competes, CNH estimates that agriculture industry retail sales will be down 10-15% and construction equipment industry retail sales will be down around 10% when compared to 2023.

CNH is continuing its efforts to improve through-cycle margins with its two previously announced cost reduction programs. The first program is focused on reducing product costs through logistics normalization, lean manufacturing principles, and strategic sourcing, and was first announced at the 2022 Capital Markets Day. The second program is focused on reducing SG&A expenses and was announced in conjunction with Q3 2023 earnings. Both programs are progressing and are expected to partially offset the impact of the lower industry demand.

Consequently, the Company is providing the following 2024 outlook:

- Agriculture segment net sales(*) down between 8% and 12% year-over-year including currency translation effects;
- Agriculture segment adjusted EBIT margin between 14.0% and 15.0%;
- Construction segment net sales(*) down between 7% and 11% year-over-year including currency translation effects;
- Construction segment adjusted EBIT margin between 5.0% and 6.0%;
- Free Cash Flow of Industrial Activities(**) between $1.2bn and $1.4bn;
- Adjusted diluted EPS between $1.50 to $1.60.

CNH also announces that its Board of Directors has approved an additional $500 million share buyback program to commence after the completion of the existing $1 billion share buyback program. Share repurchases under the program will be made from time to time in private transactions, open market purchases or other transactions as permitted by securities laws and other legal requirements. The timing and amounts of any purchases will be based on market conditions and other factors including but not limited to price and regulatory requirements. The program does not require the purchase of any minimum dollar amount or number of shares and the program may be modified, suspended, or discontinued at any time.

(*) Net sales reflecting the exchange rate of 1.10 EUR/USD.

(**) This item is a non-GAAP financial measure. Refer to the "Board Report - Operating and Financial Review and Prospects" section of this Annual Report for information regarding non-GAAP financial measures.

March 19, 2024

The Board of Directors

Suzanne Heywood
Scott W. Wine
Elizabeth Bastoni
Howard W. Buffett
Richard J. Kramer
Karen Linehan
Alessandro Nasi
Vagn Sørensen
Åsa Tamsons

CNH
CONSOLIDATED
FINANCIAL STATEMENTS

At December 31, 2023

CONSOLIDATED INCOME STATEMENT

($ million)	Note	2023	2022
Net revenues	(1)	24,504	23,473
Cost of sales	(2)	18,604	18,167
Selling, general and administrative costs	(3)	1,782	1,678
Research and development costs	(4)	1,012	881
Result from investments:	(5)	185	108
Share of the profit/(loss) of investees accounted for using the equity method		185	108
Gains/(losses) on the disposal of investments	(6)	(21)	—
Restructuring costs	(7)	65	34
Other income/(expenses)	(8)	(84)	(9)
Financial income/(expenses)	(9)	(194)	(177)
PROFIT/(LOSS) BEFORE TAXES		**2,927**	**2,635**
Income tax (expense) benefit	(10)	(600)	(758)
PROFIT/(LOSS) FOR THE PERIOD		2,327	1,877

PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the parent		2,315	1,867
Non-controlling interests		12	10

(in $)			
EARNINGS/(LOSS) PER COMMON SHARE			
Basic	(12)	1.73	1.38
Diluted	(12)	1.71	1.37

(in millions)			
WEIGHTED AVERAGE SHARES OUTSTANDING			
Basic	(12)	1,337	1,351
Diluted	(12)	1,354	1,362

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

($ million)	Note	2023	2022
PROFIT/(LOSS) (A)		**2,327**	**1,877**
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss:			
Gains/(losses) on the remeasurement of defined benefit plans	(21)	(45)	128
Related tax effect	(21)	35	(11)
Total Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss, net of tax (B1)		**(10)**	**117**
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss:			
Gains/(losses) on cash flow hedging instruments	(21)	(120)	83
Exchange gains/(losses) on translating foreign operations	(21)	(6)	132
Share of Other comprehensive income/(loss) of entities accounted for using the equity method	(21)	33	(26)
Related tax effect	(21)	38	(16)
Total Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss, net of tax (B2)		**(55)**	**173**
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX (B) = (B1) + (B2)		**(65)**	**290**
TOTAL COMPREHENSIVE INCOME/(LOSS) (A)+(B)		**2,262**	**2,167**
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
Owners of the parent		2,246	2,158
Non-controlling interests		15	9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

($ million)	Note	At December 31, 2023	At December 31, 2022
ASSETS			
Intangible assets	(13)	5,690	5,172
Property, plant and equipment	(14)	2,227	1,780
Investments and other non-current financial assets:	(15)	605	408
Investments accounted for using the equity method		477	345
Other investments and non-current financial assets		128	63
Leased assets	(16)	1,417	1,501
Defined benefit plan assets	(22)	10	12
Deferred tax assets	(10)	841	343
Total Non-current assets		**10,790**	**9,216**
Inventories	(17)	5,552	4,848
Trade receivables	(18)	132	168
Receivables from financing activities	(18)	24,671	19,611
Current tax receivables	(18)	39	54
Other current receivables and financial assets	(18)	453	747
Prepaid expenses and other assets		143	113
Derivative assets	(19)	135	189
Cash and cash equivalents	(20)	5,045	5,129
Total Current assets		**36,170**	**30,859**
TOTAL ASSETS		**46,960**	**40,075**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CONTINUED)

($ million)	Note	At December 31, 2023	At December 31, 2022
EQUITY AND LIABILITIES			
Issued capital and reserves attributable to owners of the parent		8,745	7,559
Non-controlling interests		66	0
Total Equity	(21)	**8,811**	**7,559**
Provisions:		3,965	3,046
Employee benefits	(22)	691	694
Other provisions	(23)	3,274	2,352
Debt:	(24)	28,255	23,652
Asset-backed financing	(24)	11,722	9,753
Other debt	(24)	16,533	13,899
Derivative liabilities	(19)	215	204
Trade payables	(25)	3,601	3,690
Tax liabilities	(10)	673	418
Deferred tax liabilities	(10)	40	155
Other current liabilities	(26)	1,400	1,351
Total Liabilities		**38,149**	**32,516**
TOTAL EQUITY AND LIABILITIES		**46,960**	**40,075**

CONSOLIDATED STATEMENT OF CASH FLOWS

($ million)	Note	2023	2022
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(20)	**5,129**	**5,845**
B) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:			
Profit/(loss) for the period		2,327	1,877
Depreciation and amortization (net of depreciation and amortization of assets under operating leases)	(11)	625	574
Other non-cash items	(33)	(15)	89
(Gains)/losses on disposal of non-current assets		10	(42)
Loss on repurchase/early redemption of notes		—	—
Dividends received		63	35
Change in provisions		838	213
Change in deferred income taxes		(550)	(59)
Change in operating lease items[1]		85	223
Change in working capital	(33)	(513)	(406)
Total Cash flow provided/(used) by operating activities		**2,870**	**2,504**
C) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:			
Investments in:			
Property, plant and equipment and intangible assets (net of assets under operating leases)		(852)	(635)
Consolidated subsidiaries and other equity investments		(312)	(34)
Other investments		(5)	(10)
Proceeds from the sale of non-current assets		74	463
Net change in receivables from financing activities	(33)	(4,832)	(4,224)
Change in other current financial assets		254	(295)
Other changes		(125)	(520)
Total Cash flow provided/(used) by investing activities		**(5,798)**	**(5,255)**
D) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:			
Bonds issued		1,774	1,260
Repayment of bonds		(1,733)	(710)
Issuance of other medium-term borrowings (net of repayment)	(33)	793	328
Net change in debt and other financial assets/liabilities	(33)	3,102	1,966
Dividends paid		(538)	(423)
(Purchase)/sale of treasury shares		(652)	(153)
(Purchase)/sale of ownership interests in subsidiaries		(11)	—
Total Cash flow provided/(used) by financing activities		**2,735**	**2,268**
Translation exchange differences		109	(233)
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**(84)**	**(716)**
F) CASH AND CASH EQUIVALENTS AT END OF YEAR	(20)	**5,045**	**5,129**

(1) Cash from operating lease is recognized under operating activities in a single line item, which includes capital expenditure, depreciation, write-downs and changes in inventory.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the owners of the parent										
($ million)	Share capital	Treasury shares	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Defined benefit plans remeasurement reserve	Equity investments at FVTOCI	Cumulative share of OCI of entities consolidated under the equity method	Non-controlling interests	Total
AT DECEMBER 31, 2021	**25**	**(84)**	**3,294**	**7,795**	**(2)**	**(2,007)**	**(371)**	**(3)**	**(254)**	**33**	**8,426**
Demerger impacts[1]	—	—	(3,044)	207	3	33	194	3	11	(25)	**(2,618)**
Dividends distributed	—	—	—	(412)	—	—	—	—	—	(11)	**(423)**
Acquisition of treasury stock		(153)									**(153)**
Common shares issued from treasury stock and capital increase for share-based compensation	—	7	(7)	—	—	—	—	—	—	—	—
Share-based compensation expense	—	—	87	—	—	—	—	—	—	—	**87**
Profit/(loss) for the year	—	—	—	1,867	—	—	—	—	—	10	**1,877**
Other comprehensive income/(loss), net of tax	—	—	—	—	67	133	117	—	(26)	(1)	**290**
Other changes[2]	—	—	2	77	—	—	—	—	—	(6)	**73**
AT DECEMBER 31, 2022	**25**	**(230)**	**332**	**9,534**	**68**	**(1,841)**	**(60)**	**—**	**(269)**	**—**	**7,559**
Dividends distributed	—	—	—	(527)	—	—	—	—	—	(11)	**(538)**
Acquisition of treasury stock		(652)									**(652)**
Common shares issued from treasury stock and capital increase for share-based compensation	—	20	(20)	—	—	—	—	—	—	—	**—**
Share-based compensation expense	—	—	99	—	—	—	—	—	—	—	**99**
Equity transaction	—	—	(6)	—	—	—	—	—	—	—	**(6)**
Profit/(loss) for the year	—	—	—	2,315	—	—	—	—	—	12	**2,327**
Other comprehensive income/(loss), net of tax	—	—	—	—	(82)	(9)	(10)	—	33	3	**(65)**
Other changes[2]	—	(3)	(1)	29	—	—	—	—	—	62	**87**
AT DECEMBER 31, 2023	**25**	**(865)**	**404**	**11,351**	**(14)**	**(1,850)**	**(70)**	**—**	**(236)**	**66**	**8,811**

(1) The line "Demerger impacts" reflects spin-off of Iveco Group impacts on the equity. The spin-off took effect on January 1, 2022 (refer to the Section - "Scope of Consolidation - Discontinued Operations - Iveco Group Business").

(2) Other changes of Earnings reserves include the impact of IAS 29 - Financial reporting in hyperinflationary economies applied for subsidiaries that prepare their financial statements in a functional currency of a hyperinflationary economy. In particular, from July 1, 2018, Argentina's economy was considered to be hyperinflationary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PRINCIPAL ACTIVITIES

CNH Industrial N.V. (or the “Company”) is incorporated in, and under the laws of, the Netherlands. CNH Industrial N.V. has its corporate seat in Amsterdam, the Netherlands, and its principal office in Basildon, England, United Kingdom. The Company was formed on September 29, 2013, as a result of the business combination transaction between Fiat Industrial S.p.A. (“Fiat Industrial”) and its majority owned subsidiary CNH Global N.V. (“CNH Global”). Unless otherwise indicated or the context otherwise requires, the terms "CNH" and the "Group" refer to CNH and its subsidiaries.

CNH is a leading company in the capital goods sector that, through its various businesses, designs, produces, and sells agricultural and construction equipment (see Note 28 “Segment reporting”). In addition, CNH’s Financial Services segment offers an array of financial products and services, including retail financing for the purchase or lease of new and used CNH and other manufacturers’ products and other retail financing programs and wholesale financing to dealers.

CNH has three reportable segments consisting of: (i) Agriculture, which designs, produces and sells agricultural equipment, (ii) Construction, which designs, produces and sells construction equipment and (iii) Financial Services, which provides financial services to the customers of the Group's products. CNH's worldwide agricultural equipment and construction equipment segments as well as corporate functions are collectively referred to as "Industrial Activities".

MATERIAL ACCOUNTING POLICIES

Basis of preparation

These Consolidated Financial Statements together with the notes thereto of CNH at December 31, 2023 were authorized for issuance by the Board of Directors on March 19, 2024 and have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU-IFRS”) and with Part 9 of Book 2 of the Dutch Civil Code. The designation “IFRS” also includes International Accounting Standards (“IAS”), as well as all interpretations of the IFRS Interpretations Committee (“IFRIC”).

The financial statements are prepared under the historical cost convention, modified as required for the measurement of certain financial instruments, as well as on a going concern basis. Despite operating in a continuously difficult economic and financial environment, including rising inflation, geopolitical instability and the war in Ukraine, the Group’s assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern, in view also of the measures already undertaken by the Group to preserve cash and contain costs, and to preserve its industrial and financial flexibility, and its strong liquidity position.

These Consolidated Financial Statements are prepared using the U.S. dollar as the presentation currency. The functional currency of the parent company (CNH Industrial N.V.) is the euro. The U.S. dollar presentation currency was elected to be used in order to improve comparability with main competitors, mainly in the agriculture and construction businesses, and to provide more meaningful information to U.S. investors.

During 2021, CNH completed a strategic project to separate the Commercial and Specialty Vehicles business, the Powertrain business, and the related Financial Services business (together the “Iveco Group Business”) from the Agriculture business, the Construction business, and the related Financial Services business.

The Iveco Group Business was separated from CNH Industrial N.V. in accordance with Section 2:334a (3) of the Dutch Civil Code (Burgerlijk Wetboek) by way of a legal statutory demerger (jurisdiche afsplitsing) to Iveco Group N.V. (the "Demerger"), effective January 1, 2022.

Since January 3, 2022 CNH Industrial N.V. and Iveco Group N.V. have been quoted separately on the regulated markets and operate as independent listed companies, each with its own management and Board of Directors.

Following the voluntary delisting of common shares from Euronext Milan and since January 2, 2024, CNH Industrial N.V. common stock is single listed on the New York Stock Exchange (“NYSE”) under the symbol "CNHI".

Climate related matters

CNH has an established risk management process that includes the assessment and monitoring of climate-related risk. These assessments are used by CNH to identify not only risk exposure, but also opportunities, on which the Group’s climate change strategy is based. The identification of these climate-related risks and opportunities, along with the analysis of sustainability macrotrends, led to the definition of a decarbonization strategy, which in turn has been incorporated within, and regularly influences, the Group’s Strategic Business Plan. To further address the potential impacts of climate change, CNH has implemented relevant projects and a number of other specific climate-related topics and has defined long-term strategic targets.

There has been increasing interest in how climate change will impact the Group's business. With reference to the climate related matters, a critical review was undertaken, and a focused analysis performed to identify, and consequently manage, the principal risks and uncertainties to which the Group is exposed. CNH recognizes the importance of climate change risk and promotes a responsible use of resources and a reduction of the environmental impact of production to mitigate climate change. In this context, CNH has adopted an environmental policy that applies to all company locations and divisions and has set up a structure dedicated to control environmental pollution, waste, and water disposal as well as emission reduction.

In particular, considering the financial statements information are presented through historical values which, by their nature, do not fully capture future events, all significant assumptions and estimates underlying the preparation of the following items were subject to an analysis in order to identify and address the new uncertainties related to climate changes which could affect the business: going concern, inventory management, property, plant and equipment, goodwill, brands, intangible assets with a finite life, tax reliefs, revenue recognition, provisions and onerous contracts. The analysis conducted were based on the Group strategy outlined in the context of the global supply chain environmental targets and did not highlight any critical situations that cannot be attributable to and addressed in the ordinary course of the business.

Global Business Conditions

In combination with the economic recovery factors and repercussions from geopolitical events, the global economy continues to experience volatile disruptions including to the commodity, labor and transportation markets. These disruptions have contributed to an inflationary environment which has affected, and may continue to affect, the price and availability of certain products and services necessary for the Company's operations. For example, the Company experienced supply chain disruptions and inflationary pressures in 2022 and, while these trends improved in 2023, the Company continues to experience some disruptions. The reduction in supply chain disruptions contributed to improved efficiencies in our manufacturing operations, but purchasing costs remain elevated.

In addition, the Company continues to monitor global economic conditions and the impact of macroeconomic pressures, including repercussions from rising interest rates, fluctuating currency exchange rates, inflation and recession fears, on the Company's business, customers and suppliers.

Format of the financial statements

CNH presents an income statement using a classification based on the function of expenses (otherwise known as the "cost of sales" method), rather than one based on their nature, as this is believed to provide information that is more relevant.

For the statement of financial position, a mixed format has been selected to present current and non-current assets and liabilities, as permitted by IAS 1 – *Presentation of Financial Statements*. Legal entities carrying out industrial activities and those carrying out financial services are both consolidated in the Group's financial statements. The investment portfolios of Financial Services are included in current assets, as the investments will be realized in their normal operating cycle. Financial Services, though, obtains funds only partially from the market; the remainder is obtained from CNH Industrial N.V. through its treasury legal entities (included in Industrial Activities), which lend funds both to Industrial Activities and to Financial Services legal entities as the need arises. This Financial Services structure within the Group means that any attempt to separate current and non-current liabilities in the consolidated statement of financial position is not meaningful. Disclosure of the due dates of liabilities is however provided in the notes.

The statement of cash flows is presented using the indirect method.

Basis of consolidation

Subsidiaries

Subsidiaries are entities over which the Group has control. Control is achieved when the Group has power over the investee, when it is exposed to, or has rights to variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns. Subsidiaries are consolidated on a line by line basis from the date which the control is achieved.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

Non-controlling interests in the net assets of consolidated subsidiaries and non-controlling interests in the profit or loss of consolidated subsidiaries are presented separately from the interests of the owners of the parent in the consolidated statement of financial position and income statement respectively. Losses applicable to non-controlling interests which exceed the non-controlling interests in the subsidiary's equity are debited to non-controlling interests.

Changes in the Group's ownership interests in subsidiaries that do not result in the loss of control are accounted for as equity transactions. The carrying amounts of the equity attributable to owners of the parent and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the book value of the non-controlling interests and the fair value of the relevant consideration is recognized directly in the equity attributable to the owners of the parent.

If the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the relevant consideration and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Any profits or losses recognized in other comprehensive income in respect of the subsidiary are accounted for as if the subsidiary had been sold (i.e., are reclassified to profit or loss or transferred directly to retained earnings depending on the applicable IFRS).

Subsidiaries that are either dormant or generate a negligible volume of business, are not consolidated. Their impact on the Group's assets, liabilities, financial position and profit/(loss) attributable to the owners of the parent is immaterial.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in joint ventures are accounted for using the equity method from the date that joint control commences until the date that joint control ceases.

Associates

Associates are enterprises over which the Group has significant influence. As defined in IAS 28 – *Investments in Associates and Joint Ventures*, significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. Investments in associates are accounted for using the equity method from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses of an associate, if any, exceeds the carrying amount of the associate in the Group's statement of financial position, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

Investments in other companies

Investments in other companies are measured at fair value. Equity investments for which there is no quoted market price in an active market and there is insufficient financial information in order to determine fair value are measured at cost as an estimate of fair value, as permitted by IFRS 9. The Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income upon the initial recognition of an equity investment that is not held to sell. This election is made on an investment-by-investment basis. Dividends received from these investments are included in Other income/(expenses) from investments.

Transactions eliminated on consolidation

All significant intra-group balances and transactions and any unrealized gains and losses arising from intra-group transactions are eliminated in preparing the Consolidated Financial Statements. Unrealized gains and losses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in those entities.

Foreign currency transactions

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in profit or loss.

Consolidation of foreign entities

Certain of CNH's non-U.S. subsidiaries and affiliates maintain their books and accounting records using local currency as the functional currency.

All assets and liabilities of subsidiaries with a functional currency other than the U.S. dollar are translated using the exchange rates in effect at the balance sheet date. Income and expenses are translated at the average exchange rate for the period. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment. Average rates of exchange are used to translate the cash flows of foreign subsidiaries in preparing the consolidated statement of cash flows.

The goodwill, assets acquired and liabilities assumed arising from the acquisition of entities with a functional currency other than the U.S. dollar are recognized in the functional currency and translated at the exchange rate at the acquisition date. These balances are subsequently retranslated at the exchange rate at the balance sheet date.

The Group applies IAS 29 - *Financial reporting in hyperinflationary economies* for its subsidiaries that prepare their financial statements in a functional currency of a hyperinflationary economy. According to this standard, non-monetary assets and liabilities not yet translated into U.S. dollar at the reporting date are redetermined using a general price index. The financial statements of these subsidiaries are then translated at the closing spot rate.

The principal exchange rates used to translate into U.S. dollars the financial statements prepared in currencies other than the U.S. dollar were as follows:

	Average 2023	At December 31, 2023	Average 2022	At December 31, 2022
Euro	0.925	0.905	0.950	0.938
Pound sterling	0.805	0.786	0.810	0.832
Swiss franc	0.899	0.838	0.954	0.923
Polish zloty	4.203	3.935	4.451	4.397
Brazilian real	4.996	4.842	5.165	5.220
Canadian dollar	1.350	1.325	1.301	1.354
Argentine peso(1)	808.076	808.076	177.110	177.110
Turkish lira(2)	23.802	29.505	16.531	18.707

(1) From July 1, 2018, Argentina's economy was considered to be hyperinflationary. After the same date, transactions for entities with the Argentine peso as the functional currency were translated using the closing spot rate. From January 1st, 2023 on, the functional currency of the industrial legal entity changed to USD, only the financial services legal entity remains with the Argentine peso as functional currency.

(2) Starting from 2022, Turkey's economy was considered to be hyperinflationary. After the same date, transactions for entities with the Turkish lira as the functional currency were translated using the closing spot rate.

Business combinations

Business combinations are accounted for by applying the acquisition method. Under this method:

- the consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred and liabilities assumed by the Group and the equity interests issued in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred;
- at the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at that date, except for deferred tax assets and liabilities, assets and liabilities relating to employee benefit arrangements, liabilities or equity instruments relating to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire, assets (or disposal groups) that are classified as held for sale, which are measured in accordance with the relevant standard;
- goodwill is measured as the excess of the aggregate of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest in the

acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a gain from a bargain purchase;

- non-controlling interest is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The selection of the measurement method is made on a transaction-by-transaction basis;
- any contingent consideration arrangement in the business combination is measured at its acquisition-date fair value and included as part of the consideration transferred in the business combination in order to determine goodwill. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are recognized retrospectively, with corresponding adjustments to goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which may not exceed one year from the acquisition date) about facts and circumstances that existed as of the acquisition date. Any changes in fair value after the measurement period are recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Changes in the equity interest in the acquiree that have been recognized in Other comprehensive income in prior reporting periods are reclassified to profit or loss as if the interest had been disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete in the Consolidated Financial Statements. Those provisional amounts are adjusted during the above-mentioned measurement period to reflect new information obtained about facts and circumstances that existed at the acquisition date which, if known, would have affected the amounts recognized at that date.

Business combinations that took place prior to January 1, 2010 were accounted for in accordance with the version of IFRS 3 effective before the 2008 amendments, as permitted by the revised standard.

Fair value measurement

Some of the Group's assets and liabilities are measured at fair value at the balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In estimating the fair value of an asset or a liability, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Additional information about fair value, fair value hierarchy, valuation techniques and inputs used in determining the fair value of assets and liabilities is provided in Note 19 "Derivative assets and Derivative liabilities", Note 31 "Fair value measurement" and, where required, in the individual notes relating to the assets and liabilities whose fair value were determined.

In addition, fair value measurements are categorized within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) on the market;
- Level 3 — inputs that are not based on observable market data.

Determination of Fair Value

When available, CNH uses quoted market prices to determine fair value and classifies such items as Level 1. In some cases where a market price is not available, CNH will make use of observable market-based inputs to calculate fair value, in which case the items are classified as Level 2.

If quoted or observable market prices are not available, fair value is based upon internally developed valuation techniques that use, where possible, current market-based or independently sourced market parameters such as interest rates, currency rates, or yield curves. Items valued using such internally generated valuation techniques are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified as Level 3 even though there may be some significant inputs that are readily observable.

Intangible assets

Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of the net tangible and identifiable intangible assets acquired. Goodwill is not amortized but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Development costs

Development costs for agricultural and construction equipment project are recognized as an asset, if and only if, both of the following conditions within *IAS 38 - Intangible Assets* are met: i) development costs can be measured reliably, and ii) the technical feasibility of the product, projected volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalized development costs include all direct and indirect costs that may be directly attributed to the development process. All other development costs are expensed as incurred.

Capitalized development costs for agricultural and construction equipment are amortized on a systematic basis over a period of 5 years.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives principally consist of acquired trademarks which have no legal, regulatory, contractual, competitive, economic, or other factor that limits their useful life. Intangible assets with indefinite useful life are not amortized, but are tested for impairment annually or more frequently if events or changes in circumstances indicated that the asset may be impaired.

Other intangible assets

Other purchased and internally-generated intangible assets are recognized as assets in accordance with IAS 38 – *Intangible Assets*, where it is probable that the use of the asset will generate future economic benefits for the Group and where the costs of the asset can be determined reliably.

Such assets are measured at purchase or manufacturing cost and amortized on a straight-line basis over their estimated useful lives, if these assets have finite useful lives.

Other intangible assets acquired as part of the acquisition of a business are capitalized separately from goodwill if their fair value can be measured reliably.

Property, plant and equipment

Cost

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment.

Cost comprises the purchase price, any costs directly attributable to bringing the assets to the location and condition necessary to be capable of operating in the manner intended by management, capitalized borrowing costs and any initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditures and the cost of replacing parts of an asset are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalized, the carrying amount of the parts that are replaced is recognized in profit or loss.

Depreciation

Depreciation is recorded on a straight-line basis over the estimated useful lives of the respective assets as follows:

	Depreciation rates
Buildings	2.5% - 10%
Plant, machinery and equipment	4% - 20%
Other assets	10% - 33%

Land is not depreciated.

Lease accounting policy

Lessee accounting

A lease is a contract that conveys the right to control the use of an identified asset (the leased asset) for a period of time in exchange for consideration. The lease term determined by the Group comprises the non-cancellable period of lease contract together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. For real estate leases, this assessment is based on an analysis by management of all relevant facts and circumstances including the leased asset's purpose, the economic and practical potential for replacing and any plans that the Group has in place for the future use of the asset. For lease agreements, we combine lease and non-lease components.

For leases with terms not exceeding twelve months (short-term leases) and for leases of low-value assets, CNH recognizes the lease payments associated with those leases on a straight-line basis over the lease term as operating expense in the income statement.

For all other leases, at the commencement date (i.e., the date the underlying asset is available for use), CNH recognizes a right-of-use asset, classified within Property, plant and equipment, and a lease liability, classified within Other Debt.

At the commencement date, the right-of-use asset includes the amount of lease liability recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. At the same date, the lease liability is measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The incremental borrowing rate is determined considering macro-economic factors such as the specific interest rate curve based on the relevant currency and term, as well as specific factors contributing to CNH's credit spread. The Group primarily uses the incremental borrowing rate as the discount rate for its lease liabilities.

After the commencement date, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated on a straight-line basis. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, CNH depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. After the commencement date, the lease liability is increased to reflect the accretion of interest, recognized within Financial income/(expenses) in the income statement, reduced for the lease payments made, and remeasured to reflect any reassessment or lease modifications.

Lessor accounting

Lease contracts where CNH acts as a lessor, can be classified as either an operating lease or finance lease. Leases where a significant portion of the risks and rewards are retained by the lessor are classified as operating leases. Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are classified as a finance leases.

Where CNH is the lessor in a finance lease, the future minimum lease payments from lessees are classified as Receivables from financing activities. Lease payments are recognized as repayment of the principal, and financial income remunerating the initial investment and the services provided.

Where CNH is the lessor in an operating lease, income from operating leases is recognized over the term of the lease on a straight-line basis. Leased assets include equipment leased to retail customers by the Group's leasing companies. They are stated at cost and depreciated at annual rates of between 20% and 33%.

CNH evaluates the carrying amount of equipment on operating leases for potential impairment when it determines a triggering event has occurred. When a triggering event occurs, a test for recoverability is performed comparing projected undiscounted future cash flows to the carrying amount of the asset. If the test for recoverability identifies a possible impairment, the asset's fair value is measured in accordance with the fair value measurement framework. An impairment charge would be recognized for the amount by which the carrying amount of the asset exceeds its estimated fair value.

When leased assets are no longer leased and become held for sale, the Group reclassifies their carrying amount to Inventories.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets (as defined under IAS 23 – *Borrowing Costs*), which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized and amortized over the useful life of the class of assets to which they refer.

All other borrowing costs are expensed when incurred.

Impairment of assets

The Group reviews, at least annually, the recoverability of the carrying amount of intangible assets (including capitalized development costs) and property, plant and equipment, in order to determine whether there is any indication that those assets have suffered an impairment loss. Goodwill and Intangible assets with indefinite useful lives are tested for impairment annually, or more frequently, if there is an indication that an asset may be impaired.

If indicators of impairment are present, the carrying amount of the asset is reduced to its recoverable amount which is the higher between fair value less costs of disposal and value in use. The recoverable amount is determined for the individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case the asset is tested as part of the cash-generating unit ("CGU") to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

In assessing the value in use of an asset or CGU, the pre-tax estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the recoverable amount is lower than the carrying amount.

Where a previous impairment loss for assets other than goodwill no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased up to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. A reversal of an impairment loss is recognized in profit or loss immediately.

Financial instruments

Presentation

Financial instruments held by the Group are presented and measured in the financial statements as described in the following paragraphs.

Investments and other non-current financial assets comprise investments in unconsolidated companies and other non-current financial assets (securities, and other non-current financial receivables).

Current financial assets include trade receivables, receivables from financing activities (retail financing, dealer financing, lease financing and other current loans to third parties), current securities and other current financial assets (which include derivative financial instruments stated at fair value as assets), as well as cash and cash equivalents.

Current securities include short-term or marketable securities which represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents.

Financial liabilities refer to debt, which includes asset-backed financing (“ABS”), and derivative liabilities (which include derivative financial instruments stated at fair value as liabilities), trade payables and other liabilities.

Measurement

Investments in unconsolidated companies classified as non-current financial assets are accounted for as described in the paragraph “Basis of consolidation”.

In accordance with IFRS 9 - *Financial Instruments*, financial assets are classified as measured at either amortized cost ("AC"), fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"), depending on the business model for managing such financial assets and the asset’s contractual cash flow characteristics. Financial liabilities are classified as measured at amortized cost using the effective interest method.

Financial assets and current securities acquired through a regular way purchase are recognized on the basis of the settlement date and, on initial recognition, are measured at fair value including transaction costs. Subsequent measurement depends on the business model for managing the asset and the cash flow characteristics of the asset.

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost using the effective interest method. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates.

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset’s cash flows represents solely payments of principal and interests, are measured at fair value through other comprehensive income. Gains and losses on assets measured at fair value through other comprehensive income are recognized directly in other comprehensive income until the financial asset is disposed of or is determined to be impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to profit or loss; when the asset is impaired, expected credit losses are recognized to profit or loss. Interest income from these financial assets is included in financial income.

As a result of the Group's business model, trade receivables and receivables from financing activities are subsequently measured at amortized cost.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is included in profit or loss for the period. The recognition of an impairment is based on expected credit losses.

Cash and cash equivalents include cash at banks, units in liquidity funds, other money market securities and other cash equivalents. Cash and cash equivalents are subject to an insignificant risk of changes in value. Money market securities consist of investments in high quality, short-term, diversified financial instruments that can generally be liquidated on demand and are measured at FVTPL. Cash at banks and Other cash equivalents are measured at amortized cost.

Derivative financial assets and liabilities are measured either at fair value through other comprehensive income (when in a hedging relationship) or at FVTPL.

Financial assets and liabilities hedged by derivative instruments are measured in accordance with hedge accounting principles applicable to fair value hedges: gains and losses arising from remeasurement at fair value, due to changes in the respective hedged risk, are recognized in profit or loss and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks. In accordance with IFRS 9, derivative financial instruments qualify for hedge accounting only when, at the inception of the hedge, there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge, there is an economic relationship between the hedging instrument and the hedged item, credit risk does not dominate the value changes that result from the economic relationship, and the hedging ratio in the hedging relationship reflects the actual quantity of the hedging instruments and the hedged item. Further details on qualifying criteria are included in Note 19 "Derivative assets and Derivative liabilities" and Note 30 "Information on financial risks".

When derivative financial instruments qualify for hedge accounting, the following accounting treatments applies:

- *Fair value hedges* – where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect profit or loss, the gain or loss from remeasuring the hedging instrument at fair value is recognized in profit or loss. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in profit or loss.
- *Cash flow hedges* – where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognized asset or liability, or a highly probable forecasted transaction, and could affect profit or loss, the effective portion of any gain or loss on the derivative financial instrument is recognized directly in other comprehensive income in the cash flow hedge reserve. The cumulative gain or loss is removed from other comprehensive income and recognized in profit or loss at the same time as the economic effect arising from the hedged item affects income. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in profit or loss immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income and is recognized in profit or loss at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in other comprehensive income is recognized in profit or loss immediately.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately in profit or loss.

Transfers of financial assets

The Group derecognizes financial assets when the contractual rights to the cash flows arising from the assets are no longer held or if it transfers substantially all the risks and rewards of ownership of the financial asset, as follows:

- if the Group transfers substantially all the risks and rewards of ownership of the financial asset, it derecognizes the financial asset and recognizes separately as assets or liabilities any possible rights and obligations created or retained in the transfer;
- if the Group retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognize the financial asset;
- if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it determines whether it has retained control of the financial asset. In this case:
  - if the Group has not maintained control, it derecognizes the financial asset and recognizes separately as assets and liabilities any possible rights and obligations created or retained in the transfer;
  - if the Group has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received or receivable for the transfer of the asset is recognized in profit or loss.

Inventories

Inventories of raw materials, semi-finished products and finished goods (including assets leased out under operating lease) are stated at the lower of cost and net realizable value. Cost is determined by the first-in-first-out (FIFO) method. Cost includes the direct costs of materials, labor and indirect costs (variable and fixed). A provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.

Assets and liabilities held for sale

Non-current assets are classified as held for sale if their carrying amounts will be principally recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, with the sale expected to be completed within one year from the date of classification, and the non-current asset (or the disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group). When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell.

Employee benefits

Pension plans

The present value of a defined benefit obligation and the related current service cost (and past service cost, where applicable) for defined benefit pension plans are determined on an actuarial basis using the projected unit credit method.

The net defined benefit liability that the Group recognizes in the statement of financial position represents the present value of the defined benefit obligation reduced by the fair value of any plan assets (deficit). In case of a surplus, a net defined benefit asset is recognized at the lower of the surplus and the asset ceiling.

Remeasurements of the net defined benefit liability/asset (that comprise: a) actuarial gains and losses, b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability/asset, and c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/asset) are recognized directly in other comprehensive income without reclassification to profit or loss in subsequent years.

Past service cost resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction in the number of employees covered by a plan) and gain or loss on settlements (a transaction that eliminates all further legal or constructive obligations for part or all of the benefits) are recognized in profit or loss in the period in which they occur (or, in case of past service costs, when the entity recognizes related restructuring costs or termination benefits, if earlier).

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset and is recognized as Financial income/(expenses) in profit or loss. Current service cost and all other costs and income arising from the measurement of pension plan provisions are allocated to costs by function in profit or loss.

Post-employment plans other than pensions

The Group provides certain post-employment defined benefits, mainly healthcare plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

Defined contribution plans

Costs arising from defined contribution plans are recognized as an expense in profit or loss as incurred.

Share-based compensation plans

The Group provides additional benefits to certain members of senior management and employees through equity compensation plans (stock option plans and stock grants). In accordance with IFRS 2 – *Share-based Payment*, these plans represent a component of recipient remuneration. The compensation expense, corresponding to the fair value of the instruments at the grant date, is recognized in profit or loss on a straight-line basis over the requisite service period for each separately vesting portion of an award, with the offsetting credit recognized directly in equity. Any subsequent changes to fair value do not have any effect on the initial measurement.

Provisions

Provisions are recognized when the Group has a present obligation, legal or constructive, to a third party, as a result of a past event, when it is probable that an outflow of resources will be required to satisfy the obligation and when a reliable estimate of the amount of the obligation can be made.

Changes in estimates are reflected in profit or loss in the period in which the change occurs.

Treasury shares

Treasury shares are presented as a deduction from equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

Revenue recognition

Revenue is recognized when control of the equipment, services or parts has been transferred and the Group's performance obligations to the customers have been satisfied. Revenue is measured as the amount of consideration the Group is entitled to receive in exchange for transferring goods or providing services.

The timing of when the Group transfers the goods or services to the customer may differ from the timing of the customer's payment.

Revenues are stated net of discounts, allowances, settlement discounts and rebates, as well as costs for sales incentive programs, which are determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognized.

The Group also enters into contracts with multiple performance obligations. For these contracts, the Group allocates revenue from the transaction price to the distinct goods and services in the contract on a relative standalone selling price basis. To the extent the Group sells the goods or services separately in the same market, the standalone selling price is the observable price at which the Group sells the goods or services separately. For all other goods or services, the Group estimates the standalone selling price considering all information, reasonably available (including market conditions, entity-specific factors and information about the customer or class of customer).

Sales of goods

The Group has determined that the customers from the sale of equipment and parts are dealers, distributors, public entities and retail customers.

The Group recognizes revenue at a point in time when control has transferred to the customer at a sales price that the Group is entitled to receive. In most of the jurisdictions where CNH operates, and subject to specific exceptions, transfer of control occurs upon shipment. We have elected to recognize at the time of sale costs for shipping and handling activities that occur after control has transferred. These expenses are presented in Sales of goods.

For all sales, no uncertainty exists surrounding the purchaser's obligation to pay for equipment and parts. The Group records appropriate allowance for credit losses and anticipated returns as required. Fixed payment schedules exist for all sales, but payment terms vary by geographic market and product line. See note 18 "Current receivables and Other current financial assets". The Group records an appropriate allowance for credit losses.

The cost of incentives, if any, are estimated at the inception of a contract at the amount that is expected to be paid and is recognized as a reduction to revenue at the time of the sale. If an equipment contract transaction has multiple performance obligations, the cost of incentives is allocated entirely to the equipment. If the estimate of the incentive changes following the sale to the customer, the change in estimate is recognized as an adjustment to revenue in the period of the change. CNH grants certain sales incentives to support sales of its products to retail customers. At the later of the time of sale or the time an incentive is announced to dealers, CNH records the estimated impact of sales allowances in the form of dealer and customer incentives as a reduction of revenue. Subsequent adjustments to sales incentive programs related to products previously sold are recognized as an adjustment to revenues in the period the adjustment is determinable. The determination of sales allowances requires management to make estimates based upon historical data, estimated future market demand for products, field inventory levels, announced incentive programs, competitive pricing and interest rates, among other things.

With reference to the sales to dealers accompanied by "floor plan" agreements under which the Group offers wholesale financing including "interest-free" financing for a specified period of time (which also vary by geographic market and product line, see note 18 "Current receivables and Other current financial assets"), two separate performance obligations exist. The first performance obligation consists of the sale of the equipment from Industrial Activities to the dealer. Concurrent with the sale of the equipment, Industrial Activities offers to the dealer wholesale financing through loans extended by Financial Services. Industrial Activities compensates Financial Services for the cost of the interest-free period. This cost has been determined to represent a cash sale incentive on the initial sale of the good, and therefore it is recognized upfront as a reduction of net sales of Industrial Activities. The second performance obligation consists of a credit facility extended by Financial Services to the dealer. The remuneration for this performance obligation is represented by the compensation received from Industrial Activities for the period of the interest-free financing and by the interest charged to dealer for the remaining period. This remuneration is recognized by Financial Services over the period of the outstanding exposure.

For parts sales, when the Group provides its customers with a right to return a transferred product, revenue and corresponding cost of sales are recognized for parts that are not expected to be returned. The expected returns are estimated based on an analysis of historical experience. The portion of revenue (and corresponding cost of sales) related to the parts that are expected to be returned is recognized at the end of the return period. The amount received or receivable that is expected to be returned is recognized as a refund liability, representing the obligation to return the customer's consideration.

Furthermore, at the time of the initial sale, CNH recognizes a return asset for the right to recover the goods returned by the customer. This asset is initially measured at the former carrying amount of the inventory. At each reporting date, both the refund liability and the return asset are remeasured to record for any revisions to the expected level of returns, as well as any decreases in the value of the returned products.

Rendering of services

Revenues from services provided are primarily comprised of extended warranties and maintenance and repair services and are recognized over the contract period when the costs are incurred, that is when the claims are charged by the dealer. Amounts invoiced to customers for which CNH receives consideration before the performance is satisfied are recognized as contract liability. These services are either separately-priced or included in the selling price of the equipment. In the second case, revenue for the services is allocated based on the estimated stand-alone selling price. In the event that the costs expected to be incurred to satisfy the remaining performance obligations exceed the transaction price, an estimated contract loss is recognized.

Finance and interest income

Finance and interest income on retail and other notes receivables and finance leases is recorded using the effective yield method. Deferred costs on the origination of financing receivables are recognized as a reduction in finance revenue over the expected lives of the receivables using the effective yield method. When a financial asset becomes credit-impaired and is, therefore, regarded as "Stage 3", CNH calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, CNH reverts to calculating interest income on a gross basis. Receivables are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Delinquency is reported on receivables greater than 30 days past due. Charge-offs of principal amounts of receivables outstanding are deducted from the allowance at the point when it is estimated that amounts due are deemed uncollectible.

Rents and other income on operating leases

Income from operating leases is recognized over the term of the lease on a straight-line basis.

Cost of sales

Cost of sales comprises the cost of manufacturing products and the acquisition cost of purchased merchandise which has been sold. It includes all directly attributable material and production costs and all production overheads. These include the depreciation of property, plant and equipment and the amortization of intangible assets relating to production and write-downs of inventories. Cost of sales also includes freight and insurance costs relating to deliveries to dealers and agency fees in the case of direct sales.

Cost of sales also includes provisions made to cover the estimated cost of product warranties at the time of sale to dealer networks or to the end customer.

Expenses which are directly attributable to the Financial Services business, including the interest expense related to their financing as a whole and charges for risk provisions and write-downs, are also reported in cost of sales.

Research and development costs

This item includes research costs, development costs not eligible for capitalization and the amortization of development costs recognized as assets in accordance with IAS 38.

Government grants

Government grants are recognized in the financial statements when there is reasonable assurance that the company will comply with the conditions for receiving such grants and that the grants themselves will be received. Government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to offset.

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying amount of the loan (fair value plus transaction costs) and the proceeds received and is accounted for in accordance with the policies already used for the recognition of government grants.

