

Risk Factors Comparison 2024-11-21 to 2023-11-16 Form: 10-K

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Our operations are affected by various risks, many of which are beyond our control. In evaluating investment in the Company and the forward- looking information contained in this Annual Report on Form 10- K or presented elsewhere from time to time, you should carefully consider the risk factors discussed below. Any of these risks could have a material adverse effect on our business, operating results, financial condition, and the actual outcome of matters as to which forward- looking statements are made and could adversely affect the value of an investment in our securities. The risks described below are not all inclusive but are designed to highlight what we believe are important factors to consider when evaluating our expectations. In addition to such risks, there may be additional risks and uncertainties that adversely affect our business, performance, or financial condition in the future that are not presently known, are not currently believed to be significant, or are not identified below because they are common to all businesses. Risks Related to Economic Conditions Changes in global and regional economic conditions, the markets we serve, or the financial markets may adversely affect our results of operations and cash flows. Unfavorable conditions in the global economy or regional economies, the markets we serve, or financial markets may decrease the demand for our goods and services and adversely impact our revenues, operating results, and cash flows. Demand for our products and services depends in part on the general economic conditions affecting the **countries** ~~regions~~ and markets in which we do business. Weak economic conditions ~~in certain geographies~~ and changing supply and demand balances in the markets we serve have negatively impacted demand for our products and services in the past and may do so in the future. In addition, our growth strategy is largely based on **expected** demand for technologies and projects ~~that to~~ limit the impact of global climate change. Demand for our solutions could be negatively impacted if **the** public and private ~~actors~~ **sectors** reduce their focus on reducing carbon emissions. Reduced demand for our products and services would have a negative impact on our revenues and earnings **and** ~~In addition, reduced demand~~ could ~~depress sales,~~ decrease our margins, constrain our operating flexibility **or,** reduce efficient utilization of our manufacturing capacity, or result in **unexpected** charges ~~which are unusual or nonrecurring~~. Excess capacity in our manufacturing facilities or those of our competitors could decrease our ability to maintain pricing and generate profits. In addition, our operating results in one or more segments **have in the past, and** may **in the future,** be affected by uncertain or deteriorating economic conditions for particular customer markets within a segment. A decline in the industries served by our customers or adverse events or circumstances affecting individual customers can reduce demand for our products and services and impair the ability of such customers to satisfy their obligations to us, resulting in uncollected receivables, unanticipated contract terminations, project delays or the inability to recover plant investments, any of which may negatively impact our financial results. Weak overall demand or specific customer conditions may also cause customer shutdowns or defaults or otherwise make us unable to operate facilities profitably and may force sale or abandonment of facilities and equipment or prevent projects from coming on- stream when expected. These or other events associated with weak economic conditions or specific market, **industry,** product, or customer events may require us to record an impairment on tangible assets, such as facilities and equipment, or intangible assets, such as intellectual property or goodwill, ~~which~~. **Any charges relating to such impairments would could be significant and could** have a **negative material adverse** impact on our financial **condition and** results **of operations**. Our extensive international operations can be adversely impacted by