Income taxes

Income taxes include all taxes based upon the taxable profits of the Group. Taxes on income are recognized in profit or loss except to the extent they relate to items recognized directly in equity or in other comprehensive income, in which case the related tax effects are recognized directly in equity or in other comprehensive income. Provisions for income taxes arising on the distribution of a subsidiary's undistributed profits are only made where there is a current intention to distribute such profits. Deferred taxes are provided using the full liability method. They are calculated on all temporary differences between the tax base of an asset or liability and the carrying amounts in the Consolidated Financial Statements, except for those arising from non-tax-deductible goodwill and for those related to investments in subsidiaries where it is possible to control the reversal of the differences and reversal will not take place in the foreseeable future. Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from temporary differences, are recognized to the extent it is probable future profits will be available against which they can be utilized. Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and where there is a legally enforceable right of offset. Deferred tax assets and liabilities are measured at the enacted or substantively enacted tax rates of the relevant tax jurisdictions that are expected to apply to taxable income during the period or periods in which the temporary differences reverse. The Group recognizes tax liabilities for uncertain tax treatments when tax risks arising from positions taken by the Group are considered probable, assuming the tax authorities have full knowledge of all relevant information when making their examination. In doing so, the Group evaluates whether to consider each uncertain tax treatment separately or jointly consider multiple uncertain tax treatments, using the approach that better predicts the resolution of the uncertainty. The liabilities recognized correspond to the amounts expected to be paid. Other taxes not based on taxable profits, such as property taxes and taxes on capital, are included in operating expenses.

Dividends

Dividends payable by the Group are reported as a change in equity in the period in which they are approved by the Company's shareholders at the Annual General Meeting of Shareholders ("AGM").

Earnings per share

Basic earnings per share are calculated by dividing the Profit/(loss) attributable to owners of the parent by the weighted average number of common shares outstanding during the year. Special voting shares are not included in the earnings per share calculation as they are not eligible for dividends and have only limited economic rights. For diluted earnings per share, the weighted average number of common shares outstanding is adjusted assuming conversion of dilutive potential common shares.

Use of estimates

These Consolidated Financial Statements have been prepared in accordance with EU-IFRS which requires to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of income and expenses. The estimates and related assumptions are based on available information at the date of preparation of the financial statements, historical experience and other relevant factors. Actual results may differ from the estimates.

Particularly in light of the current economic uncertainty, developments may occur which may differ from CNH's estimates and assumptions, and therefore might require significant adjustments to the carrying amounts of certain items, which as of the date of these Consolidated Financial Statements cannot be accurately estimated or predicted.

The principal items affected by estimates are the allowances for doubtful accounts receivable and inventories, non-current assets (tangible and intangible assets), the residual values of assets leased out under operating lease arrangements, sales allowances, product warranties, pension and other post-employment benefits, deferred tax assets and contingent liabilities.

Estimates and assumptions are reviewed periodically and the effects of any changes are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments and the key assumptions concerning the future that CNH has made in the process of applying its accounting policies and that may have the most significant effect on the amounts recognized in its Consolidated Financial Statements or that represent a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for doubtful accounts

The allowance for doubtful accounts for trade receivables and contract assets reflects CNH's estimate of expected lifetime credit losses, and it is measured at an amount equal to the present value of the cash shortfalls over the expected life of the financial asset.

The allowance for doubtful accounts for receivables from financing activities reflects management's estimate of forward looking expected credit losses ("ECL") in the retail and wholesale portfolios. This requires considerable judgement about how changes in economic factors affect ECLs, which is determined on a probability-weighted basis. The ECL model applies to financial assets accounted for at amortized cost and at fair value through other comprehensive income, lease receivables, and certain loan commitments and financial guarantee contracts. The loss allowances will be measured on either of the following bases:

- 12 month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Refer to Note 18 “Current receivables and Other current financial assets” for additional details on the calculation of allowance for credit losses.

Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management’s estimate of the expected loss in value, and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that taken into consideration in calculating the allowances recognized in the financial statements.

Recoverability of non-current assets (including goodwill)

Non-current assets include property, plant and equipment, intangible assets (including goodwill), investments and other non-current financial assets. The Group reviews the carrying value of non-current assets held and used and that of assets to be disposed of when events and circumstances warrant such a review. For goodwill and intangible assets with indefinite useful lives such analysis is carried out at least annually.

The analysis of the recoverable amount of non-current assets other than goodwill is usually performed using estimates of future expected cash flows from the use or disposal of the asset and an appropriate discount rate in order to calculate present value. If the carrying amount is deemed to be impaired, the Group recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to the cash flows included in its most recent business forecasts.

Goodwill impairment test is performed at the cash generating unit level, that have been identified as the segments. The recoverable amount of the cash generating units is determined using multiple valuation methodologies, relying largely on an income approach (based on the present value of estimated future cash flows) but also incorporating value indicators from a market approach. The carrying amount of a cash generating unit is then compared to the recoverable amount to determine if there is an impairment loss. Further details on the goodwill impairment test are included in Note 13 "Intangible assets".

In view of the present economic and financial situation, the Group made the following considerations in respect of its future prospects:

- when carrying out impairment testing of tangible and intangible assets, the Group took into account its expected performance in the upcoming years. CNH extended such projections for subsequent years to appropriately cover the period of analysis;
- should the assumptions underlying the forecast deteriorate further, the following is noted: the Group’s tangible and intangible assets with a finite useful life (mostly development costs) relate to models or products with high technological content in line with the latest environmental laws and regulations, which consequently makes them competitive in the current economic environment, especially in the more mature economies in which particular attention is placed on the eco-sustainability of those types of products. Consequently, despite the fact that the capital goods sector is one of the markets which could be most affected by a potential crisis in the immediate term, management considers that is highly probable that the life cycle of these products can be lengthened to extend over the period of time involved in a slower economic recovery, allowing the Group to achieve sufficient cash flows to cover the investments, although over a longer period of time.

Residual values of assets leased out under operating lease arrangements

We purchase equipment from our dealers and lease such equipment to retail customers under operating leases. Income from these operating leases is recognized over the term of the lease. Our decision on whether or not to offer lease financing to customers is based, in part, upon estimated residual values of the leased equipment, which are estimated at the lease inception date and periodically updated. Realization of the residual values, a component in the profitability of a lease transaction, is dependent on our ability to market the equipment at lease termination under the then prevailing market conditions. Equipment model changes and updates, as well as market strength and product acceptance, are monitored and adjustments are made to residual values in accordance with the significance of any such changes. Although realization is not assured, management believes that the estimated residual values are realizable.

Sales allowances

CNH provides sales incentives and discounts to dealers. At the time a sale to a dealer is recognized, CNH records an estimate of future sales incentive costs and discounts as a reduction of revenue. These incentives may be based on a dealer's purchase volume, or on retail sales incentive programs and financing programs that will be due when the dealer sells the equipment to a retail customer. The estimated cost of the these programs is based on historical data, announced and expected incentive programs and field inventory levels. The final cost of these programs is determined at the end of the measurement period for volume-based incentives or when the dealer sells the equipment to the retail customer. Changes in the mix and types of programs affect these estimates, which are reviewed quarterly. Actual cost differences from the original cost estimate are recognized in "Net revenues".

Product warranties

For most equipment and service parts sales, CNH provides a standard warranty to provide assurance that the equipment will function as intended for a specified period of time. At the time a sale is recognized, CNH records the estimated future warranty costs. CNH determines its total warranty liability by applying historical claims rate experience to the estimated amount of equipment that has been sold to end-users and is still under warranty based on dealer inventories and retail sales. Variances in claims experience and the type of warranty programs affect these estimates, which are reviewed quarterly. Estimates used to determine the product warranty accruals are based on historical claims rate leveraging the last rolling 12 months and consideration of current quality developments.

Pension and other post-employment benefits

Group companies sponsor pension and other post-employment benefits in various countries, mainly in the United States, the United Kingdom and Germany.

Employee benefit liabilities, related assets, costs and net interest connected with them are measured on an actuarial basis which requires the use of estimates and assumptions to determine the net defined benefit liability/asset for the Group. The actuarial method takes into consideration parameters of a financial nature such as the discount rate, the rate for expected return on plan assets, the rate of salary increases and the healthcare costs trend rate and takes into consideration the likelihood of potential future events by using certain demographic parameters such as mortality rates and dismissal or retirement rates. The discount rates selected are based on yields or yield curves of high quality corporate bonds in the relevant market. Trends in healthcare costs are developed on the basis of historical experience, the near-term outlook for costs and likely long-term trends. Rates of salary increases reflect the Group’s long-term actual expectations in the reference market and inflation trends. Changes in any of these assumptions may have an effect on future contributions to the plans.

The effects resulting from revising the estimates for the above parameters (“re-measurements”) are recognized directly in other comprehensive income without reclassification to profit or loss in subsequent years; refer to “Employee benefits” section above for further details.

Significant future changes in the yields of corporate bonds, other actuarial assumptions referred to above and returns on plan assets may significantly impact the net liability/asset.

Recognition of deferred tax assets

At December 31, 2023, CNH had net deferred tax assets, including tax loss carry forwards, of $244 million, of which $244 million are not recognized in the financial statements. The corresponding totals at December 31, 2022 were $534 million and $346 million.

Management has recognized deferred tax assets it believes are probable to be realized. In determining the amount of deferred tax assets probable to be realized management has considered figures from budgets and plans consistent with those used for other purposes within CNH, for example impairment testing, as discussed in the paragraph “Recoverability of non-current assets (including goodwill)” above. CNH believes the amount of recognized deferred tax assets is appropriate, despite the risk of actual future results potentially being less than results included in these forecasts, considering many of the recognized net deferred tax assets relate to temporary differences and tax losses which, to a significant extent, may be recovered over an extended time period, but do not expire based on currently enacted tax law. As in all financial reporting periods, CNH assessed the realizability of its various deferred tax assets, which related to multiple tax jurisdictions in all regions of the world.

During the fourth quarter of 2023, we recognized a significant portion of the deferred tax assets related to our operations in the U.K., resulting in a $80 million non-cash tax benefit, as those operations had consistently returned to pre-tax profitability, with that trend anticipated to continue for the foreseeable future.

During the fourth quarter of 2022, we recognized substantially all the deferred tax assets related to our agricultural and construction equipment operations in Italy, resulting in a $5 million non-cash tax benefit, as those operations had consistently returned to pre-tax profitability, with that trend anticipated to continue for the foreseeable future.

Contingent liabilities

CNH is the subject of legal and indirect tax proceedings covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against CNH often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business management consults with legal counsel and other experts on matters related to litigation, taxes and other similar contingent liabilities. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

New standards and amendments effective from January 1, 2023

- On February 12, 2021, the IASB issued the *Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies,* requiring companies to disclose the material accounting policy information rather than the significant accounting policies. Furthermore, the amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective from January 1, 2023. These amendments had no impact on these Consolidated Financial Statements.
- On February 12, 2021, the IASB issued the *Amendments to IAS 8 - Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.* The amendments clarify how to distinguish changes in accounting policies (generally also applied retrospectively to past transactions and other past events) from changes in accounting estimates (applied prospectively only to future transactions and other future events). This amendment is effective from January 1, 2023. These amendments had no impact on these Consolidated Financial Statements.
- On May 7, 2021, the IASB issued *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*, which specifies how companies should account for deferred tax on transactions such as leases and decommissioning obligations. The amendments clarify that no exemption applies on such transactions and that companies are required to recognize deferred tax when they recognize the related assets or liabilities for the first time. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted. These amendments had no impact on these Consolidated Financial Statements.
- On May 23, 2023, the IASB issued "International Tax Reform - Pillar Two Model Rules - Amendments to *IAS 12 - Income Taxes"*, introducing a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and additional disclosure requirements. The requirement that an entity applies the mandatory exception and the requirement to disclose that it has applied the exception may be applied immediately, while remaining disclosure requirements are effective for annual reporting periods beginning on or after January 1, 2023. These amendments had no impact on these Consolidated Financial Statements. The Company continues to monitor developments in the Pillar Two legislation and is working to evaluate the impacts of this legislation on its longer-term financial position.

Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Group

The main accounting standards, amendments and interpretations not yet applicable and not early adopted by the Group are the following:

- On October 31, 2022, the IASB has published "Non-current Liabilities with Covenants" Amendments to *IAS 1 - Presentation of Financial Statements,* to clarify how conditions with which an entity must comply within twelve months after the reporting periods, affect the classification of a liability. The amendments are effective for reporting periods beginning on or after January 1, 2024.
- In January 2020, the IASB issued the *Amendments to IAS 1 - Presentation of Financial Statements,* to clarify its requirements for classifying a liability as non-current in the statement of financial position. The amendments are effective from January 1, 2024.
- On September 22, 2022, the IASB issued *Lease Liabilities in a Sale and Leaseback (Amendments to IFRS 16)*, with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

Furthermore, at the date of these Consolidated Financial Statements, the European Union has not yet completed its endorsement process for the amendments and improvements reported below and new sustainability standards.

The Group is currently evaluating the impact of the adoption of the following amendment on its Consolidated Financial Statements or disclosures:

- On May 25, 2023, the IASB issued amendments to *IAS 7 - Statement of Cash Flows* and *IFRS 7 - Financial Instruments: Disclosures Supplier Finance Arrangements*, requiring to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including related terms and conditions and quantitative information on liabilities as of the beginning and end of the reporting period, and the type and effect of non-cash changes in the carrying amounts of those arrangements. The amendments will be effective for annual reporting periods beginning on or after January 1, 2024.

- On June 26, 2023, the ISSB issued *IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 - Climate-related Disclosures.* These sustainability standards provide respectively, a set of sustainability-related financial information that is useful to investors regarding the sustainability-related risks and opportunities over the short, medium and long term and specific climate-related disclosures objectives and requirements. These standards will be effective for annual reporting periods beginning on or after January 1, 2024. On July 25, 2023, the International Organization of Securities Commissions (IOSCO) announced its endorsement of these Standards.
- On August 15, 2023, the IASB issued *Lack of Exchangeability (Amendments to IAS 21)*, specifying when a currency is exchangeable into another currency, and when it is not, and how to determine the exchange rate to apply when a currency is not exchangeable, also requiring entities to disclose additional information when a currency is not exchangeable. The amendments will be effective for annual periods beginning on or after January 1, 2025.

SCOPE OF CONSOLIDATION

The Consolidated Financial Statements of the Group as of December 31, 2023 include CNH Industrial N.V. and 102 consolidated subsidiaries over which CNH Industrial N.V., directly or indirectly, has control. A total of 102 subsidiaries were consolidated at December 31, 2022.

Excluded from consolidation are 9 subsidiaries that are either dormant or generate a negligible volume of business: their proportion of the Group’s assets, liabilities, financial position and earnings is immaterial. In particular, 9 of such subsidiaries are accounted for using the cost method, and represent in aggregate less than 0.01 percent of Group revenues, equity and total assets.

BUSINESS COMBINATIONS

Effective October 12, 2023, CNH closed on its purchase of Hemisphere, a global satellite navigation technology leader, for a total consideration of $181 million. The acquisition of Hemisphere consolidates our guidance and connectivity capabilities to advance CNH's in-house precision, automation and autonomy technology for the agriculture and construction industries. At December 31, 2023, CNH recorded preliminary estimates for the fair value of assets acquired and liabilities assumed as of the acquisition date, including $111 million and $51 million in preliminary goodwill and intangible assets, respectively. The valuation of assets acquired and liabilities assumed has not been finalized as of December 31, 2023. Thus, goodwill associated with the acquisition is subject to adjustments during the measurement period. Pro forma results of operations have not been presented because the effects of the Hemisphere acquisition were not material to the Company's consolidated results of operations. Additionally, Hemisphere's post-acquisition results were not material.

On March 15, 2023, CNH acquired a controlling interest in Bennamann (ownership interest of 50.0085%) by purchasing an additional 34.4% interest through cash consideration of approximately $51 million. At March 31, 2023, CNH recorded preliminary estimates for the fair value of assets acquired and liabilities assumed as of the acquisition date, including $118 million and $46 million in preliminary goodwill and intangible assets, respectively. The valuation of assets acquired and liabilities assumed was not finalized as of December 31, 2023. Thus, goodwill associated with the acquisition is subject to adjustment during the measurement period. Measurement period adjustments were made during the year, reducing goodwill by $3 million, primarily offset by increases in intangible assets as a result of updates of certain of the valuations. Pro forma results of operations have not been presented because the effects of the Bennamann acquisition were not material to the Group's consolidated results of operations. Additionally, Bennamann's post-acquisition results were not material.

On March 13, 2023, CNH purchased Augmenta. CNH acquired the remaining 89.5% of Augmenta it did not own, for cash consideration of approximately $80 million and a deferred payment of $10 million. At March 31, 2023, CNH recorded preliminary estimates for the fair value of assets acquired and liabilities assumed as of the acquisition date, including $76 million and $35 million in preliminary goodwill and intangible assets, respectively. The valuation of assets acquired and liabilities assumed was not finalized as of December 31, 2023 Thus, goodwill associated with the acquisition is subject to adjustment during the measurement period. Measurement period adjustments were recorded during the year, reducing goodwill by $14 million, primarily offset by increases in intangible assets as a result of updates of certain of the valuations. Pro forma results of operations have not been presented because the effects of the Augmenta acquisition were not material to the Group's consolidated results of operations. Additionally, Augmenta's post-acquisition results were not material.

On May 16, 2022, CNH acquired Specialty Enterprises LLC, a manufacturer of agricultural spray booms and sprayer boom accessories. Total consideration was approximately $50 million. The results of Specialty Enterprises have been included in the CNH's Agriculture segment.

COMPOSITION AND PRINCIPAL CHANGES

1. Net revenues

The following table summarizes Net revenues for the years ended December 31, 2023 and 2022:

($ million)	2023	2022
Agriculture	18,148	17,969
Construction	3,932	3,572
Eliminations and Other	—	—
Total Industrial Activities	**22,080**	**21,541**
Financial Services	**2,518**	**1,982**
Eliminations and Other	(94)	(50)
Total Net revenues	**24,504**	**23,473**

The following table disaggregates Net revenues by major source for the years ended December 31, 2023 and 2022:

($ million)	2023	2022
Revenues from:		
Sales of goods	22,036	21,506
Rendering of services	44	35
Revenues from sales of goods and services	**22,080**	**21,541**
Finance and interest income	1,699	1,091
Rents and other income on operating lease	725	841
Total Net revenues	**24,504**	**23,473**

During the years ended December 31, 2023 and 2022, revenues included $11 million and $6 million, respectively, relating to the reversal of contract liabilities outstanding at the beginning of the period. Refer to Note 26 "Other current liabilities" for additional details on contract liabilities.

As of December 31, 2023, the aggregate amount of the transaction price allocated to remaining performance obligations related to extended warranties/maintenance and repair contracts was approximately $48 million ($33 million as of December 31, 2022). As of December 31, 2023, CNH expects to recognize revenue on approximately 32% and 95% of the remaining performance obligations over the next 12 and 36 months, respectively (approximately 30% and 89%, respectively, as of December 31, 2022), with the remaining recognized thereafter.

2. Cost of sales

Cost of sales amounted to $18,604 million in 2023 and to $18,167 million in 2022.

3. Selling, general and administrative costs

Selling, general and administrative costs amounted to $1,782 million in 2023, compared to $1,678 million recorded in 2022. The year over year increase is primarily due to increased labor costs.

4. Research and development costs

In 2023, Research and development costs of $1,012 million ($881 million in 2022) comprise all the research and development costs not recognized as assets in the year, amounting to $841 million ($698 million in 2022) and the amortization of capitalized development costs of $171 million ($183 million in 2022). During 2023, the Group capitalized new development costs of $210 million ($175 million in 2022).

5. Result from investments

This item mainly includes CNH's share in the net profit or loss of the investees accounted for using the equity method, as well as any impairment losses, reversal of impairment losses, accruals to the investment provision, and dividend income. In 2023 and 2022, CNH's share in the net profit or loss of the investees accounted for using the equity method was a gain of $185 million and $108 million, respectively.

6. Gains/(losses) on the disposal of investments

Losses on disposal of investments were $21 million in 2023 and nil in 2022, respectively.

7. Restructuring costs

CNH incurred restructuring costs of $65 million and $34 million in 2023 and 2022, respectively.

8. Other income/(expenses)

This item consists of miscellaneous costs which cannot be allocated to specific functional areas, such as accruals for various provisions not attributable to other items of Cost of sales or Selling, general and administrative costs, net of income arising from operations which is not attributable to the sale of goods and services. Other expenses were $84 million in 2023 and $9 million in 2022. In 2023, this item also included a gain of $13 million in relation to the fair value remeasurement of previously held investments in Augmenta and Bennamann. In 2022, this item also included $22 million ($54 million after-tax) of loss on the sale of the Raven Engineered Films and Aerostar divisions, net of income from the Raven businesses held for sale during the period, separation costs in connection with the spin-off of the On-Highway business of $25 million, and a $65 million gain from the sale of our Canada parts depot.

9. Financial income/(expenses)

The item "Financial income/(expenses)" is detailed as follows:

($ million)	2023	2022
Financial income (a)	**128**	**64**
Interest and other financial expenses (b)	**200**	**187**
Net income/(expenses) from derivative financial instruments at fair value through profit or loss	(139)	81
Exchange rate differences from derivative financial instruments	17	(135)
Total interest and other financial expenses, net income/(expenses) from derivative financial instruments and exchange differences (c)	**(122)**	**(54)**
Net financial income/(expenses) excluding Financial Services (a) - (b) + (c)	**(194)**	**(177)**

Financial income may be analyzed as follows:

($ million)	2023	2022
Interest income from banks	74	42
Interest and financial income from financial assets at amortized cost	9	8
Other interest income and financial income	45	14
Total Financial income	**128**	**64**

Interest and other financial expenses may be analyzed as follows:

($ million)	2023	2022
Interest expenses on bonds	(99)	(116)
Bank interest expenses	(10)	(2)
Interest expenses related to lease liabilities	(13)	(8)
Commission expenses	(4)	(5)
Other interest cost and other financial expenses	(74)	(56)
Total Interest and other financial expenses	**(200)**	**(187)**

Capitalized borrowing costs amounted to $9 million and $7 million in 2023 and 2022, respectively.

Other interest cost and other financial expenses include, amongst other things, interest cost on asset-backed financing and factoring cost.

10. Income tax (expense) benefit

CNH Industrial N.V. and its subsidiaries have substantial worldwide operations and incur tax obligations in the jurisdictions in which they operate. CNH's provision for income taxes as reported in its consolidated statements of operations for the year ended December 31, 2023 of $600 million consists almost entirely of income taxes related to subsidiaries of CNH Industrial N.V..

Income taxes for the years ended December 31, 2023 and 2022 consisted of the following:

($ million)	2023	2022
Current taxes	(1,162)	(847)
Deferred taxes	538	80
Taxes relating to prior periods	24	9
Total Income tax (expense) benefit	**(600)**	**(758)**

CNH Industrial N.V. is incorporated in the Netherlands but is a tax resident of the United Kingdom ("U.K."). The reconciliation of the differences between the provision for income taxes and the statutory rate is presented based on the weighted average of the U.K. statutory corporation tax rates in force over each of the Company's calendar year reporting periods of 23.5% and 19% in 2023 and 2022, respectively.

Reconciliations of CNH's income tax expense for the years ended December 31, 2023 and 2022 is as follows:

($ million)	2023	2022
Theoretical Income tax (expense) benefit at the parent statutory rate	**(687)**	**(501)**
Foreign income taxed at different rates	(85)	(241)
Deferred tax assets not recognized and write-down	(1)	(10)
Taxes relating to prior years	24	9
Recognition or use of previously unrecognized deferred tax assets	88	30
Tax credits and incentives	130	54
Uncertain tax position	(71)	(58)
Change in tax rate or law	—	—
Other	2	(41)
Total Income tax (expense) benefit	**(600)**	**(758)**

CNH's effective tax rates for 2023 and 2022 were 20.5% and 28.8%, respectively. The lower tax expense in 2023, as compared to 2022, was largely attributable to items that reduced the tax rate in 2023, including recognition of $80 million of previously unrecognized deferred tax assets in the U.K., lower profitability in high-tax jurisdictions as a percent of total profit, higher credits and incentives, and the tax benefit related to the sale of CNH Industrial Russia, offset by increases in the tax rate due to discrete tax expense associated with prior periods.

The tax rate in 2022 was increased by taxes associated with the disposition of Raven's Engineered Films Division and Raven's Aerostar Division and additional reserves for uncertain tax positions, but was decreased by the recognition of $5 million of previously unrecognized tax benefits in Italy.

At December 31, 2023, undistributed earnings in certain subsidiaries outside the U.K. totaled approximately $2 billion ($9 billion at December 31, 2022) for which no deferred tax liability has been recorded because the remittance of earnings from those jurisdictions would incur no tax or such earnings are indefinitely reinvested. CNH has determined the amount of unrecognized deferred tax liability relating to the $2 billion undistributed earnings was approximately $224 million and was attributable to withholding taxes and incremental local country income taxes in certain jurisdictions. Further, CNH evaluated the undistributed earnings from its joint ventures in which it owned 50% or less and recorded $13 million of deferred tax liabilities as of December 31, 2023. The repatriation of undistributed earnings to the U.K. is generally exempt from U.K. income taxes and as such there is no deferred tax liability associated with undistributed earnings from non-U.K. jurisdictions.

CNH recognizes in its consolidated statement of financial position within Deferred tax assets, the amount of deferred tax assets less the deferred tax liabilities of the individual consolidated legal entities, where these may be offset.

The components of net deferred tax assets at December 31, 2023 and 2022 are as follows:

($ million)	At December 31, 2022	Recognized in income statement	Charged to equity	Translation differences and other changes	At December 31, 2023
Deferred tax assets arising from:					
Taxed provisions	653	209	—	27	**889**
Inventories	62	69	—	4	**135**
Taxed allowances for doubtful accounts	93	28	—	5	**126**
Provision for employee benefits	85	(7)	34	(9)	**103**
Write-downs of financial assets	—	1	—	—	**1**
Measurement of derivative financial instruments	—	12	38	(38)	**12**
Other	376	111	—	(78)	**409**
Total Deferred tax assets	**1,269**	**423**	**72**	**(89)**	**1,675**
Deferred tax liabilities arising from:					
Accelerated depreciation	(454)	24	—	7	**(423)**
Inventories	(112)	13	—	11	**(88)**
Intangible assets	(124)	3	—	1	**(120)**
Provision from employee benefits	(1)	2	—	2	**3**
Capitalization of development costs	(179)	—	—	18	**(161)**
Write-downs of financial assets	(1)	—	—	1	**—**
Measurement of derivative financial instruments	(34)	—	—	34	**—**
Other	(96)	(2)	—	(10)	**(108)**
Total Deferred tax liabilities	**(1,001)**	**40**	**—**	**64**	**(897)**
Theoretical tax benefit arising from tax loss carryforwards and tax credits	**266**	**(13)**	**—**	**14**	**267**
Adjustments for assets whose recoverability is not probable	**(346)**	**88**	**—**	**14**	**(244)**
Total net deferred tax assets	**188**	**538**	**72**	**3**	**801**

($ million)	At December 31, 2023	At December 31, 2022
Deferred tax assets	841	343
Deferred tax liabilities	(40)	(155)
Net deferred tax assets	**801**	**188**

The increase of $613 million in net deferred tax assets is mainly due to temporary addbacks increasing taxable income in the current year and the recognition of $80 million of previously unrecognized assets in the U.K..

The decision to recognize deferred tax assets is made for each legal entity in the Group by critically assessing whether the conditions exist for the future realization of such assets on the basis of actual results, as well as updated strategic plans and accompanying tax plans. For this reason, the total theoretical future tax benefits arising from deductible temporary differences of $1,675 million at December 31, 2023 and of $1,269 million at December 31, 2022, and tax loss carryforwards and tax credits of $267 million at December 31, 2023 and of $266 million at December 31, 2022, were reduced by $244 million at December 31, 2023 and by $346 million at December 31, 2022.

Of the $267 million of loss carryforwards at December 31, 2023 ($266 million at December 31, 2022), $135 million are not recognized ($203 million at December 31, 2022), for a Net tax loss carryforward of $132 million ($74 million at December 31, 2022).

Tax liabilities primarily include uncertain income tax amounts of $246 million and other tax payables.

CNH has gross tax loss carry forwards in several tax jurisdictions. These tax losses expire as follows: $23 million in 2024; $24 million in 2025; $4 million in 2026; $15 million in 2027; $266 million in 2028 and beyond. CNH also has tax loss carry forwards of approximately $688 million with indefinite lives. CNH has tax credit carry forwards of $45 million of which $5 million will expire in 2026, $3 million will expire in 2027, and $37 million will expire in 2028 and beyond.

CNH files income tax returns in multiple jurisdictions and is subject to examination by taxing authorities throughout the world. CNH has open tax years from 2006 through 2023. Due to the global nature of CNH business, transfer pricing disputes may arise and CNH may seek correlative relief through competent authority processes. CNH has considered the possibility of correlative relief when booking contingencies related to transfer pricing.

The Organization for Economic Cooperation and Development (the OECD) has proposed a global minimum tax of 15% of reported profits (Pillar Two) that has been agreed upon in principle by over 140 countries. During 2023, many countries took steps to incorporate Pillar Two model rule concepts into their domestic laws. The Company continues to monitor developments in the Pillar Two legislation and is working to evaluate the impacts of this legislation on its longer-term financial position.

11. Other information by nature of expense

The income statement includes personnel costs for $3,331 million in 2023 ($2,976 million in 2022).

An analysis of the average number of employees by category is as follows:

	2023	2022
Managers	880	798
White-collar	15,871	14,198
Blue-collar	23,945	23,970
Average number of employees	**40,696**	**38,966**

Depreciation and amortization amounted to $812 million in 2023 ($781 million in 2022), detailed as follows:

	2023	2022
Intangible assets	325	304
Property, plant and equipment	300	270
Leased assets	187	207
Depreciation and amortization	**812**	**781**

12. Earnings per share

A reconciliation of basic and diluted earnings/(loss) per share is as follows:

		2023	2022
Net profit/(loss) attributable to CNH Industrial N.V.	$ million	**2,315**	**1,867**
Basic earnings/(loss) per share attributable to common shareholders:			
Weighted average common shares outstanding – basic	millions	1,337	1,351
Basic earnings/(loss) per share attributable to CNH Industrial N.V.	$	**1.73**	**1.38**
Diluted earnings/(loss) per share attributable to common shareholders:			
Weighted average common shares outstanding – basic	millions	1,337	1,351
Effect of dilutive potential shares (when dilutive):			
Dilutive effect of stock compensation plans	millions	17	11
Weighted average common shares outstanding – diluted	millions	**1,354**	**1,362**
Diluted earnings/(loss) per share attributable to CNH Industrial N.V.	$	**1.71**	**1.37**

Basic earnings/(loss) per common share (“EPS”) is computed by dividing the Profit/(loss) for the period attributable to the owners of the parent by the weighted average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that could occur on the conversion of all dilutive potential common shares into common shares. Stock options, restricted stock units, and performance stock units deriving from the CNH share-based payment awards are considered dilutive potential common shares.

For the year ended December 31, 2023, 11 thousand shares were outstanding and not included in the calculation of diluted earnings per share as the impact of these shares would have been anti-dilutive.

For the year ended December 31, 2022, no shares were outstanding and not included in the calculation of diluted earnings per share as the impact of these shares would have been anti-dilutive.

Shares acquired under the buy-back program are included in the issued shares of the Company and treasury stock, but are not included in average shares outstanding when calculating earnings per share. For additional information on the buy-back program, see Note 21 “Equity”.

13. Intangible assets

In 2023 and 2022, changes in the carrying amount of Intangible assets were as follows:

($ million)	Goodwill	Trademarks and other intangible assets with indefinite useful lives	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses	Other intangible assets externally acquired	Advances and intangible assets in progress externally acquired	Total
Gross carrying amount Balance at December 31, 2021	**4,390**	**293**	**6**	**2,304**	**360**	**1,787**	**2**	**9,142**
Additions	—	—	2	173	1	128	1	**305**
Divestitures	—	—	—	(290)	—	(37)	—	**(327)**
Acquisitions(*)	48	—	—	—	—	—	—	**48**
Translation differences and other changes	61	—	(1)	(55)	2	(269)	165	**(97)**
Balance at December 31, 2022	**4,499**	**293**	**7**	**2,132**	**363**	**1,609**	**168**	**9,071**
Additions	—	—	1	209	2	123	42	377
Divestitures	—	—	—	(238)	(1)	(5)	—	(244)
Acquisitions(*)	288	—	—	—	—	—	—	288
Translation differences and other changes	(15)	—	1	18	5	127	39	175
Balance at December 31, 2023	**4,772**	**293**	**9**	**2,121**	**369**	**1,854**	**249**	**9,667**
Accumulated amortization and impairment losses Balance at December 31, 2021	**1,161**	**60**	**6**	**1,514**	**358**	**884**	**—**	**3,983**
Amortization	—	—	1	182	1	120	—	**304**
Impairment losses	—	—	—	—	—	—	—	**—**
Divestitures	—	—	—	(290)	—	(37)	—	**(327)**
Translation differences and other changes	(2)	—	(1)	(36)	(1)	(21)	—	**(61)**
Balance at December 31, 2022	**1,159**	**60**	**6**	**1,370**	**358**	**946**	**—**	**3,899**
Amortization	—	—	1	170	2	152	—	325
Impairment losses	—	—	—	—	—	—	—	—
Divestitures	—	—	—	(238)	—	(4)	—	(242)
Translation differences and other changes	(19)	—	—	—	—	14	—	(5)
Balance at December 31, 2023	**1,140**	**60**	**7**	**1,302**	**360**	**1,108**	**—**	**3,977**
Carrying amount at December 31, 2022	**3,340**	**233**	**1**	**762**	**5**	**663**	**168**	**5,172**
Carrying amount at December 31, 2023	**3,632**	**233**	**2**	**819**	**9**	**746**	**249**	**5,690**

(*) Increases in Goodwill refer to acquisitions discussed in section "Business combinations" above.

Foreign exchange gains were $37 million in 2023 (losses of $44 million in 2022).

Goodwill, trademarks and intangible assets with indefinite useful lives

Goodwill is allocated to the Group's cash-generating units identified as the Group's operating segments. The following table presents the allocation of goodwill across the segments:

($ million)	At December 31, 2023	At December 31, 2022
Agriculture	3,470	3,179
Construction	47	46
Financial Services	115	115
Goodwill net carrying amount	**3,632**	**3,340**

During 2023, the acquisitions of Augmenta, Bennamann and Hemisphere, led to an increase in goodwill for Agriculture of $76 million, $118 million and $111 million, respectively, and to an increase in other intangible assets of $35 million, $46 million and $51 million, respectively. The recorded intangibles comprised for developed technology, in-process R&D, and customer relationships. Goodwill related to the acquisitions was calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from the other assets acquired that could not be individually identified and separately recognized. During the fiscal year 2023, measurement period adjustments were recorded reducing goodwill by $14 million and $3 million for Augmenta and Bennamann, respectively and increasing other intangible assets by $12 million and $5 million for Augmenta and Bennamann, respectively. The valuations of assets acquired and liabilities assumed have not yet been finalized as of December 31,

2023. Thus, goodwill and other intangible assets associated with the acquisitions are subject to adjustment during the measurement period.

Goodwill and Intangible assets with indefinite useful lives are tested for impairment annually or more frequently if a triggering event occurs. At December 31, 2023 and 2022, CNH completed its annual impairment assessment and concluded there were no impairment to goodwill for any of the cash generating units.

CNH determines the recoverable amount of these cash-generating units using multiple valuation methodologies, relying largely on an income approach but also incorporating value indicators from a market approach, with reference to the cash-generating units with the most significant allocated goodwill.

Under the income approach, CNH calculates the recoverable amount of a cash-generating unit based on the present value of estimated future cash flows. The income approach is dependent on several critical management assumptions, including estimates of future sales in the discrete future period, the weighted average cost of capital (discount rate) and terminal value growth rates, and also less significant assumptions such as gross margins, operating costs, income tax rates, capital expenditures and changes in working capital requirements. Discount rate assumptions include an assessment of the risk inherent in the future cash flows of the respective cash-generating units.

The following discount rates before taxes were selected:

	2023	2022
Agriculture	13.9 %	14.7 %
Construction	n.a.	n.a.
Financial Services	20.7 %	20.3 %

Expected cash flows used under the income approach are developed in conjunction with CNH budgeting and forecasting processes. CNH used nine years of expected cash flows for Agriculture, and five years of expected cash flows for Financial Services, as management believes that these periods generally reflect the underlying market cycles for its businesses. Under the market approach, CNH estimates the recoverable amount of the Agriculture cash-generating unit, using earnings before interest, tax, depreciation and amortization multiples, and estimates the recoverable amount of the Financial Services cash-generating unit using book value multiples. The multiples are derived from comparable publicly-traded companies with similar operating and investment characteristics as the respective cash-generating units. The guideline company method makes use of market price data of corporations whose stock is actively traded in a public, free and open market, either on an exchange or over-the-counter basis. Although it is clear no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same, or a similar, line of business or be subject to similar financial and business risks, including the opportunity for growth.

A terminal value is included at the end of the projection period used in the discounted cash flow analysis in order to reflect the remaining value that each cash-generating unit is expected to generate. The terminal value represents the present value in the last year of the projection period of all subsequent cash flows into perpetuity. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity. The terminal value growth rate was 1.0% in 2023 and 2022 for the Agriculture cash-generating unit, and 1.5% in 2023 and 2022 for Financial Services.

As of December 31, 2023, the estimated recoverable amounts, (excluding the balance of the 2022 acquisitions) calculated using the above method, of the Agriculture and Financial Services cash-generating units exceeded the carrying values by approximately 118.1% and 46.1%, respectively. Thus, CNH did not recognize an impairment for these cash-generating units.

The sum of the recoverable amounts of CNH's cash generating units was in excess of CNH's market capitalization at December 31, 2023. CNH believes that the difference between the recoverable amount and market capitalization is reasonable (in the context of assessing whether any asset impairment exists) when market-based control premiums are taken into consideration.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in key assumptions used to determine the recoverable amount of each of the Group cash-generating units to which goodwill is allocated.

CNH believes that any reasonably possible change in key assumptions on which the estimated recoverable amount of Agriculture and Financial Services is based, would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related cash-generating units.

At the beginning of the financial year the estimated recoverable amount of the Agriculture and Financial Services cash-generating units exceeded the carrying value by approximately 294% and 75%, respectively.

A 16% underperformance against forecast sales growth rates for both Agriculture and Financial Services cash-generating units is considered reasonably possible based on recent experience and would not result in an impairment charge.

Trademarks and Other intangible assets with indefinite useful lives are mainly attributable to Agriculture and Construction and consist of acquired trademarks and similar rights which have no legal, contractual, competitive or economic factors that limit their useful lives. For the purposes of impairment testing, these assets were attributed to the respective cash-generating units. No impairment loss was recognized.

Finally, the estimates and budget data to which the above-mentioned parameters have been applied are those determined by management based on past performance and expectations of developments in the markets in which CNH operates. Impairment assessments inherently involve management judgments regarding a number of assumptions such as those described above. Due to the many variables inherent in the estimation of a cash generating unit's recoverable amount, differences in assumptions could have a material effect on the estimated recoverable amount and could result in a goodwill impairment loss in a future period. Circumstances and events, which could potentially cause further impairment losses, are constantly monitored by CNH.

Development costs and other intangible assets with finite useful lives

The amortization of development costs and impairment losses are reported in the income statement as Research and development costs.

Development costs are tested for impairment at the cash-generating unit level.

Intangible assets with finite useful lives are amortized over their estimated useful lives and tested for impairment if events or changes in circumstances indicate that the asset may be impaired.

14. Property, plant and equipment

In 2023 and 2022, changes in the carrying amount of Property, plant and equipment were as follows:

($ million)	Land	Industrial buildings	Plant, machinery and equipment	Right-of-use assets	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Gross carrying amount Balance at December 31, 2021	**130**	**1,772**	**3,232**	**335**	**(1)**	**359**	**128**	**5,955**
Additions	4	22	103	114	—	19	182	**444**
Divestitures	—	(23)	(17)	(62)	—	(10)	(2)	**(114)**
Translation differences	(6)	(55)	(96)	(14)	—	(13)	(4)	**(188)**
Other changes	—	18	75	9	1	11	(114)	—
Balance at December 31, 2022	**128**	**1,734**	**3,297**	**382**	**—**	**366**	**190**	**6,097**
Additions	2	39	101	153	—	28	305	**628**
Divestitures	(2)	(21)	(50)	(39)	—	(8)	1	**(119)**
Translation differences	1	40	76	10	—	8	4	**139**
Other changes	(1)	27	221	(34)	—	32	(227)	**18**
Balance at December 31, 2023	**128**	**1,819**	**3,645**	**472**	**—**	**426**	**273**	**6,763**
Accumulated depreciation and impairment losses balance at December 31, 2021	**1**	**1,150**	**2,633**	**144**	**1**	**329**	**—**	**4,258**
Depreciation	—	52	133	69	—	16	—	**270**
Impairment losses	—	14	2	—	—	1	—	**17**
Divestitures	—	(10)	(16)	(43)	—	(7)	—	**(76)**
Translation differences	—	(38)	(81)	(7)	—	(11)	—	**(137)**
Other changes	5	(16)	(2)	—	(1)	(1)	—	**(15)**
Balance at December 31, 2022	**6**	**1,152**	**2,669**	**163**	**—**	**327**	**—**	**4,317**
Depreciation	—	50	146	84	—	20	—	**300**
Divestitures	—	(19)	(48)	(67)	—	(8)	—	**(142)**
Translation differences	—	24	59	6	—	6	—	**95**
Other changes	—	(27)	(7)	—	—	—	—	**(34)**
Balance at December 31, 2023	**6**	**1,180**	**2,819**	**186**	**—**	**345**	**—**	**4,536**
Carrying amount at December 31, 2022	**122**	**582**	**628**	**219**	**—**	**39**	**190**	**1,780**
Carrying amount at December 31, 2023	**122**	**639**	**826**	**286**	**—**	**81**	**273**	**2,227**

CNH didn't recognize an impairment loss of commitments during the year.

At December 31, 2023, Right-of-use assets refer primarily to the following lease contracts: industrial buildings for $198 million ($162 million at December 31, 2022), plant, machinery and equipment for $15 million ($12 million at December 31, 2022), and other assets for $73 million ($45 million at December 31, 2022). For a description of the related lease liabilities, refer to Note 24 "Debt".

Short-term and low-value leases are not recorded in the statement of financial position; CNH recognizes lease expense ($11 for 2023 and $10 million for 2022) in the income statement for these leases on a straight-line basis over the lease term.

Land and industrial buildings and plant, machinery and equipment pledged as security for debt and other commitments were immaterial at December 31, 2023 and 2022.

CNH had contractual commitments of $207 million and $77 million for the acquisition of property, plant and equipment at December 31, 2023 and 2022, respectively.

15. Investments and other non-current financial assets

($ million)	At December 31, 2023	At December 31, 2022
Investments accounted for using the equity method	477	345
Other investments	54	54
Total Investments	**531**	**399**
Non-current financial receivables and other non-current securities	74	9
Total Investments and other non-current financial assets	**605**	**408**

At December 31, 2023 and 2022, no Non-current financial receivables had been pledged as security.

Investments

Changes in Investments in 2023 and 2022 are set out below:

($ million)	At December 31, 2022	Revaluations/ (Write-downs)	Acquisitions and capitalizations	Fair value remeasurements	Translation differences	Disposals and other changes	At December 31, 2023
Investments in:							
Unconsolidated subsidiaries and other	54	—	5	—	—	(5)	54
Joint ventures	323	181	—	—	35	(72)	467
Associates	22	4	—	—	(2)	(14)	10
Total Investments	399	**185**	**5**	**—**	**33**	**(91)**	531

($ million)	At December 31, 2021	Revaluations/ (Write-downs)	Acquisitions and capitalizations	Fair value remeasurements	Translation differences	Disposals and other changes	At December 31, 2022
Investments in:							
Unconsolidated subsidiaries and other	47	—	8	—	(1)	—	54
Joint ventures	173	102	—	—	(23)	71	323
Associates	125	5	—	—	(3)	(105)	22
Total Investments	345	**107**	**8**	**—**	**(27)**	**(34)**	399

Revaluations and Write-downs include the Group's share of the profit or loss for the year of investments accounted for using the equity method for an amount of $185 million in 2023 and $107 million in 2022.

Investments in joint ventures

A summary of investments in joint ventures at December 31, 2023 and 2022 is as follows:

	At December 31, 2023		At December 31, 2022	
	% of interest	($ million)	% of interest	($ million)
CIFINS S.p.A.	50.0	120	50.0	111
TürkTraktör Ve Ziraat Makineleri A.S.	37.5	189	37.5	79
Other Joint ventures:				
New Holland HFT Japan Inc.	50.0	93	50.0	84
CNH de Mexico SA de CV	50.0	57	50.0	43
Other		8		6
Total Other Joint ventures		**158**		**133**
Total Investments in Joint ventures		**467**		**323**

Interests in joint ventures consist of 7 companies at both year ended December 31, 2023 and 2022, and mainly include Türk Traktör ve Ziraat Makineleri A.S., Turkey, a listed entity (37.5% CNH and 37.5% Koç Holding) which manufactures and distributes various models of both New Holland and Case IH tractors and CIFINS S.p.A., a company jointly held (50.0%) by CNH and Iveco Group, which holds 49.9% of CNH Industrial Capital Europe S.a.S., a joint venture with the BNP Paribas Group providing financial solutions to customers of both CNH and Iveco Group in several European countries. Interests in joint ventures are accounted for using the equity method.

Summarized financial information relating to the material joint ventures of the Group, prepared in accordance with EU-IFRS, is as follows:

	At December 31, 2023	At December 31, 2022
($ million)	TürkTraktör Ve Ziraat Makineleri A.S.	TürkTraktör Ve Ziraat Makineleri A.S.
Cash and cash equivalents	418	312
Non-current assets	252	143
Current assets	460	289
Total Assets	**1,130**	**744**
Debt	204	215
Other liabilities	404	320
Total Liabilities	**608**	**535**
Total Equity	**522**	**209**

	2023	2022
($ million)	TürkTraktör Ve Ziraat Makineleri A.S.	TürkTraktör Ve Ziraat Makineleri A.S.
Net revenues	1,981	1,270
Depreciation and amortization	14	13
Net Financial income/(expenses)	229	(32)
Profit/(loss) before taxes	411	165
Income tax (expenses)	(94)	9
Profit/(loss)	**317**	**174**
Total Other comprehensive income, net of tax	**—**	**—**
Total Comprehensive income	**317**	**174**

	At December 31, 2023	At December 31, 2022
($ million)	CIFINS S.p.A.	CIFINS S.p.A.
Total Assets	**240**	**222**
Total Liabilities	**—**	**—**
Total Equity	**240**	**222**

	2023	2022
($ million)	CIFINS S.p.A.	CIFINS S.p.A.
Net Financial income/(expenses)	35	28
Profit/(loss) before taxes	35	28
Income tax (expenses)	(1)	—
Profit/(loss)	**34**	**28**
Total Other comprehensive income, net of tax	**—**	**—**
Total Comprehensive income	**34**	**28**

This summarized financial information may be reconciled to the carrying amount of the % interest held in the joint ventures as follows:

	At December 31, 2023	At December 31, 2022
($ million)	TürkTraktör Ve Ziraat Makineleri A.S.	TürkTraktör Ve Ziraat Makineleri A.S.
Total Equity	**522**	**209**
Group's interest (%)	37.5	37.5
Pro-quota equity	**198**	**79**
Adjustments made by using the equity method	(9)	—
Carrying amount	**189**	**79**

	At December 31, 2023	At December 31, 2022
($ million)	CIFINS S.p.A.	CIFINS S.p.A.
Total Equity	**240**	**222**
Group's interest (%)	50.0	50.0
Pro-quota equity	**120**	**111**
Adjustments made by using the equity method	—	—
Carrying amount	**120**	**111**

Summarized financial information relating to CNH Industrial Capital Europe S.a.S., material associate of the Group held by CIFINS S.p.A., is as follows:

($ million)	At December 31, 2023	At December 31, 2022
Non-current assets	—	—
Current assets	6,046	6,060
Total Assets	**6,046**	**6,060**
Debt	5,254	5,316
Other liabilities	316	301
Total Liabilities	**5,570**	**5,617**
Total Equity	**476**	**443**

($ million)	2023	2022
Net revenues	167	158
Profit/(loss) before taxes	104	85
Profit/(loss)	**71**	**59**
Total Other comprehensive income, net of tax	—	—
Total Comprehensive income	**71**	**59**

This summarized financial information may be reconciled to the carrying amount of the % interest held in the associate as follows:

($ million)	At December 31, 2023	At December 31, 2022
Total Equity	**476**	**443**
Group's interest (%)	24.95	24.95
Pro-quota equity	**119**	**111**
Adjustments made by using the equity method	—	—
Carrying amount	**119**	**111**

Summarized financial information relating to the % interest held in the other joint ventures that are not individually material, is as follows:

($ million)	2023	2022
Profit/(loss)	**34**	**23**
Total Other comprehensive income, net of tax	**—**	**—**
Total Comprehensive income	**34**	**23**

At December 31, 2023, the fair value of Investments in main listed joint ventures, based on prices quoted on regulated markets, is as follows:

($ million)	Carrying value	Fair value
TürkTraktör Ve Ziraat Makineleri A.S.	189	906

Investments in associates

A summary of investments in associates at December 31, 2023 and 2022 is as follows:

	At December 31, 2023		At December 31, 2022	
	% of interest	($ million)	% of interest	($ million)
Al-Ghazi Tractors Ltd.	43.2	9	43.2	12
Other(1)		1		10
Total Investments in associates		**10**		**22**

(1) The 24.95% investments in CNH Capital Europe S.A. held by CNH Industrial N.V. through CIFINS S.p.A. at December 31, 2023 was includes in the combined financial statements at December 31, 2022 as investments in associates.

Summarized financial information relating to the Group's pro-rata interest in associates that are not individually material, accounted for using the equity method, is as follows:

($ million)	2023	2022
Profit/(loss)	**4**	**5**
Total Other comprehensive income, net of tax	**—**	**—**
Total Comprehensive income	**4**	**5**

16. Leased assets

This item changed as follows in 2023 and 2022:

($ million)	At December 31, 2022	Additions	Depreciation	Foreign exchange effects	Disposals and other changes	At December 31, 2023
Gross carrying amount	1,896	552	—	13	(678)	**1,783**
Less: Depreciation and impairment	(395)	—	(187)	2	214	**(366)**
Net carrying amount of Leased assets	**1,501**	**552**	**(187)**	**15**	**(464)**	**1,417**

($ million)	At December 31, 2021	Additions	Depreciation	Foreign exchange effects	Disposals and other changes	At December 31, 2022
Gross carrying amount	2,168	539	—	(35)	(776)	**1,896**
Less: Depreciation and impairment	(430)	—	(207)	6	236	**(395)**
Net carrying amount of Leased assets	**1,738**	**539**	**(207)**	**(29)**	**(540)**	**1,501**

Leased assets include equipment leased to retail customers by the Group's leasing companies.

At December 31, 2023, minimum lease payments receivable for assets under non-cancelable operating leases amount to $465 million ($438 million at December 31, 2022) and fall due as follows:

($ million)	At December 31, 2023	At December 31, 2022
Less than one year	204	197
One to two years	142	134
Two to three years	78	72
Three to four years	31	27
Four to five years	10	8
More than five years	—	—
Total Undiscounted lease payments	**465**	**438**

No leased assets have been pledged as security at December 31, 2023 and 2022.

17. Inventories

At December 31, 2023 and 2022, Inventories consisted of the following:

($ million)	At December 31, 2023	At December 31, 2022
Raw materials	1,898	1,974
Work-in-progress	444	471
Finished goods	3,210	2,403
Total Inventories	**5,552**	**4,848**

At December 31, 2023, the amount of Inventories measured at net realizable value (estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale) is $941 million ($574 million at December 31, 2022).

At December 31, 2023, Inventories included assets which are no longer subject to operating lease arrangements and were held for sale for a total amount of $23 million ($13 million at December 31, 2022).

There were no inventories pledged as security at December 31, 2023 and 2022.

18. Current receivables and Other current financial assets

A summary of Current receivables and Other current financial assets as of December 31, 2023 and 2022 is as follows:

($ million)	At December 31, 2023	At December 31, 2022
Trade receivables	132	168
Receivables from financing activities	24,671	19,611
Current tax receivables	39	54
Other current receivables and financial assets:		
Other current receivables	453	432
Other current financial assets	—	315
Total Other current receivables and financial assets	**453**	**747**
Total Current receivables and Other current financial assets	**25,295**	**20,580**

An analysis of Current receivables by due date is as follows:

($ million)	At December 31, 2023 due within one year	due between one and five years	due beyond five years	Total	At December 31, 2022 due within one year	due between one and five years	due beyond five years	Total
Trade receivables	124	8	—	**132**	161	7	—	**168**
Receivables from financing activities	15,269	9,012	390	**24,671**	11,476	7,674	461	**19,611**
Current tax receivables	21	8	10	**39**	30	20	4	**54**
Other current receivables	415	34	4	**453**	413	17	2	**432**
Total Current receivables	**15,829**	**9,062**	**404**	**25,295**	**12,080**	**7,718**	**467**	**20,265**

Trade receivables

As of December 31, 2023 and 2022, CNH had trade receivables of $132 million and $168 million, respectively. Trade receivables are shown net of allowances for doubtful accounts of $24 million and $23 million for year ended December 31, 2023 and 2022, respectively. The allowances are determined using the simplified approach, as permitted by IFRS 9 for trade receivables, consisting in the use of lifetime expected loss.

Changes in the allowances for doubtful accounts during 2023, and 2022 were as follows:

($ million)	Year ended December 31, 2023	2022
Opening balance	**23**	23
Provision	3	3
Use and other changes	(2)	(3)
Ending balance	**24**	23

The allowances at December 31, 2023 and 2022, have been determined using the following expected loss rates:

At December 31, 2023		Current	31-60 days past due	61-90 days past due	Greater than 90 days past due	Total
Expected loss rate	%	5	4	5	67	**16**
Gross carrying amount	$ million	121	5	4	26	**156**
Allowances for doubtful accounts	$ million	(7)	— (*)	— (*)	(17)	**(24)**

(*) The amount shown is nil, due to rounding, but it represents allowances less than $500 thousand.

At December 31, 2022		Current	31-60 days past due	61-90 days past due	Greater than 90 days past due	Total
Expected loss rate	%	5	3	2	51	**12**
Gross carrying amount	$ million	150	8	4	29	**191**
Allowances for doubtful accounts	$ million	(8)	— (*)	— (*)	(15)	**(23)**

(*) The amount shown is nil, due to rounding, but it represents allowances less than $500 thousand.

Trade accounts have significant concentrations of credit risk in the Agriculture and Construction segments. There is not a disproportionate concentration of credit risk in any geographic region.

The Industrial Activities businesses sell a significant portion of their trade receivables to Financial Services and provide compensation to Financial Services at approximate market interest rates.

As of December 31, 2023 and 2022, write-offs for trade receivables were immaterial.

Charge-offs of principal amounts of trade receivables outstanding are deducted from the allowance at the point when it is estimated that amounts due are deemed uncollectible. CNH continues to engage in collection efforts to attempt to recover the receivables. When recoveries are collected, these are recognized as income.

Receivables from financing activities

A summary of Receivables from financing activities as of December 31, 2023 and 2022 is as follows:

($ million)	At December 31, 2023	At December 31, 2022
Retail:		
Retail financing	13,682	11,297
Finance leases	229	203
Total Retail	**13,911**	**11,500**
Wholesale:		
Dealer financing	10,333	7,785
Total Wholesale	**10,333**	**7,785**
Other	427	326
Total Receivables from financing activities	**24,671**	**19,611**

CNH provides and administers retail note and lease financing as well as revolving charge account financing to end use customers for the purchase of new and used equipment and components sold by its dealer network. The terms of retail notes and finance leases generally range from two to seven years, and interest rates vary depending on prevailing market interest rates and certain incentive programs offered on behalf of and sustained by Industrial Activities. Revolving charge accounts are generally accompanied by higher interest rates than CNH's other retail financing products, require minimum monthly payments, and do not have pre-determined maturity dates.

Wholesale receivables arise primarily from dealer floorplan financing, and to a lesser extent, from the financing of dealer operations. Under the standard terms of the wholesale receivable agreements, these receivables typically have “interest-free” periods of up to twelve months and stated original maturities of up to twenty-four months, with repayment accelerated upon the sale by the dealer of the underlying equipment. For the “interest-free” period, Financial Services is compensated by Industrial Activities based on market interest rates. After the expiration of any “interest-free” period, interest is charged to dealers on outstanding balances until CNH receives payment in full. The “interest-free” periods are determined based on the type of equipment sold and the time of year of the sale. CNH evaluates and assesses dealers on an ongoing basis as to their credit worthiness. CNH may be obligated to repurchase the dealer’s equipment upon cancellation or termination of the dealer’s contract for such causes as change in ownership, closeout of the business, or default. There were no significant losses in 2023 and 2022 relating to the termination of dealer contracts.

Finance lease receivables mainly relate to equipment leased out under finance lease arrangements. The interest rate implicit in the lease is determined at the commencement of the lease for the whole lease term. The average interest rate implicit in total finance lease receivables varies depending on prevailing market interest rates.

The item may be analyzed as follows stated gross of an allowance of $19 million at December 31, 2023 ($34 million at December 31, 2022):

($ million)	At December 31, 2023	At December 31, 2022
Less than one year	99	93
One to two years	71	65
Two to three years	54	59
Three to four years	40	36
Four to five years	26	23
More than five years	9	9
Total Undiscounted receivables for future minimum lease payments	**299**	**285**
Unearned finance income	(51)	(48)
Present value of future minimum lease payments	**248**	**237**

Financing receivables have significant concentrations of credit risk in the agriculture and construction business sectors. On a geographic basis, there is not a disproportionate concentration of credit risk in any area. CNH typically retains, as collateral, a security interest in the equipment associated with retail and wholesale receivables, while revolving charge accounts are generally not related to or secured by an identified piece of equipment.

Transfers of financial receivables

As part of its overall funding strategy, the Group periodically transfers certain receivables into special purpose entities ("SPEs") as part of its asset backed securitization ("ABS") programs or into factoring transactions.

The SPEs finance the purchase of receivables by issuing asset-backed securities (i.e., securities whose repayment and interest flow depend upon the cash flow generated by the portfolio). Asset-backed securities are divided into classes according to their degree of seniority and rating: the most senior classes are placed with investors on the market; the junior class, whose repayment is subordinated to the senior classes, is normally subscribed by the seller.

The residual interest in the receivables retained by the seller is therefore limited to the junior securities it has subscribed for. In accordance with IFRS 10 – *Consolidated Financial Statements*, all securitization vehicles are included in the scope of consolidation because the subscription of the junior asset-backed securities by the seller implies its control in substance over the structured entity.

Factoring transactions may be either with recourse or without recourse; certain without recourse transfers include deferred payment clauses (for example, when the payment by the factor of a minor part of the purchase price is dependent on the total amount collected from the receivables), requiring first loss cover, meaning that the transferor takes priority participation in the losses, or requires a significant exposure to the cash flows arising from the transferred receivables to be retained. These types of transactions do not comply with the requirements of IFRS 9 – *Financial Instruments* for the derecognition of the assets, since the risks and rewards connected with collection are not substantially transferred and, accordingly, the Group continues to recognize the receivables transferred by this means in its consolidated statement of financial position and recognizes a financial liability of the same amount under asset-backed financing (see Note 24 “Debt”).

At December 31, 2023 and 2022, the carrying amount of such transferred financial assets not derecognized and the related liability and the respective fair values were as follows:

	At December 31, 2023			At December 31, 2022		
($ million)	**Receivables from financing activities transferred**	**Other financial assets transferred**	**Total**	Receivables from financing activities transferred	Other financial assets transferred	Total
Carrying amount of assets	14,088	1,040	**15,128**	11,348	674	**12,022**
Carrying amount of the related liabilities	(10,707)	(1,015)	**(11,722)**	(9,060)	(693)	**(9,753)**
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:						
Fair value of the assets	13,835	1,040	**14,875**	11,033	674	**11,707**
Fair value of the liabilities	(10,658)	(1,014)	**(11,672)**	(8,852)	(692)	**(9,544)**
Net position	**3,177**	**26**	**3,203**	**2,181**	**(18)**	**2,163**

Other financial assets transferred also include the cash with a pre-determined use restricted to the repayment of the securitization debt.

CNH has discounted receivables and bills without recourse having due dates beyond December 31, 2023 amounting to $30 million which refer to trade receivables and other receivables. At December 31, 2022, the amount of discounted receivables and bills without recourse with due dates beyond that date, was $17 million.

Allowance for Credit Losses

CNH's allowance for credit losses is segregated into two portfolio products: retail and wholesale. A portfolio product is the level at which CNH develops a systematic methodology for determining its allowance for credit losses. Further, the class of receivables by which CNH evaluates its portfolio products is by geographic region. Typically, CNH's receivables within a geographic region have similar risk profiles and methods for assessing and monitoring risk. These classes align with management reporting.

CNH utilizes three categories for receivables from financing activities that reflect their credit risk and how the loss provision is determined.

Internal risk grade	**IFRS 9 classification**	**Definition**	**Basis for recognition of expected credit loss provision**
Performing	Stage 1	Low risk of default; payments are generally less than 30 days past due	12 month expected credit losses
Performing	Stage 2	Significant increase in credit risk; payments generally between 31 and 90 days past due	Lifetime expected credit losses
Non-performing	Stage 3	Accounts are credit impaired and/or a legal action has been initiated; payments generally greater than 90 days past due	Lifetime expected credit losses

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis.
In calculating the expected credit loss rates, CNH considers historical loss rates for each category of customers and adjusts for forward looking macroeconomic data.

In calculating the expected credit losses, CNH’s calculations depend on whether the receivable has been individually identified as being impaired. The first component of the allowance for credit losses covers the receivables specifically reviewed by management for which CNH has determined it is probable that it will not collect all of the contractual principal and interest.

Receivables are individually reviewed for impairment based on, among other items, amounts outstanding, days past due and prior collection history. Expected credit losses are measured by considering: the unbiased and probability-weighted amount; the time value of money; and reasonable and supportable information (available without undue costs or effort) at the reporting date about past events, current conditions and forecasts of future economic conditions. Expected credit losses are measured as the probability-weighted present value of all cash shortfalls over the expected life of each financial asset.

The second component of the allowance for credit losses covers all receivables that have not been individually reviewed for impairment. The allowance for these receivables is based on aggregated portfolio evaluations, generally by financial product. The allowance for wholesale and retail credit losses is based on loss forecast models that consider a variety of factors that include, but are not limited to, historical loss experience, collateral value, portfolio balance and delinquency. The loss forecast models are updated on a quarterly basis. The calculation is adjusted for forward looking macroeconomic factors. In addition, qualitative factors that are not fully captured in the loss forecast models are considered in the evaluation of the adequacy of the allowance for credit losses. These qualitative factors are subjective and require a degree of management judgment.

Charge-offs of principal amounts of receivables outstanding are deducted from the allowance at the point when it is estimated that amounts due are deemed uncollectible.

Allowance for credit losses activity for the years ended December 31, 2023 is as follows:

	Retail				Wholesale			
($ million)	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Opening balance	**94**	**15**	**108**	**217**	**29**	**—**	**35**	**64**
Provision (benefit)	41	7	48	**96**	1	—	(7)	**(6)**
Charge-offs	(18)	—	(20)	**(38)**	—	—	(5)	**(5)**
Transfers	7	(7)	—	**—**	—	—	—	**—**
Foreign currency translation and other	(13)	—	5	**(8)**	—	—	—	**—**
Ending balance	**111**	**15**	**141**	**267**	**30**	**—**	**23**	**53**
Receivables:								
Ending balance	**13,639**	**146**	**126**	**13,911**	**10,069**	**149**	**115**	**10,333**

At December 31, 2023, the allowance for credit losses included an increase in reserves due to reserve needs primarily in South America, partially offset by a decrease in reserves of $15 million due to the sale of CNH Capital Russia. CNH will update the macroeconomic factors and qualitative factors in future periods, as warranted.

Allowance for credit losses activity for the year ended December 31, 2022 is as follows:

	Retail				Wholesale			
($ million)	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Opening balance	**56**	**24**	**75**	**155**	**21**	**—**	**44**	**65**
Provision (benefit)	27	11	35	**73**	8	—	(1)	**7**
Charge-offs	2	—	(19)	**(17)**	1	—	(8)	**(7)**
Transfers	6	(21)	15	**—**	1	—	(1)	**—**
Foreign currency translation and other	3	1	2	**6**	(2)	—	1	**(1)**
Ending balance	**94**	**15**	**108**	**217**	**29**	**—**	**35**	**64**
Receivables:								
Ending balance	**11,271**	**140**	**89**	**11,500**	**7,669**	**21**	**95**	**7,785**

At December 31, 2022, the allowance for credit losses included increases in reserves due to growth in the retail portfolio and additionally included $15 million for domestic Russian receivables, $9 million for the addition of revolving charge accounts in North America and $7 million in China related to Construction.

CNH assesses and monitors the credit quality of its financing receivables based on delinquency status. Receivables are considered past due if the required principal and interest payments have not yet been received as of the date such payments were due. Delinquency is reported on financing receivables greater than 30 days past due. Non-performing financing receivables represent receivables for which CNH has ceased accruing finance income. These receivables are generally 90 days past due. Finance income for non-performing receivables is recognized on a cash basis. Accrued interest is charged-off to interest income. Interest income charged-off was not material for the year ended December 31, 2022.

Interest accrual is resumed if the receivable becomes contractually current and collection becomes probable. Previously suspended income is recognized at that time.

The aging of Receivables from financing activities as of December 31, 2023 and 2022 is as follows:

($ million)	Total Current	31-60 Days Past Due	61-90 Days Past Due	Total Performing	Non-Performing	Total
						At December 31, 2023
Retail:						
North America	8,259	44	3	**8,306**	7	**8,313**
Europe, Middle East, Africa	6	—	—	**6**	11	**17**
South America	4,030	22	—	**4,052**	54	**4,106**
Asia Pacific	1,460	5	6	**1,471**	4	**1,475**
Total Retail	**13,755**	**71**	**9**	**13,835**	76	**13,911**
Wholesale:						
North America	5,154	—	—	**5,154**	—	**5,154**
Europe, Middle East, Africa	2,892	5	—	**2,897**	—	**2,897**
South America	1,404	—	—	**1,404**	2	**1,406**
Asia Pacific	870	4	2	**876**	—	**876**
Total Wholesale	**10,320**	**9**	**2**	**10,331**	2	**10,333**

($ million)	Total Current	31-60 Days Past Due	61-90 Days Past Due	Total Performing	Non-Performing	Total
						At December 31, 2022
Retail:						
North America	7,332	42	12	**7,386**	—	**7,386**
Europe, Middle East, Africa	3	—	—	**3**	11	**14**
South America	2,734	12	—	**2,746**	4	**2,750**
Asia Pacific	1,332	8	8	**1,348**	2	**1,350**
Total Retail	**11,401**	**62**	**20**	**11,483**	17	**11,500**
Wholesale:						
North America	3,378	—	—	**3,378**	—	**3,378**
Europe, Middle East, Africa	2,488	7	2	**2,497**	—	**2,497**
South America	1,416	—	—	**1,416**	—	**1,416**
Asia Pacific	494	—	—	**494**	—	**494**
Total Wholesale	**7,776**	**7**	**2**	**7,785**	—	**7,785**

Troubled Debt Restructurings

A restructuring of a receivable constitutes a troubled debt restructuring ("TDR") when the lender grants a concession it would not otherwise consider to a borrower that is experiencing financial difficulties. As a collateral-based lender, CNH typically will repossess collateral in lieu of restructuring receivables. As such, for retail receivables, concessions are typically provided based on bankruptcy court proceedings. For wholesale receivables, concessions granted may include extended contract maturities, inclusion of interest-only periods, modification of a contractual interest rate to a below market interest rate and waiving of interest and principal.

As of December 31, 2023, and 2022, CNH's TDRs for retail and wholesale receivables were immaterial.

Other current receivables

At December 31, 2023, Other current receivables mainly consisted of other tax receivables for VAT and other indirect taxes of $294 million ($308 million at December 31, 2022), and receivables from employees of $19 million ($15 million at December 31, 2022).

Other current financial assets

At December 31, 2023, and 2022, Other current financial assets primarily consist of current securities and short-term deposits and investments.

Refer to Note 30 "Information on financial risks" for additional information on the credit risk to which CNH is exposed and the way it is managed by the Group.

19. Derivative assets and Derivative liabilities

These items consist of derivative financial instruments measured at fair value at the balance sheet date.

CNH utilizes derivative instruments to mitigate its exposure to interest rate and foreign currency exposures. Derivatives used as hedges are effective at reducing the risk associated with the exposure being hedged and are designated as a hedge at the inception of the derivative contract. CNH does not hold or enter into derivative or other financial instruments for speculative purposes. The credit and market risk related to derivatives is reduced through diversification among various counterparties, utilizing mandatory termination clauses and/or collateral support agreements. Derivative instruments are generally classified as Level 2 in the fair value hierarchy.

In accordance with IFRS 9, derivative financial instruments qualify for hedge accounting only when, at the inception of the hedge, there is formal designation and documentation of the hedging relationship, there is an economic relationship between the hedging instrument and the hedged item, credit risk does not dominate the value changes that result from the economic relationship, and the hedging relationship's hedging ratio reflects the actual quantity of the hedging instrument and the hedged item. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Further description of the risk management exposures and strategies for interest rate and currency risk is presented in Note 30 "Information on financial risks", paragraph "Market risk" together with sensitivity analysis assessing the potential impact of changes in interest rates and foreign currencies.

Foreign Exchange Derivatives

CNH has entered into foreign exchange forward contracts and swaps in order to manage and preserve the economic value of cash flows in a currency different from the functional currency of the relevant legal entity. CNH conducts its business on a global basis in a wide variety of foreign currencies and hedges foreign currency exposures arising from various receivables, liabilities, and expected inventory purchases and sales. Derivative instruments utilized to hedge the foreign currency risk associated with anticipated inventory purchases and sales in foreign currencies are designated as cash flow hedges. Gains and losses on these instruments are deferred in accumulated other comprehensive income/(loss) and recognized in earnings when the related transaction occurs.

For hedging cash flows in a currency different from the functional currency, the hedge relationship reflects the hedge ratio of 1:1, which means that relationship is characterized by the value of the hedging instrument and the value of the hedged item moving in the opposite direction as a result of the common underlying of hedged risk.

The main sources of hedge ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the foreign exchange derivatives, which is not reflected in the change in the fair value of the hedged cash flow attributable to the change in the exchange rates, and
- changes in timing of the hedged transaction.

Ineffectiveness related to these hedge relationships is recognized in the consolidated income statement in the line "Financial income/(expenses)" and was not significant for all periods presented. The maturity of these instruments does not exceed 24 months and the after-tax gains/(losses) deferred in accumulated other comprehensive income/(loss) that will be recognized in net revenues and cost of sales over the next twelve months, assuming foreign exchange rates remain unchanged, is approximately $(17) million. If a derivative instrument is terminated because the hedge relationship is no longer effective or because the hedged item is a forecasted transaction that is no longer determined to be probable, the cumulative amount recorded in accumulated other comprehensive income/(loss) is recognized immediately in earnings. Such amounts were insignificant in all periods presented.

CNH also uses forwards and swaps to hedge certain assets and liabilities denominated in foreign currencies. Such derivatives are considered economic hedges and not designated as hedging instruments. The changes in the fair values of these instruments are recognized directly in income in "Financial income/(expenses)" and are expected to offset the foreign exchange gains or losses on the exposures being managed.

All of CNH's foreign exchange derivatives are considered Level 2 as the fair value is calculated using market data input and can be compared to actively traded derivatives. The notional amount of CNH's foreign exchange derivatives was $6.1 billion and $5.9 billion at December 31, 2023 and 2022, respectively.

Interest Rate Derivatives

CNH has entered into interest rate derivatives (swaps and caps) in order to manage interest rate exposures arising in the normal course of business. Interest rate derivatives that have been designated as cash flow hedges are being used by CNH to mitigate the risk of rising interest rates related to existing debt and anticipated issuance of fixed-rate debt in future periods. Gains and losses on these instruments, to the extent that the hedge relationship has been effective, are deferred in other comprehensive income/(loss) and recognized in "Financial income/(expenses)" over the period in which CNH recognizes interest expense on the related debt. The after-tax gains (losses) deferred in other comprehensive income/(loss) that will be recognized in interest expense over the next twelve months are insignificant.

Interest rate derivatives that have been designated as fair value hedge relationships have been used by CNH to mitigate the volatility in the fair value of existing fixed rate bonds and medium-term notes due to changes in floating interest rate benchmarks. Gains and losses on these instruments are recorded in "Financial income/(expenses)" in the period in which they occur and an offsetting gain or loss is also reflected in “Financial income/(expenses)” based on changes in the fair value of the debt instrument being hedged due to changes in floating interest rate benchmarks.

For hedging interest rate exposures, the hedge relationship reflects the hedge ratio 1:1, which means that relationship is characterized by the value of the hedging instrument and the value of the hedged item that move in the opposite direction as a result of the common underlying of hedged risk.

The main sources of hedge ineffectiveness are:

- the effect of the counterparty and the Group’s own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flow attributable to the change in the interest rates, and
- differences in repricing dates between the swaps and the borrowings.

Any ineffectiveness is recorded in “Financial income/(expenses)” in the consolidated income statement and its amount was insignificant for all periods presented.

CNH also enters into offsetting interest rate derivatives with substantially similar terms that are not designated as hedging instruments, to mitigate interest rate risk related to CNH’s committed asset-backed facilities. Unrealized and realized gains and losses resulting from fair value changes in these instruments are recognized directly in income. Net gains and losses on these instruments were insignificant for the years ending December 31, 2023 and 2022.

All of CNH’s interest rate derivatives outstanding as of December 31, 2023 and 2022 are considered Level 2. The fair market value of these derivatives is calculated using market data input and can be compared to actively traded derivatives. The total notional amount of CNH's interest rate derivatives was approximately $9 billion and $6.4 billion at December 31, 2023 and 2022, respectively.

During the second quarter of 2023, as a result of the Interest Rate Benchmark Reform, CNH renegotiated its contract terms on its interest rate derivatives, by changing the floating interest rate swap from LIBOR to SOFR. In accordance with the EU-IFRS amendments on this topic included in IFRS 9, these changes can be treated under a practice expedient.

CNH elected to apply the practical expedient that enables the company to account for a change in the contractual cash flows that are required by the reform, by updating the effective interest rate to reflect the change in an interest rate benchmark, without de-designation and apply no change to the cumulative basis adjustment reflected in earning. The elections did not have a material impact on our consolidated financial statements for the year ended December 31, 2023.

Financial statement impact of CNH derivatives

The following table summarizes the gross impact of changes in the fair value of derivatives had on other comprehensive income and profit or loss during the years ended December 31, 2023 and 2022:

($ million)	2023	2022
Fair value hedges		
Interest rate derivatives – Financial income/(expenses)	(7)	(104)
Gains/(losses) on hedged items – Financial income/(expenses)	7	104
Cash flow hedges		
Recognized in Other comprehensive income (effective portion):		
Foreign exchange derivatives	(65)	(162)
Interest rate derivatives	(82)	57
Reclassified from other comprehensive income (effective portion):		
Foreign exchange derivatives – Net revenues	(7)	(1)
Foreign exchange derivatives – Cost of sales	(33)	(219)
Foreign exchange derivatives – Financial income/(expenses)	7	2
Interest rate derivatives – Cost of sales	6	30
Not designated as hedges		
Foreign exchange derivatives – Financial income/(expenses)	(67)	(16)

The fair values of CNH's derivatives as of December 31, 2023 and 2022 in the consolidated statement of financial position are recorded as follows:

($ million)	At December 31, 2023 Positive fair value	At December 31, 2023 Negative fair value	At December 31, 2022 Positive fair value	At December 31, 2022 Negative fair value
Derivatives designated as hedging instruments				
Fair value hedges:				
Interest rate derivatives	22	(29)	—	(43)
Total Fair value hedges	**22**	**(29)**	**—**	**(43)**
Cash flow hedges:				
Foreign exchange derivatives	—	(15)	13	(15)
Interest rate derivatives	37	(54)	77	(20)
Total Cash flow hedges	**37**	**(69)**	**90**	**(35)**
Total Derivatives designated as hedging instruments	**59**	**(98)**	**90**	**(78)**
Derivatives not designated as hedging instruments				
Foreign exchange derivatives	46	(53)	71	(54)
Interest rate derivatives	30	(64)	28	(72)
Total Derivatives not designated as hedging instruments	**76**	**(117)**	**99**	**(126)**
Derivative assets/(liabilities)	**135**	**(215)**	**189**	**(204)**

Derivatives not designated as hedging instruments consist mainly of derivatives (mostly currency-based derivatives) acquired to hedge receivables and payables subject to currency risk and/or interest rate risk which are not formally designated as hedges at Group level.

The following table provides, for derivatives designated as hedging instruments, the detail of notional amounts and of the fair value changes used as a basis to calculate hedge ineffectiveness and for derivative not designated as hedging instruments, the detail of notional amounts:

($ million)	At December 31, 2023 Notional amount	At December 31, 2023 Fair value changes used as a basis to calculate hedge ineffectiveness	At December 31, 2022 Notional amount	At December 31, 2022 Fair value changes used as a basis to calculate hedge ineffectiveness
Derivatives designated as hedging instruments				
Fair value hedges:				
Interest rate derivatives	1,500	36	900	(87)
Total Fair value hedges	**1,500**	**36**	**900**	**(87)**
Cash flow hedges:				
Foreign exchange derivatives	401	(62)	968	(235)
Interest rate derivatives	4,550	(76)	3,172	25
Total Cash flow hedges	**4,951**	**(138)**	**4,140**	**(210)**
Total Derivatives designated as hedging instruments	**6,451**	**(102)**	**5,040**	**(297)**
Total Derivatives not designated as hedging instruments	8,631	n/a	7,278	n/a
Total Derivatives	**15,082**	**n/a**	**12,318**	**n/a**

The following table provides the effect of hedged items designated in fair value hedging relationships:

					At December 31, 2023
	Carrying amount of the hedged item		Accumulated amount of fair value hedge adjustments included in the carrying amounts		Fair value changes used as a basis to calculate hedge ineffectiveness
($ million)	Assets	Liabilities	Assets	Liabilities	
Fair value hedges:					
Interest rate risk	1,500		36		36

					At December 31, 2022
	Carrying amount of the hedged item		Accumulated amount of fair value hedge adjustments included in the carrying amounts		Fair value changes used as a basis to calculate hedge ineffectiveness
($ million)	Assets	Liabilities	Assets	Liabilities	
Fair value hedges:					
Interest rate risk		900		(87)	(87)

The following table provides the effects of hedged items designated in cash flow hedging relationships:

($ million)	At December 31, 2023 Cash flow hedge reserve (continuing hedges)	At December 31, 2023 Fair value changes used as a basis to calculate hedge ineffectiveness	At December 31, 2022 Cash flow hedge reserve (continuing hedges)	At December 31, 2022 Fair value changes used as a basis to calculate hedge ineffectiveness
Cash flow hedges:				
Foreign exchange risk	(16)	(63)	(31)	(44)
Interest rate risk	(16)	(77)	30	16

The following table provides further information about the effect of cash flow hedges on the consolidated equity of CNH:

($ million)	Interest rate risk	Foreign exchange risk	Total cash flow hedge reserve
As of December 31, 2021	**10**	**(12)**	**(2)**
Demerger impacts	—	3	3
Gains/(losses) recognized in Other comprehensive income	57	(162)	(105)
Gains/(losses) reclassified from Other comprehensive income in Profit or loss	(30)	218	188
Income tax effect	(5)	(11)	(16)
As of December 31, 2022	**32**	**36**	**68**
Gains/(losses) recognized in Other comprehensive income	(82)	(65)	(147)
Gains/(losses) reclassified from Other comprehensive income in Profit or loss	(6)	33	27
Income tax effect	28	10	38
As of December 31, 2023	**(28)**	**14**	**(14)**

The following table provides an analysis by due date of the notional amount of outstanding derivative financial instruments at December 31, 2023 and 2022:

	At December 31, 2023				At December 31, 2022			
($ million)	due within one year	due between one and five years	due beyond five years	Total	due within one year	due between one and five years	due beyond five years	Total
Currency risk	5,884	183	—	**6,067**	5,473	432	—	**5,905**
Interest rate risk	774	7,731	510	**9,015**	220	5,361	832	**6,413**
Total notional amount	**6,658**	**7,914**	**510**	**15,082**	**5,693**	**5,793**	**832**	**12,318**

20. Cash and cash equivalents

Cash and cash equivalents consist of:

($ million)	At December 31, 2023	At December 31, 2022
Cash at banks	3,557	3,405
Restricted cash	723	753
Money market securities and other cash equivalents	765	971
Total Cash and cash equivalents	**5,045**	**5,129**

Amounts shown are readily convertible into cash and are subject to an insignificant risk of changes in value. Restricted cash mainly includes bank deposits that may be used exclusively for the repayment of the debt relating to securitizations classified as Asset-backed financing.

The credit risk associated with Cash and cash equivalents is considered not significant, because it mainly relates to deposits spread across primary national and international financial institutions.

21. Equity

Share capital

The Articles of Association of CNH Industrial N.V. provide for authorized share capital of €40 million, divided into 2 billion common shares and 2 billion special voting shares to be held with associated common shares, each with a per share par value of €0.01. As of December 31, 2023, the Company's share capital was €18 million (equivalent to $25 million), fully paid-in, and consisted of 1,364,400,196 common shares (1,290,937,585 common shares outstanding and 73,462,611 common shares held in treasury by the Company as described in the following section) and 396,474,276 special voting shares (371,000,610 special voting shares outstanding, net of 25,473,666 special voting shares held in treasury by the Company as described in the section below).

Changes in the composition of the share capital of CNH during 2023 and 2022 are as follows:

(number of shares)	CNH Industrial N.V. common shares issued	Less: Treasury shares	CNH Industrial N.V. common shares outstanding	CNH Industrial N.V. loyalty program special voting shares issued	Less: Treasury shares	CNH Industrial N.V. loyalty program special voting shares outstanding	**Total Shares issued by CNH Industrial N.V.**	**Less: Treasury shares**	**Total CNH Industrial N.V. outstanding shares**
Total CNH Industrial N.V. shares at December 31, 2021	**1,364,400,196**	**(8,323,196)**	**1,356,077,000**	**396,474,276**	**(25,256,026)**	**371,218,250**	**1,760,874,472**	**(33,579,222)**	**1,727,295,250**
Capital increase	—	—	—	—	—	—	—	—	—
(Purchases)/Sales of treasury shares	—	(11,836,029)	(11,836,029)	—	(145,297)	(145,297)	—	(11,981,326)	(11,981,326)
Total CNH Industrial N.V. shares at December 31, 2022	**1,364,400,196**	**(20,159,225)**	**1,344,240,971**	**396,474,276**	**(25,401,323)**	**371,072,953**	**1,760,874,472**	**(45,560,548)**	**1,715,313,924**
Capital increase	—	—	—	—	—	—	—	—	—
(Purchases)/Sales of treasury shares	—	(53,303,386)	(53,303,386)	—	(72,343)	(72,343)	—	(53,375,729)	(53,375,729)
Total CNH Industrial N.V. shares at December 31, 2023	**1,364,400,196**	**(73,462,611)**	**1,290,937,585**	**396,474,276**	**(25,473,666)**	**371,000,610**	**1,760,874,472**	**(98,936,277)**	**1,661,938,195**

During the years ended December 31, 2023 and 2022, 72,343 and 145,297 special voting shares, respectively, were acquired for no consideration by the Company following the de-registration of the corresponding number of qualifying common shares from the Loyalty Register, net of transfer and allocation of special voting shares in accordance with the Special Voting Shares - Terms and Conditions.

Furthermore, during the years ended December 31, 2023 and 2022, the Company delivered 1.9 million and 0.6 million common shares, respectively, under the Company’s stock compensation plan, primarily due to the vesting or exercise of share-based awards. See paragraph below “Share-based compensation” for further discussion.

The Company is required to maintain a special capital reserve to be credited against the share premium exclusively for the purpose of facilitating any issuance or cancellation of special voting shares. The special voting shares do not carry any entitlement to the balance of the special capital reserve. The Board of Directors is authorized to resolve upon (i) any distribution out of the special capital reserve to pay up special voting shares or (ii) re-allocation of amounts to credit or debit the special capital reserve against or in favor of the share premium reserve.

The Company is required to maintain a separate dividend reserve for the special voting shares. The special voting shares shall not carry any entitlement to any other reserve of the Company. Any distribution out of the special voting shares dividend reserve or the partial or full release of such reserve will require a prior proposal from the Board of Directors and a subsequent resolution of the general meeting of holders of special voting shares.

From the profits, shown in the annual accounts, as adopted, such amounts shall be reserved as the Board of Directors may determine.

The profits remaining thereafter shall first be applied to allocate and add to the special voting shares dividend reserve an amount equal to one percent (1%) of the aggregate nominal amount of all outstanding special voting shares. The calculation of the amount to be allocated and added to the special voting shares dividend reserve shall occur on a time-proportionate basis. If special voting shares are issued during the financial year to which the allocation and addition pertains, then the amount to be allocated and added to the special voting shares dividend reserve in respect of these newly issued special voting shares shall be calculated as from the date on which such special voting shares were issued until the last day of the financial year concerned. The special voting shares shall not carry any other entitlement to the profits.

Any profits remaining thereafter shall be at the disposal of the general meeting of shareholders for distribution of dividend on the common shares only subject to the provision that the distribution of profits shall be made after the adoption of the annual accounts, from which it appears that the same is permitted.

Subject to a prior proposal of the Board of Directors, the general meeting of shareholders may declare and pay dividends in U.S. dollars. Furthermore, subject to the approval of the general meeting of shareholders and the Board of Directors having been designated as the body competent to pass a resolution for the issuance of shares in accordance with Article 5 of the Articles of Association, the Board of Directors may decide that a distribution shall be made in the form of shares or that shareholders shall be given the option to receive a distribution either in cash or in the form of shares.

In the event of a winding-up, a resolution to dissolve the Company can only be passed by a general meeting of shareholders pursuant to a prior proposal of the Board of Directors. In the event a resolution is passed to dissolve the Company, the Company shall be wound-up by the Board of Directors, unless the general meeting of shareholders would resolve otherwise.

The general meeting of shareholders shall appoint and decide on the remuneration of the liquidators.

Until the winding-up of the Company has been completed, the Articles of Association of the Company shall to the extent possible, remain in full force and effect.

Dividend

Subject to the adoption of the Company Annual Financial Statements by the Meeting, the Board, in accordance with article 21, paragraph 9, of the Articles of Association, proposes to shareholders to distribute a dividend in cash of $0.47, totaling approximately $585 million (equal to approximately €0.43 per outstanding common share, translated at the exchange rate reported by the European Central Bank on March 13, 2024), after the allocation of the relevant amount to the special voting shares dividend reserve in accordance with article 22, paragraph 4, of the Articles of Association.

It is expected that the dividend on the outstanding common share, if approved, will be paid on May 29, 2024.

On April 14, 2023, the Company's shareholders approved a dividend of €0.36 per common share and totaling €482 million (equivalent to $0.394 per common share and totaling $527 million, translated at the exchange rate reported by the European Central Bank on April 20, 2023).

The Company shall only have power to make distributions to shareholders and other persons entitled to distributable profits to the extent the Company's equity exceeds the sum of the paid-up portion of the share capital and the reserves that must be maintained in accordance with provision of law. No distribution of profits may be made to the Company itself for shares that the Company holds in its own share capital.

The Board of Directors has the power to declare one or more interim dividends, provided that the requirements of the Article 22 paragraph 5 of the Articles of Association are duly observed as evidenced by an interim statement of assets and liabilities as referred to in Article 2:105 paragraph 4 of the Dutch Civil Code and provided further that the policy of the Company on additions to reserves and dividends is duly observed. The provisions of the Article 22 paragraphs 2 and 3 of the Articles of Association shall apply mutatis mutandis.

The Board of Directors may determine that dividends or interim dividends, as the case may be, shall be paid, in whole or in part, from the Company's share premium reserve or from any other reserve, provided that payments from reserves may only be made to the shareholders that are entitled to the relevant reserve upon the dissolution of the Company.

Dividends and other distributions of profit shall be made payable in the manner and at such date(s) - within four weeks after declaration thereof - and notice thereof shall be given, as the general meeting of shareholders, or in the case of interim dividends, the Board of Directors shall determine, provided, however, that the Board of Directors shall have the right to determine that each payment of annual dividends in respect of shares be deferred for a period not exceeding five consecutive annual periods. Dividends and other distributions of profit, which have not been collected within five years and one day after the same have become payable, shall become the property of the Company.

Effects of the Demerger on the share capital of CNH Industrial N.V.

On January 1, 2022, the share capital of CNH Industrial N.V. did not change as result of the Demerger.
CNH Industrial N.V. also did not receive any shares in Iveco Group N.V. as a part of the Demerger, as the portion of the shares held in treasury buy CNH Industrial N.V. was not eligible to be part of the Demerger and consequent allotment of Iveco Group N.V. shares.

Policies and processes for managing capital

The objectives identified by the Group for managing capital are to create value for shareholders as a whole, safeguard business continuity and support the growth of the Group. As a result, the Group endeavors to maintain an adequate level of capital that at the same time enables it to obtain a satisfactory economic return for its shareholders and maintain access to external sources of funds, including by means of achieving an adequate rating.

The Group regularly monitors its debt/equity ratio and in particular the level of net debt and the generation of cash from Industrial Activities.

To reach these objectives the Group aims at a continuous improvement in the profitability of the business in which it operates. Further, in general, the Group may sell part of its assets to reduce the level of its debt, while the Board of Directors may make proposals to shareholders in general meeting to reduce or increase share capital or, where permitted by law, to distribute reserves.

The Company shall at all times have the authority to acquire fully paid-up shares in its own share capital, provided that such acquisition is made for no consideration (*om niet*).

The Company shall also have authority to acquire fully paid-up shares in its own share capital for consideration, if:

- the general meeting of shareholders has authorized the Board of Directors to make such acquisition – which authorization shall be valid for no more than eighteen months – and has specified the number of shares which may be acquired, the manner in which they may be acquired and the limits within which the price must be set;
- the Company's equity, after deduction of the acquisition price of the relevant shares, is not less than the sum of the paid-up portion of the share capital and the reserves that have to be maintained by provision of law; and

- the aggregate par value of the shares to be acquired and the shares in its share capital the Company already holds, holds as pledgee or are held by a subsidiary, does not amount to more than one half of the aggregate par value of the issued share capital.

If no annual accounts have been confirmed and adopted when more than six months have expired after the end of any financial year, then the Group is not allowed any acquisition under Dutch law.

No authorization shall be required, if the Company acquires its own shares for the purpose of transferring the same to directors or employees of the Company or a Group company as defined in Article 2:24b of the Dutch Civil Code, under a scheme applicable to such employees. Such own shares must be officially listed on a price list of an exchange.

The preceding provisions shall not apply to shares which the Company acquires under universal title of succession (*algemene titel*).

No voting rights may be exercised in the general meeting of shareholders for any share held by the Company or any of its subsidiaries. Beneficiaries of a life interest on shares that are held by the Company and its subsidiaries are not excluded from exercising the voting rights provided that the life interest was created before the shares were held by the Company or any of its subsidiaries. The Company or any of its subsidiaries may not exercise voting rights for shares in respect of which it holds a usufruct.

Any acquisition by the Company of shares that have not been fully paid up shall be void.

Any disposal of shares held by the Company requires approval of the Board of Directors. Such approval shall also stipulate the conditions of the disposal.

Loyalty voting program

In order to reward long-term ownership of the Company’s common shares and promote stability of its shareholder base, the Articles of Association of CNH Industrial N.V. provide for a loyalty-voting program that grants eligible long-term shareholders the equivalent of two votes for each CNH Industrial N.V. common share that they hold. This has been accomplished through the issuance of special voting shares.

A shareholder may at any time elect to participate in the loyalty voting program by requesting the registration of all or some of the common shares held by such shareholder in a separate register (the “Loyalty Register”) of the Company. If such common shares have been registered in the Loyalty Register for an uninterrupted period of three years in the name of the same shareholder, such shares will become “Qualifying Common Shares” and the relevant shareholder will be entitled to receive one special voting share for each such Qualifying Common Share which can be retained only for so long as the shareholder retains the associated common share and registers it in the Loyalty Register.

Shareholders are not required to pay any amount to the Company in connection with the allocation of the special voting shares.

The common shares are freely transferable, while, special voting shares are transferable exclusively in limited circumstances and they are not listed on the NYSE. In particular, at any time, a holder of common shares that are Qualifying Common Shares who wants to transfer such common shares other than in limited specified circumstances (e.g., transfers to affiliates or relatives through succession, donation or other transfers) must request a de-registration of such Qualifying Common Shares from the Loyalty Register. After de-registration from the Loyalty Register, such common shares no longer qualify as Qualifying Common Shares and, as a result, the holder of such common shares is required to transfer the special voting shares associated with the transferred common shares to the Company for no consideration.

The special voting shares have minimal economic entitlements as the purpose of the special voting shares is to grant long-term shareholders with an extra voting right by means of granting an additional special voting share, without granting such shareholders with any additional economic rights. However, as a matter of Dutch law, such special voting shares cannot be fully excluded from economic entitlements. Therefore, the Articles of Association provide that only a minimal dividend accrues to the special voting shares, which is not distributed, but allocated to a separate special dividend reserve. The impact of this special dividend reserve on the earnings per share of the common shares is not material.

Treasury shares

In order to maintain the necessary operating flexibility over an adequate time period, including the implementation of the program in place, on April 13, 2022, the Annual General Meeting (“AGM”) granted to the Board of Directors the authority to acquire common shares in the capital of the Company through stock exchange trading on the Euronext Milan and the NYSE or otherwise for a period of 18 months. The program reached its conclusion on November 6, 2023. Upon the completion of the program, on November 7, 2023, CNH's Board of Directors approved a new share buy-back program. Under the new program, CNH will repurchase up to $1 billion worth of its common shares between November 8, 2023 and March 1, 2024.

Under such authorization the Board’s authority is limited to a maximum of up to 10% of the issued common shares as of the date of the AGM and, in compliance with applicable rules and regulations, subject to a maximum price per common share equal to the average of the highest price on each of the five trading days prior to the date of acquisition, as shown in the Official Price List of the NYSE (as the case may be) plus 10% (maximum price) and to a minimum price per common share equal to the average of the lowest price on each of the five trading days prior to the date of acquisition, as shown in the Official Price List of the NYSE (as the case may be) minus 10% (minimum price).

Neither the renewal of the authorization, nor the launch of any program obliges the Company to buy-back any common shares. The launch of any new program will be subject to a further resolution of the Board of Director. In any event, such programs may be suspended, discontinued or modified at any time for any reason and without previous notice, in accordance with applicable laws and regulations.

During the year ended December 31, 2023, the Company repurchased 55,198,371 shares of its common stock on the Euronext Milan and on multilateral trading facilities under the buy-back program. As of December 31, 2023, the Company held 73.5 million common shares in treasury, net of transfers of common shares to fulfill its obligations under its stock compensation plans, at an aggregate cost of $865 million. Depending on market and business conditions and other factors, the Company may continue or suspend purchasing its common stock at any time without notice.

During the year ended December 31, 2023, the Company acquired, for no consideration, 72,343 special voting shares following the de-registration of qualifying common shares from the Loyalty Register, net of the transfer and allocation of special voting shares to those shareholders whose qualifying common shares became eligible to receive special voting shares after the uninterrupted three-year registration period in the Loyalty Register. As of December 31, 2023, the Company held 25.0 million special voting shares in treasury.

Effects of the Demerger on the treasury shares held CNH Industrial N.V.

On January 1, 2022, CNH Industrial N.V. did not receive any shares in Iveco Group N.V. as a part of the Demerger as the portion of the shares held in treasury by CNH Industrial N.V. was not eligible to be part of the Demerger and consequent allotment of Iveco Group N.V. shares.

Capital reserves

At December 31, 2023 capital reserves, amounting to $404 million ($332 million at December 31, 2022), mainly consisted of the share premium deriving from the Merger occurred in 2013 between Fiat Industrial and its majority owned subsidiary CNH Global.

Effects of the Demerger on the capital reserves of CNH Industrial N.V.

As a consequence of the Demerger, on January 1, 2022, capital reserves of CNH Industrial N.V. decreased by $2,593 million (€2,289 million).

Earnings reserves

Earnings reserves, amounting to $11,351 million at December 31, 2023 ($9,534 million at December 31, 2022), mainly consist of retained earnings and profits attributable to the owners of the parent.

Effects of the Demerger on the earnings reserves of CNH Industrial N.V.

On January 1, 2022, there were no impacts on earnings reserves as a results of the Demerger.

Other comprehensive income/(loss)

Other comprehensive income/(loss) consisted of the following:

($ million)	2023	2022
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss:		
Gains/(losses) on the remeasurement of defined benefit plans	(45)	128
Total Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss (A)	**(45)**	**128**
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss:		
Gains/(losses) on cash flow hedging instruments arising during the period	(147)	(105)
(Gains)/losses on cash flow hedging instruments reclassified to profit or loss	27	188
Gains/(losses) on cash flow hedging instruments	**(120)**	**83**
Exchange gains/(losses) on translating foreign operations arising during the period	(18)	132
Exchange (gains)/losses on translating foreign operations reclassified to profit or loss	12	—
Exchange gains/(losses) on translating foreign operations	**(6)**	**132**
Share of Other comprehensive income/(loss) of entities accounted for using the equity method arising during the period	33	(26)
Reclassification adjustment for the share of Other comprehensive income/(loss) of entities accounted for using the equity method	—	—
Share of Other comprehensive income/(loss) of entities accounted for using the equity method	33	(26)
Total Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss (B)	**(93)**	**189**
Tax effect (C)	**73**	**(27)**
Total Other comprehensive income/(loss), net of tax (A) + (B) + (C) + (D)	**(65)**	**290**

The income tax effect for each component of Other comprehensive income/(loss) consisted of the following:

	2023			2022		
($ million)	Before tax amount	Tax (expense)/ benefit	Net-of-tax amount	Before tax amount	Tax (expense)/ benefit	Net-of-tax amount
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss:						
Gains/(losses) on the remeasurement of defined benefit plans	(45)	—	**(45)**	128	(11)	**117**
Total Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss	**(45)**	**35**	**(10)**	**128**	**(11)**	**117**
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss:						
Gains/(losses) on cash flow hedging instruments	(120)	38	**(82)**	83	(16)	**67**
Exchange gains/(losses) on translating foreign operations	(6)	—	**(6)**	132	—	**132**
Share of Other comprehensive income/(loss) of entities accounted for using the equity method	33	—	**33**	(26)	—	**(26)**
Total Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss	**(93)**	**38**	**(55)**	**189**	**(16)**	**173**
Total Other comprehensive income/(loss)	**(138)**	**73**	**(65)**	**317**	**(27)**	**290**

Share-based compensation

For the years ended December 31, 2023 and 2022, CNH recognized total share-based compensation expense of $99 million and $87 million, respectively. For the years ended December 31, 2023 and 2022, CNH recognized a total tax benefit relating to share-based compensation expense of $14 million and $11 million, respectively. As of December 31, 2023, CNH had unrecognized share-based compensation expense related to non-vested awards of approximately $103 million based on current assumptions related to achievement of specified performance objectives, when applicable. Unrecognized share-based compensation costs will be recognized over a weighted-average period of 1.6 years.

CNH's equity awards are governed by the CNH Industrial N.V. Equity Incentive Plan ("CNH EIP") and CNH Industrial N.V. Directors' Compensation Plan ("CNH DCP").

At the AGM held on April 16, 2014, the Company's shareholders approved the adoption of the CNH EIP, an umbrella program defining the terms and conditions for any subsequent long-term incentive program. The EIP allows grants of the following specific types of equity awards to any current or prospective executive director, officer, employee of, or service provider to, CNH: stock options, stock appreciation rights, restricted share units, restricted stock, performance shares or performance share units and other stock-based awards that are payable in cash, common shares or any combination thereof subject to the terms and conditions established by the Compensation Committee.

In February 2020, the Board of Directors approved the issuance of up to 50 million common shares under the EIP. At the AGM on April 16, 2020, the Company's shareholders approved the issuance of up to 7 million common shares to executive directors under the 2021-2023 Long-Term Incentive Plan (described below) in accordance with and under the EIP.

As part of the Demerger, any awards outstanding under the CNH EIP, and held by directors, officers and other employees vesting in 2022 were accelerated in December 2021 and the related equity incentives were issued by CNH in CNH stock. As a result of the Demerger, remaining outstanding awards vesting in 2023 and 2024 were converted to the entity the participant is employed with post Demerger. As such, for Iveco Group employees, the underlying stock awards under the CNH EIP vesting in 2023 and 2024 were converted at the effective date of the Demerger, subject to its terms, to Common Shares of Iveco Group N.V.. The conversion of the CNH EIP includes appropriate adjustment mechanisms to ensure that the value of the unvested awards granted to all the beneficiaries under such plan remain unchanged pre and post demerger for employees in both the Iveco Group N.V. and CNH Industrial N.V..

Performance Share Units ("PSU")

2021-2023 Long-Term Incentive Plan

In February 2020, the Board of Directors approved the 2021-2023 Long-Term Incentive Plan under the EIP. In December 2020, CNH issued a new grant of PSUs to its key executive officers and select employees with the financial performance goals covering a three-year period culminating with a cliff vest date of February 28, 2024. Two internal financial metrics, Industrial ROIC (the ratio of Industrial Activities Adjusted EBIT (after-tax) over Average Industrial Invested Capital) and Adjusted EPS (the net profit (loss) excluding any nonrecurring items (after-tax), divided by the weighted average outstanding number of common shares on a fully diluted basis), weighted 50% each, and a multiplier-based on CNH's percentile ranking of Total Shareholder Return among a comparator group, will determine the total PSUs earned. The internal financial metrics have a payout factor of up to 200% and the market based TSR determinant has a payout factor of 125%. These metrics are considered performance vesting conditions. As such, compensation cost will be accrued based on whether it is considered probable that the performance conditions will be satisfied. The fair value of the PSU awards issued under this plan will be calculated by using the CNH Industrial N.V. stock price on the grant date adjusted for the present value of future dividends that would not be received during the vesting period.

As of December 31, 2020 CNH issued 5 million PSUs. The total number of shares that will eventually be issued may vary from the original estimate due to forfeiture or the level of achievement of the performance goals. The weighted average fair value of the awards that were issued in 2020 was $10.83 per share. The 2020 PSU awards distributed under this plan were issued on December 4, 2020 to key executive officers and select employees and on December 14, 2020 to the Chair of CNH. During 2021, CNH issued an additional 3 million PSUs to key executive officers and select employees. The weighted average fair value of the awards that were issued in 2021 was $13.13 per share.

Effective January 1, 2022, the Iveco Group Business was separated from CNH Industrial N.V. by way of a legal statutory demerger to Iveco Group N.V. (the Demerger) and Iveco Group became a public listed company independent from CNH. As part of the Demerger, any awards outstanding under the CNH Equity Incentive Plan (or "CNH EIP"), and held by directors, officers and other employees vesting in April 2022 were accelerated in December 2021 and the related equity incentives were issued by CNH in CNH stock. Further, as a result of the Demerger, remaining outstanding awards vesting in 2023 and 2024 were converted to the entity the participant is employed with post Demerger. The conversion of the CNH EIP includes appropriate adjustment mechanisms to ensure that the value of the unvested awards granted to all the beneficiaries under such plan remain unchanged pre and post demerger for employees in both the Iveco Group N.V. and CNH Industrial N.V..

2022 & 2023 Long-Term Incentive Plan

In 2022 and 2023, the Board of Directors approved the 2022-2024 Long-Term Incentive Plan and the 2023-2025 Long Term Incentive Plan, respectively, under the EIP. Just as the previous 2021-2023 EIP, both the 2022 and 2023 Long Term Incentive Plan feature that same three year vesting period, two internal financial metrics, and financial multiplier as the 2021 Long-Term Incentive plan. Additionally the two internal financial metrics and financial multipliers are calculated as specified in the 2021 Long Term Incentive plan. However, differences between all plans exist in regards to the performance achievement threshold for both ROIC and EPS. Furthermore, the 2022 and 2023 plans feature a smaller list of comparator groups for its TSR percentile ranking when compared to the 2021 plan. In 2024 the Board of Directors approved the 2024-2026 Long-Term Incentive Plan under the EIP.

In 2022 and 2023 CNH issued 2.5 million and 2.8 million PSUs, respectively. The total number of shares that will eventually be issued may vary from the original estimate due to forfeiture or the level of achievement of the performance goals. The weighted average fair value of the awards that were issued in 2022 and 2023 was $14.04 and $12.29 per share, respectively.

The following table reflects the activity of PSUs under the Long-Term Incentive Plans during the years ended December 31, 2023 and 2022:

	2023		2022	
	Performance shares	Weighted average grant date fair value (in $)	Performance shares	Weighted average grant date fair value (in $)
Nonvested at beginning of year	**10,847,408**	**8.81**	**9,421,225**	**11.55**
Less: Awards transferred to Iveco Group	—	—	(1,950,170.00)	10.87
Plus: Adjustments to awards for continuing employees	—	—	1,093,025.00	n.a.
Nonvested as of January 5	**10,847,408**	**8.81**	**8,564,080**	**7.31**
Granted	2,789,887	12.29	2,456,659	14.04
Forfeited/Cancelled	(257,808)	9.67	(173,331)	8.89
Vested	—	—	—	—
Nonvested at end of year	**13,379,487**	**9.52**	**10,847,408**	**8.81**

Restricted Share Units ("RSU")

In 2021, 2022 and 2023 CNH issued approximately
1 million, 2 million, and 2 million Restricted Share Units ("RSUs") to key executive officers and select employees with a weighted average fair value of $14.39, $13.90 and $11.87 per share, respectively. The fair value of the award is measured using the CNH Industrial N.V. stock price on the grant date adjusted for the present value of future dividends that employees will not receive during the vesting period. The RSUs vest upon a time-based service requirement.

2021-2023 Long-Term Incentive Plan

On December 4, 2020, CNH issued two separate RSU grants to key executive officers and select employees. Under the first RSU grant, 1.1 million RSUs were awarded to select employees with a weighted average fair value of $11.43. These awards vested on December 31, 2020. Under the second RSU grant, 3.3 million RSUs were awarded to select employees and are set to vest in three equal installments over a three-year period. The first tranche which consisted of 1.1 million RSUs was set to vest on April 30, 2022. The second and third tranches are set to vest on April 30, 2023 and April 30, 2024, respectively. The weighted average fair value for the December 2020 three tranche award group are $11.23, $11.02, and $10.82, respectively.

On December 14, 2020, CNH issued 120 thousand RSUs to the Chair of CNH, of which 17 thousand vested on December 31, 2020. The weighted average fair value for these awards is $10.96. The remaining 103 thousand RSUs vest in three equal installments on April 30, 2022, 2023, and 2024, respectively. The fair value for these awards are $10.76, $10.55 and $10.35, respectively.

During 2021, CNH issued an additional 1.5 million RSUs to select employees and key executive officers. Of the awards that were issued, 1.2 million are set to vest in three equal installments over a three year period. The first tranche, which consists of 0.4 million RSUs, was set to vest on April 30, 2022. The second and third tranches are set to vest on April 30, 2023 and April 30, 2024, respectively. The weighted average fair value of these awards are $14.04 per share for the first tranche, $13.84 per share for the second tranche, and $13.66 per share for the third tranche. The remaining awards issued in 2021 had a cumulative weighted average fair value of $16.73. In 2021, CNH, in anticipation of the Demerger, accelerated the vesting of awards with a vest date of April 31, 2022, to December 1, 2021, excluding shares awarded to the CEO and Chairperson. As a result, CNH recorded $5 million of expense due to the acceleration of these awards. The weighted average fair value of the shares vested during 2021 was $11.75 per share.

2022-2024 Long-Term Incentive Plan

In 2022 and 2023 CNH issued 2 million and 2 million RSUs, respectively. The total number of shares that will eventually be issued may vary from the original estimate due to forfeiture or the level of achievement of the performance goals. The weighted average fair value of the awards that were issued in 2022 and 2023 was $13.90 and $11.87 per share, respectively.

The following table reflects the activity of RSUs under the Long-Term Incentive Plans during the years ended December 31, 2023 and 2022:

	2023		2022	
	Restricted shares	Weighted average grant date fair value (in $)	Restricted shares	Weighted average grant date fair value (in $)
Nonvested at beginning of year	**5,423,895**	**9.66**	**4,370,079**	**11.72**
Less: Awards transferred to Iveco Group	—	—	(1,039,271)	10.98
Plus: Adjustments to awards for continuing employees	—	—	485,692	n.a.
Nonvested as of January 5	**5,423,895**	**9.66**	**3,816,500**	**6.76**
Granted	2,091,819	11.87	2,275,329	13.90
Forfeited	(199,208)	11.58	(143,410)	10.96
Vested	(1,893,449)	7.44	(524,524)	6.62
Nonvested at end of year	**5,423,057**	**11.21**	**5,423,895**	**9.66**

22. Provisions for employee benefits

CNH provides pension, healthcare and insurance plans and other post-employment benefits to their employees and retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates, the benefits generally being based on the employees' remuneration and years of service. CNH provides post-employment benefits under defined contribution and defined benefit plans.

In the case of defined contribution plans, CNH makes contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been made, CNH has no further payment obligations. CNH recognizes the contribution cost when the employees have rendered their service and includes this cost by function in Cost of sales, Selling, general and administrative costs and Research and development costs. During the years ended December 31, 2023 and 2022, CNH recorded expenses of $423 million and $351 million, respectively, for its defined contribution plans, inclusive of social security contributions.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions made by an entity, and sometimes by its employees, into an entity, or fund, that is legally separate from the employer from which the employee benefits are paid. Benefits are generally payable under these plans after the completion of employment. Defined benefit plans are classified by CNH on the basis of the type of benefit provided as follows: Pension plans, Healthcare plans, and Other post-employment benefits.

Pension plans

Pension obligations primarily comprise the obligations of CNH's pension plans in the U.S., the U.K., and Germany.

Under these plans, contributions are made to a separate fund (trust) that independently administers the plan assets. CNH's funding policy is to contribute amounts to the plan equal to the amounts required to meet the minimum funding requirements pursuant to the laws of the applicable jurisdictions. The significant pension plans that we are required to fund are in the United States and the U.K.. CNH may also choose to make discretionary contributions in addition to the funding requirements. To the extent that a fund is overfunded, the Group is not required to make further contribution to the plan in respect of minimum performance requirements so long as the fund is in surplus.

Healthcare plans

Healthcare plan obligations comprise obligations for healthcare and insurance plans granted to CNH employees working in the U.S. and Canada. These plans generally cover employees retiring on or after reaching the age of 55 who have completed at least 10 years of employment. CNH U.S. salaried and non-represented hourly employees and Canadian employees hired after January 1, 2001 and January 1, 2002, respectively, are not eligible for postretirement healthcare and life insurance benefits under the CNH plans. These benefits may be subject to deductibles, co-payment provisions and other limitations, and CNH has reserved the right to change or terminate these benefits, subject to the provisions of any collective bargaining agreement. These plans are not required to be funded. However, beginning in 2007, CNH began making contributions on a voluntary basis to a separate and independently managed fund established to finance the North American healthcare plans.

In 2021, CNH communicated plan changes for the U.S. retiree medical plan. The plan changes resulted in a reduction of the plan liability by $100 million, recognized immediately in profit or loss as a pre-tax plan amendment gain of the same amount.

Effective January 1, 2022, post-retirement medical coverage for certain U.S. employees who retired prior to December 2004 was transitioned to an individual marketplace. In August 2022, CNH settled the benefits obligation related to RHRA benefits for this group. In connection with this transaction, $27 million of plan obligations and plan assets were transferred.

Other post-employment benefits

Other post-employment benefits consist of obligations for Italian Employee Leaving Entitlements up to December 31, 2006, loyalty bonus in Italy and various other similar plans in France, Germany and Belgium. Until December 31, 2006, Italian companies with more than 50 employees were required to accrue for benefits paid to employees upon them leaving Italian legal entities. The scheme has since changed to a defined contribution plan. The obligation on our consolidated balance sheet represents the residual reserve for years until December 31, 2006. Loyalty bonus is accrued for employees who have reached certain service seniority and are generally settled when employees leave the company. These plans are not required to be funded and, therefore, have no plan assets.

Provisions for employee benefits at December 31, 2023 and 2022 are as follows:

($ million)	At December 31, 2023	At December 31, 2022
Post-employment benefits:		
Pension plans	253	237
Healthcare plans	121	123
Other	66	60
Total Post-employment benefits	**440**	**420**
Other provisions for employees	221	249
Other long-term employee benefits	30	25
Total Provision for employee benefits	**691**	**694**
Defined benefit plan assets	10	12
Total Defined benefit plan assets	**10**	**12**

The item Other provisions for employees consists of the best estimate at the balance sheet date of short-term employee benefits payable by the Group within twelve months from the end of the period in which the employees render the related service.

The item Other long-term employee benefits consists of the Group's obligation for those benefits generally payable during employment on reaching a certain level of seniority in the company or when a specified event occurs, and reflects the probability of payment and the length of time over which this will be made.

In 2023 and 2022 changes in Other provisions for employees and in Other long-term employee benefits are as follows:

($ million)	At December 31, 2022	Provision	Utilization	Change in the scope of consolidation and other changes	At December 31, 2023
Other provisions for employees	249	121	(129)	(20)	**221**
Other long-term employee benefits	25	6	(2)	1	**30**
Total	**274**	**127**	**(131)**	**(19)**	**251**

($ million)	At December 31, 2021	Provision	Utilization	Change in the scope of consolidation and other changes	At December 31, 2022
Other provisions for employees	276	159	(173)	(13)	**249**
Other long-term employee benefits	28	1	(2)	(2)	**25**
Total	**304**	**160**	**(175)**	**(15)**	**274**

Post-employment benefits

The amounts recognized in the statement of financial position for post-employment benefits at December 31, 2023 and 2022 are as follows:

	Pension plans		Healthcare plans(1)		Other(1)	
	At December 31,		At December 31,		At December 31,	
($ million)	2023	2022	2023	2022	2023	2022
Present value of obligations	1,274	1,176	179	181	66	60
Less: Fair value of plan assets	(1,050)	(980)	(58)	(58)	—	—
Deficit/(surplus)	**224**	**196**	**121**	**123**	**66**	**60**
Effect of the asset ceiling	19	29	—	—	—	—
Net liability/(Net asset)	**243**	**225**	**121**	**123**	**66**	**60**
Amounts at year-end:						
Liabilities	253	237	121	123	66	60
Assets	(10)	(12)	—	—	—	—
Net liability	**243**	**225**	**121**	**123**	**66**	**60**

(1) The Healthcare and Other post-employment plans are not required to be prefunded.

Changes in the present value of post-employment obligations in 2023 and 2022 are as follows:

($ million)	Pension plans		Healthcare plans(1)		Other(1)	
	2023	2022	2023	2022	2023	2022
Present value of obligation at the beginning of the year	**1,176**	**1,840**	**181**	**279**	**60**	**80**
Current service cost	8	10	3	4	2	3
Interest expense	54	27	9	6	2	—
Other costs (income)	4	2	—	—	—	—
Contribution by plan participants	1	1	4	4	—	—
Remeasurements:						
Actuarial losses/(gains) from changes in demographic assumptions	(19)	0	—	0	(1)	(2)
Actuarial losses/(gains) from changes in financial assumptions	58	(514)	4	(41)	3	(14)
Other remeasurements	14	41	6	(10)	2	3
Total remeasurements	**53**	**(473)**	**10**	**(51)**	**4**	**(13)**
Exchange rate differences	57	(149)	(1)	(1)	2	(5)
Benefits paid	(84)	(78)	(29)	(27)	(4)	(4)
Past service cost	4	—	2	(6)	—	—
Settlements(2)	—	—	—	(27)	—	—
Transfers between subsidiaries	—	(4)	—	—	—	(1)
Other changes	1	—	—	—	—	—
Present value of obligation at the end of the year	**1,274**	**1,176**	**179**	**181**	**66**	**60**

(1) The Healthcare and Other post-employment plans are not required to be prefunded.

(2) Settlements include in 2022 the impact of the transfer of the outstanding pension benefit obligations related to certain retirees and beneficiaries within the U.S. plans through group annuity contracts previously purchased.

Other remeasurements mainly include in 2023 and 2022 the amount of experience adjustments.

Changes in the fair value of plan assets for post-employment benefits in 2023 and 2022 are as follows:

($ million)	Pension plans		Healthcare plans(1)	
	2023	2022	2023	2022
Fair value of plan assets at the beginning of the year	**980**	**1,475**	**58**	**129**
Interest income	47	24	3	3
Remeasurements:				
Return on plan assets	7	(380)	3	(23)
Total remeasurements	**7**	**(380)**	**3**	**(23)**
Exchange rate differences	46	(117)	—	—
Contribution by employer	41	46	—	(15)
Contribution by plan participants	1	1	—	—
Benefits paid	(72)	(67)	(6)	(9)
Settlements(2)	—	—	—	(27)
Transfers between subsidiaries	—	(2)	—	—
Fair value of plan assets at the end of the year	**1,050**	**980**	**58**	**58**

(1) The Healthcare plans are not required to be prefunded.

(2) Settlements include in 2022 the impact of the transfer of the outstanding pension benefit obligations related to certain retirees and beneficiaries within the U.S. plans through group annuity contracts previously purchased.

Net benefit cost/(income) recognized during 2023 and 2022 for post-employment benefits is as follows:

	Pension plans		Healthcare plans		Other	
($ million)	**2023**	2022	**2023**	2022	**2023**	2022
Service cost:						
Current service cost	8	10	3	4	2	3
Past service cost and (gains)/losses from curtailments and settlements	4	—	2	(7)	—	—
Total Service cost	**12**	**10**	**5**	**(3)**	**2**	**3**
Net interest expense	9	4	6	3	2	—
Other costs (income)	4	1	—	(1)	—	—
Net benefit cost/(income) recognized to profit or loss	**25**	**15**	**11**	**(1)**	**4**	**3**
Remeasurements:						
Return on plan assets	(7)	380	(3)	23	—	—
Actuarial losses/(gains) from changes in demographic assumptions	(19)	—	—	—	(1)	(2)
Actuarial losses/(gains) from changes in financial assumptions	58	(514)	3	(40)	2	(13)
Change in irrecoverable surplus and other	(11)	7	—	—	—	(1)
Other remeasurements	15	41	6	(10)	2	3
Total remeasurements	**36**	**(86)**	**6**	**(27)**	**3**	**(13)**
Exchange rate differences	12	(33)	—	(1)	2	(5)
Net benefit cost/(income) recognized to other comprehensive income	**48**	**(119)**	**6**	**(28)**	**5**	**(18)**
Total net benefit cost/(income) recognized during the year	**73**	**(104)**	**17**	**(29)**	**9**	**(15)**

The following summarizes data from CNH's defined benefit pension plans by significant geographical area for the years ended December 31, 2023 and 2022:

	U.S.		U.K.		Germany[1]		Other Countries[1]	
($ million)	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Change in benefit obligations:								
Present value of obligation at the beginning of the year	128	174	771	1,288	108	157	169	221
Current service cost	2	3	—	—	—	—	6	7
Interest expense	7	4	37	20	4	1	6	2
Other costs	1	1	2	—	—	—	1	1
Contribution by plan participants	—	—	—	—	—	—	1	1
Remeasurements	8	(50)	17	(360)	12	(29)	16	(34)
Benefits paid	(6)	(4)	(50)	(48)	(11)	(11)	(17)	(15)
Past service costs	—	—	4	—	—	—	—	—
Exchange rate differences and other	—	—	45	(129)	4	(10)	9	(14)
Present value of obligation at the end of the year	**140**	**128**	**826**	**771**	**117**	**108**	**191**	**169**
Change in the fair value of plans assets:								
Fair value of plan assets at the beginning of the year	158	205	651	1,057	5	6	166	207
Interest income	8	5	32	16	—	—	7	3
Remeasurements	(1)	(48)	5	(308)	—	(1)	3	(23)
Contribution by employer	—	—	31	39	—	—	10	7
Contribution by plan participants	—	—	—	—	—	—	1	1
Benefits paid	(5)	(4)	(50)	(48)	—	—	(17)	(15)
Exchange rate differences and other[2]	—	—	38	(105)	—	—	8	(14)
Fair value of plan assets at the end of the year	**160**	**158**	**707**	**651**	**5**	**5**	**178**	**166**
Funded status	**20**	**30**	**(119)**	**(120)**	**(112)**	**(103)**	**(13)**	**(3)**

(1) Pension benefits in Germany and some other countries are not required to be prefunded.

(2) Includes the impact of the transfer of the outstanding pension benefit obligations related to certain retirees and beneficiaries within the U.S. plans through group annuity contract purchases in the fourth quarter of 2022.

Changes in the effects of the asset ceiling for 2023 and 2022 are as follows:

($ million)	Pension plans 2023	2022
Effect of the asset ceiling at the beginning of the year	**29**	**21**
Other comprehensive (income)/loss	1	7
Other increase/(decrease)	(11)	1
Effect of the asset ceiling at the end of the year	**19**	**29**

The weighted-average durations of post-employment benefits obligations are as follows:

	N° of years
Pension plans	11
Healthcare plans	7
Other	9

Assumptions

The following assumptions were utilized in determining the funded status at December 31, 2023 and 2022, and the expense of CNH's defined benefit plans for the years ended December 31, 2023 and 2022:

	At December 31, 2023			At December 31, 2022		
(in %)	Pension plans	Healthcare plans	Other	Pension plans	Healthcare plans	Other
Weighted-average rate assumptions used to determine funded status						
Discount rates	4.22	4.97	3.22	4.64	5.28	3.78
Rate of compensation increase	2.91	4.00	2.81	3.02	4.00	3.25
Initial healthcare cost trend rate	n/a	4.70	n/a	n/a	5.12	n/a
Ultimate healthcare cost trend rate(*)	n/a	3.74	n/a	n/a	4.00	n/a

	At December 31, 2023			At December 31, 2022		
(in %)	Pension plans	Healthcare plans	Other	Pension plans	Healthcare plans	Other
Weighted-average rate assumptions used to determine expense						
Discount rates – current service cost	3.57	5.37	3.71	1.30	3.15	0.97
Discount rates – interest cost	3.52	5.33	3.73	1.07	3.28	0.86
Rate of compensation increase	3.03	4.00	3.25	2.41	4.00	2.32
Initial healthcare cost trend rate	n/a	5.12	n/a	n/a	4.33	n/a
Ultimate healthcare cost trend rate(*)	n/a	4.00	n/a	n/a	3.65	n/a

(*) CNH expects to achieve the ultimate healthcare cost trend rate in 2033 for U.S. plans. A flat trend rate assumption is utilized for the Canada plans.

Assumed discount rates are used in measurements of pension, healthcare and other post-employment benefit obligations and net interest on the net defined benefit liability/asset. CNH selects its assumed discount rates based on the consideration of equivalent yields on high-quality fixed income investments at the measurement date. The assumed discount rate is used to discount future benefit obligations back to today's dollars. The discount rates for the U.S., European, U.K. and Canadian obligations are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled as of the measurement date, December 31. The benefit cash flow-matching approach involves analyzing CNH's projected cash flows against a high-quality bond yield curve, mainly calculated using a wide population of AA-grade corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria. The discount rates for the CNH's remaining obligations are based on benchmark yield data of high-quality fixed income investments for which the timing and amounts of payments approximate the timing and amounts of projected benefit payments.

The assumed healthcare trend rate represents the rate at which healthcare costs are assumed to increase. Rates are determined based on CNH's specific experience, consultation with actuaries and outside consultants, and various trend factors including general and healthcare sector-specific inflation projections from the United States Department of Health and Human Services Healthcare Financing Administration. The initial trend is a short-term assumption based on recent experience and prevailing market conditions. The ultimate trend is a long-term assumption of healthcare cost inflation based on general inflation, incremental medical inflation, technology, new medicine, government cost-shifting, utilization changes, an aging population, and a changing mix of medical services.

CNH annually reviews the mortality assumptions and demographic characteristics of its U.S. pension plan and healthcare plan participants. In 2023 and 2022 CNH continued to use the adopted the MP-2021 mortality improvement scale as it continues to be the most current. At this time, CNH is not making adjustments to the MP-2021 for any short-term or long-term impacts COVID may have on mortality improvements scales issued in the future.

CNH uses the spot yield curve approach to estimate the service cost and net interest components by applying the specific spot rates along the yield curve used to determine the benefit obligations to relevant projected cash outflows.

Assumed discount rates and healthcare cost trend rates have a significant effect on the amount recognized in the 2023 financial statements. A one percentage point change in the assumed discount rates would have the following effects:

($ million)	One percentage point increase	One percentage point decrease
Effect on pension plans defined benefit obligation at December 31, 2023	(127)	154
Effect on healthcare defined benefit obligation at December 31, 2023	(8)	9

A one percentage point change in the assumed healthcare cost trend rates would have the following effect:

($ million)	One percentage point increase	One percentage point decrease
Effect on healthcare defined benefit obligation at December 31, 2023	8	(7)

Plan assets

The investment strategy for the plan assets depends on the features of the plan and on the maturity of the obligations. Typically, less mature plan benefit obligations are funded by using more equity securities as they are expected to achieve long-term growth exceeding the rate of inflation. More mature plan benefit obligations are funded using more fixed income securities as they are expected to produce current income with limited volatility. Risk management practices include the use of multiple asset classes and investment managers within each asset class for diversification purposes. Specific guidelines for each asset class and investment manager are implemented and monitored. Plan assets do not include treasury shares of CNH Industrial N.V. or properties occupied by Group companies.

The fair value of plan assets at December 31, 2023 may be disaggregated by asset class and level as follows. Fair value levels presented below are described in the “Material accounting policies – Fair value measurement” section of these Notes.

	Fair value of plan assets at December 31, 2023			
($ million)	**Total**	**Level 1**	**Level 2**	**Level 3**
Fixed income securities:				
U.S. government bonds	13	12	1	—
U.S. corporate bonds	17	14	3	—
Non-U.S. government bonds	26	—	26	—
Non-U.S. corporate bonds	13	—	13	—
Mortgage backed securities	2	—	2	—
Other fixed income	2	—	2	—
Total Fixed income securities	**73**	**26**	**47**	**—**
Other types of investments:				
Mutual funds(1)	967	—	919	48
Insurance contracts	46	—	—	46
Total Other types of investments	**1,013**	**—**	**919**	**94**
Cash	22	11	11	—
Total	**1,108**	**37**	**977**	**94**

(1) This category includes mutual funds, which primarily invest in non-U.S. equities and non-U.S. corporate bonds.

The fair value of the plan assets at December 31, 2022 may be disaggregated by asset class and level as follows. Fair value levels presented below are described in the "Material accounting policies – Fair value measurement" section of these Notes.

	Fair value of plan assets at December 31, 2022			
($ million)	Total	Level 1	Level 2	Level 3
Fixed income securities:				
U.S. government bonds	7	6	1	—
U.S. corporate bonds	20	15	5	—
Non-U.S. government bonds	29	7	22	—
Non-U.S. corporate bonds	13	—	13	—
Total Fixed income securities	**75**	**28**	**47**	**—**
Other types of investments:				
Mutual funds(1)	901	—	901	—
Insurance contracts	41	—	—	41
Total Other types of investments	**942**	**—**	**901**	**41**
Cash	21	6	15	—
Total	**1,038**	**34**	**963**	**41**

(1) This category includes mutual funds, which primarily invest in non-U.S. equities and non-U.S. corporate bonds.

Contribution

CNH expects to contribute approximately $33 million to its pension plans in 2024.

The benefit expected to be paid from the benefit plans, which reflect expected future years of service, and the Medicare subsidy expected to be received are as follows:

	Expected benefit payments						
($ million)	2024	2025	2026	2027	2028	2029 to 2034	Total
Post-employment benefits:							
Pension plans	77	77	78	88	85	409	**814**
Healthcare plans	19	19	18	17	16	72	**161**
Other	5	4	4	5	5	29	**52**
Total Post-employment benefits	**101**	**100**	**100**	**110**	**106**	**510**	**1,027**
Other long-term employee benefits	3	3	3	2	3	17	**31**
Total	**104**	**103**	**103**	**112**	**109**	**527**	**1,058**

Potential outflows in the years after 2024 are subject to a number of uncertainties, including future asset performance and changes in assumptions.

23. Other provisions

Changes in Other provisions are as follows:

($ million)	At December 31, 2022	Charge	Utilization	Release to income and other changes	At December 31, 2023
Warranty and technical assistance provision	544	566	(510)	10	**610**
Restructuring provision	35	66	(54)	(1)	**46**
Other risks	1,773	4,095	(3,249)	(1)	**2,618**
Total Other provisions	**2,352**	**4,727**	**(3,813)**	**8**	**3,274**

The warranty and technical assistance provision represents management's best estimate of commitments given by the Group for contractual, legal or constructive obligations arising from product warranties given for a specified period of time which begins at the date of delivery to the customer. This estimate has been calculated considering past experience and specific contractual terms. This provision also includes management's best estimate of the costs that are expected to be incurred in connection with product defects that could result in a larger recall of equipment. This provision for risks is developed through an assessment of reported damages or returns on a case-by-case basis.

At December 31, 2023, the restructuring provision includes the estimated amount of benefits payable to employees on termination in connection with restructuring plans amounting to $38 million ($25 million at December 31, 2022), and other costs totaling $8 million ($10 million at December 31, 2022).

The provision for other risks represents the amounts set aside by the individual companies of the Group principally in connection with contractual and commercial risks and disputes. The more significant balances of this provision are as follows:

($ million)	At December 31, 2023	At December 31, 2022
Marketing and sales incentives programs	2,409	1,556
Commercial risks	24	16
Legal proceedings and other disputes	100	89
Environmental risks	20	26
Other reserves for risks and charges	65	86
Total Other risks	**2,618**	**1,773**

A description of these provisions follows:

- *Marketing and sales incentives* program - this provision relate to sales incentives that are offered on a contractual basis to the dealer networks and primarily given if the dealers achieve a specific cumulative level of sales transactions during the calendar year. This provision is estimated based on information available for the sales made by the dealers during the calendar year.
- *Commercial risks* – this provision relates to risks arising in connection with the sale of products and services.
- *Legal proceedings and other disputes* – this provision represents management's best estimate of the liability to be recognized by the Group with regard to:
  - Legal proceedings arising in the ordinary course of business with dealers, customers, suppliers or regulators (such as contractual, patent or antitrust disputes).
  - Legal proceedings involving claims with active and former employees.

  None of these provisions is individually significant. Each Group company recognizes a provision for legal proceedings when it is deemed probable that the proceedings will result in an outflow of resources. In determining their best estimate of the probable liability, each Group company assesses its legal proceedings on a case-by-case basis to estimate the probable losses that typically arise from events of the type giving rise to the liability. Their estimate takes into account, as applicable, the views of legal counsel and other experts, the experience of the company and others in similar situations and the company's intentions with regard to further action in each proceeding. CNH's consolidated provision combines the individual provisions established by each of the Group's companies.
- *Environmental risks* – this provision represents management's best estimate of the Group's probable environmental obligations. Amounts included in the estimate comprise direct costs to be incurred in connection with environmental obligations associated with current or formerly owned facilities and sites. This provision also includes costs related to claims on environmental matters.

24. Debt

Credit Facilities

Lenders of committed credit facilities have the obligation to make advances up to the facility amount. Lenders of uncommitted facilities have the right to terminate the agreement with prior notice to CNH. At December 31, 2023, CNH had available committed unsecured facilities expiring after twelve months amounting to $5.9 billion ($5.1 billion at December 31, 2022).

In March 2019, CNH signed a five-year committed revolving credit facility for €4 billion ($4.5 billion at March 31, 2019 exchange rate) due to mature in 2024 with two extension options of 1-year each, exercisable on the first and second anniversary of the signing date. CNH exercised the first of the two extension options as of February 28, 2020 and the second extension option as of February 26, 2021. The facility is now due to mature in March 2026 for €3,950.5 million; €49.5 million within the facility will mature in March 2025. The credit facility replaced the existing five-year €1.75 billion credit facility due to mature in 2021. The €4 billion facility is guaranteed by the parent company with cross-guarantees from each of the borrowers (i.e., CNH Industrial Finance S.p.A., CNH Industrial Finance Europe S.A. and CNH Industrial Finance North America Inc.), and includes typical provisions for contracts of this type and size, such as: customary covenants mainly relating to Industrial Activities including negative pledge, a status (or *pari passu*) covenant, restrictions on the incurrence of indebtedness by certain subsidiaries, customary events of default (some of which are subject to minimum thresholds and customary mitigants) including cross-default, failure to pay amounts due or to comply with certain provisions under the loan agreement, the occurrence of certain bankruptcy-related events and mandatory obligations upon a change in control of CNH or the borrower and a financial covenant (Net Debt/EBITDA ration relating to Industrial Activities) that is not applicable with the current ratings levels. The failure to comply with these provisions, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding advances. At December 31, 2023, CNH was in compliance with all covenants in the revolving credit facility.

At December 31, 2023, Financial Services' committed asset-backed facilities expiring after twelve months amounted to $3.7 billion ($2.9 billion at December 31, 2022), of which $3.7 billion was utilized at December 31, 2023, ($2.1 billion at December 31, 2022).

CNH entered into an 18-month committed unsecured credit facility on December 19, 2023, was undrawn at December 31, 2023 and was fully drawn on January 12, 2024.

Debt by nature

An analysis of debt by nature and due date is as follows:

	At December 31, 2023				At December 31, 2022			
($ million)	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Asset-backed financing	**5,795**	**5,859**	**68**	**11,722**	**5,699**	**4,030**	**24**	**9,753**
Other debt:								
Bonds	2,043	6,209	1,122	**9,374**	1,723	6,634	669	**9,026**
Borrowings from banks	2,408	1,374	612	**4,394**	1,458	1,250	454	**3,162**
Payables represented by securities	1,414	724	—	**2,138**	794	386	—	**1,180**
Lease liabilities	72	164	64	**300**	54	120	54	**228**
Other	181	—	—	**181**	144	0	3	**147**
Financial payables to Iveco Group N.V.	146	—	—	**146**	156	—	—	**156**
Total Other debt	**6,264**	**8,471**	**1,798**	**16,533**	**4,329**	**8,390**	**1,180**	**13,899**
Debt	**12,059**	**14,330**	**1,866**	**28,255**	**10,028**	**12,420**	**1,204**	**23,652**

Total Debt was $28,255 million at December 31, 2023, an increase of $4,115 million compared to December 31, 2022.

Excluding the negative impact of exchange translation differences ($488 million of increase in Debt), Debt increased by $4,115 million reflecting the increase in portfolio receivables of Financial Services.

At December 31, 2023 and 2022, there was no debt secured with mortgages and other liens on assets of the Group, and the total carrying amount of assets acting as security for loans was not significant at December 31, 2023 and 2022. In addition, the Group's assets include current receivables and cash with a pre-determined use to settle asset-backed financing of $11,722 million at December 31, 2023 ($9,753 million at December 31, 2022).

Bonds

In April 2022, Banco CNH Industrial Capital S.A. issued BRL 600 million of notes in two tranches: BRL 177 million at CDI + 0.90%, due in 2024 and BRL 423 million at CDI +1.10%, due in 2025.

In May 2022, Banco CNH Industrial Capital S.A. issued BRL 350 million of notes at CDI +1.10%, due in 2025, through a private placement.

In May 2022, CNH Industrial Capital LLC issued USD 500 million of 3.95% notes due in 2025 at an issue price of 99.469% of their principal amount.

In September 2022, Banco CNH Industrial Capital S.A. issued BRL 700 million of notes in three tranches: BRL 268 million at CDI + 0.90%, due in 2024; BRL 193 million at CDI +1.05%, due in 2025; and BRL 239 million at CDI +1.30%, due in 2026.

In October 2022, CNH Industrial Capital LLC issued USD 400 million of 5.45% notes due in 2025 at an issue price of 99.349% of their principal amount.

In October 2022, CNH Industrial Capital Argentina issued USD 23 million of 0% notes due in 2025. This was a voluntary exchange offer for the outstanding USD-linked Series 1 notes issued in 2020 due August 2023.

In November 2022, Banco CNH Industrial Capital S.A. issued BRL 22 million of notes at CDI + 1.05%, due in 2025, through a private placement.

In December 2022, Banco CNH Industrial Capital S.A. issued BRL 190 million of notes at CDI + 0.85%, due in 2024, through a private placement.

In April 2023, CNH Industrial Capital LLC issued USD 600 million of 4.550% notes due 2028, with an issue price of 98.857% of their principal amount.

In May 2023, CNH Industrial Capital Argentina issued USD 36.4 million of 0% notes due in 2025 at an issue price of 124% of their principal amount.

In May 2023, Banco CNH Industrial Capital S.A. issued BRL 500 million of notes in two tranches: BRL 400 million at CDI + 1.40%, due in 2025 and BRL 100 million at CDI +1.60%, due in 2026.

In July 2023, CNH Industrial Capital Australia Pty. Limited issued AUD 175 million of 5.800% notes due in 2026 at an issue price of 99.715% of their principal amount.

In August 2023, CNH Industrial Capital Canada Ltd. issued CAD 400 million of 5.500% notes due in 2026, with an issue price of 99.883% of their principal amount.

In September 2023, CNH Industrial Capital LLC issued USD 500 million of 5.500% notes due in 2029 at an issue price of 99.399% of their principal amount.

In October 2023, Banco CNH Industrial Capital S.A. issued BRL 600 million of notes in three tranches: BRL 312.1 million at CDI + 0.90%, due in 2025, BRL 172.4 million at CDI + 1.00%, due in 2026 and BRL 115.5 million at CDI +1.30%, due in 2027.

The following table shows the summary of the Group's issued bonds outstanding at December 31, 2023:

	Currency	Face value of outstanding bonds (in million)	Coupon	Maturity	Outstanding amount ($ million)
Industrial Activities					
Euro Medium Term Notes:					
CNH Industrial Finance Europe S.A.(1)	EUR	750	—	April 1, 2024	829
CNH Industrial Finance Europe S.A.(1)	EUR	650	1.750 %	September 12, 2025	718
CNH Industrial Finance Europe S.A.(1)	EUR	100	3.500 %	November 12, 2025	111
CNH Industrial Finance Europe S.A.(1)	EUR	500	1.875 %	January 19, 2026	553
CNH Industrial Finance Europe S.A.(1)	EUR	600	1.750 %	March 25, 2027	663
CNH Industrial Finance Europe S.A.(1)	EUR	50	3.875 %	April 21, 2028	55
CNH Industrial Finance Europe S.A.(1)	EUR	500	1.625 %	July 3, 2029	553
CNH Industrial Finance Europe S.A.(1)	EUR	50	2.200 %	July 15, 2039	55
Other Bonds Industrial Activities:					
CNH Industrial N.V.(2)	USD	500	3.850 %	November 15, 2027	500
Hedging effect and amortized cost valuation					(20)
Total Industrial Activities					**4,017**
Financial Services					
CNH Industrial Capital LLC	USD	500	4.200 %	January 15, 2024	500
CNH Industrial Capital LLC	USD	500	3.950 %	May 23, 2025	500
CNH Industrial Capital LLC	USD	400	5.450 %	October 14, 2025	400
CNH Industrial Capital LLC	USD	500	1.875 %	January 15, 2026	500
CNH Industrial Capital LLC	USD	600	1.450 %	July 15, 2026	600
CNH Industrial Capital LLC	USD	600	4.550 %	April 10, 2028	600
CNH Industrial Capital LLC	USD	500	5.500 %	January 12, 2029	500
CNH Industrial Capital Australia PTY LTD	AUD	425	1.750/5.800%	2024/2026	289
CNH Industrial Capital Canada LTD	CAD	300	1.500 %	October 1, 2024	226
CNH Industrial Capital Canada LTD	CAD	400	5.500 %	August 11, 2026	302
CNH Industrial Capital Argentina SA	USD	59	— %	2025/2025	59
Banco CNH Industrial Capital SA	BRL	3,212	12.610/13.440%	2024/2028	733
Hedging effect and amortized cost valuation					148
Total Financial Services					**5,357**
Total Bonds					**9,374**

(1) Bond listed on the Irish Stock Exchange.

(2) Bond listed on the New York Stock Exchange.

The bonds issued by the Group may contain commitments of the issuer, and in certain cases commitments of CNH Industrial N.V. in its capacity as guarantor, which are typical of international practice for bond issues of this type such as, in particular, negative pledge (in relation to quoted indebtedness), a status (or *pari passu*) covenant and cross default clauses. A breach of these commitments can lead to the early repayment of the applicable notes. The bonds guaranteed by CNH Industrial N.V. under the Euro Medium Term Note Programme (and its predecessor the Global Medium Term Note Programme), as well as the notes issued by CNH Industrial N.V., contain clauses which could lead to early repayment if there is a change of control of CNH Industrial N.V. leading to a rating downgrading of CNH Industrial N.V..

Commercial Paper Programs

CNH Industrial Capital LLC outstanding commercial paper totaled $351 million as of December 31, 2023 ($299 million outstanding at December 31, 2022).

Banco CNH Industrial S.A. outstanding commercial paper totaled $488 million as of December 31, 2023 ($230 million outstanding at December 31, 2022).

Lease Liabilities

During the year ended December 31, 2023, $78 million for the principal portion of Lease liabilities and $13 million for interest expenses related to lease liabilities were paid, respectively ($65 million and $8 million, respectively, were paid during the year ended December 31, 2022).

The following table sets out a maturity analysis of Lease liabilities at December 31, 2023:

($ million)	At December 31, 2023	At December 31, 2022
Less than one year	86	63
One to two years	68	46
Two to three years	53	37
Three to four years	41	31
Four to five years	30	23
More than five years	73	59
Total undiscounted lease payments	**351**	**259**
Less: Interest	(51)	(31)
Total Lease liabilities	**300**	**228**

At December 31, 2023, the weighted average remaining lease term (calculated on the basis of the remaining lease term and the lease liability balance for each lease) and the weighted average discount rate for leases were 5.4 years and 4.1%, respectively (5.9 years and 3.8%, respectively, at December 31, 2022).

Credit ratings

On January 4, 2022 Fitch Ratings raised its Long-Term Issuer Default Rating ("IDR") on CNH Industrial N.V. to ‘BBB+’ from ‘BBB-’. Fitch also upgraded CNH Industrial Finance Europe S.A.’s senior unsecured rating to ‘BBB+’ from ‘BBB-’. The Outlook is stable. On January 7, 2022, Fitch upgraded the Long-Term IDR and senior long-term debt ratings of CNH Industrial Capital LLC and CNH Industrial Capital Canada Ltd. to 'BBB+' from 'BBB-'. The outlook is stable. Fitch has also upgraded CNH Industrial Capital LLC's short-term IDR and commercial paper ratings to 'F2' from 'F3'.

On February 25, 2022, Moody's upgraded the senior unsecured ratings of CNH Industrial N.V. and its supported subsidiaries including CNH Industrial Capital LLC, CNH Industrial Finance Europe S.A., CNH Industrial Capital Australia Pty. Ltd. and CNH Industrial Capital Canada Ltd. to Baa2 from Baa3. At the same time, Moody's withdrew CNH Industrial Finance Europe S.A. short term rating of (P)P-3. The rating outlook is stable.

On November 30, 2023, Standard & Poor's ("S&P) Global Ratings raised its long-term issuer credit ratings on CNH Industrial N.V. and its subsidiary, CNH Industrial Capital LLC, to 'BBB+' from 'BBB'. S&P Global Ratings also affirmed the 'A-2' short-term issuer credit rating. Additionally, S&P Global Ratings raised the issue-level ratings on CNH Industrial N.V. and its industrial subsidiaries' debt, as well as the issue-level ratings on CNH Industrial Capital LLC's senior unsecured debt, to 'BBB+' from 'BBB'. The outlook is stable.

For further information on the management of interest rate and currency risk reference should be made to Note 30 "Information on financial risks".

25. Trade payables

An analysis by due date of trade payables is as follows:

($ million)	At December 31, 2023				At December 31, 2022			
	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Trade payables	3,503	97	1	**3,601**	3,651	34	5	**3,690**

At December 31, 2023, Trade payables were $3,601 and decreased by $89 million compared to December 31, 2022.

26. Other current liabilities

An analysis of Other current liabilities is as follows:

($ million)	At December 31, 2023	At December 31, 2022
Contract liabilities	50	34
Indirect tax payables	275	263
Accrued expenses and deferred income	445	387
Payables to personnel	210	190
Social security payables	74	78
Other	346	399
Total Other current liabilities	**1,400**	**1,351**

An analysis of Other current liabilities (excluding Accrued expenses and deferred income) by due date is as follows:

	At December 31, 2023				At December 31, 2022			
($ million)	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Other current liabilities (excluding Accrued expenses and deferred income)	786	83	86	**955**	831	69	64	**964**

Changes in Contract liabilities for the year ended December 31, 2023, are as follows:

($ million)	At December 31, 2022	Additional amounts arising during the period	Amounts recognized within revenue	Translation differences and other changes	At December 31, 2023
Contract liabilities	34	36	(11)	(9)	**50**

At December 31, 2023, and 2022, Contract liabilities primarily relate to extended warranties/maintenance and repair contracts.

27. Commitments and contingencies

CNH in the ordinary course of business is exposed to numerous legal risks, including, without limitation, dealer and supplier litigation, intellectual property right disputes, product liability, asbestos, personal injury, emissions and/or fuel economy regulatory, competition law and other regulatory investigations and environmental claims. The most significant of these matters are described below.

The outcome of any current or future proceedings, claims, or investigations cannot be predicted with certainty. Adverse decisions in one or more of these proceedings, claims or investigations could require CNH to pay substantial damages or fines or undertake service actions, recall campaigns or other costly actions. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurance and could affect CNH’s financial position and results.

When it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, CNH recognizes specific provisions for this purpose. At December 31, 2023, contingent liabilities estimated by the Group amount to approximately $28 million (approximately $43 million at December 31, 2022), for which no provisions have been recognized since an outflow of resources is not considered probable at the present time.

Although the ultimate outcome of legal matters pending against CNH and its subsidiaries cannot be predicted, CNH believes the reasonable possible range of losses for these unresolved legal matters in addition to the amounts accrued would not have a material effect on its Consolidated Financial Statements.

Other litigation and investigation

Follow-up on Damages Claims: in 2011 Iveco S.p.A. ("Iveco"), a subsidiary of Iveco Group N.V., and its competitors in the European Union were subject to an investigation by the European Commission (the “Commission”) into certain business practices in the European Union (in the period 1997-2011) in relation to Medium & Heavy trucks. On July 19, 2016, the Commission announced a settlement with Iveco ("the Decision"). Following the Decision, the Company, Iveco and Iveco Magirus AG ("IMAG") have been named as defendants in proceedings across Europe. Following the Demerger, CNH cannot be excluded from current and future follow on proceedings originating from the Decision because under EU competition law a company cannot use corporate reorganizations to avoid liability for private damage claims. In the event one or more of these judicial proceedings would result in a decision against CNH ordering it to compensate such claimants as a result of the conduct that was the subject matter of the Decision, and Iveco and IMAG do not comply with such decisions, as a result of various intercompany arrangements, then CNH will ultimately have recourse against Iveco and IMAG for the reimbursement of the damages effectively paid to such claimants. The Company believes that the risk of either Iveco or IMAG or Iveco Group defaulting on potential payment obligations arising from such follow-up on damage claims is remote.

FPT Emissions Investigation: on July 22, 2020, a number of the Company's (pre-Demerger) offices in Europe were visited by investigators in the context of a request for assistance by the public prosecutors of Frankfurt am Main, Germany and Turin, Italy in relation to alleged noncompliance of two engine models produced by FPT Industrial S.p.A., which is a wholly-controlled subsidiary Iveco Group N.V. The Italian criminal investigation has been dismissed in 2023. As a result of FPT Industrial's full cooperation and ongoing discussions with the investigative authorities, all German criminal investigation have also been concluded in December 2023. In certain instances CNH and other third parties have also received various requests for compensation by German and Austrian customers on various contractual and tort grounds, including requests for damages resulting from the termination of the purchase contracts, or in the form of requests for an alleged lower residual value of their vehicles as a consequence of the alleged non-compliance with other approval regulations regarding emissions. In certain instances, other customers have brought judicial claims on the same legal and factual bases. While the Company had no role in the design and sale of such engine models and vehicles, the Company cannot predict at this time the extent and outcome of these requests and directly or indirectly related legal proceedings, including customer claims or potential class actions alleging emissions non-compliance. The Company believes that the risk of either FPT Industrial or Iveco Group N.V. defaulting on potential payment obligations arising from such proceedings is remote.

Commitments

At December 31, 2023, Financial Services has various agreements to extend credit for the following financing arrangements:

	At December 31, 2023		
($ million)	Total Credit Limit	Utilized	Not utilized
Facility			
Wholesale and dealer financing	**8,874**	5,715	3,159
Revolving charge accounts	**2,557**	210	2,347

Guarantees

CNH provided guarantees on the debt or commitments of third parties and performance guarantees on non-consolidated affiliates as of December 31, 2023 and 2022, totaling $37 million and $19 million, respectively.

28. Segment reporting

The operating segments through which CNH manages its operations are based on the internal reporting used by the CNH Chief Operating Decision Maker ("CODM") to assess performance and make decisions about resource allocation.

CNH has three operating segments:

- ***Agriculture*** designs, manufactures and distributes a full line of farm machinery and implements, including two-wheel and four-wheel drive tractors, crawler tractors, combines, grape and sugar cane harvesters, hay and forage equipment, planting and seeding equipment, soil preparation and cultivation implements, and material handling equipment. We are also a leading provider of technology dedicated to Precision Agriculture. Agricultural equipment is sold under the New Holland Agriculture and Case IH brands. Regionally focused brands include: STEYR, for agricultural tractors; Flexi-Coil specializing in tillage and seeding systems; Miller manufacturing application equipment. The Raven brand supports Precision Agriculture, digital technology and the development of autonomous systems. Hemisphere, acquired in 2023, provides high-performance satellite positioning technology for the agriculture and construction industries.
- ***Construction*** designs, manufactures and distributes a full line of construction equipment including excavators, crawler dozers, graders, wheel loaders, backhoe loaders, skid steer loaders, and compact track loaders along with a wide variety of attachments. Construction equipment is sold under the CASE Construction Equipment, New Holland Construction and Eurocomach brands.
- ***Financial Services*** provides and administers financing to end-use customers for the purchase of new and used agricultural and construction equipment and components sold through CNH's dealer network, as well as revolving charge account financing and other financial services. Financial Services also provides wholesale financing to CNH dealers and distributors primarily to finance inventories of equipment for those dealers. Further, Financial Services provides trade receivables factoring services to CNH subsidiaries. The European Financial Services operations are supported by the Iveco Group's Financial Services segment. Financial Services also provides financial services to Iveco Group companies in the North America, South America and Asia Pacific regions.

Revenues for each reported segment are those directly generated by or attributable to the segment as a result of its business activities and include revenues from transactions with third parties as well as those deriving from transactions with other segments, recognized at normal market prices. Segment expenses represent expenses deriving from each segment's business activities both with third parties and other operating segments or which may otherwise be directly attributable to it. Expenses deriving from business activities with other segments are recognized at normal market prices.

With reference to the Agriculture and Construction segments, the CODM assesses segment performance and makes decisions about resource allocation based upon Adjusted EBIT calculated using U.S. GAAP. CNH believes Adjusted EBIT more fully reflects Agriculture and Construction segments profitability. Adjusted EBIT of the Agriculture and Construction segments under U.S. GAAP is defined as net income/(loss) before: Income taxes, Financial Services' results, Industrial Activities' segments interest expenses/(net), foreign exchange gains/losses, finance and non-service component of pension and other post-employment benefit costs, restructuring expenses, and certain non-recurring items. In particular, non-recurring items are specifically disclosed items that management considers to be rare or discrete events that are infrequent in nature and not reflective of on-going operational activities.

With reference to Financial Services, the CODM assesses the performance of the segment and makes decisions about resource allocation on the basis of net income prepared in accordance with U.S. GAAP.

The following table summarizes Adjusted EBIT of Industrial Activities segments under U.S. GAAP by reportable segment:

($ million)	2023	2022
Agriculture	2,732	2,456
Construction	238	124
Unallocated items, eliminations and other	(240)	(147)
Adjusted EBIT of Industrial Activities under U.S. GAAP	**2,730**	**2,433**

A reconciliation from Adjusted EBIT of Industrial Activities under U.S. GAAP to CNH's consolidated Profit(loss) before taxes under EU-IFRS for the years ended December 31, 2023 and 2022 is provided below:

($ million)	2023	2022
Adjusted EBIT of Industrial Activities under U.S. GAAP	**2,730**	**2,433**
Adjustments/reclassifications to convert from Adjusted EBIT of Industrial Activities under U.S. GAAP to Profit/(loss) before taxes under EU-IFRS:		
Financial income/(expenses) under EU-IFRS	(194)	(177)
Development costs	39	(8)
Other adjustments(1)	352	387
Total adjustments/reclassifications	**197**	**202**
Profit/(loss) before taxes under EU-IFRS	**2,927**	**2,635**

(1) This item also includes the different accounting impact from the modification of a healthcare plan in the U.S..

Net income of Financial Services prepared under U.S. GAAP for years ended December 31, 2023 and 2022 is summarized as follows, together with a reconciliation to CNH's consolidated Profit/(loss) before taxes under EU-IFRS for the same periods:

($ million)	2023	2022
Net income of Financial Services under U.S. GAAP (A)	**371**	**338**
Eliminations and other (B)(*)	2,012	1,701
CNH's consolidated Net income (loss) under U.S. GAAP (C) = (A) + (B)	**2,383**	**2,039**
Adjustments to conform to EU-IFRS (D)(**)	(56)	(162)
Income tax (expense) benefit under EU-IFRS (E)	(600)	(758)
Profit/(loss) before taxes under EU-IFRS (F) = (C) + (D) - (E)	**2,927**	**2,635**

(*) Includes Net income of Industrial Activities under U.S. GAAP.

(**) Details about this item are provided in Note 34 "EU-IFRS to U.S. GAAP reconciliation".

There are no segment assets reported to the CODM for assessing performance and allocating resources. Additional reportable segment information under U.S. GAAP is provided as follows.

Additional reportable segment information under U.S. GAAP

Revenues under U.S. GAAP, together with a reconciliation to the corresponding EU-IFRS consolidated item for the years ended December 31, 2023 and 2022, are provided below:

($ million)	2023	2022
Agriculture	18,148	17,969
Construction	3,932	3,572
Eliminations and other	—	—
Net sales of Industrial Activities	**22,080**	**21,541**
Financial Services	2,573	1,996
Eliminations and other	(94)	14
Total Revenues under U.S. GAAP	**24,559**	**23,551**
Difference(*)	(55)	(78)
Total Net Revenues under EU-IFRS	**24,504**	**23,473**

(*) Primarily different classification of interest income of Industrial Activities.

Depreciation and amortization under U.S. GAAP by reportable segment, together with a reconciliation to the corresponding EU-IFRS consolidated item for the years ended December 31, 2023 and 2022, are provided below:

($ million)	2023	2022
Agriculture	331	287
Construction	42	38
Eliminations and other	—	—
Total Industrial Activities	**373**	**325**
Financial Services	4	2
Total Depreciation and Amortization(*) under U.S. GAAP	**377**	**327**
Difference(**)	248	247
Total Depreciation and Amortization(*) under EU-IFRS	**625**	**574**

(*) Excluding depreciation of assets on operating lease.

(**) Primarily amortization of development costs capitalized under EU-IFRS and depreciation of right-of-use assets under EU-IFRS.

Expenditures for long-lived assets under U.S. GAAP by operating segment together with a reconciliation to the corresponding EU-IFRS consolidated item for the years ended December 31, 2023 and 2022 are provided below:

($ million)	2023	2022
Agriculture	534	307
Construction	96	53
Total Industrial Activities	**637**	**360**
Financial Services	7	5
Total Expenditures for long-lived assets(*) under U.S. GAAP	**644**	**365**
Difference, principally expenditure for development costs capitalized under EU-IFRS	208	270
Total Expenditures for long-lived assets(*) under EU-IFRS	**852**	**635**

(*) Excluding equipment on operating lease.

29. Information by geographical area

CNH Industrial N.V. has its principal office in Basildon, England, United Kingdom. Revenues earned in the U.K. from external customers were $544 million in 2023 and $557 million in 2022, respectively. Revenues earned in the rest of the world from external customers were $23,960 million and $22,916 million in 2023 and 2022, respectively. The following highlights revenues earned from external customers in the rest of the world by destination:

($ million)	2023	2022
United States	9,063	8,180
Brazil	3,506	3,878
Canada	1,712	1,530
France	1,300	1,123
Australia	1,219	981
Germany	633	674
Italy	560	591
Argentina	509	548
India	489	466
Turkey	411	258
Other	4,558	4,687
Total revenues from external customers in the rest of the world	**23,960**	**22,916**

Total non-current Assets located in U.K., excluding financial assets, deferred tax assets, defined benefit assets and rights arising under insurance contracts, were $331 million and $143 million at December 31, 2023 and 2022, respectively, and the total of such assets located in the rest of the world totaled $9,534 million and $8,709 million at December 31, 2023 and 2022, respectively.

The following highlights non-current assets by geographical area in the rest of the world:

($ million)	At December 31, 2023	At December 31, 2022
United States	6,245	6,139
Italy	819	747
Canada	741	542
Belgium	307	247
Brazil	288	212
Turkey	189	79
India	115	102
France	110	102
Greece	108	—
Japan	93	84
Other	519	455
Total non-current assets in the rest of the world	**9,534**	**8,709**

In 2023 and 2022, no single external customer of CNH accounted for 10 per cent or more of consolidated revenues.

30. Information on financial risks

We are exposed to the following financial risks connected with our operations:

- credit risk related to our financing activities;
- market risk (primarily exchange rates and interest rates).

We attempt to actively manage these risks.

These risks could significantly affect the Group's financial position, results of operations and cash flows, and for these reasons the Group identifies and monitors these risks, in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through the Group's operating and financing activities and if required, through the use of derivative financial instruments.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group.

The quantitative data reported in the following paragraphs does not have any predictive value. In particular, the sensitivity analysis on market risks does not reflect the complexity of the market or the reaction, which may result from any changes that are assumed to take place.

Credit risk

Our credit concentration risk differs in relation to the activities carried out by the segments and end markets in which we operate; in all cases, the risk is mitigated by the large number of counterparties and customers. Considered from a global point of view, however, there is a concentration of credit risk in trade receivables and receivables from financing activities, in particular dealer financing in the European Union market and in North America, as well as in South America for Agriculture and Construction.

CNH measures the loss allowance for its trade receivables and contract assets at an amount equal to the lifetime expected credit losses, which are the present value of the cash shortfalls over the expected life of the financial asset.

Financial assets are recognized in the statement of financial position net of write-downs for the risk that counterparties may be unable to fulfill their contractual obligations, determined on the basis of the available information as to the creditworthiness of the customer and historical data.

The maximum credit risk to which we were theoretically exposed at December 31, 2023 is represented by the carrying amounts stated for financial assets in the statement of financial position and the nominal value of the guarantees provided on debt or commitments of third parties, as discussed in Note 27 "Commitments and contingencies".

Dealers and final customers are generally subject to specific assessments of their creditworthiness under a detailed scoring system. In addition to carrying out this evaluation process, we may also obtain financial and non-financial guarantees for risks arising from credit granted for the sale of agricultural equipment, construction equipment and related parts. These guarantees are further secured, where possible, by retention of title clauses or specific guarantees on financed equipment sales to the distribution network and on equipment under finance or leasing agreements.

A financial asset has experienced a significant increase in credit risk when the customer shows signs of operational or financial weakness including past dues, which requires significant collection effort and monitoring and generally occurs when the customer becomes past due greater than 30 days. The assessment considers available information regarding the financial stability of the customer and other market/industry data. An account is typically considered in default when they are 90 days past due.

CNH utilizes three categories for receivables from financing activities that reflect their credit risk and the loan provision is determined, refer to Note 18 "Current Receivables and Other current financial assets" for additional details on the allowance for Credit Losses and related credit risk.

Liquidity risk

We are exposed to funding risk if there is difficulty in obtaining finance for operations at any given point in time.

The cash flows, funding requirements and liquidity of our subsidiaries are monitored on a centralized basis. The aim of this centralized system is to optimize the efficiency and effectiveness of the management of our capital resources.

Additionally, as part of our activities, we regularly carry out funding operations on the various financial markets which may take on different technical forms and which are aimed at ensuring that it has an adequate level of current and future liquidity.

Measures taken to generate financial resources through operations and to maintain an adequate level of available liquidity are an important factor in ensuring normal operating conditions and addressing strategic challenges. We therefore plan to meet our requirements to settle liabilities as they fall due and to cover expected capital expenditures by using cash flows from operations and available liquidity, renewing or refinancing bank loans and making recourse to the bond market and other forms of funding.

The two main factors that determine our liquidity situation are the funds generated by or used in operating and investing activities and the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.

CNH has adopted a series of policies and procedures whose purpose is to optimize the management of funds and to reduce the liquidity risk, as follows:

- centralizing the management of receipts and payments, where it may be economical in the context of the local statutory, currency and fiscal regulations of the countries in which we are present;
- maintaining an adequate level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence on the capital markets;
- obtaining adequate credit lines; and
- monitoring future liquidity on the basis of business planning.

Details as to the repayment structure of the CNH’s financial assets and liabilities are provided in Note 18 “Current Receivables and Other current financial assets” and in Note 24 “Debt”. Details of the repayment structure of derivative financial instruments are provided in Note 19 “Derivative assets and Derivative liabilities”.

Management believes that the funds currently available, together with the funds that will be generated from operating and financing activities, will enable CNH to satisfy its requirements resulting from their investing activities and their working capital needs and to fulfill their obligations to repay their debts at their natural due date.

Market risk

We operate in numerous markets worldwide and are exposed to market risks stemming from fluctuations in currency and interest rates.

The exposure to foreign currency risk arises both in connection with the geographical distribution of our industrial activities compared to the markets in which we sell our products, and in relation to the use of external borrowing denominated in foreign currencies.

The exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing our profit/(loss), thereby indirectly affecting the costs and returns of financing and investing transactions.

We regularly assess our exposure to foreign currency and interest rate risk and manage those risks through the use of derivative financial instruments in accordance with its established risk management policies.

Our policy permits derivatives to be used only for managing the exposure to fluctuations in exchange and interest rates connected with future cash flows and assets and liabilities, and not for speculative purposes.

We utilize derivative financial instruments designated as fair value hedges, mainly to hedge:

- the currency risk on financial instruments denominated in foreign currency;
- the interest rate risk on fixed rate loans and borrowings.

The instruments used for these hedges are mainly currency swaps, forward contracts, interest rate swaps and combined interest rate and currency financial instruments.

We use derivative financial instruments as cash flow hedges for the purpose of pre-determining:

- the exchange rate at which forecasted transactions denominated in foreign currencies will be accounted for;

- the interest paid on borrowings, both to match the fixed interest received on loans (customer financing activity), and to achieve a pre-defined mix of floating versus fixed rate funding structured loans.

The exchange rate exposure on forecasted commercial flows is hedged by currency swaps, forward contracts and currency options. Interest rate exposures are usually hedged by interest rate swaps and, in limited cases, by forward rate agreements.

Counterparties to these agreements are major and diverse financial institutions.

Information on the fair value of derivative financial instruments held at the balance sheet date is provided in Note 19 “Derivative assets and Derivative liabilities”.

Currency risk

We are exposed to risk resulting from changes in exchange rates, which can affect our earnings and equity.

Where one of our subsidiaries incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the profit/(loss) of that company. In 2023, the total net trade flows exposed to currency risk amounted to the equivalent of 21% of CNH's revenue (19% in 2022).

The principal exchange rates to which we are exposed are the following:

- EUR/USD, in relation to the production/purchases of Agriculture and Construction in the euro area;
- USD/BRL and EUR/BRL, in relation to production in Brazil and the respective import/export flows;
- AUD/USD, mainly in relation to sales made by Agriculture and Construction in Australia;
- EUR/GBP, predominately in relation to sales on the U.K. market.

Trade flows exposed to changes in these exchange rates in 2023 made up approximately 73% of the exposure to currency risk from trade transactions.

It is our policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecasted trading transaction exchange risk exposure for the coming 12 months with additional flexibility to reach 0% or 100% (including forecasted risk exposure beyond that timeframe where it is believed to be appropriate) and to hedge completely the exposure resulting from firm commitments.

Certain subsidiaries may hold trade receivables or payables denominated in a currency different from the subsidiary’s functional currency. In addition, in a limited number of cases, subsidiaries may obtain financing or use funds in a currency different from their functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is our policy to hedge fully, whenever possible, the exposure resulting from receivables, payables, and securities denominated in currencies different from the subsidiary’s functional currency.

Certain of our subsidiaries’ functional currency is different than the U.S. dollar, which is the Group presentation currency. The income statements of those subsidiaries are converted into U.S. dollars using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the results reported in U.S. dollars.

The assets and liabilities of consolidated companies whose functional currency is different from the U.S. dollar may acquire converted values in U.S. dollars which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognized directly in the Cumulative Translation Adjustments reserve, included in Other comprehensive income (see Note 21 "Equity").

We monitor our principal exposure to translation exchange risk, although there was no specific hedging in place at December 31, 2023.

There were no substantial changes in 2023 in the nature or structure of exposure to currency risk or in our hedging policies.

Sensitivity analysis

The potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/ forwards, currency options, interest rate and currency swaps) at December 31, 2023 resulting from a hypothetical change of 10% in the exchange rates amounted to approximately $167 million ($276 million at December 31, 2022). The valuation model for currency options assumes that market volatility at year-end remains unchanged.

Receivables, payables, and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

Our Industrial Activities make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, we sell receivables. Changes in market interest rates can affect the cost of financing, including the sale of receivables, or the return on investments of funds, causing an impact on the level of net financial expenses incurred by us.

In addition, Financial Services provides loans (mainly to customers and dealers), financed primarily using various forms of external borrowings or asset-backed financing (e.g., securitization of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing/ funding obtained, changes in the current level of interest rates can affect our profit/(loss).

In order to mitigate these risks, we use interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements.

Interest rate benchmark reform

In September 2019 IASB amended IFRS 9 and IAS 39 by issuing Interest Rate Benchmark Reform to provide specific exceptions to hedge accounting requirements in IFRS 9 and IAS 39 for (a) highly probable requirement; (b) prospective assessments; (c) retrospective assessment (IAS 39 only); and (d) separately identifiable risk components.

Interest Rate Benchmark Reform also amended IFRS 7 to add specific disclosure requirements for hedging relationships to which an entity applies the exceptions in IFRS 9 or IAS 39.

In August 2020 the Board issued Interest Rate Benchmark Reform - Phase 2 which amended requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities;
- hedge accounting; and
- disclosures.

The Phase 2 amendments apply only to changes required by the interest rate benchmark reform to financial instruments and hedging relationships.

During the second quarter of 2023, as a result of the Interest Rate Benchmark Reform, CNH renegotiated its contract terms on its interest rate derivatives, by changing the floating interest rate swap from LIBOR to SOFR. In accordance with the EU-IFR amendments on this topic included in IFRS 9, these changes can be treated under a practical expedient.

CNH elected to apply the practical expedient that enables the company to account for a change in the contractual cash flows that are required by the reform, by updating the effective interest rate to reflect the change in an interest rate benchmark, without de-designation and apply no change to the cumulative basis adjustment reflected in earning. The elections did not have a material impact on our consolidated financial statements for the year ended December 31, 2023.

Sensitivity analysis

In assessing the potential impact of changes in interest rates, we separate fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by us consist of retail receivables, debt, ABS securities, and other instruments.

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2023, resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates, would have been approximately $21 million ($29 million at December 31, 2022).

Floating rate financial instruments consist principally of cash and cash equivalents, wholesale receivables, debt, and ABS securities. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

A hypothetical change of 10% in short-term interest rates at December 31, 2023, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately $10 million ($15 million at December 31, 2022).

This analysis is based on the assumption that there is a hypothetical change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

31. Fair value measurement

Fair value levels presented below are described in the “Material accounting policies – Fair value measurement” section of these Notes.

Assets and liabilities measured at fair value on a recurring basis

The following table presents, for each of the fair value hierarchy levels, the assets and liabilities that are measured at fair value on a recurring basis at December 31, 2023 and 2022:

		At December 31, 2023				At December 31, 2022			
($ million)	Note	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Other investments	(15)	—	—	54	**54**	—	—	54	**54**
Derivative assets	(19)	—	135	—	**135**	—	189	—	**189**
Money market securities	(20)	374	—	—	**374**	489	—	—	**489**
Total Assets		**374**	**135**	**54**	**563**	**489**	**189**	**54**	**732**
Derivative liabilities	(19)	—	(215)	—	**(215)**	—	(204)	—	**(204)**
Total Liabilities		**—**	**(215)**	**—**	**(215)**	**—**	**(204)**	**—**	**(204)**

The following table provides a reconciliation from the opening balance to the closing balance for fair value measurements categorized in Level 3 in 2023:

($ million)	2023	2022
At January 1	**54**	**47**
Acquisitions/(disposals)	4	8
Other changes	(4)	(1)
Total change	**—**	**7**
At December 31	**54**	**54**

Description of the valuation techniques used to determine the fair value of derivative financial instruments is included in Note 19 "Derivative assets and Derivative liabilities".

Assets and liabilities not measured at fair value

The estimated fair values for financial assets and liabilities that are not measured at fair value in the statement of financial position at December 31, 2023 and 2022 are as follows:

		At December 31, 2023				
($ million)	Note	Level 1	Level 2	Level 3	Total Fair Value	Carrying amount
Retail financing	(18)	—	—	13,531	**13,531**	**13,682**
Dealer financing	(18)	—	—	10,329	**10,329**	**10,333**
Finance leases	(18)	—	—	222	**222**	**229**
Other receivables from financing activities	(18)	—	—	427	**427**	**427**
Total Receivables from financing activities		**—**	**—**	**24,509**	**24,509**	**24,671**
Asset-backed financing	(24)	—	11,672	—	**11,672**	**11,722**
Bonds	(24)	3,923	5,338	—	**9,261**	**9,374**
Borrowings from banks	(24)	—	4,365	—	**4,365**	**4,394**
Payables represented by securities	(24)	—	2,145	—	**2,145**	**2,138**
Lease liabilities	(24)	—	—	300	**300**	**300**
Other debt	(24)	—	181	146	**327**	**327**
Total Debt		**3,923**	**23,701**	**446**	**28,070**	**28,255**

		At December 31, 2022				
($ million)	Note	Level 1	Level 2	Level 3	Total Fair Value	Carrying amount
Retail financing	(18)	—	—	10,857	**10,857**	**11,297**
Dealer financing	(18)	—	—	7,748	**7,748**	**7,785**
Finance leases	(18)	—	—	194	**194**	**203**
Other receivables from financing activities	(18)	—	—	326	**326**	**326**
Total Receivables from financing activities		**—**	**—**	**19,125**	**19,125**	**19,611**
Asset-backed financing	(24)	—	9,544	—	**9,544**	**9,753**
Bonds	(24)	4,666	4,067	—	**8,733**	**9,026**
Borrowings from banks	(24)	—	3,040	—	**3,040**	**3,162**
Payables represented by securities	(24)	—	1,187	—	**1,187**	**1,180**
Lease liabilities	(24)	—	—	228	**228**	**228**
Other debt	(24)	—	147	156	**303**	**303**
Total Debt		**4,666**	**17,985**	**384**	**23,035**	**23,652**

Receivables from financing activities

The fair value of Receivables from financing activities is based on the discounted values of their related cash flows at market discount rates that reflect conditions applied in various reference markets on receivables with similar characteristic, adjusted to take into account the credit risk of the counterparties.

Debt

All Debt is classified as a Level 2 fair value measurement, with the exception of the bonds issued by CNH Industrial Finance Europe S.A. and the bonds issued by CNH Industrial N.V. that are classified as a Level 1 fair value measurement. The fair value of these bonds has been estimated making reference to quoted prices in active markets.

The fair value of Asset-backed financing, Borrowings from banks, Payable represented by securities and Other debt are included in the Level 2 and has been estimated based on discounted cash flows analysis using the current market interest rates at year-end adjusted for the Group non-performance risk over the remaining term of the financial liability.

The fair value of Lease liabilities classified within Level 3 of the fair value hierarchy has been estimated using discounted cash flow models that require significant adjustments using unobservable inputs.

Other financial assets and liabilities

The carrying amount of Cash at banks, Restricted cash, Other cash equivalents, Trade receivables, Other current receivables and financial assets, Trade payables and Other current liabilities included in the statement of financial position approximates their fair value, due to the short maturity of these items.

32. Related party transactions

In accordance with IAS 24 – *Related Party Disclosures*, CNH's related parties are companies and persons capable of exercising control, joint control or significant influence over the Group.

As of December 31, 2023, CNH's related parties were primarily EXOR N.V. and the companies that EXOR N.V. controlled or had a significant influence over, including Iveco Group N.V. post-Demerger, Stellantis N.V. (formerly Fiat Chrysler Automobiles N.V. which, effective January 16, 2021, merged with Peugeot S.A. by means of a cross-border legal merger) and its subsidiaries and affiliates ("Stellantis") and Iveco Group N.V. which effective January 1, 2022 separated from CNH Industrial N.V. by way of a demerger under Dutch law and became a public listed company independent from CNH's unconsolidated subsidiaries, associates or joint ventures. In addition, the members of the Board of Directors and managers of CNH with strategic responsibility and members of their families were also considered related parties.

As of December 31, 2023, based on public information available and in reference to the Company's files, EXOR N.V. held 44.2% of CNH's voting power and had the ability to significantly influence the decisions submitted to a vote of CNH's shareholders, including approval of annual dividends, the election and removal of directors, mergers or other business combinations, the acquisition or disposition of assets, and issuances of equity and the incurrence of indebtedness. The percentage above has been calculated as the ratio of (i) the aggregate number of common shares and special voting shares owned by EXOR N.V. to (ii) the aggregate number of outstanding common shares and special voting shares of CNH as of December 31, 2023.

In addition, CNH engages in transactions with its unconsolidated subsidiaries, joint ventures, associates and other related parties on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

The Company's Audit Committee reviews and evaluates all significant related party transactions.

Transactions with EXOR N.V. and its subsidiaries and affiliates

EXOR N.V. is an investment holding company in Europe. As of December 31, 2023 and December 31, 2022, among other things, EXOR N.V. managed a portfolio that includes investments in Stellantis, Iveco Group and Ferrari. CNH did not enter into any significant transactions with EXOR N.V. during the years ended December 31, 2023 and 2022.

In connection with the establishment of Fiat Industrial (now CNH) through the demerger from Fiat (which was subsequently merged into Fiat Chrysler Automobiles N.V. which is now Stellantis), the two companies entered into a Master Services Agreement ("Stellantis MSA") which sets forth the primary terms and conditions pursuant to which the service provider subsidiaries of CNH and Stellantis provided services to the service receiving subsidiaries. As structured, the applicable service provider and service receiver subsidiaries became parties to the Stellantis MSA through the execution of an Opt-in letter that may contain additional terms and conditions. Pursuant to the Stellantis MSA, service receivers are required to pay to service providers the actual cost of the services plus a negotiated margin. During the first six months of 2023 and all of 2022, Stellantis subsidiaries provided CNH with administrative services such as accounting, cash management, maintenance of plant and equipment, security, information systems and training under the terms and conditions of the Stellantis MSA and the applicable Opt-in letters. At June 30, 2023, the Stellantis MSA was terminated. Costs incurred by CNH related to the termination of the contract were not material.

Furthermore, CNH and Stellantis engage in other minor transactions in the ordinary course of business.

The following tables set forth the related party transactions entered into for the time period presented:

($ million)	2023	2022
Net revenues	—	—
Cost of sales	11	17
Selling, general and administrative costs	37	48

($ million)	At December 31, 2023	At December 31, 2022
Trade receivables	—	—
Trade payables	11	14

Transactions with Iveco Group post-Demerger

CNH and Iveco Group post-Demerger entered into transactions consisting of the sale of engines from Iveco Group to CNH. Additionally, concurrent with the Demerger, the Companies entered into arms-lenght services contracts in relation to general administrative and specific technical matters, provided by either CNH to Iveco Group and vice versa as follows:

Master Service Agreements: CNH and Iveco Group entered into a two-year Master Services Agreement ("MSA") whereby each Party (and its subsidiaries) may provide services to the other (and its subsidiaries). Services provided under the MSA relate mainly to lease of premises and depots and IT services. Revenues from services provided under the MSA are presented as Finance, interest and other income on the Consolidated Results of Operations.

Engine Supply Agreement: in relation to the design and supply of off-road engines from Iveco Group to CNH post-Demerger, Iveco Group and CNH entered into a ten-year Engine Supply Agreement ("ESA") whereby Iveco Group will sell to CNH post-Demerger diesel, CNG and LNG engines and provide post-sale services. Costs related to engines purchased through this agreement are presented as Cost of goods sold on the Consolidated Results of Operations.

Financial Service Agreement: in relation to certain financial services activities carried out by either CNH to Iveco Group post-Demerger or vice versa, in connection with the execution of the Demerger Deed, CNH and Iveco Group entered into a three-year Master Services Agreement ("FS MSA"), whereby each Party (and its subsidiaries) may provide services and/or financial services activities to the other (and its subsidiaries). Services provided under the FS MSA relate mainly to wholesale and retail financing activities to suppliers, distribution network and customers. Revenues from services provided under the FS MSA are presented as Finance, interest and other income on the Consolidated Results of Operations.

The following tables set forth the related party transactions entered into with Iveco Group post-Demerger for the time period presented:

($ million)	2023	2022
Net revenues	139	48
Cost of sales	1,042	930

($ million)	At December 31, 2023	At December 31, 2022
Trade and other receivables	25	21
Financial receivables from Iveco Group N.V.	380	298
Trade and other payables	335	184
Financial payables to Iveco Group N.V.	146	156

Transactions with joint ventures

CNH sells agricultural and construction equipment, and provides technical services to joint ventures such as CNH de Mexico SA de CV, TürkTraktör ve Ziraat Makineleri A.S. and New Holland HFT Japan Inc.. CNH also purchases equipment from joint ventures, such as TürkTraktör ve Ziraat Makineleri A.S..

The following tables set forth the related party transactions entered into for the time period presented:

($ million)	2023	2022
Net revenues	589	400
Cost of sales	635	554

($ million)	At December 31, 2023	At December 31, 2022
Trade receivables	—	—
Trade payables	40	96

Transactions with associates

At December 31, 2023 and 2022, there were no material transactions with associates. At December 31, 2023, CNH had provided guarantees on commitments of its associates for an amount of $37 million related to CNH Industrial Capital Europe S.a.S. ($20 million at December 31, 2022).

Transactions with unconsolidated subsidiaries

In the years ended December 31, 2023 and 2022, there were no material transactions with unconsolidated subsidiaries.

Compensation to Directors and Key Management

The fees of the Directors of CNH Industrial N.V. for carrying out their respective functions, including those in other consolidated legal entities, and the notional compensation cost arising from stock grants awarded to certain Executive Directors and Officers, amounted to an expense of approximately $38 million in 2023 ($40 million in 2022).

The aggregate expense incurred in 2023 and in 2022 for the compensation of Executives with strategic responsibilities of the Group amounted to approximately $56 million and $59 million(*), respectively. These amounts included the notional compensation cost for share-based payments.

The remuneration of the Directors and Executives with strategic responsibilities of the Group, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures.* Amounts at December 31, 2023 are presented in accordance with the Remuneration Report considerations over key management*:*

($ million)	**At December 31, 2023**
Short-term employee benefits	13
Post-employment benefits	2
Other long-term benefits	—
Termination benefits	—
Share-based payments	41
Total Compensation to Directors and Key Management	**56**

(*) The data for December 31, 2022 have been restated to report the compensation of Key Management as reported in the Remuneration Report in our 2023 Annual Report.

33. Explanatory notes to the statement of cash flows

The statement of cash flows sets out changes in cash and cash equivalents during the year. As required by IAS 7 - *Cash Flow Statements*, cash flows are separated into operating, investing and financing activities. The effects of changes in exchange rates on cash and cash equivalents are shown separately under the line item Translation exchange differences.

The Group presents supplemental discussion and disclosure regarding the statement of cash flows for the purpose of additional analysis. Certain items discussed below, are reflected within the consolidated statement of cash flows either on an aggregate or net basis, and accordingly have been discussed further as set forth below.

Cash out flows for income tax payments net of refunds in 2023 amount to $802 million ($711 million in 2022).

Total interest of $1,091 million was paid and interest of $748 million was received in 2023 (interest of $718 million was paid in 2022, and interest of $446 million was received in 2022).

Operating activities

Cash flows from/(used in) operating activities derive mainly from the Group's main revenue producing activities.

Cash generated from the sale of assets under operating leases, net of amounts included in Profit/(loss) for the period, is recognized under operating activities in a single line item, which includes changes in working capital, capital expenditure, depreciation and impairment losses.

Cash from operating lease is recognized under operating activities in a single line item, which includes capital expenditure, depreciation, write-downs and changes in inventory.

The adjustment to exclude Other non-cash items of $(15) million in 2023 ($89 million in 2022) includes an amount of $(108) million ($2 million in 2022) related to result from investments net of impairment losses on assets recognized during the year.

Changes in working capital for 2023 and 2022 are summarized as follows:

($ million)	2023	2022
Change in trade receivables	48	108
Change in inventories	(683)	(707)
Change in trade payables	(147)	116
Change in other receivables/payables	269	77
Change in working capital	**(513)**	**(406)**

Investing activities

Cash flows from/(used in) investing activities represent the extent to which expenditures have been made for resources intended to generate future income and cash flows. Only expenditures resulting in an asset recognized in the balance sheet are classified as investing activities in the statement of cash flows.

In particular, Cash flows from/(used in) investing activities include net change in receivables from financing activities that may be analyzed as follows:

($ million)	2023	2022
Change in dealer financing	(2,394)	(2,558)
Change in retail financing	(2,377)	(1,675)
Change in finance leases	(24)	(24)
Change in other receivables from financing activities	(37)	33
Net change in receivables from financing activities	**(4,832)**	**(4,224)**

Liquidity absorbed by the increase in receivables from financing activities in 2023 was primarily a result of increased financing activities.

For consideration for the acquisition and disposal of subsidiaries and of other investments, refer to section "Business Combinations" above and to Note 15 "Investments and other non-current financial assets".

Financing activities

Changes in issuance of other medium-term borrowings for 2023 and 2022 are summarized as follows:

($ million)	2023	2022
Proceeds from medium-term borrowings	2,381	1,400
Payments of medium-term borrowings	(1,588)	(1,072)
Total issuance of other medium-term borrowings (net of repayment)	**793**	**328**

The net change in other financial payables and derivative assets/liabilities mainly reflects changes in borrowings from banks and in asset-backed financing, together with changes in derivative assets and liabilities (consisting of derivative financial instruments measured at fair value at the balance sheet date, as discussed in Note 19 "Derivative assets and Derivative liabilities" above).

Changes in 2023 and 2022 are summarized as follows:

($ million)	2023	2022
Change in asset-backed financing	1,860	1,076
Change in borrowings from banks and other financial payables	1,282	693
Net change in other financial payables	**3,142**	**1,769**
Net change in derivative assets and derivative liabilities	(40)	197
Net change in other financial payables and derivative assets/liabilities	**3,102**	**1,966**

Reconciliation of changes in liabilities arising from financing activities may be analyzed as follows:

($ million)	2023	2022
Total Debt at beginning of year	23,652	21,689
Derivative (assets)/liabilities at beginning of year	15	(2)
Total liabilities from financing activities at beginning of year	**23,667**	**21,687**
Cash flows	3,936	2,822
Foreign exchange effects	496	(525)
Fair value changes	147	105
Other changes	106	(75)
Net payment to Iveco Group N.V.	(17)	(347)
Total liabilities from financing activities at end of year	**28,335**	**23,667**
Of which:		
Total Debt at end of year	28,255	23,652
Derivative (assets)/liabilities at end of year	80	15

34. EU-IFRS to U.S. GAAP reconciliation

These Consolidated Financial Statements have been prepared in accordance with the EU-IFRS (see section “Material accounting policies”, paragraph “Basis of preparation”, for additional information).

CNH reports quarterly and annual consolidated financial results in accordance with EU-IFRS for European listing purposes and for Dutch law requirements and in accordance with U.S. GAAP for SEC reporting purposes.

EU-IFRS differ in certain significant requirements from U.S. GAAP. In order to help readers to understand the difference between the two sets of financial statements of the Group, CNH has provided, on a voluntary basis, a reconciliation from EU-IFRS to U.S. GAAP as follows:

Reconciliation of Profit

($ million)	Note	2023	2022
Profit/(loss) in accordance with EU-IFRS		**2,327**	**1,877**
Adjustments to conform to U.S. GAAP:			
Development costs	(a)	(39)	8
Other adjustments(1)	(b)	89	143
Tax impact on adjustments and other income tax differences	(c)	6	11
Total adjustments		**56**	**162**
Net income (loss) in accordance with U.S. GAAP		**2,383**	**2,039**

(1) This item also includes the different accounting impact from the modification of a healthcare plan in the U.S..

Reconciliation of Total Equity

($ million)	Note	At December 31, 2023	At December 31, 2022
Total Equity in accordance with EU-IFRS		**8,811**	**7,559**
Adjustments to conform to U.S. GAAP:			
Development costs	(a)	(819)	(763)
Other adjustments	(b)	40	(39)
Tax impact on adjustments and other income tax differences	(c)	148	170
Total adjustments		**(631)**	**(632)**
Total Equity in accordance with U.S. GAAP		**8,180**	**6,927**

Description of reconciling items

Reconciling items presented in the tables above are described as follows:

(a) *Development costs*

Under EU-IFRS, costs relating to development projects are recognized as intangible assets when costs can be measured reliably and the technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Under U.S. GAAP, development costs are expensed as incurred. As a result, costs incurred related to development projects that have been capitalized under EU-IFRS are expensed as incurred under U.S. GAAP. Amortization expenses, net of result on disposal and impairment charges of previously capitalized development costs recorded under EU-IFRS, have been reversed under U.S. GAAP.

(b) Other adjustments

It mainly includes the following items:

- *Goodwill and other intangible assets*: goodwill is not amortized but rather tested for impairment at least annually under both EU-IFRS and U.S. GAAP. The difference in goodwill and other intangible assets between the Group's two sets of financial statements is primarily due to the different times when EU-IFRS and ASC 350 - *Intangibles – Goodwill and Other*, were adopted. CNH transitioned to EU-IFRS on January 1, 2004. Prior to the adoption of EU-IFRS, goodwill was recorded as an intangible asset and amortized to income on a straight-line basis over its estimated period of recoverability, not exceeding 20 years. CNH adopted ASC 350 on January 1, 2002. Under U.S. GAAP through December 31, 2001, goodwill was recorded as an intangible asset and amortized to income on a straight-line basis over a period not exceeding 40 years.
- *Defined benefit plans:* the differences related to defined benefit plans are mainly due to the different accounting for actuarial gains and losses and the net interest component of the defined benefit cost between EU-IFRS and U.S. GAAP. Under EU-IFRS, actuarial gains and losses are recognized immediately in other comprehensive income without reclassification to profit or loss in subsequent years; net interest expense or income is recognized by applying the discount rate to the net defined benefit liability or asset (the defined benefit obligation less the fair value of plan assets, allowing for any assets ceiling restriction). Under U.S. GAAP, actuarial gains and losses are deferred through the use of the corridor method; interest cost applicable to the liability is recognized using the discount rate, while an expected return on assets is recognized reflecting management's expectations on long-term average rates of return on funds invested to provide for benefits included in the projected benefit obligations.
- *Restructuring provisions:* the main difference between EU-IFRS and U.S. GAAP with respect to accruing for restructuring costs is that EU-IFRS places emphasis on the recognition of the costs of the exit plan as a whole, whereas U.S. GAAP requires that each type of cost is examined individually to determine when it may be accrued. Under IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, a provision for restructuring costs is recognized when the Group has a constructive obligation to restructure. Under U.S. GAAP, termination benefits are recognized in the period in which a liability is incurred. The application of U.S. GAAP often results in different timing recognition for the Group's restructuring activities.

(c) Tax impact on adjustments and other income tax differences

This item includes the tax effects of adjustments included in (a) and (b), primarily related to development costs, as well as other differences arising in the accounting for deferred tax assets and liabilities. The Group's policy for accounting for deferred income taxes under EU-IFRS is described in section "Material accounting policies". This policy is similar to U.S. GAAP, which states that a deferred tax asset or liability is recognized for the estimated future tax effects attributable to temporary differences and tax loss carry forwards. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized based on available evidence. The most significant accounting difference between EU-IFRS and U.S. GAAP relates to development costs, which also has a significant impact on accumulated deferred tax assets or liabilities and on U.S. GAAP pre-tax book income or loss in certain jurisdictions. As a result, the assessment of tax contingencies and recoverability of deferred tax assets in each jurisdiction can vary significantly between EU-IFRS and U.S. GAAP for financial reporting purposes. This adjustment relates primarily to jurisdictions with U.S. GAAP pre-tax book losses higher than those recorded for EU-IFRS purposes.

35. Subsequent events

The Company's Board of Directors authorized a $500 million share buyback program under which the Company may repurchase its common shares commencing after the maturity or exhaustion of the limit of the existing $1 billion share buyback program in the open market or through privately negotiated or other transactions, including at the Company's election trading plans under Rule 10b5-1 under the Securities Exchanges Act of 1934 depending on share price, market conditions and other factors.

On January 16, 2024, CNH Industrial Capital LLC repaid the principal amount of $500 million of its 4.200% unsecured note due in 2024.

March 19, 2024

The Board of Directors

Suzanne Heywood
Scott W. Wine
Elizabeth Bastoni
Howard W. Buffett
Richard J. Kramer
Karen Linehan
Alessandro Nasi
Vagn Sørensen
Åsa Tamsons

COMPANY FINANCIAL STATEMENTS

At December 31, 2023

INCOME STATEMENT

for the years ended December 31, 2023 and 2022

(€ thousand)	Note	2023	2022
Net revenues	(1)	1,797,235	1,840,831
Cost of sales		1,477,426	1,484,153
GROSS PROFIT		**319,809**	**356,678**
Selling, general and administrative costs	(2)	178,598	189,801
Research and development costs	(3)	85,407	81,792
NET MARGIN		**55,804**	**85,085**
Other income/(expenses)	(4)	(4,757)	(6,950)
Financial income	(5)	86,683	74,146
Financial expenses	(6)	(237,299)	(157,123)
PROFIT/(LOSS) BEFORE TAXES		**(99,569)**	**(4,842)**
Income tax benefit (expense)	(7)	95,253	5,929
Result from Investments in Group companies and other equity interests	(8)	2,145,320	1,771,861
NET PROFIT/(LOSS)		**2,141,004**	**1,772,948**

STATEMENT OF FINANCIAL POSITION

(before allocation of the result)

(€ thousand)	Note	At December 31, 2023	At December 31, 2022
ASSETS			
Intangible assets	(10)	79,051	80,985
Property, plant and equipment	(11)	96,535	88,807
Financial fixed assets	(12)	12,744,194	13,685,871
Investments in Group companies and other equity interests		12,193,069	12,827,801
Other financial assets		454,959	857,162
Deferred tax assets	(7)	96,166	908
Total Fixed assets		**12,919,780**	**13,855,663**
Inventories	(13)	213,913	173,609
Trade receivables	(14)	173,610	234,862
Current financial receivables	(15)	1,259,358	1,106,291
Other current assets	(16)	53,942	56,790
Cash and cash equivalents	(17)	72,254	126,513
Total Current assets		**1,773,077**	**1,698,065**
TOTAL ASSETS		**14,692,857**	**15,553,728**
EQUITY, PROVISIONS AND LIABILITIES			
Equity	(18)		
Share capital		17,609	17,609
Treasury shares		(803,078)	(216,426)
Capital reserve		333,991	266,788
Legal reserve		1,093,733	919,002
Retained profit/(loss)		5,130,768	4,327,085
Profit/(loss) for the year		2,141,004	1,772,948
Total Equity		**7,914,027**	**7,087,006**
Provision for employee benefits	(19)	108,291	113,316
Other provisions	(20)	343,158	146,311
Total Provisions		**451,449**	**259,627**
Non-current debt	(21)	2,881,138	473,302
Total Non-current liabilities		**2,881,138**	**473,302**
Trade payables	(22)	406,442	466,092
Current financial liabilities	(23)	2,952,893	7,170,155
Other debt	(24)	86,908	97,546
Total Current liabilities		**3,446,243**	**7,733,793**
TOTAL EQUITY, PROVISIONS AND LIABILITIES		**14,692,857**	**15,553,728**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

PRINCIPAL ACTIVITIES

CNH Industrial N.V. (the "Company" and collectively with its subsidiaries, "CNH" or the "CNH Group" or the "Group") is the company formed by the business combination transaction (the "Merger"), completed on September 29, 2013, between Fiat Industrial S.p.A. ("Fiat Industrial" and, together with its subsidiaries, the "Fiat Industrial Group") and its majority owned subsidiary CNH Global N.V. ("CNH Global"). CNH Industrial N.V. is incorporated under the laws of the Netherlands. CNH Industrial N.V. has its corporate seat in Amsterdam, the Netherlands, and the place of effective management of the Company is in the United Kingdom. The Company's principal office and business address is at Cranes Farm Road, Basildon, Essex, SS14 3AD, United Kingdom. The Company is registered at the Commercial Register kept at the Chamber of Commerce in Amsterdam under file number 56532474 and at the Companies House in the United Kingdom under file number FC031116 BR016181. The Netherlands is the Company's home member state for the purposes of the EU Transparency Directive (Directive 2004/109/EC, as amended). CNH is a leading company in the capital goods sector that, through its various businesses, designs, produces, and sells agricultural and construction equipment (see Note 28 "Segment reporting"). In addition, CNH's Financial Services segment offers an array of financial products and services, including retail financing for the purchase or lease of new and used CNH and other manufacturers' products and other retail financing programs and wholesale financing to dealers.

As parent company, CNH Industrial N.V. has also prepared Consolidated Financial Statements for CNH Group for the year ended December 31, 2023.

History of CNH

During 2013, the process of combining the activities of CNH and Fiat Industrial was completed with the following steps:

- the cross-border merger of Fiat Netherlands Holding N.V. ("FNH") with and into Fiat Industrial (the "FNH Merger") which occurred on August 1, 2013;
- the cross-border reverse merger of Fiat Industrial with and into FI CBM Holdings N.V. (CNH Industrial after the Merger) (the "FI Merger"); and
- the Dutch merger of CNH Global with and into FI CBM Holdings N.V. (the "CNH Merger").

A primary objective of the Merger was to simplify the capital structure of Fiat Industrial (CNH Industrial subsequent to the Merger) by creating a single class of liquid stock listed on the NYSE and on the Euronext Milan.

All the companies (i.e., Fiat Industrial, FI CBM Holdings N.V., FNH and CNH Global N.V.) involved in the Merger were part of Fiat Industrial; in particular: (i) FNH was a wholly-owned direct subsidiary of Fiat Industrial; (ii) FI CBM Holdings N.V. was a wholly-owned direct subsidiary of Fiat Industrial; and (iii) CNH Global was an indirect subsidiary of Fiat Industrial (controlled through FNH which owned approximately 87% of CNH Global's capital stock).

The deeds of merger for the merger of Fiat Industrial and CNH Global with and into CNH Industrial N.V. were executed, respectively, on September 27 and 28, 2013. The effective date of the Merger was September 29, 2013.

During 2014, the Company acquired the activities of the plant located in Basildon, United Kingdom. These activities, which were previously held by a subsidiary, were transferred to the Company. The principal activity of the plant is the manufacture and sale of tractors and the sale of agricultural and construction equipment and machinery in the local market acting as distributor of product manufactured in other Group companies. With effect May 1, 2014 and as a consequence of the transfer, CNH Industrial N.V. shows in the Company financial statements the figures related to the operations of the Basildon plant.

Basis of preparation

The 2023 Company financial statements of the parent company, CNH Industrial N.V., together with the notes thereto were authorized for issuance by the Board of Directors on March 19, 2024, and have been prepared in accordance with the legal requirements of Part 9, Book 2 of the Dutch Civil Code.

Section 362 (8), Book 2, Dutch Civil Code, allows companies that apply IFRS as adopted by the European Union in their Consolidated Financial Statements to use the same measurement principles in their company financial statements. The accounting policies are described in a specific section, "Material accounting policies", of the Consolidated Financial Statements included in this Annual Report. In these Company financial statements, investments in subsidiaries are accounted for using the equity method. The Company financial statements are prepared on a going concern basis in accordance with paragraph 25 of IAS 1.

CNH Industrial N.V. financial statements are presented in euros, the Company's functional currency. The euro functional currency of the Company financial statements differs from the U.S. dollar presentation currency of the Consolidated Financial Statements, which was elected to be used in order to improve comparability with main competitors, mainly in agricultural equipment and construction equipment businesses, and to provide more meaningful information to U.S. investors.

Receivables are mainly referred to subsidiaries. The accounting policy on trade and other receivables is included in the section “Material accounting policies” of the consolidated financial statements. The expected credit losses, if any, are accounted as a reduction in the carrying amount of these receivables.

Iveco Group Business Spin-off

During 2021, CNH completed a strategic project to separate the Commercial and Specialty Vehicles business, the Powertrain business, and the related Financial Services business (together the “Iveco Group Business”) from the Agriculture business, the Construction business, and the related Financial Services business.

The Iveco Group Business was separated from CNH Industrial N.V. in accordance with Section 2:334a (3) of the Dutch Civil Code (Burgerlijk Wetboek) by way of a legal statutory demerger (jurisdiche afsplitsing) to Iveco Group N.V. (the "Demerger"), effective January 1, 2022.

Since January 3, 2022 CNH Industrial N.V. and Iveco Group N.V. have been quoted separately on the regulated markets and operate as independent listed companies, each with its own management and Board of Directors.

Climate related matters

CNH has an established risk management process that includes the assessment and monitoring of climate-related risk. These assessments are used by CNH to identify not only risk exposure, but also opportunities, on which the Group’s climate change strategy is based. The identification of these climate-related risks and opportunities, along with the analysis of sustainability macrotrends, led to the definition of a decarbonization strategy, which in turn has been incorporated within, and regularly influences, the Group’s Strategic Business Plan. To further address the potential impacts of climate change, CNH has implemented relevant projects and a number of other specific climate-related topics and has defined long-term strategic targets.

There has been increasing interest in how climate change will impact the Group’s business. With reference to the climate related matters, a critical review was undertaken, and a focused analysis performed to identify, and consequently manage, the principal risks and uncertainties to which the Group is exposed. CNH recognizes the importance of climate change risk and promotes a responsible use of resources and a reduction of the environmental impact of production to mitigate climate change. In this context, CNH has adopted an environmental policy that applies to all company locations and divisions and has set up a structure dedicated to control environmental pollution, waste, and water disposal as well as emission reduction.

In particular, considering the financial statements information are presented through historical values which, by their nature, do not fully capture future events, all significant assumptions and estimates underlying the preparation of the following items were subject to an analysis in order to identify and address the new uncertainties related to climate changes which could affect the business: going concern, inventory management, property, plant and equipment, goodwill, brands, intangible assets with a finite life, tax reliefs, revenue recognition, provisions and onerous contracts. The analysis conducted were based on the Group strategy outlined in the context of the global supply chain environmental targets and did not highlight any critical situations that cannot be attributable to and addressed in the ordinary course of the business.

Global Business Conditions

In combination with the economic recovery factors and repercussions from geopolitical events, the global economy continues to experience volatile disruptions including to the commodity, labor and transportation markets. These disruptions have contributed to an inflationary environment which has affected, and may continue to affect, the price and availability of certain products and services necessary for the Company's operations. For example, the Company experienced supply chain disruptions and inflationary pressures in 2022 and, while these trends improved in 2023, the Company continues to experience some disruptions. The reduction in supply chain disruptions contributed to improved efficiencies in our manufacturing operations, but purchasing costs remain elevated.

In addition, the Company continues to monitor global economic conditions and the impact of macroeconomic pressures, including repercussions from rising interest rates, fluctuating currency exchange rates, inflation and recession fears, on the Company’s business, customers and suppliers.

Format of the financial statements

As a consequence of the acquisition in 2014 of the manufacturing activity carried out in Basildon, CNH Industrial N.V. presents an income statement using a classification based on the function of expenses (otherwise known as the “cost of sales” method), rather than one based on their nature, as this is believed to provide information that is more relevant.

Certain prior year amounts included in the comparative Income Statement have been reclassified for consistency with the current year presentation and to improve the clarity of the Company Financial Statements. These reclassifications have had no impact on the comparative profit for the year and comparative shareholders' equity.

New standards and amendments effective from January 1, 2023

- On February 12, 2021, the IASB issued the *Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies,* requiring companies to disclose the material accounting policy information rather than the significant accounting policies. Furthermore, the amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective from January 1, 2023. These amendments had no impact on these Company Financial Statements.
- On February 12, 2021, the IASB issued the *Amendments to IAS 8 - Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.* The amendments clarify how to distinguish changes in accounting policies (generally also applied retrospectively to past transactions and other past events) from changes in accounting estimates (applied prospectively only to future transactions and other future events). This amendment is effective from January 1, 2023. These amendments had no impact on these Company Financial Statements.
- On May 7, 2021, the IASB issued *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*, which specifies how companies should account for deferred tax on transactions such as leases and decommissioning obligations. The amendments clarify that no exemption applies on such transactions and that companies are required to recognize deferred tax when they recognize the related assets or liabilities for the first time. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted. These amendments had no impact on these Company Financial Statements.
- On May 23, 2023, the IASB issued "International Tax Reform - Pillar Two Model Rules - Amendments to *IAS 12 - Income Taxes"*, introducing a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and additional disclosure requirements. The requirement that an entity applies the mandatory exception and the requirement to disclose that it has applied the exception may be applied immediately, while remaining disclosure requirements are effective for annual reporting periods beginning on or after January 1, 2023. These amendments had no impact on these Company Financial Statements. The Company continues to monitor developments in the Pillar Two legislation and is working to evaluate the impacts of this legislation on its longer-term financial position.

Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Company

The main accounting standards, amendments and interpretations not yet applicable and not early adopted by the Company are the following:

- On October 31, 2022, the IASB has published "Non-current Liabilities with Covenants" Amendments to *IAS 1 - Presentation of Financial Statements,* to clarify how conditions with which an entity must comply within twelve months after the reporting periods, affect the classification of a liability. The amendments are effective for reporting periods beginning on or after January 1, 2024.
- In January 2020, the IASB issued the *Amendments to IAS 1 - Presentation of Financial Statements,* to clarify its requirements for classifying a liability as non-current in the statement of financial position. The amendments are effective from January 1, 2024.
- On September 22, 2022, the IASB issued *Lease Liabilities in a Sale and Leaseback (Amendments to IFRS 16)*, with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

Furthermore, at the date of these Company Financial Statements, the European Union has not yet completed its endorsement process for the amendments and improvements reported below.

The Company is currently evaluating the impact of the adoption of these amendments and improvements on its Company Financial Statements or disclosures:

- On May 25, 2023, the IASB issued amendments to *IAS 7 - Statement of Cash Flows* and *IFRS 7 - Financial Instruments: Disclosures Supplier Finance Arrangements*, requiring to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including related terms and conditions and quantitative information on liabilities as of the beginning and end of the reporting period, and the type and effect of non-cash changes in the carrying amounts of those arrangements. The amendments will be effective for annual reporting periods beginning on or after January 1, 2024.
- On June 26, 2023, the ISSB issued *IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 - Climate-related Disclosures.* These sustainability standards provide respectively, a set of sustainability-related financial information that is useful to investors regarding the sustainability-related risks and opportunities over the short, medium and long term and specific climate-related disclosures objectives and requirements. These standards will be effective for annual reporting periods beginning on or after January 1, 2024.

On July 25, 2023, the International Organization of Securities Commissions (IOSCO) announced its endorsement of these Standards.

- On August 15, 2023, the IASB issued *Lack of Exchangeability (Amendments to IAS 21)*, specifying when a currency is exchangeable into another currency, and when it is not, and how to determine the exchange rate to apply when a currency is not exchangeable, also requiring entities to disclose additional information when a currency is not exchangeable. The amendments will be effective for annual periods beginning on or after January 1, 2025.

Related Parties transactions

Pursuant to IAS 24, the related parties with which the Company has transactions are other companies within the CNH Group. The Group carries out transactions with related parties on commercial terms that are normal in their respective markets, considering the characteristic of the goods or services involved.

Related party transactions include:

- Dividends received from the various subsidiaries (see Note 12 “Financial fixed assets”);
- Corporate services and recharges of expenses to the CNH Subsidiaries;
- Participation in the Group-wide cash management system where the operating cash management, main funding operations and liquidity investment of the CNH Group are centrally coordinated and managed by the treasury vehicles, CNH Industrial Finance Europe S.A. and CNH Industrial Finance S.p.A.. The amounts recorded as financial receivables and financial payables towards the treasury vehicles represent the Company’s participation in such pools (see Note 15 “Current financial receivables”, Note 21 “Non-current debt” and Note 23 “Current financial liabilities”). Interest expenses and Interest income are recorded accordingly and are properly disclosed between Group companies and third parties;
- As a consequence of the acquisition of the manufacturing activity carried out in Basildon, the Company purchases and sells agricultural equipment from and to CNH Group companies. The transactions are made at commercial terms;
- Board remuneration (see Note 27 "Board Remuneration").

The impact of transactions with related parties on the Company Financial Statements is disclosed separately in the relevant notes.

COMPOSITION AND PRINCIPAL CHANGES

1. Net revenues

As a result and through the transfer in 2014 of Basildon operations, the Company operates primarily in the agricultural equipment manufacturing industry in the United Kingdom. Net revenues comprise the following:

(€ thousand)	**2023**	**2022**
Revenues from:		
Third parties	578,059	617,616
Group companies	1,219,176	1,223,215
Total Net revenues	**1,797,235**	**1,840,831**

Net revenues are made up of agricultural equipment sales for €1,737,326 thousand (€1,758,819 thousand in 2022) and construction equipment sales for €59,909 thousand (€82,012 thousand in 2022).

2. Selling, general and administrative costs

The Selling, general and administrative costs of €178,598 thousand in 2023 (€189,801 thousand in 2022) mainly comprise marketing, advertising, sales personnel costs and other expenses which are not attributable to sales, production and research and development functions, net of any intercompany recharge due to services provided to Group subsidiaries.

3. Research and development costs

In 2023, Research and development costs of €85,407 thousand (€81,792 thousand in 2022) comprise all the research and development costs not recognized as assets in the year, amounting to €81,959 thousand (€60,942 thousand in 2022), and the amortization of capitalized development costs of €3,448 thousand (€20,850 thousand in 2022). During 2023, the Company incurred new expenditure for capitalized development costs of €10,847 thousand (€7,906 thousand in 2022).

4. Other income/(expenses)

This item consists of miscellaneous costs which cannot be allocated to specific functional areas, such as accruals for various provisions not attributable to other items of Cost of sales or Selling, general and administrative costs, costs arising from the transition terms related to the changes to the current pension arrangement, indirect taxes and duties, net of income arising from operations which is not attributable to the sale of goods and services. The net amount of €4,757 thousand in 2023 (€6,950 thousand in 2022) is made up of €14,382 thousand (€2,089 thousand in 2022) related to Other income, more than offset by €19,139 thousand (€9,039 thousand in 2022) of Other costs. In 2023, Other costs primarily include costs associated with the sale of certain subsidiaries and the costs related to the Pension Plan. Other income include mainly the impacts of the step acquisition of two subsidiaries finalized in 2023.

5. Financial income

Financial income consisted of the following:

(€ thousand)	2023	2022
Financial income from Group companies	84,653	74,146
Currency exchange gains, net	2,030	—
Total Financial income	**86,683**	**74,146**

Financial income from Group companies of €84,653 thousand (€74,146 thousand in 2022) relate to interest income charged to Group companies in relation to loans granted to them. The increase of €10,507 thousand is due to higher interest rate applied in 2023.

In 2022 financial income from Group companies included fees charged to Group subsidiaries on guarantees issued in favor of third parties but in the interest of the subsidiaries mainly for bonds issued from Group companies and for credit facilities granted to Group companies. The amount charged during 2022 was €9,941 thousand.

In 2023 the Company did not charge any guarantees fees to its subsidiaries as a result of a change of the Intercompany recharge process.

6. Financial expenses

Financial expenses consisted of the following:

(€ thousand)	2023	2022
Financial expenses payable to Group companies	194,644	104,607
Financial expenses payable to third parties	42,655	49,764
Currency exchange expenses, net	—	2,752
Total Financial expenses	**237,299**	**157,123**

Financial expenses payable to Group companies increased versus prior year by €90,037 thousand mainly due to the higher interest rate applied. Despite the lower average outstanding debt and the weakening of the U.S. dollar against the Euro, the higher interest rate has resulted in a net increase of the financial expenses, mainly due to the fact that most of the intercompany borrowings are in Euro bearing a floating interest rate.

Financial expenses payable to third parties decreased by €7,109 thousand due to the reimbursement of the bond of $600 million occurred at maturity on August 15, 2023.

7. Income taxes

A breakdown of taxes recognized in the income statement is provided below:

(€ thousand)	2023	2022
Current taxes:		
United Kingdom corporate income taxes	16,854	3,301
Italian corporate income taxes	3,788	2,649
Total current taxes	**20,642**	**5,950**
Deferred taxes for the period:		
United Kingdom deferred taxes	(22,485)	—
Italian deferred taxes	(183)	(486)
Total deferred taxes for the period	**(22,668)**	**(486)**
Taxes relating to prior periods	97,279	465
Total Income tax benefit (expense)	**95,253**	**5,929**

The Italian current corporate income taxes credit of €3,788 thousand (€2,649 thousand in 2022) relates to tax losses of the CNH Industrial N.V. Italian branch utilized by the Italian fiscal unit.

The U.K. current corporate income taxes credit of €16,854 thousand (€3,301 thousand in 2022) relates to a current tax charge of €6,551 thousand (€322 thousand in 2022) for withholding taxes, a corporate income tax payable of €365 thousand (€5,876 thousand in 2022) and a current tax credit of €23,770 thousand (€9,499 thousand in 2022) for tax losses utilized in the CNH Industrial N.V. U.K. tax group.

The Italian deferred tax charge of €183 thousand (€486 thousand in 2022) relates to timing differences of the Italian branch.

Reconciliation between theoretical income taxes determined on the basis of tax rates applicable in the U.K. and income taxes reported in the financial statements is as follows:

(€ thousand)	2023	2022
(Loss) before taxes	(99,569)	(4,842)
Weighted average U.K. statutory main corporation tax rate	23.50 %	19.00 %
Theoretical income tax (expense)	**23,399**	**920**
U.K. withholding tax	(639)	—
Current foreign tax expense	(2,124)	2,327
Tax effect of permanent differences	(20,524)	(784)
Deferred tax assets not recognized and write-down	—	3,487
Change in tax laws and rate	(2,138)	—
Deferred taxes recognized in the Italian branch	—	(486)
Prior year adjustments	97,279	465
Current and deferred income tax recognized in the financial statements	**95,253**	**5,929**

CNH Industrial N.V. is incorporated in the Netherlands, but the Company is a tax resident of the United Kingdom. The reconciliation of the differences between the theoretical income taxes at the parent statutory rate and the total income taxes is presented on the basis of the weighted average of the United Kingdom statutory main corporation tax rates in force over each of the Company's calendar year reporting periods of 23.50% in 2023 and 19.00% in 2022.

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amount in the statement of financial position and the tax base. Deferred tax assets are recognized to the extent it is probable that future taxable profits will be available against which the temporary differences can be utilized. Amounts recognized and unrecognized are as follows:

(€ thousand)	2023	2022
Deferred tax assets arising:		
In relation to Tax depreciation	3,838	5,447
In relation to Pension deficit	26,953	28,202
In relation to short timing differences	30,097	38,990
Total	**60,888**	**72,639**
Deferred tax liabilities arising from:		
Capitalization of development costs	(13,182)	(16,026)
Total	**(13,182)**	**(16,026)**
Theoretical tax benefit arising from tax loss carryforwards	**98,457**	**93,222**
Adjustments for assets whose recoverability is not probable	**(49,997)**	**(148,927)**
Total net deferred tax assets	**96,166**	**908**

The losses can be carried forward indefinitely, provided that the Company carries on the same trade and continues the manufacturing activity in the U.K..

The net deferred tax assets of €96,166 thousand relates to €95,441 thousand for the U.K. activities and €725 thousand to the Italian branch.

Adjustments for net deferred tax assets of €49,997 thousand (€148,927 thousand in 2022) have been made, as in the opinion of the management it cannot be regarded as more likely than not there will be suitable profits against which these net deferred tax assets can be recovered.

8. Result from Investments in Group companies and other equity interests

Result from Investments in Group companies and other equity interests was a profit of €2,145,320 thousand in 2023 (€1,771,861 thousand profit in 2022) and includes the Company's share in the net profit or loss of the investees.

9. Other information by nature of expense

The income statement includes personnel costs of €99,332 thousand in 2023 (€94,444 thousand in 2022), which consist of the following:

(€ thousand)	2023	2022
Wages and salaries	70,479	68,232
Defined benefit plans	2	2
Defined contribution plans and other social security costs	13,485	13,017
Other personnel costs	15,366	13,193
Total personnel costs	**99,332**	**94,444**

An analysis of the average number of employees by category is as follows:

	2023	2022
Managers	42	41
White-collar	352	324
Blue-collar	690	674
Average number of employees	**1,084**	**1,039**

None of these employees are based in the Netherlands, but they are mainly based in the United Kingdom. Some of the Company's managers carried out their activities at the principal subsidiaries of the Group and the associated costs were charged back to the legal entities concerned.

10. Intangible assets

Changes in Intangible assets in 2023 and 2022 are as follows:

(€ thousand)	Goodwill	Development costs	Concessions, licenses and similar rights	Intangible assets in progress and advances	Other intangible assets	Total
Gross carrying amount Balance at December 31, 2021	**1,968**	**167,988**	**17,068**	**3,669**	**4,181**	**194,874**
Additions	—	7,906	3,295	23	—	**11,224**
Divestitures and other changes	—	40	—	(3,147)	—	**(3,107)**
Balance at December 31, 2022	**1,968**	**175,934**	**20,363**	**545**	**4,181**	**202,991**
Additions	—	10,847	6,731	—	—	**17,578**
Divestitures and other changes	(1,968)	(20,458)	(807)	(505)	(1,834)	**(25,572)**
Balance at December 31, 2023	**—**	**166,323**	**26,287**	**40**	**2,347**	**194,997**
Accumulated amortization and impairment losses						
Balance at December 31, 2021	**(1,593)**	**(84,158)**	**(14,587)**	**—**	**(74)**	**(100,412)**
Amortization/Impairment	—	(20,850)	(784)	—	—	**(21,634)**
Divestitures and other changes	—	40	—	—	—	**40**
Balance at December 31, 2022	**(1,593)**	**(104,968)**	**(15,371)**	**—**	**(74)**	**(122,006)**
Amortization/Impairment	—	(13,685)	(1,346)	—	—	**(15,031)**
Divestitures and other changes	1,593	19,339	159	—	—	**21,091**
Balance at December 31, 2023	**—**	**(99,314)**	**(16,558)**	**—**	**(74)**	**(115,946)**
Carrying amount at December 31, 2022	**375**	**70,966**	**4,992**	**545**	**4,107**	**80,985**
Carrying amount at December 31, 2023	**—**	**67,009**	**9,729**	**40**	**2,273**	**79,051**

There were no Intangible Assets pledged as security at December 31, 2023 and 2022.

11. Property, plant and equipment

Changes in Property, plant and equipment in 2023 and 2022 are as follows:

(€ thousand)	Land and buildings	Plant and machinery	Special tools	Tangible assets in progress	Other tangible assets	Right-of-use-assets	Total
Gross carrying amount Balance at December 31, 2021	**35,317**	**26,082**	**186,611**	**6,179**	**49,632**	**18,230**	**322,051**
Additions	359	1,128	6,554	12,381	20,765	8,585	**49,772**
Divestitures and other changes	—	—	—	(8,618)	(16,322)	(9,439)	**(34,379)**
Balance at December 31, 2022	**35,676**	**27,210**	**193,165**	**9,942**	**54,075**	**17,376**	**337,444**
Additions	707	2,381	11,387	13,473	30,356	3,994	**62,298**
Divestitures and other changes	—	—	(24)	(16,651)	(12,399)	(10,489)	**(39,563)**
Balance at December 31, 2023	**36,383**	**29,591**	**204,528**	**6,764**	**72,032**	**10,881**	**360,179**
Accumulated depreciation and impairment losses							
Balance at Balance at December 31, 2021	**(26,645)**	**(13,934)**	**(163,091)**	**—**	**(23,341)**	**(8,393)**	**(235,404)**
Depreciation	(1,250)	(1,359)	(7,301)	—	(3,723)	(2,621)	**(16,254)**
Divestitures and other changes	—	—	118	—	—	2,903	**3,021**
Balance at December 31, 2022	**(27,895)**	**(15,293)**	**(170,274)**	**—**	**(27,064)**	**(8,111)**	**(248,637)**
Depreciation	(1,152)	(1,444)	(7,777)	—	(7,959)	(3,186)	**(21,518)**
Divestitures and other changes	—	—	—	—	—	6,511	**6,511**
Balance at December 31, 2023	**(29,047)**	**(16,737)**	**(178,051)**	**—**	**(35,023)**	**(4,786)**	**(263,644)**
Carrying amount at December 31, 2022	**7,781**	**11,917**	**22,891**	**9,942**	**27,011**	**9,265**	**88,807**
Carrying amount at December 31, 2023	**7,336**	**12,854**	**26,477**	**6,764**	**37,009**	**6,095**	**96,535**

At December 31, 2023, right-of-use assets refer primarily to lease contracts for industrial buildings of €3,466 thousand (€5,674 thousand at December 31, 2022), plant, machinery and equipment of €24 thousand (€2,260 thousand at December 31, 2022), and other assets of €2,605 thousand (€1,331 thousand at December 31, 2022).

Short-term and low-value leases are not recorded in the statement of financial position; CNH recognizes lease expense for these leases on a straight-line basis over the lease term (see Note 21 "Non-current debt"). Lease expense recognized in 2023, for short-term and low-value leases were €501 thousand and nil, respectively (€353 thousand and €30 thousand, respectively, in 2022).

There were no Tangible Assets pledged as security at December 31, 2023 and 2022.

12. Financial fixed assets

At December 31, 2023, Investments and other financial assets totaled €12,744,194 thousand and were as follows:

(€ thousand)	At December 31, 2023	At December 31, 2022	Change
Investments in Group companies and other equity interests	12,193,069	12,827,801	(634,732)
Other financial assets	454,959	857,162	(402,203)
Deferred tax assets	96,166	908	95,258
Total financial fixed assets	**12,744,194**	**13,685,871**	**(941,677)**

Investments in Group companies and other equity interests

At December 31, 2023, Investments in Group companies and other equity interests totaled €12,193,069 thousand and were subject to the following changes during the year:

(€ thousand)	At December 31, 2023	At December 31, 2022
Balance at beginning of year	**12,827,801**	**14,772,772**
Investments demerged to Iveco Group	—	(3,857,000)
Contribution to Investments in Group companies and other equity interests	202,117	92,044
Acquisitions	152,343	60,824
Repayment of Capital Reserves	(67,873)	(152,369)
Disposal	(12,124)	—
Result from Investments in Group companies and other equity interests	2,145,320	1,771,861
Dividend received	(2,908,618)	(443,921)
Cumulative translation adjustments and other OCI movements	(318,691)	496,278
Other	172,794	87,312
Balance at end of year	**12,193,069**	**12,827,801**

At December 31, 2023 the item 'Other' primarily includes €174,287 thousand related to the reclassification of negative equity of group companies to Provisions.

In addition, as in previous years, the item 'Other' primarily includes the impact of IAS 29 - *Financial reporting in hyperinflationary economies* applied for subsidiaries that prepare their financial statements in a functional currency of a hyperinflationary economy. In particular, from July 1, 2018, Argentina's economy was considered to be hyperinflationary.

A list of the Company's investments has been included under the Appendix of this Annual Report.

Other financial assets

At December 31, 2023, Other financial assets totaled €454,959 thousand, as represented below:

(€ thousand)	At December 31, 2023	At December 31, 2022	Change
Other financial assets	454,959	824,944	(369,985)
Fees receivable for guarantees issued	—	32,218	(32,218)
Total Other financial assets	**454,959**	**857,162**	**(402,203)**

At December 31, 2023, Other financial assets are represented by a U.S. dollar term loan facility granted to Case New Holland Industrial Inc.. In addition, Case New Holland Industrial Inc. issued a Promissory Note to the Company.

The U.S. dollar term loan was issued on November 14, 2017, with maturity date November 15, 2027, for a principal amount of $500 million or €452,489 thousand ($500 million or €468,779 thousand in 2022). The interest rate is fixed.

The decrease of the carrying value of the U.S. dollar term loan of €16,291 thousand is due to foreign exchange movement as the U.S. dollar weakened against the euro during the current year.

The decrease of €369,985 thousand compared to last year is mainly due to the fact that the Promissory Note in the principal amount of $350 million issued by Case New Holland Industrial Inc., with maturity date August 25, 2024, was reclassified to Current financial receivables.

Moreover, Other financial assets include accrued interest income related to the U.S. term loan facilities for €2,470 thousand (€2,739 thousand in 2022).

Last year, Other financial assets included also the item financial guarantees for €32,218 thousand that represented the present value of the fees that the Company would have collected in future years based on specific agreements for guarantees issued in favor of third parties in the interest of Group companies, mainly for bonds issued from Group companies and credit facilities granted to Group companies (see also Note 21 "Non-current debt").

During 2023, due to a change within the Intercompany recharges process, the Company discontinued the recharge to Group subsidiaries of the guarantees fees. As a result, the fair value of the guarantees and the liabilities assumed in relation to guarantees issued by the Company was considered to be nil.

Deferred tax assets

For Deferred tax assets comment see Note 7 "Income taxes".

13. Inventories

(€ thousand)	At December 31, 2023	At December 31, 2022	Change
Raw materials	92,007	91,714	293
Finished goods	107,794	59,367	48,427
Work in progress	14,112	22,528	(8,416)
Total Inventories	**213,913**	**173,609**	**40,304**

There were no inventories pledged as security at December 31, 2023 and 2022. At December 31, 2023 and 2022, Inventory amounts are net of the obsolescence reserve of €18,755 thousand and €11,079 thousand, respectively.

14. Trade receivables

At December 31, 2023, trade receivables totaled €173,610 thousand, a net decrease of €61,252 thousand over year-end 2022, and they are essentially attributable to the operations of Basildon plant and almost entirely related to Group companies. These amounts are net of a provision of €68 thousand (€4 thousand for 2022).

The carrying amount of trade receivables is deemed to approximate their fair value.

All trade receivables are due within one year and there are no significant overdue balances.

15. Current financial receivables

At December 31, 2023, current financial receivables amounted to €1,259,358 thousand, a net increase of €153,067 thousand over year-end 2022. The item may be specified as follows:

	At December 31, 2023				At December 31, 2022			
(€ thousand)	due within one year	due between one and five years	due beyond five years	Total	due within one year	due between one and five years	due beyond five years	Total
Assets from derivative financial instruments	305	—	—	**305**	4,588	—	—	**4,588**
CNH Industrial Finance Europe S.A.	363,328	—	—	**363,328**	529,920	—	—	**529,920**
Other current financial receivables	895,725	—	—	**895,725**	571,783	—	—	**571,783**
Total Current financial receivables	**1,259,358**	**—**	**—**	**1,259,358**	**1,106,291**	**—**	**—**	**1,106,291**

Current financial receivables are mainly made up of short-term financial receivables from CNH Industrial Finance Europe S.A., the Group Treasury company, for €363,328 thousand at December 31, 2023 (€529,920 thousand at December 31, 2022). Such financial receivables bear floating interest at market rate and their carrying amount is deemed to approximate their fair value.

At December 31, 2023, Other current financial receivables are represented by a U.S. dollar term loan facility granted to CNH Industrial America LLC on August 11, 2023, with maturity date July 15, 2024, for a principal amount of $600 million or €542,986 thousand. The loan bears a floating interest rate.

In addition, Other current financial receivables include a Promissory Note issued by Case New Holland Industrial Inc. on August 25, 2017, with maturity date August 25, 2024, in the principal amount of €350 million which was reclassified this year to Current financial receivables from Financial fixed assets due to the forthcoming maturity date. The Promissory Note carries a floating interest rate.

On July 13, 2023, a convertible loan was granted to a Group Company for a total maximum amount of €1,450 thousand. At December 31, 2023, the total outstanding amount included the capitalized interest was €1,028 thousand. The convertible loan carries a fixed interest rate, and the maturity date is August 31,2024.

Moreover, Other current financial assets include accrued interest charges related to the term loan facility for €1,711 thousand.

Assets from derivative financial instruments consist of derivative financial instruments measured at fair value at the balance sheet date. Derivative instruments are classified as Level 2 in the fair value hierarchy. CNH utilizes derivative instruments to mitigate its exposure to interest rate and foreign currency fluctuations. Derivatives used as hedges are effective at reducing the risk associated with the exposure being hedged and are designated as a hedge at the inception of the derivative contract.

16. Other current assets

At December 31, 2023, other current assets amounted to €53,942 thousand, a net decrease of €2,848 thousand compared to December 31, 2022, and consisted of the following:

(€ thousand)	At December 31, 2023	At December 31, 2022	Change
Receivables from Group companies for consolidated Italian corporate tax	16,130	22,676	(6,546)
Receivables from Group companies for consolidated U.K. corporate tax	28,370	25,176	3,194
VAT receivables	390	312	78
Other indirect and direct taxes	1,008	1,753	(745)
Other receivables from Group companies and other related parties	—	482	(482)
Other current receivables	8,044	6,391	1,653
Total Other current assets	**53,942**	**56,790**	**(2,848)**

Receivables from Group companies for consolidated Italian corporate tax relate to taxes calculated on the taxable income contributed by Italian subsidiaries participating in the domestic tax consolidation program.

Receivables from Group companies for consolidated U.K. corporate tax relate to taxes calculated on the taxable income contributed by U.K. subsidiaries participating in the domestic tax consolidation program.

VAT receivables mainly relate to foreign transactions carried out by the Company in its ordinary manufacturing and commercial activity.

Other current assets are entirely due within one year.

17. Cash and cash equivalents

(€ thousand)	At December 31, 2023	At December 31, 2022	Change
Cash at banks	31	4	27
Restricted cash	72,223	126,509	(54,286)
Total Cash and cash equivalents	**72,254**	**126,513**	**(54,259)**

At December 31, 2023, Cash and cash equivalents totaled €72,254 thousand and represented amounts held in euro and other currency denominated current accounts. The carrying amount of cash and cash equivalents is deemed to be in line with their fair value.

Credit risk associated with cash and cash equivalents is considered limited as the counterparties are leading national and international banks.

Restricted cash mainly includes bank deposits that may be used exclusively for the repayment of the net liability relating to Pension plans in the U.K..

18. Equity

Changes in shareholders' equity during 2022 and 2023 were as follows:

	Share capital	Treasury shares	Capital reserves	Legal reserves: cumulative translation adjustment reserve/OCI	Legal reserves: other	Retained profit/(loss)	Profit/(loss) for the year	Total
At December 31, 2021	**17,609**	**(71,805)**	**2,476,802**	**(1,129,829)**	**2,753,988**	**1,893,304**	**1,470,314**	**7,410,383**
Demerge Impacts			(2,289,422)	364,000	(1,312,200)	948,200		(2,289,422)
Allocation of prior year result	—	—	—	—	—	1,470,314	(1,470,314)	—
Dividend distributed	—	—	—	—	—	(379,282)	—	(379,282)
Acquisition of treasury stock	—	(150,149)	—	—	—	—	—	(150,149)
Share based compensation: costs accrued in the period and effects of share issuance upon exercise of the grants	—	5,528	77,509	—	—	—	—	83,037
Result for the year	—	—	—	—	—	—	1,772,948	1,772,948
Current period change in OCI, net of taxes	—	—	—	564,471	—	—	—	564,471
Other movements	—	—	1,899	—	—	73,121	—	75,020
Legal reserve	—	—	—	—	42,572	(42,572)	—	—
Reclassification of undistributable profit of subsidiaries								—
At December 31, 2022	**17,609**	**(216,426)**	**266,788**	**(201,358)**	**1,484,360**	**3,963,085**	**1,772,948**	**7,087,006**
Allocation of prior year result	**—**	**—**	**—**	**—**	**—**	**1,772,948**	**(1,772,948)**	**—**
Dividend distributed	**—**	**—**	**—**	**—**	**—**	**(481,613)**	**—**	**(481,613)**
Acquisition of treasury stock	**—**	**(601,269)**	**—**	**—**	**—**	**—**	**—**	**(601,269)**
Share based compensation: costs accrued in the period and effects of share issuance upon exercise of the grants	**—**	**18,045**	**73,677**	**—**	**—**	**—**	**—**	**91,722**
Result for the year	**—**	**—**	**—**	**—**	**—**	**—**	**2,141,004**	**2,141,004**
Current period change in OCI, net of taxes	**—**	**—**	**—**	**(339,741)**	**—**	**—**	**—**	**(339,741)**
Other movements	**—**	**(3,428)**	**(6,474)**	**—**	**—**	**26,820**	**—**	**16,918**
Legal reserve	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Reclassification of undistributable profit of subsidiaries	**—**	**—**	**—**	**—**	**150,472**	**(150,472)**	**—**	**—**
At December 31, 2023	**17,609**	**(803,078)**	**333,991**	**(541,099)**	**1,634,832**	**5,130,768**	**2,141,004**	**7,914,027**

Other movements of Retained profit/(loss) includes the impact of IAS 29 - *Financial reporting in hyperinflationary economies* applied for subsidiaries that prepare their financial statements in a functional currency of a hyperinflationary economy. In particular, from July 1, 2018, Argentina's economy was considered to be hyperinflationary.

As the Company financial statements are prepared using the same measurement principles of the Consolidated Financial Statements, including the investments that are accounted for using the equity method, the total Company equity of €7,914 million as of December 31, 2023 is in line with the Consolidated equity (excluding non-controlling interest) of 8,745 million converted using the exchange rate as of December 31, 2023 of 1.105. In addition, the Company profit for the year of €2,141 million equals the consolidated profit (excluding non-controlling interest) of $2,315 million converted using the average exchange rate for 2023 of 1,08127.

The net increase in equity of €827,021 thousand over year-end 2022 is due to the profit for the year of €2,141,004 thousand, partly offset by the acquisition of treasury shares for €601,269 thousand and the negative changes in Other comprehensive income of €339,741. This negative movement was generated by the negative effect of currency translation differences of €254,656, by the negative impact of the cash flow hedge reserve of €75,837 and a loss on the remeasurement of defined benefit plans of €9,248 thousand.

The negative effect of currency translation differences of €254,656 thousand includes the valuation of the opening balances of Equity converted using the exchange rate as of December 31, 2023 of 1,105.

Share capital

The Articles of Association of CNH Industrial N.V. provide for authorized share capital of €40 million, divided into 2 billion common shares and 2 billion special voting shares to be held with associated common shares, each with a per share par value of €0.01. As of December 31, 2023, the Company's share capital was €18 million (equivalent to $25 million), fully paid-in, and consisted of 1,364,400,196 common shares (1,290,937,585 common shares outstanding and 73,462,611 common shares held in treasury by the Company as described in the following section) and 396,474,276 special voting shares (371,000,610 special voting shares outstanding, net of 25,473,666 special voting shares held in treasury by the Company as described in the section below).

Effects of the Demerger on the share capital of CNH Industrial N.V.

On January 1, 2022, the share capital of CNH Industrial N.V. did not change as result of the Demerger.
CNH Industrial N.V. also did not receive any shares in Iveco Group N.V. as a part of the Demerger, as the portion of the shares held in treasury buy CNH Industrial N.V. was not eligible to be part of the Demerger and consequent allotment of Iveco Group N.V. shares.

Changes in the composition of the share capital of CNH during 2023 and 2022 are as follows:

(number of shares)	CNH Industrial N.V. common shares issued	Less: Treasury shares	CNH Industrial N.V. common shares outstanding	CNH Industrial N.V. loyalty program special voting shares issued	Less: Treasury shares	CNH Industrial N.V. loyalty program special voting shares outstanding	**Total Shares issued by CNH Industrial N.V.**	**Less: Treasury shares**	**Total CNH Industrial N.V. outstanding shares**
Total CNH Industrial N.V. shares at December 31, 2021	**1,364,400,196**	**(8,323,196)**	**1,356,077,000**	**396,474,276**	**(25,256,026)**	**371,218,250**	**1,760,874,472**	**(33,579,222)**	**1,727,295,250**
Capital increase	—	—	—	—	—	—	—	—	—
(Purchases)/Sales of treasury shares	—	(11,836,029)	(11,836,029)	—	(145,297)	(145,297)	—	(11,981,326)	**(11,981,326)**
Total CNH Industrial N.V. shares at December 31, 2022	**1,364,400,196**	**(20,159,225)**	**1,344,240,971**	**396,474,276**	**(25,401,323)**	**371,072,953**	**1,760,874,472**	**(45,560,548)**	**1,715,313,924**
Capital increase	—	—	—	—	—	—	—	—	—
(Purchases)/Sales of treasury shares	—	(53,303,386)	(53,303,386)	—	(72,343)	(72,343)	—	(53,375,729)	**(53,375,729)**
Total CNH Industrial N.V. shares at December 31, 2023	**1,364,400,196**	**(73,462,611)**	**1,290,937,585**	**396,474,276**	**(25,473,666)**	**371,000,610**	**1,760,874,472**	**(98,936,277)**	**1,661,938,195**

During the years ended December 31, 2023 and 2022, 72,343 and 145,297 special voting shares, respectively, were acquired for no consideration by the Company following the de-registration of the corresponding number of qualifying common shares from the Loyalty Register, net of transfer and allocation of special voting shares in accordance with the Special Voting Shares - Terms and Conditions.

Furthermore, during the years ended December 31, 2023 and 2022, the Company delivered 1.9 million and 0.6 million common shares, respectively, under the Company's stock compensation plan, primarily due to the vesting or exercise of share-based awards. See paragraph below "Share-based compensation" for further discussion.

The Company is required to maintain a special capital reserve to be credited against the share premium exclusively for the purpose of facilitating any issuance or cancellation of special voting shares. The special voting shares do not carry any entitlement to the balance of the special capital reserve. The Board of Directors is authorized to resolve upon (i) any distribution out of the special capital reserve to pay up special voting shares or (ii) re-allocation of amounts to credit or debit the special capital reserve against or in favor of the share premium reserve.

The Company is required to maintain a separate dividend reserve for the special voting shares. The special voting shares shall not carry any entitlement to any other reserve of the Company. Any distribution out of the special voting shares dividend reserve or the partial or full release of such reserve will require a prior proposal from the Board of Directors and a subsequent resolution of the general meeting of holders of special voting shares.

From the profits, shown in the annual accounts, as adopted, such amounts shall be reserved as the Board of Directors may determine.

The profits remaining thereafter shall first be applied to allocate and add to the special voting shares dividend reserve an amount equal to one percent (1%) of the aggregate nominal amount of all outstanding special voting shares. The calculation of the amount to be allocated and added to the special voting shares dividend reserve shall occur on a time-proportionate basis. If special voting shares are issued during the financial year to which the allocation and addition pertains, then the amount to be allocated and added to the special voting shares dividend reserve in respect of these newly issued special voting shares shall be calculated as from the date on which such special voting shares were issued until the last day of the financial year concerned. The special voting shares shall not carry any other entitlement to the profits.

Any profits remaining thereafter shall be at the disposal of the general meeting of shareholders for distribution of dividend on the common shares only subject to the provision that the distribution of profits shall be made after the adoption of the annual accounts, from which it appears that the same is permitted.

Subject to a prior proposal of the Board of Directors, the general meeting of shareholders may declare and pay dividends in U.S. dollars. Furthermore, subject to the approval of the general meeting of shareholders and the Board of Directors having been designated as the body competent to pass a resolution for the issuance of shares in accordance with Article 5 of the Articles of Association, the Board of Directors may decide that a distribution shall be made in the form of shares or that shareholders shall be given the option to receive a distribution either in cash or in the form of shares.

In the event of a winding-up, a resolution to dissolve the Company can only be passed by a general meeting of shareholders pursuant to a prior proposal of the Board of Directors. In the event a resolution is passed to dissolve the Company, the Company shall be wound-up by the Board of Directors, unless the general meeting of shareholders would resolve otherwise.

The general meeting of shareholders shall appoint and decide on the remuneration of the liquidators.

Until the winding-up of the Company has been completed, the Articles of Association of the Company shall to the extent possible, remain in full force and effect.

Dividend Proposal and appropriation of the result

Subject to the adoption of the Annual Financial Statements by the Annual General Meeting of shareholders and after the allocation of the relevant amount to the special voting shares dividend reserve in accordance with article 22, paragraph 4, of the Articles of Association, any profits remaining shall be allocated to the Retained earnings and be at the disposal of the general meeting of shareholders for distribution of dividend on the outstanding common shares only, based on the recommendations and proposal of the Board of Directors and subject to the provision of the Article 22, paragraph 8, of the Articles of Association.

Subject to the adoption of the Company Annual Financial Statements by the Meeting, the Board, in accordance with article 21, paragraph 9, of the Articles of Association, proposes to shareholders to distribute a dividend in cash of $0.47, totaling approximately $585 million (equal to approximately €0.43 per outstanding common share, translated at the exchange rate reported by the European Central Bank on March 13, 2024), after the allocation of the relevant amount to the special voting shares dividend reserve in accordance with article 22, paragraph 4, of the Articles of Association.

It is expected that the dividend on the outstanding common share, if approved, will be paid on May 29, 2024.

On April 14, 2023, the Company’s shareholders approved a dividend of €0.36 per common share and totaling €482 million (equivalent to $0.394 per common share and totaling $527 million, translated at the exchange rate reported by the European Central Bank on April 20, 2023).

The Company shall only have power to make distributions to shareholders and other persons entitled to distributable profits to the extent the Company's equity exceeds the sum of the paid-up portion of the share capital and the reserves that must be maintained in accordance with provision of law. No distribution of profits may be made to the Company itself for shares that the Company holds in its own share capital.

The Board of Directors has the power to declare one or more interim dividends, provided that the requirements of the Article 22 paragraph 5 of the Articles of Association are duly observed as evidenced by an interim statement of assets and liabilities as referred to in Article 2:105 paragraph 4 of the Dutch Civil Code and provided further that the policy of the Company on additions to reserves and dividends is duly observed. The provisions of the Article 22 paragraphs 2 and 3 of the Articles of Association shall apply mutatis mutandis.

The Board of Directors may determine that dividends or interim dividends, as the case may be, shall be paid, in whole or in part, from the Company's share premium reserve or from any other reserve, provided that payments from reserves may only be made to the shareholders that are entitled to the relevant reserve upon the dissolution of the Company.

Dividends and other distributions of profit shall be made payable in the manner and at such date(s) - within four weeks after declaration thereof - and notice thereof shall be given, as the general meeting of shareholders, or in the case of interim dividends, the Board of Directors shall determine, provided, however, that the Board of Directors shall have the right to determine that each payment of annual dividends in respect of shares be deferred for a period not exceeding five consecutive annual periods. Dividends and other distributions of profit, which have not been collected within five years and one day after the same have become payable, shall become the property of the Company.

In the event of a winding-up, a resolution to dissolve the Company can only be passed by a general meeting of shareholders pursuant to a prior proposal of the Board of Directors. In the event a resolution is passed to dissolve the Company, the Company shall be wound-up by the Board of Directors, unless the general meeting of shareholders would resolve otherwise.

The general meeting of shareholders shall appoint and decide on the remuneration of the liquidators.

Until the winding-up of the Company has been completed, the Articles of Association of the Company shall to the extent possible, remain in full force and effect.

Loyalty voting program

In order to reward long-term ownership of the Company's common shares and promote stability of its shareholder base, the Articles of Association of CNH Industrial N.V. provide for a loyalty-voting program that grants eligible long-term shareholders the equivalent of two votes for each CNH Industrial N.V. common share that they hold. This has been accomplished through the issuance of special voting shares.

A shareholder may at any time elect to participate in the loyalty voting program by requesting the registration of all or some of the common shares held by such shareholder in a separate register (the "Loyalty Register") of the Company. If such common shares have been registered in the Loyalty Register for an uninterrupted period of three years in the name of the same shareholder, such shares will become "Qualifying Common Shares" and the relevant shareholder will be entitled to receive one special voting share for each such Qualifying Common Share which can be retained only for so long as the shareholder retains the associated common share and registers it in the Loyalty Register.

Shareholders are not required to pay any amount to the Company in connection with the allocation of the special voting shares.

The common shares are freely transferable, while, special voting shares are transferable exclusively in limited circumstances and they are not listed on the NYSE. In particular, at any time, a holder of common shares that are Qualifying Common Shares who wants to transfer such common shares other than in limited specified circumstances (e.g., transfers to affiliates or relatives through succession, donation or other transfers) must request a de-registration of such Qualifying Common Shares from the Loyalty Register. After de-registration from the Loyalty Register, such common shares no longer qualify as Qualifying Common Shares and, as a result, the holder of such common shares is required to transfer the special voting shares associated with the transferred common shares to the Company for no consideration.

The special voting shares have minimal economic entitlements as the purpose of the special voting shares is to grant long-term shareholders with an extra voting right by means of granting an additional special voting share, without granting such shareholders with any additional economic rights. However, as a matter of Dutch law, such special voting shares cannot be fully excluded from economic entitlements. Therefore, the Articles of Association provide that only a minimal dividend accrues to the special voting shares, which is not distributed, but allocated to a separate special dividend reserve. The impact of this special dividend reserve on the earnings per share of the common shares is not material.

Treasury shares

In order to maintain the necessary operating flexibility over an adequate time period, including the implementation of the program in place, on April 13, 2022, the Annual General Meeting ("AGM") granted to the Board of Directors the authority to acquire common shares in the capital of the Company through stock exchange trading on the Euronext Milan and the NYSE or otherwise for a period of 18 months. The program reached its conclusion on November 6, 2023. Upon the completion of the program, on November 7, 2023, CNH's Board of Directors approved a new share buy-back program. Under the new program, CNH will repurchase up to $1 billion worth of its common shares between November 8, 2023 and March 1, 2024.

Under such authorization the Board's authority is limited to a maximum of up to 10% of the issued common shares as of the date of the AGM and, in compliance with applicable rules and regulations, subject to a maximum price per common share equal to the average of the highest price on each of the five trading days prior to the date of acquisition, as shown in the Official Price List of the NYSE (as the case may be) plus 10% (maximum price) and to a minimum price per common share equal to the average of the lowest price on each of the five trading days prior to the date of acquisition, as shown in the Official Price List of the NYSE (as the case may be) minus 10% (minimum price).

Neither the renewal of the authorization, nor the launch of any program obliges the Company to buy-back any common shares. The launch of any new program will be subject to a further resolution of the Board of Director. In any event, such programs may be suspended, discontinued or modified at any time for any reason and without previous notice, in accordance with applicable laws and regulations.

During the year ended December 31, 2023, the Company repurchased 55,198,371 shares of its common stock on the Euronext Milan and on multilateral trading facilities under the buy-back program. As of December 31, 2023, the Company held 73.5 million common shares in treasury, net of transfers of common shares to fulfill its obligations under its stock compensation plans, at an aggregate cost of $865 million. Depending on market and business conditions and other factors, the Company may continue or suspend purchasing its common stock at any time without notice.

During the year ended December 31, 2023, the Company acquired, for no consideration, 72,343 special voting shares following the de-registration of qualifying common shares from the Loyalty Register, net of the transfer and allocation of special voting shares to those shareholders whose qualifying common shares became eligible to receive special voting shares after the uninterrupted three-year registration period in the Loyalty Register. As of December 31, 2023, the Company held 25.0 million special voting shares in treasury.

Effects of the Demerger on the treasury shares held CNH Industrial N.V.

On January 1, 2022, CNH Industrial N.V. did not receive any shares in Iveco Group N.V. as a part of the Demerger as the portion of the shares held in treasury by CNH Industrial N.V. was not eligible to be part of the Demerger and consequent allotment of Iveco Group N.V. shares.

Capital reserves

At December 31, 2023, capital reserves amounting to €334 million (€267 million at December 31, 2022) mainly consisted of the share premium deriving from the Merger which has been reduced by the net impact of the Iveco Group Business spin-off.

Effects of the Demerger on the Capital reserves of CNH Industrial N.V.

The value of the net assets demerged on January 1, 2022, equaled to €2,289 million and fully reduced the Capital reserves of CNH Industrial N.V. accordingly.

Legal reserves

As of December 31, 2023, legal reserves amounted to €1,094 million (€1,283 million at December 31, 2022) and mainly relate to unrealized currency translation losses and other OCI components for a net negative amount of €541 million, and other reserves for €1,635 million.

Other OCI components includes primarily net unrealized actuarial losses related to the defined benefit plans which as of December 31, 2023, amounted to €65 million (€45 million at December 31, 2022). In addition, the cash flow hedge reserve is also part of OCI and this year the amount is positive for €12 million (€64 million negative at December 31, 2022). As a result, the net amount of OCI is €77 million positive amount at December 31, 2023. This part is considered distributable reserve, but being negative it reduces the overall reserve.

As a consequence, the total amount considered not distributable as of December 31, 2023, equaled to €1,635 million (€1,502 million at December 31, 2022). As a result, the distributable reserves as at December 31, 2022 amounted to €6,262 million.

Other reserves are made up by research and development costs capitalized by the Company for €67 million and by the equity investments for €675 million (€71 million and €645 million, respectively, at December 31, 2022), earnings from affiliated companies subject to certain restrictions on the transfer of funds to the parent company in form of dividend or otherwise for €511 million (€415 million at December 31, 2022) and earnings from subsidiaries that due to local law requirements cannot be distributed as dividend, unless the subsidiary is liquidated, for €381 million (€354 million at December 31, 2022).

Pursuant to Dutch law, limitations exist relating to the distribution of shareholders' equity for the entire amount of the legal reserves. By their nature, unrealized losses relating to currency translation differences reduce shareholders' equity and thereby distributable amounts.

Share-based compensation

CNH's equity awards are governed by the CNH Industrial N.V. Equity Incentive Plan ("CNH EIP") and
CNH Industrial N.V. Directors' Compensation Plan ("CNH DCP").

For more information on Share-based compensation see Note 21 "Equity" of the Consolidated Financial Statements.

19. Provisions for employee benefits

CNH Industrial N.V. provides pension, healthcare and insurance plans and other post-employment benefits to their employees and retirees, either directly or by contributing to independently administered funds. These benefits are generally based on the employees' remuneration and years of service.

The Company provides post-employment benefits under defined contribution and defined benefit plans.

In the case of defined contribution plans, the Company makes contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been made, the Company has no further payment obligations. The Company recognizes the contribution cost when the employees have rendered their service and includes this cost by function in Cost of sales, Selling, general and administrative costs and Research and development costs. During the years ended December 31, 2023 and 2022, CNH Industrial N.V. recorded expenses of €13,485 thousand and €13,017 thousand, respectively, for its defined contribution plans, inclusive of social security contributions in the categories as described above.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions made by an entity, and sometimes by its employees, into an entity, or fund, that is legally separate from the employer from which the employee benefits are paid. Benefits are generally payable under these plans after the completion of employment. Defined benefits plans are classified by the Company as Pension plans or Other post-employment benefits on the basis of the type of benefit provided.

Pension plans

The item Pension plans principally comprise the obligations towards certain employees and former employees of the CNH Group in the United Kingdom.

Under these plans, contributions are made to a separate fund (trust) which independently administers the plan assets. The Company's funding policy is to meet the minimum funding requirements pursuant to the laws and regulations of each individual country. The Company may also choose to make discretionary contributions in addition to the funding requirements. To the extent that a fund is overfunded, the Company is not required to make further contribution to the plan in respect of a minimum performance requirements so long as the fund is in surplus.

Following collective consultation with members of the United Kingdom defined benefit pension plans, these arrangements closed to future accrual on January 31, 2020. Active employees were transferred to the Company's, market competitive, defined contribution arrangement.

The benefits accrued for active members up to January 31, 2020, were not affected by the closure. The closure to future accrual also had no impact on deferred or pensioner members of the plans.

Other post-employment benefits

Other post-employment benefits consist of obligations for Italian Employee Leaving Entitlements up to December 31, 2006. The TFR scheme has since changed to a defined contribution plan. The obligation on our balance sheet represents the residual reserve for years prior to December 31, 2006 relating to the Italian employees of the Italian branch. Loyalty bonuses are accrued for employees who have reached certain service seniority and are generally settled when employees leave the Company. These plans are not required to be funded and, therefore, have no plan assets.

Provisions for employee benefits at December 31, 2023 and 2022 are as follows:

(€ thousand)	At December 31, 2023	At December 31, 2022
Post-employment benefits:		
Pension plans	107,811	112,808
Other	295	326
Total Post-employment benefits	108,106	113,134
Other long-term employee benefits	185	182
Total Provision for employee benefits	**108,291**	**113,316**

The item Other long-term employee benefits consists of the Company's obligation for those benefits generally payable during employment on reaching a certain level of seniority in the Company or when a specified event occurs, and reflects the probability of payment and the length of time over which this will be made.

In 2023 and in 2022 changes in Other long-term employee benefits are as follows:

(€ thousand)	At December 31, 2022	Provision	Utilization	Other changes	At December 31, 2023
Other long-term employee benefits	182	51	(20)	(28)	**185**
Total	**182**	51	(20)	(28)	**185**

(€ thousand)	At December 31, 2021	Provision	Utilization	Other changes	At December 31, 2022
Other long-term employee benefits	405	(1)	(65)	(157)	182
Total	**405**	**(1)**	**(65)**	**(157)**	**182**

Post-employment benefits

The amounts recognized in the statement of financial position for post-employment benefits at December 31, 2023 and 2022 are as follows:

	Pension plans		Other	
	At December 31,		At December 31,	
(€ thousand)	**2023**	2022	**2023**	2022
Present value of funded obligations	747,902	723,149	295	326
Less: Fair value of plan assets	(640,091)	(610,341)	—	—
Deficit/(surplus)	107,811	112,808	295	326
Net liability/(Net asset)	**107,811**	**112,808**	**295**	**326**
Amounts at year-end:				
Liabilities	107,811	112,808	295	326
Assets	—	—	—	—
Net liability	**107,811**	**112,808**	**295**	**326**

Changes in the present value of post-employment obligations in 2023 and 2022 are as follows:

	Pension plans		Other	
(€ thousand)	**2023**	2022	**2023**	2022
Present value of obligation at the beginning of the year	**723,149**	**1,137,116**	**326**	**698**
Current service cost		—	2	2
Interest expense	34,725	18,552	9	(1)
Other costs	1,918	28		—
Contribution by plan participants		—		—
Remeasurements:				
Actuarial losses/(gains) from changes in demographic assumptions	(17,661)	28	1	(3)
Actuarial losses/(gains) from changes in financial assumptions	25,352	(378,177)	4	(93)
Other remeasurements	8,307	36,414	19	50
Total remeasurements	15,998	(341,735)	24	(46)
Exchange rate differences	14,887	(45,618)		—
Benefits paid	(46,369)	(45,194)	(27)	(72)
Past service cost	3,594	—		—
Change in scope of consolidation		—	(39)	(255)
Present value of obligation at the end of the year	**747,902**	**723,149**	**295**	**326**

In 2023 and 2022 Other remeasurements mainly include the amount of experience adjustments. In 2023 and 2022 changes in the fair value of plan assets are as follows:

	Pension plans	
(€ thousand)	**2023**	2022
Fair value of plan assets at the beginning of the year	**610,341**	**933,260**
Interest income	29,790	15,501
Remeasurements:		
Return on plan assets	4,629	(292,464)
Actuarial gains/(losses) from changes in financial assumptions		—
Total remeasurements	**4,629**	**(292,464)**
Exchange rate differences	12,572	(38,115)
Contribution by employer	29,128	37,353
Contribution by plan participants		—
Benefits paid	(46,369)	(45,194)
Fair value of plan assets at the end of the year	**640,091**	**610,341**

Net benefit cost/(income) recognized during 2023 and 2022 is as follows:

	Pension plans		Other	
(€ thousand)	**2023**	2022	**2023**	2022
Service cost:				
Current service cost	—	0	2	2
Past service cost and (gain)/loss from curtailments and settlements	3,594	0	—	—
Total Service cost	3,594	0	2	2
Net interest expense	4,935	3,051	10	(1)
Other costs	1,918	28	—	—
Net benefit cost/(income) recognized to profit or loss	**10,447**	**3,079**	**12**	**1**
Remeasurements:				
Return on plan assets	(4,629)	292,464	—	—
Actuarial losses/(gains) from changes in demographic assumptions	(17,661)	27	1	(4)
Actuarial losses/(gains) from changes in financial assumptions	25,352	(378,176)	4	(93)
Other remeasurements	8,307	36,414	19	50
Total remeasurements	11,369	(49,271)	24	(47)
Exchange rate differences	2,315	(7,504)	—	—
Net benefit cost/(income) recognized to other comprehensive income	**13,684**	**(56,775)**	**24**	**(47)**
Total net benefit cost/(income) recognized during the year	**24,131**	**(53,696)**	**36**	**(46)**

The weighted average durations of post-employment benefits are as follows:

	N° of years
Pension plans	11
Other	6

Assumptions

Post-employment benefits and Other long-term employee benefits are calculated on the basis of the following main assumptions:

	Assumptions used to determine funded status at year-end			
	At December 31, 2023		At December 31, 2022	
(in %)	Pension plans	Other	Pension plans	Other
Weighted-average discount rates	4.50	3.07	4.80	3.59
Weighted-average rate of compensation increase	N/A	1.28	N/A	2.16

	Assumptions used to determine expense at year-end			
	At December 31, 2023		At December 31, 2022	
(in %)	Pension plans	Other	Pension plans	Other
Weighted-average discount rates	4.80	3.59	1.85	0.72
Weighted-average rate of compensation increase	N/A	2.16	N/A	1.56

Assumed discount rates are used in measurements of pension and other post-employment benefit obligations and net interest on the net defined benefit liability/asset. CNH selects its assumed discount rates based on the consideration of equivalent yields on high-quality fixed income investments at the measurement date. The discount rates are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled as of the measurement date, December 31. The benefit cash flow-matching approach involves analyzing the CNH's projected cash flows against a high-quality bond yield curve, mainly calculated using a wide population of AA-yield corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria. The discount rates for CNH's remaining obligations are based on benchmark yield data of high-quality fixed income investments for which the timing and amounts of payments approximate the timing and amounts of projected benefit payments.

Assumed discount rates have a significant effect on the amount recognized in the 2023 financial statements. A one percentage point change in assumed discount rates would have the following effects:

(€ thousand)	One percentage point increase	One percentage point decrease
Effect on pension plans defined benefit obligation at December 31, 2023	(78,000)	94,000

Plan assets

The investment strategy varies depending on the circumstances of the underlying plan. Typically, less mature plan benefit obligations are funded by using more equity securities as they are expected to achieve long-term growth while exceeding the rate of inflation. More mature plan benefit obligations are funded using more fixed income securities as they are expected to produce current income with limited volatility. Risk management practices include the use of multiple asset classes and investment managers within each asset class for diversification purposes. Specific guidelines for each asset class and investment manager are implemented and monitored.

Plan assets do not include treasury shares of CNH Industrial N.V. or properties occupied by it. The fair value of the plan assets at December 31, 2023 may be disaggregated by asset class and level as follows. Fair value levels presented below are described in the "Material accounting policies – Fair value measurement" section of the Notes to the Consolidated Financial Statements.

				At December 31, 2023
				Pension plans
(€ thousand)	Level 1	Level 2	Level 3	Total
Other types of investments:				
Mutual funds(1)	—	588,000	44,000	632,000
Total other types of investments	**—**	**588,000**	**44,000**	**632,000**
Cash and cash equivalents	8,000	—	—	8,000
Total	**8,000**	**588,000**	**44,000**	**640,000**

(1) This category includes mutual funds which primarily invest in non-U.S. equities and non-U.S. corporate bonds.

The fair value of the plan assets at December 31, 2022 may be disaggregated by asset class and level as follows:

				At December 31, 2022
				Pension plans
(€ thousand)	Level 1	Level 2	Level 3	Total
Other types of investments:				
Mutual funds(1)	—	605,000	—	605,000
Total other types of investments	—	605,000	—	605,000
Cash and cash equivalents	5,000	—	—	5,000
Total	**5,000**	**605,000**	**—**	**610,000**

(1) This category includes mutual funds which primarily invest in non-U.S. equities and non-U.S. corporate bonds.

Fair value levels presented in the tables above are described in the "Material accounting policies – Fair value measurement" section of the Notes to the Consolidated Financial Statements.

Contribution

CNH expects to contribute approximately €22.5 million to its pension plans in 2024.

The best estimate of expected benefit payments in 2023 and in the following ten years is as follows:

							Expected benefit payments
(€ thousand)	2024	2025	2026	2027	2028	2029 to 2034	Total
Post-employment benefits:							
Pension plans	43,785	43,600	44,315	45,826	46,532	236,878	**460,936**
Other	23	15	140	10	9	63	**260**
Total Post-employment benefits	**43,808**	**43,615**	**44,455**	**45,836**	**46,541**	**236,941**	**461,196**
Other long-term employee benefits	1	1	62	48	5	87	**204**
Total	**43,809**	**43,616**	**44,517**	**45,884**	**46,546**	**237,028**	**461,400**

Potential outflows in the years after 2024 are subject to a number of uncertainties, including future asset performance and changes in assumptions.

20. Other provisions

Changes in Other provisions are as follows:

(€ thousand)	At December 31, 2022	Charged to profit and loss	Utilization	Other movements	At December 31, 2023
Warranty and incentives	89,075	185,537	(142,385)	635	**132,862**
Restructuring provision	4	3,053	(3,057)	—	**—**
Modification and campaign	3,892	(1,421)	(990)	—	**1,481**
Other provisions	53,340	(13,147)	(8,652)	177,274	**208,815**
Total Other provisions	**146,311**	**174,022**	**(155,084)**	**177,909**	**343,158**

The item Other provisions consists of the best estimate at the balance sheet date of short-term employee benefits payable by the Company within twelve months from the end of the period in which the employees render the related service, and in addition it includes the amounts set up by the Company in connection with other risks and other charges.

In 2023 €174,287 thousand were reclassified from Investments in Group companies and other equity interests as a result of negative equity of certain group companies at year end.

21. Non-current debt

(€ thousand)	At December 31, 2023	At December 31, 2022	Change
Loans with CNH Industrial Finance Europe S.A.	2,450,000	—	2,450,000
Bonds	424,957	431,555	(6,598)
Financial guarantees	—	32,218	(32,218)
Lease liabilities	6,181	9,529	(3,348)
Total Non-current debt	**2,881,138**	**473,302**	**2,407,836**

At December 31, 2023, Non-current debt totaled €2,881,138 thousand and consisted mainly of loans granted by CNH Industrial Finance Europe S.A. and of a Bond.

The financial payables to CNH Industrial Finance Europe S.A. relate to an unsecured uncommitted revolving credit facility agreement with CNH Industrial Finance Europe S.A., where the latter has made available to CNH Industrial N.V. an uncommitted facility in a maximum aggregate amount of €6.5 billion.

Within this credit facility, on June 1, 2023, CNH Industrial Finance Europe S.A. granted 7 loans at a fixed interest rate to the Company, for a total amount of €2,450,000 thousand.

The following table shows the list of loans with CNH Industrial Finance Europe S.A. and their maturity dates:

Maturity Date	Currency	Nominal Amount
September 12, 2025	EUR	650,000
November 12, 2025	EUR	100,000
January 19, 2026	EUR	500,000
March 25, 2027	EUR	600,000
April 21, 2028	EUR	50,000
July 3, 2029	EUR	500,000
July 15, 2039	EUR	50,000
Total	**EUR**	**2,450,000**

The Bond has the following features:

- $500 million at an interest rate of 3.85%, due on November 15, 2027, issued by the Company in November 2017. The outstanding amount at year end is $500 million. The bond is valued using the amortized cost, for a corresponding amount of €424,957 thousand at December 31, 2023 (€431,555 thousand at December 31, 2022). At December 31, 2023, the fair value of the bond is €437,955 thousand (€441,493 thousand at December 31, 2022).

The Bond is classified as a Level 1 fair value measurement. Their fair value has been estimated making reference to quoted prices in active markets.

The bonds issued by the Company contain commitments of the issuer which are typical of international practice for bonds issues of this type such as, in particular, negative pledge (in relation to quoted indebtedness), a status (or pari passu) and cross default clauses. A breach of these commitments can lead to the early repayment of the issued notes. In addition, the bonds contain clauses which could lead to early repayment if there is a change of control of CNH Industrial N.V. leading to a rating downgrading. At December 31, 2023 there were no breaches of such commitments.

The Company intends to repay the issued bonds in cash at the due date by utilizing available liquid resources. In addition, it can buy back its issued bonds. Such buy backs, if made, depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

At December 31, 2022, Non-current debt also included €32,218 thousand of Financial guarantees which represented the fair value of liabilities assumed in relation to guarantees issued by the Company. Following an assessment of potential risks requiring recognition of contingent liabilities and given those liabilities are related to guarantees issued in favor of third parties in the interest of Group companies, mainly for bonds issued from Group companies and loans granted to Group companies, the present value of fees receivable (see Note 12 'Financial fixed assets') was considered the best estimate of the fair value of those guarantees.

During 2023 the Company discontinued the recharge to Group subsidiaries of the guarantee fees, due to a change within the Intercompany recharge process. As a result, the fair value of the guarantees and the liabilities assumed in relation to guarantees issued by the Company was considered to be nil.

At December 31, 2023 liabilities from leases amounted to €6,181 thousand, (€9,529 thousand at December 31, 2022), of which €1,993 thousand (€3,805 thousand at December 31, 2022) due within one year, and the remaining part of €4,189 thousand (€5,724 thousand at December 31, 2020) is due between one and five years.

At December 31, 2023, €2,996 thousand (€4,695 thousand at December 31, 2022) for the principal portion of lease liabilities and €410 thousand (€271 thousand at December 31, 2022) for interest expenses related to lease liabilities were paid.

The following table sets out a maturity analysis of undiscounted lease liabilities at December 31, 2023:

(€ thousand)	At December 31, 2023	At December 31, 2022
Less than one year	2,291	4,251
One to two years	1,845	1,997
Two to three years	1,208	1,682
Three to four years	812	1,519
Four to five years	759	687
More than five years	—	628
Total undiscounted lease payments	**6,915**	**10,764**
Less: Interest	(734)	(1,235)
Total Lease liabilities	**6,181**	**9,529**

At December 31, 2023, the weighted average remaining lease term (calculated on the basis of the remaining lease term and the lease liability balance for each lease) and the weighted average discount rate for leases were 3 years and 4.6%, respectively (4 years and 3.3%, respectively, at December 31, 2022).

22. Trade payables

At December 31, 2023, trade payables totaled €406,442 thousand, representing a net decrease of €59,650 thousand compared to December 31, 2022, and consisted of the following:

(€ thousand)	At December 31, 2023	At December 31, 2022	Change
Trade payables to third parties	181,045	245,513	(64,468)
Trade payables to other related parties	62	234	(172)
Intercompany trade payables	225,335	220,345	4,990
Total Trade payables	**406,442**	**466,092**	**(59,650)**

Trade payables include payables for goods and services.

Trade payables are due within one year and their carrying amount at the reporting date is deemed to approximate their fair value.

23. Current financial liabilities

At December 31, 2023, current financial liabilities totaled €2,952,893 thousand, a €4,217,262 thousand decrease over December 31, 2022, and related to:

(€ thousand)	At December 31, 2023	At December 31, 2022	Change
Current account with CNH Industrial Finance S.p.A.	356,259	551,230	(194,971)
Current account with CNH Industrial Finance Europe S.A.	1,243,136	5,994,807	(4,751,671)
Other current financial payables to CNH Industrial Finance Europe S.A.	1,292,986	—	1,292,986
Accrued interest expense	28,586	13,564	15,022
Liability from derivative financial instruments	31,926	42,212	(10,286)
Bonds	—	568,342	(568,342)
Total Current financial liabilities	**2,952,893**	**7,170,155**	(4,217,262)

The short term financial payables to CNH Industrial Finance Europe S.A. relate to an unsecured uncommitted revolving credit facility agreement with CNH Industrial Finance Europe S.A., where the latter has made available to CNH Industrial N.V. an uncommitted facility in a maximum aggregate amount of €6.5 billion.

Within this credit facility CNH Industrial Europe S.A. granted two loans to the Company. The first one for €750,000 thousand with a fixed interest rate, which is due on April 2, 2024 and the second one for $600,000 thousand (€542,986 thousand) with a floating interest rate, due on July 15, 2024. These two loans are classified under 'Other current financial payables to CNH Industrial Finance S.A..

The remaining short-term financial payables to CNH Industrial Finance S.p.A. and CNH Industrial Finance Europe S.A. bear floating interest at market rates. Such credit facilities are unsecured.

The carrying amount of these liabilities is deemed to be in line with their fair value.

The Bond of $600 million with a fixed interest rate of 4.50%, was fully reimbursed on the due date of August 15, 2023.

Derivative instruments are classified as Level 2 in the fair value hierarchy.

CNH utilizes derivative instruments to mitigate its exposure to interest rate and foreign currency fluctuations. Derivatives used as hedges are effective at reducing the risk associated with the exposure being hedged and are designated as a hedge at the inception of the derivative contract.

24. Other debt

At December 31, 2023, other debt totaled €86,908 thousand, a net increase of €10,638 thousand over December 31, 2022, and included the following:

(€ thousand)	At December 31, 2023	At December 31, 2022	Change
Current amounts payable to employees, social security, directors	3,820	14,328	(10,508)
Taxes payable-direct tax	12,127	18,700	(6,573)
Taxes payable-indirect tax	14,998	26,366	(11,368)
Accrued expenses	24,354	29,665	(5,311)
Other	31,609	8,487	23,122
Total Other debt	**86,908**	**97,546**	(10,638)

Taxes payables-direct tax primarily relates to amounts due to the tax authorities for the Group tax consolidation in Italy. The decrease is due to the tax installments paid during the current year by the Group. This regime allows the determination of a single taxable base comprised of the taxable income and losses of each of the Italian subsidiaries.

At December 31, 2023, Taxes payable-indirect tax consisted of VAT payable due in the U.K..

Other debt and taxes payable are all due within one year and their carrying amount is deemed to approximate their fair value.

25. Guarantees, commitments and contingent liabilities

Guarantees issued

At December 31, 2023, Guarantees issued totaled €3,482,573 thousand, decreasing by €362,475 thousand over December 31, 2022. At December 31, 2022, total Guarantees issued totaled €3,845,048 thousand.
The guarantees were made up as follows:

- €3,200,000 thousand for eight bonds issued from CNH Industrial Finance Europe S.A. under the Euro Medium Term Notes Programme (and the notes issued under its predecessor, the Global Medium Term Notes Programme) due between 2024 and 2039;
- €75,134 thousand for credit lines granted from different banks primarily to CNH Industrial America LLC and CNH Industrial Italia S.p.A;
- €81,032 thousand for sundry guarantees (including property lease guarantees) primarily in the interest of CNH Industrial America LLC and CNH Industrial Canada Ltd;
- €126,407 thousand for payment obligations related to excess VAT credits of the direct and indirect subsidiaries of CNH Industrial N.V..

At December 31, 2023, there were no guarantees outstanding issued in the interest of entities other than subsidiaries of the Company.

Support Agreement in the interest of CNH Industrial Capital LLC (Financial Services)

CNH Industrial Capital LLC benefits from a support agreement issued by CNH Industrial N.V., pursuant to which CNH Industrial N.V. agrees to, among other things, (a) make cash capital contributions to CNH Industrial Capital LLC, to the extent necessary to cause its ratio of net earnings available for fixed charges to fixed charges to be not less than 1.05:1.0 for each fiscal quarter (with such ratio determined, on a consolidated basis and in accordance with U.S. GAAP, for such fiscal quarter and the immediately preceding three fiscal quarters taken as a whole), (b) generally maintain an ownership of at least 51% of the voting equity interests in CNH Industrial Capital LLC and (c) cause CNH Industrial Capital LLC to have, as of the end of any fiscal quarter, a consolidated tangible net worth of at least $50 million. The support agreement is not intended to be, and is not, a guarantee by CNH Industrial N.V. of the indebtedness or other obligations of CNH Industrial Capital LLC. The obligations of CNH Industrial N.V. to CNH Industrial Capital LLC pursuant to this support agreement are to the company only and do not run to, and are not enforceable directly by, any creditor of CNH Industrial Capital LLC, including holders of the CNH Industrial Capital LLC's notes or the trustee under the indenture governing the notes. The support agreement may be modified, amended or terminated, at CNH Industrial N.V.'s election, upon thirty days' prior written notice to CNH Industrial Capital LLC and the rating agencies of CNH Industrial Capital LLC, if (a) the modification, amendment or termination would not result in a downgrade of CNH Industrial Capital LLC rated indebtedness; (b) the modification, amendment or notice of termination provides that the support agreement will continue in effect with respect to the company's rated indebtedness then outstanding; or (c) CNH Industrial Capital LLC has no long-term rated indebtedness outstanding.

A Support Agreement was issued in 2019 in the interest of CNH Industrial Capital Australia Pty. Limited, the content of which is in line with the support agreement issued in the interest of CNH Industrial Capital LLC.

For more information on our outstanding indebtedness, see Note 24 “Debt” to our Consolidated Financial Statements.

Other contingencies

Other contingencies are described in Note 27 “Commitments and contingencies” of the Consolidated Financial Statements.

26. Audit fees

The following table reports fees paid in 2023 to the independent auditor Deloitte & Touche or to entities in their network for audit and other services to the Group and in 2022 to the independent auditor Ernst & Young.

(€ thousand)	**2023**	2022
Audit fees of the consolidated and company financial statements	9,573	7,611
Other audit services	1,035	1,523
Other services	99	32
Total Audit fees	**10,707**	**9,166**

“Audit fees” are the aggregate fees from the Ernst & Young Entities or the Deloitte Entities, as applicable, for the audit of our consolidated annual financial statements, reviews of interim financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements. “Other audit services” are fees charged by the Ernst & Young Entities or the Deloitte Entities, as applicable, for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under “Audit fees”. This category comprises fees for the procedures performed as part of the audit of employee benefit plans and pension plans, agreed-upon procedure engagements, comfort letters in connection with financing transactions, other attestation services subject to regulatory requirements and statutory tax return preparation relating to mergers and acquisitions. "Other services" consist principally of fees related to human resources services.

Total Audit fees of €10,707 thousand also included audit of Deloitte Accountants B.V. of €291 thousand (€103 thousand in 2022 related to Ernst & Young Accountants LLP) for CNH Industrial N.V. In addition, during the current year Deloitte Accountants B.V. performed other audit procedures relating to the issuance of comfort letters at bond offerings for €99 thousand.

Ernst & Young Accountant LLP, the member firms of Ernst & Young and their respective affiliates (collectively, the “Ernst & Young Entities”) served as our independent registered public accounting firm for the year ended December 31, 2022. Under the laws and regulations of the Netherlands, the Ernst & Young Entities audit tenure ended upon the completion of their 2022 financial year audits due to mandatory audit firm rotation rules. At the April 13, 2022 Annual General Meeting of the Shareholders, Deloitte Accountants B.V. was appointed the Company's independent auditor for the 2023 Company Annual Financial Statements. Deloitte & Touche LLP, the member firms of Deloitte and their respective affiliates (collectively, the “Deloitte Entities”) served as our independent registered public accounting firm for the year ended December 31, 2023.

27. Board remuneration

Detailed information on Board of Directors compensation, including their shares and share options, is included in the Remuneration Report section as included in the Board Report of this Annual Report.

28. Subsequent events

The Company's Board of Directors authorized a $500 million share buyback program under which the Company may repurchase its common shares commencing after the maturity or exhaustion of the limit of the existing $1 billion share buyback program in the open market or through privately negotiated or other transactions, including at the Company's election trading plans under Rule 10b5-1 under the Securities Exchanges Act of 1934 depending on share price, market conditions and other factors.

On January 16, 2024, CNH Industrial Capital LLC repaid the principal amount of $500 million of its 4.200% unsecured note due in 2024.

March 19, 2024

The Board of Directors

Suzanne Heywood
Scott W. Wine
Elizabeth Bastoni
Howard W. Buffett
Richard J. Kramer
Karen Linehan
Alessandro Nasi
Vagn Sørensen
Åsa Tamsons

OTHER INFORMATION

Independent Auditor's Report

The report of the Company's independent auditor, Deloitte Accountants B.V., the Netherlands is set forth following this Annual Report.

Appropriation of the result of the year

Subject to the adoption of the Annual Financial Statements by the Annual General Meeting of shareholders and after the allocation of the relevant amount to the special voting shares dividend reserve in accordance with article 22, paragraph 4, of the Articles of Association, any profits remaining shall be allocated to the Retained earnings and be at the disposal of the general meeting of shareholders for distribution of dividend on the outstanding common shares only, based on the recommendations and proposal of the Board of Directors and subject to the provision of the Article 22, paragraph 8, of the Articles of Association.

Dividends under Articles of Association provisions

Dividends will be determined in accordance with the articles 22 of the Articles of Association of CNH Industrial N.V.. The relevant provisions of the Articles of Association read as follows:

1. The Company shall maintain a special capital reserve to be credited against the share premium exclusively for the purpose of facilitating any issuance or cancellation of special voting shares. The special voting shares shall not carry any entitlement to the balance of the special capital reserve. The Board of Directors shall be authorized to resolve upon (i) any distribution out of the special capital reserve to pay up special voting shares or (ii) re-allocation of amounts to credit or debit the special capital reserve against or in favour of the share premium reserve.
2. The Company shall maintain a separate dividend reserve for the special voting shares. The special voting shares shall not carry any entitlement to any other reserve of the Company. Any distribution out of the special voting shares dividend reserve or the partial or full release of such reserve will require a prior proposal from the Board of Directors and a subsequent resolution of the general meeting of holders of special voting shares.
3. From the profits, shown in the annual accounts, as adopted, such amounts shall be reserved as the Board of Directors may determine.
4. The profits remaining thereafter shall first be applied to allocate and add to the special voting shares dividend reserve an amount equal to one percent (1%) of the aggregate nominal amount of all outstanding special voting shares. The calculation of the amount to be allocated and added to the special voting shares dividend reserve shall occur on a time-proportionate basis. If special voting shares are issued during the financial year to which the allocation and addition pertains, then the amount to be allocated and added to the special voting shares dividend reserve in respect of these newly issued special voting shares shall be calculated as from the date on which such special voting shares were issued until the last day of the financial year concerned. The special voting shares shall not carry any other entitlement to the profits.
5. Any profits remaining thereafter shall be at the disposal of the general meeting of shareholders for distribution of dividend on the common shares only, subject to the provision of paragraph 8 of this article.
6. Subject to a prior proposal of the Board of Directors, the general meeting of shareholders may declare and pay dividends in U.S. dollars. Furthermore, subject to the approval of the general meeting of shareholders and the Board of Directors having been designated as the body competent to pass a resolution for the issuance of shares in accordance with Article 5 of the Articles of Association, the Board of Directors may decide that a distribution shall be made in the form of shares or that shareholders shall be given the option to receive a distribution either in cash or in the form of shares.
7. The Company shall only have power to make distributions to shareholders and other persons entitled to distributable profits to the extent the Company's equity exceeds the sum of the paid-up portion of the share capital and the reserves that must be maintained in accordance with provision of law. No distribution of profits may be made to the Company itself for shares that the Company holds in its own share capital.
8. The distribution of profits shall be made after the adoption of the annual accounts, from which it appears that the same is permitted.
9. The Board of Directors shall have power to declare one or more interim dividends, provided that the requirements of paragraph 5 hereof are duly observed as evidenced by an interim statement of assets and liabilities as referred to in Article 2:105 paragraph 4 of the Dutch Civil Code and provided further that the policy of the Company on additions to reserves and dividends is duly observed. The provisions of paragraphs 2 and 3 hereof shall apply mutatis mutandis.
10. The Board of Directors may determine that dividends or interim dividends, as the case may be, shall be paid, in whole or in part, from the Company's share premium reserve or from any other reserve, provided that payments from

reserves may only be made to the shareholders that are entitled to the relevant reserve upon the dissolution of the Company.

11. Dividends and other distributions of profit shall be made payable in the manner and at such date(s) - within four weeks after declaration thereof - and notice thereof shall be given, as the general meeting of shareholders, or in the case of interim dividends, the Board of Directors shall determine, provided, however, that the Board of Directors shall have the right to determine that each payment of annual dividends in respect of shares be deferred for a period not exceeding five consecutive annual periods.
12. Dividends and other distributions of profit, which have not been collected within five years and one day after the same have become payable, shall become the property of the Company.

APPENDIX - CNH GROUP AT DECEMBER 31, 2023

Name	Registered Office	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Controlling company								
Parent Company								
CNH Industrial N.V.	Amsterdam	Netherlands	17,608,745	EUR	—	—	—	—
Subsidiaries consolidated on a line-by-line basis								
AgDNA Pty Ltd.	St. Marys	Australia	2,175,120	AUD	100.00	CNH Industrial N.V.	100.000	
AgDNA Technologies Pty Ltd.	St. Marys	Australia	2	AUD	100.00	AgDNA Pty Ltd.	100.000	
ATI, Inc.	Mt. Vernon	U.S.A.	NaN	USD	100.00	CNH Industrial America LLC	100.000	
Augmenta Agriculture Technologies S.M.P.C	Metamorphosi	Greece	7,018,124	EUR	100.00	Augmenta Holding	100.000	
Augmenta Agtech Inc	Sioux Falls	U.S.A.	—	USD	100.00	Augmenta Holding	100.000	
Augmenta Holding	Paris	France	6,659,159	EUR	100.00	CNH Industrial N.V.	100.000	
Banco CNH Industrial Capital S.A.	Curitiba	Brazil	1,827,694,955	BRL	100.00	New Holland Ltd	99.329	
						CNH Industrial Brasil Ltda.	0.670	
Bennamann Energy Limited	Newquay Cornwall	United Kingdom	186	GBP	52.65	CNH Industrial N.V.	52.650	
Bennamann Ltd.	Newquay Cornwall	United Kingdom	18,582	GBP	52.65	CNH Industrial N.V.	52.650	
Bennamann Services Ltd.	Newquay Cornwall	United Kingdom	186	GBP	52.65	CNH Industrial N.V.	52.650	
BLI Group, Inc.	Wilmington	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Blue Leaf I.P. , Inc.	Wilmington	U.S.A.	1,000	USD	100.00	BLI Group, Inc.	100.000	
Blue Leaf Insurance Company	Colchester	U.S.A.	250,000	USD	100.00	CNH Industrial America LLC	100.000	
Case Baumaschinen AG	Kloten	Switzerland	4,000,000	CHF	100.00	CNH Industrial N.V.	100.000	
Case Canada Receivables, Inc.	Calgary	Canada	1	CAD	100.00	CNH Industrial Capital America LLC	100.000	
Case Credit Holdings Limited	Wilmington	U.S.A.	5	USD	100.00	CNH Industrial Capital America LLC	100.000	
Case Dealer Holding Company LLC	Wilmington	U.S.A.	1	USD	100.00	CNH Industrial America LLC	100.000	
Case Equipment Holdings Limited	Wilmington	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
Case France NSO	Morigny-Champigny	France	7,622	EUR	100.00	CNH Industrial France	100.000	
Case New Holland Construction Equipment (India) Private Limited	New Delhi	India	240,100,000	INR	100.00	CNH Industrial (India) Private Limited	50.000	
						CNH Industrial America LLC	50.000	
Case New Holland Industrial Inc.	Wilmington	U.S.A.	55	USD	100.00	CNH Industrial U.S. Holdings Inc.	100.000	
Case New Holland Insurance Agency, LLC	Wilmington	U.S.A.	NaN	USD	100.00	CNH Industrial Capital America LLC	100.000	
Case United Kingdom Limited	Basildon	United Kingdom	3,763,618	GBP	100.00	CNH Industrial America LLC	100.000	
CNH (China) Management Co., Ltd.	Shanghai	People's Rep.of China	207,344,542	USD	100.00	CNH Industrial N.V.	100.000	
CNH ARGENTINA S.A.	Buenos Aires	Argentina	8,147,618,291	ARS	100.00	CNH Industrial Brasil Ltda.	94.982	
						CNHI COMERCIO DE PEÇAS LTDA	5.018	
CNH Capital Finance LLC	Wilmington	U.S.A.	235,255,711	USD	100.00	Case Credit Holdings Limited	100.000	
CNH Capital Operating Lease Equipment Receivables LLC	Wilmington	U.S.A.	1,000	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNH Capital Receivables LLC	Wilmington	U.S.A.	—	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNH Componentes, S.A. de C.V.	Queretaro	Mexico	135,634,842	MXN	100.00	CNH Industrial America LLC	100.000	
CNH Industrial (Harbin) Machinery Co. Ltd.	Harbin	People's Rep.of China	195,000,000	USD	100.00	CNH Industrial Asian Holding Limited N.V.	100.000	
CNH Industrial (India) Private Limited	New Delhi	India	12,416,900,200	INR	100.00	CNH Industrial Asian Holding Limited N.V.	100.000	

Name	Registered Office	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
CNH Industrial (Thailand) Ltd.	Samut Prakarn	Thailand	354,500,000	THB	100.00	CNH Industrial N.V.	100.000	
CNH Industrial AG and CE (PTY) LTD.	Isando	South Africa	185,455,900	ZAR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial America LLC	Wilmington	U.S.A.	—	USD	100.00	Case New Holland Industrial Inc.	100.000	
CNH Industrial Asian Holding Limited N.V.	Zedelgem	Belgium	251,750,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Australia Pty Limited	St. Marys	Australia	293,408,692	AUD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Baumaschinen GmbH	Heilbronn	Germany	61,355,030	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Belgium	Zedelgem	Belgium	106,081,158	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Brasil Ltda.	Nova Lima	Brazil	3,512,501,440	BRL	100.00	New Holland Ltd	100.000	
CNH Industrial Canada, Ltd.	Montreal	Canada	28,000,100	CAD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Capital (India) Private Limited	New Delhi	India	3,972,000,000	INR	100.00	CNH Industrial (India) Private Limited	100.000	
CNH Industrial Capital (Shanghai) Commercial Factoring Co. Ltd.	Shanghai	People's Rep.of China	20,000,000	USD	100.00	CNH Industrial Capital Australia Pty Limited	100.000	
CNH Industrial Capital America LLC	Wilmington	U.S.A.	1,000	USD	100.00	CNH Industrial Capital LLC	100.000	
CNH INDUSTRIAL CAPITAL ARGENTINA S.A.	Buenos Aires	Argentina	1,003,782,818	ARS	100.00	CNH Industrial N.V.	79.790	
						CNH ARGENTINA S.A.	20.210	
CNH Industrial Capital Australia Pty Limited	St. Marys	Australia	70,675,693	AUD	100.00	CNH Industrial Australia Pty Limited	100.000	
CNH Industrial Capital Canada Ltd.	Calgary	Canada	288,410	CAD	100.00	CNH Capital Finance LLC	100.000	
CNH Industrial Capital Corretora de Seguros Administração e Serviços Ltda.	Curitiba	Brazil	100,000	BRL	100.00	CNHI COMERCIO DE PEÇAS LTDA	99.990	
						CNH Industrial Brasil Ltda.	0.010	
CNH Industrial Capital LLC	Wilmington	U.S.A.	—	USD	100.00	CNH Industrial America LLC	100.000	
CNH Industrial Capital Solutions S.p.A.	Turin	Italy	53,031,539	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Capital South America SpA	Las Condes	Chile	5,000,000	USD	100.00	New Holland Ltd	100.000	
CNH Industrial Danmark A/S	Albertslund	Denmark	12,000,000	DKK	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	100.00	CNH Industrial Baumaschinen GmbH	90.000	
						CNH Industrial N.V.	10.000	
CNH Industrial Exports Inc.	Wilmington	U.S.A.	3,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Finance Europe S.A.	Luxembourg	Luxembourg	50,000,000	EUR	100.00	CNH Industrial N.V.	60.000	
						CNH Industrial Finance S.p.A.	40.000	
CNH Industrial Finance North America, Inc.	Wilmington	U.S.A.	25,000,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Finance S.p.A.	Turin	Italy	100,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial France	Morigny-Champigny	France	52,965,450	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Italia s.p.a.	Turin	Italy	56,225,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Kutno sp. z o.o.	Kutno	Poland	30,000,000	PLN	100.00	CNH Industrial Polska Sp. z o.o.	100.000	
CNH Industrial Maquinaria Spain S.A.	Madrid	Spain	21,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial New Zealand Limited	Auckland	New Zealand	28,952,002	NZD	100.00	CNH Industrial Australia Pty Limited	100.000	
						CNH Industrial N.V.	100.000	
CNH Industrial Osterreich GmbH	St. Valentin	Austria	2,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	100.00	CNH Industrial Belgium	100.000	
CNH Industrial Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Castanheira do Ribatejo	Portugal	498,798	EUR	100.00	CNH Industrial N.V.	99.998	
						CNH Industrial Italia s.p.a.	0.002	
CNH Industrial Sales and services GmbH	Unna	Germany	25,000	EUR	100.00	CNH Industrial Baumaschinen GmbH	100.000	

Name	Registered Office	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
CNH Industrial Services (Thailand) Limited	Bangkok	Thailand	10,000,000	THB	100.00	CNH Industrial Services S.r.l.	99.998	
						CNH Industrial Asian Holding Limited N.V.	0.002	
CNH Industrial Services S.r.l.	Modena	Italy	10,400	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
CNH Industrial Sweden AB	Överum	Sweden	11,000,000	SEK	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Technology Services (India) Private Limited	New Delhi	India	70,000,000	INR	100.00	CNH Industrial (India) Private Limited	100.000	
CNH Industrial U.S. Holdings Inc.	Wilmington	U.S.A.	1,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial UK Limited	London	United Kingdom	200	USD	100.00	CNH Industrial N.V.	100.000	
CNH Reman LLC	Wilmington	U.S.A.	4,000,000	USD	50.00	CNH Industrial America LLC	50.000	
CNH U.K. Limited	Basildon	United Kingdom	25,275	GBP	100.00	New Holland Holding Limited	100.000	
CNH Wholesale Receivables LLC	Wilmington	U.S.A.	1,000	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNHI COMERCIO DE PEÇAS LTDA	Nova Lima	Brazil	1,626,298	BRL	100.00	CNH Industrial Brasil Ltda.	100.000	
CNHI International SA	Paradiso	Switzerland	100,000	CHF	100.00	CNH Industrial N.V.	100.000	
Dot Technology Corp.	Toronto	Canada	12,558,870	CAD	100.00	Raven Industries Canada, Inc.	100.000	
Fiatallis North America LLC	Wilmington	U.S.A.	32	USD	100.00	CNH Industrial America LLC	100.000	
Flagship Dealer Holding Company, LLC	Wilmington	U.S.A.	1	USD	100.00	CNH Industrial America LLC	100.000	
Flexi-Coil (U.K.) Limited in Liquidation	Basildon	United Kingdom	3,291,776	GBP	100.00	CNH Industrial Canada, Ltd.	100.000	
Hemisphere GNSS (USA) Inc.	Scottsdale	U.S.A.	—	USD	100.00	CNH Industrial America LLC	100.000	
Hemisphere GNSS Inc.	Calgary	Canada	8,500,000	CAD	100.00	CNH Industrial Canada, Ltd.	100.000	
HFI Holdings, Inc.	Wilmington	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
LLC “CNH Industrial Ukraine”	Kiev	Ukraine	30,000,000	UAH	100.00	CNH Industrial N.V.	100.000	
New Holland Credit Company, LLC	Wilmington	U.S.A.	—	USD	100.00	CNH Industrial Capital LLC	100.000	
New Holland Holding Limited	Basildon	United Kingdom	33,601	GBP	100.00	CNH Industrial N.V.	100.000	
New Holland Ltd	Basildon	United Kingdom	944,341,125	GBP	100.00	CNH Industrial N.V.	100.000	
New Holland Tractor Ltd.	Basildon	United Kingdom	184,100	GBP	100.00	New Holland Holding Limited	100.000	
O & K - Hilfe GmbH	Heilbronn	Germany	25,565	EUR	100.00	CNH Industrial Baumaschinen GmbH	100.000	
Raven Applied Technologies, LLC	Pierre	U.S.A.	1	USD	100.00	Raven Industries, Inc.	100.000	
Raven do Brazil Participacoes E Servicos Technicos LTDA	São Paulo	Brazil	53,360,425	BRL	100.00	Raven Applied Technologies, LLC	100.000	
Raven Europe, B.V.	Middenmeer	Netherlands	808,481	EUR	100.00	Raven Applied Technologies, LLC	100.000	
Raven Industries Australia PTY Ltd.	Melbourne	Australia	NaN	AUD	100.00	Raven Applied Technologies, LLC	100.000	
Raven Industries Canada, Inc.	Nova Scotia	Canada	130,000	CAD	100.00	Raven Europe, B.V.	100.000	
Raven Industries, Inc.	Racine	U.S.A.	10	USD	100.00	CNH Industrial U.S. Holdings Inc.	100.000	
Receivables Credit II Corporation	Calgary	Canada	1	CAD	100.00	CNH Industrial Capital America LLC	100.000	
SAMPIERANA KUNSHAN ASIA PACIFIC CO LTD	Kunshan	People's Rep.of China	10,000,000	USD	100.00	Sampierana S.p.A	100.000	
Sampierana S.p.A	Bagno di Romagna (FC)	Italy	1,100,000	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
Uzcaseagroleasing LLC	Tashkent	Uzbekistan	5,000,000	USD	51.00	Case Credit Holdings Limited	51.000	
UzCaseMash LLC	Tashkent	Uzbekistan	15,000,000	USD	85.33	Case Equipment Holdings Limited	85.333	
UzCaseService LLC	Tashkent	Uzbekistan	224,901,201	UZS	79.31	Case Equipment Holdings Limited	79.309	
UzCaseTractor LLC	Tashkent	Uzbekistan	13,650,000	USD	100.00	Case Equipment Holdings Limited	100.000	

Name	Registered Office	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Jointly-controlled entities accounted for using the equity method								
CIFINS S.p.A.	Turin	Italy	40,000,000	EUR	50.00	CNH Industrial N.V.	50.000	
CNH Comercial, SA de C.V.	Queretaro	Mexico	160,050,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	Queretaro	Mexico	165,276,000	MXN	50.00	CNH Industrial N.V.	50.000	
CNH Industrial S.A. de C.V.	Queretaro	Mexico	400,050,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V., SOFOM, E.N.R.	Queretaro	Mexico	50,000,000	MXN	50.00	CNH Industrial N.V.	50.000	
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	50.00	CNH Industrial N.V.	50.000	
Turk Traktor ve Ziraat Makineleri A.S.	Ankara	Turkey	100,066,875	TRY	37.50	CNH Industrial Osterreich GmbH	37.500	
Subsidiaries valued at cost								
Case Construction Equipment, Inc.	Wilmington	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case IH Agricultural Equipment, Inc.	Wilmington	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case International Limited	Basildon	United Kingdom	1	GBP	100.00	New Holland Holding Limited	100.000	
CNH Trustee Limited	Basildon	United Kingdom	2	GBP	100.00	CNH Industrial N.V.	50.000	
						New Holland Ltd	50.000	
Employers' Health Initiatives L.L.C.	Wilmington	U.S.A.	790,000	USD	100.00	CNH Industrial America LLC	100.000	
International Harvester Company	Wilmington	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
J.I. Case Company Limited in liquidation	Basildon	United Kingdom	2	GBP	100.00	Case United Kingdom Limited	100.000	
J.I. Case Trustee Limited	Basildon	United Kingdom	2	GBP	100.00	CNH Industrial N.V.	50.000	
						New Holland Ltd	50.000	
SERFIT S.R.L.	Turin	Italy	50,000	EUR	100.00	CNH Industrial N.V.	100.000	
Associated companies accounted for using the equity method								
Al-Ghazi Tractors Ltd	Karachi	Pakistan	289,821,005	PKR	43.17	CNH Industrial N.V.	43.169	
CNH Industrial Capital Europe S.A.S.	Nanterre	France	88,482,297	EUR	24.95	CIFINS S.p.A.	49.900	
Geoprospectors GmbH	Traiskirchen	Austria	84,250	EUR	25.00	CNH Industrial N.V.	24.999	
Associated companies valued at cost								
CODEFIS Società consortile per azioni	Turin	Italy	120,000	EUR	24.00	CNH Industrial Capital Solutions S.p.A.	24.000	
Other companies valued at cost								
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	12.27	CNH Industrial Italia s.p.a.	12.273	
STOUT INDUSTRIAL TECHNOLOGY, INC.	Wilmington	U.S.A.	1	USD	10.00	CNH Industrial America LLC	10.000	
Zasso Group AG	Zug	Switzerland	300,831	CHF	12.28	CNH Industrial N.V.	12.280	
Zimeno, Inc.	Wilmington	U.S.A.	1	USD	10.76	CNH Industrial America LLC	10.760	

INDEPENDENT AUDITOR'S REPORT

To: the shareholders and the Audit Committee of CNH Industrial N.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 of CNH Industrial N.V., based in Essex, United Kingdom. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of CNH Industrial N.V. as at 31 December 2023, and of its result and its cash flows for 2023 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of CNH Industrial N.V. as at 31 December 2023, and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at 31 December 2023.
2. The following statements for 2023: the consolidated income statement, the consolidated statements of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows and consolidated statement of changes in equity.
3. The notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1. The company statement of financial position as at 31 December 2023.
2. The company income statement for 2023.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of CNH Industrial N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at $ 135,000,000. The materiality is based on 5% of profit before tax. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

Scope of the group audit

CNH Industrial N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of CNH Industrial N.V..

Our group audit mainly focused on significant group entities. Our assessment of entities that are significant to the group was done as part of our audit planning and was aimed to obtain sufficient coverage of the risks of a material misstatement for the significant account balances, classes of transactions and disclosures that we have identified. In addition, we considered qualitative factors as part of our assessment.

For the selected component audit teams, the group audit team provided detailed written instructions, which, in addition to communicating our requirements of component audit teams, also detailed significant audit areas, including awareness for risks related to management override of controls and revenue recognition. Furthermore, we developed a plan for overseeing component audit teams based on its relative significance and specific risk characteristics. Our oversight procedures included a combination of live and virtual meetings with the component auditor, including working paper reviews. We also reviewed component audit team deliverables to gain a sufficient understanding of the work performed based on our instructions. The nature, timing and extent of our oversight procedures varied based on both quantitative and qualitative considerations.

By performing the procedures at group entities, together with additional procedures at a group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the non-executive directors exercises oversight, as well as the outcomes. We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We identified management override of controls as a presumed fraud risk. Our audit procedures to respond to these fraud risks include, amongst others, detailed testing of journal entries and top-side adjustments based on supporting documentation. We have used data-analytics to perform a selection of journal entries based on risk-based characteristics to address the identified fraud risk.

Furthermore, we identified a significant fraud risk related to the revenue recognition, specifically related to the cutoff assertion. Our procedures to respond to the fraud risk identified are included in our Key Audit Matter below.

Additionally, we performed, among others, the following procedures:

- We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

- We considered available information and made enquiries of relevant personal, including (non-) executive directors, lower management, accounting personnel, general counsel, director internal audit, compliance and corporate affairs officer and others.
- We evaluated whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.
- We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. For significant accounting estimates, we have performed retrospective reviews on management judgements and assumptions. Management's insights, estimates and assumptions that might have a material impact on the financial statements are disclosed in the notes to the consolidated financial statements.
- For significant transactions during the year, we evaluated whether the business rationale of the transactions suggest that they were entered into to engage in fraudulent financial reporting of conceal misappropriation of assets.

The above mentioned procedures did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the entity through discussion with, amongst others, management, group legal counsel, internal audit and those charged with governance, and reading minutes and reports of internal audit.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: adherence to (corporate) tax law, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, CNH Industrial N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of the entity's business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations. In addition, we considered major laws and regulations applicable to listed companies.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to the entity's ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of the board of directors and others within the entity as to whether the entity is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Our responsibilities, as well as the responsibilities of the board of directors, related to going concern under the prevailing standards are outlined in the "Description of responsibilities regarding the financial statements" section below. In fulfilling our responsibilities, we performed procedures including evaluating management's assessment of the Company's ability to continue as a going concern and considering the impact of financial, operational, and other conditions. Based on these procedures, we did not identify any reportable findings related to the entity's ability to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Audit Committee.
The key audit matters are not a comprehensive reflection of all matters discussed.

<table>
<tr><th colspan="2">1. Timing of Revenue Recognition specific to the Industrial Activities Segments</th></tr>
<tr><th>DESCRIPTION</th><th>HOW THE KEY AUDIT MATTER WAS ADDRESSED IN THE AUDIT</th></tr>
<tr><td>The Company recognizes revenue when control of the equipment, services or parts has been transferred, and the Company’s performance obligations to the customers (e.g. dealers) have been satisfied. Transfer of control occurs when title and risk of ownership have transferred to the customer, which occurs based upon the terms specified in the agreement. In most of the jurisdictions where the Company operates, and subject to specific exceptions, transfer of control, and thus revenue recognition, occurs upon shipment.

We identified the timing of revenue recognition specific to Industrial Activities as a key audit matter due to the extent of additional audit effort required to evaluate whether the timing of revenue recognition was appropriate. This required both extensive audit effort due to the volume of transactions at year-end and a high degree of auditor judgment, especially pertaining to the evaluation of management's identification of when transfer of control has occurred.</td><td>Our audit procedures related to evaluating the timing of revenue recognition for Industrial Activities included the following, among others:
• We tested the operating effectiveness of certain internal controls over the timing of revenue recognition and the identification of when transfer of control occurred.
• On a selection basis, we performed the following procedures:
◦ Tested the completeness and accuracy of revenue transactions recorded for a period of time prior to and subsequent to year-end.
◦ Obtained the terms in certain dealer agreements by region and evaluated the appropriateness of management’s application of their accounting policies in the determination of revenue recognition conclusions based on the dealer terms.
◦ Agreed the evidence of shipment to support the timing of revenue recognized.
◦ Confirmed certain dealer inventory balances as of year-end.
◦ Obtained an external legal opinion related to dealer agreements for certain regions to validate the performance obligation within the respective dealer agreements.
• With the assistance of professionals in our firm with expertise related to the accounting for revenue, we evaluated management’s analysis of certain revenue recognition practices and the timing of revenue recognition related to such practices.</td></tr>
<tr><td></td><td>OBSERVATION</td></tr>
<tr><td></td><td>The scope and nature of the procedures performed were appropriate and sufficient to address the key audit matter. Our procedures did not result in any reportable matters.</td></tr>
</table>

2. **Direction, supervision and review of the work performed by Deloitte & Touche LLP**	
DESCRIPTION	***HOW THE KEY AUDIT MATTER WAS ADDRESSED IN THE AUDIT***
CNH Industrial N.V.'s shares are listed on the New York Stock Exchange and were listed on the Euronext in Milan until January 2, 2024. As a result of the listing on the New York Stock Exchange, the Company issues a 10-K Annual Report for which Deloitte & Touche LLP provides a report as independent registered public accounting firm. Since CNH Industrial N.V. is statutory seated in The Netherlands, the Company is also required to issue, in addition to its 10-K Annual Report, financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code. Deloitte Accountants B.V. has been appointed as the Company's auditor for fiscal year 2023 for the first year. Following the N.V. structure of the group, we as Deloitte Accountants B.V., are required by International Standard on Auditing 600 to direct, supervise and review the work that was performed by Deloitte & Touche LLP. The direction, supervision and review of the work that was performed by Deloitte & Touche LLP forms a significant part of our audit and therefore we have identified this as a key audit matter.	We have performed the following audit procedures: • We, together with our specialists involved, issued written instructions to the audit team of Deloitte & Touche LLP. We reviewed and discussed the audit team's deliverables to ensure the work was performed in accordance with our instructions; • In addition, we exercised direction, supervision and review on the work performed by the audit team of Deloitte & Touche LLP throughout all stages of the audit by means of remote meetings, site visits as well as physical and remote file reviews. During these interactions, we were involved in the direction, supervision and review of audit procedures, such as but not limited to, risk assessment, evaluating the company's internal control environment, (fraud) risk assessment, substantive audit procedures on significant and higher risk areas and concluding audit procedures; and • We have joined several meetings between the audit team of Deloitte & Touche LLP and management of CNH Industrial N.V. on significant accounting and audit matters, including Audit Committee meetings.
	OBSERVATION
	The scope and nature of the procedures performed were appropriate and sufficient to address the key audit matter. Our procedures did not result in any reportable matters.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor’s report thereon.

The other information consists of:

- Management Board's Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Other information included in the annual report.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board is responsible for the preparation of the other information, including the Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the annual meeting of shareholders as auditor of CNH Industrial N.V. on April 13, 2022 for audit of the year 2023 and have therefore operated as statutory auditor for the first year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors and the Audit Committee for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board is responsible for assessing the Company’s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless the Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board should disclose events and circumstances that may cast significant doubt on the Company’s ability to continue as a going concern in the financial statements.

The Audit Committee is responsible for overseeing the Company’s financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Concluding on the appropriateness of the Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the Audit Committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, March 19, 2024

Deloitte Accountants B.V.

M.R. van Leeuwen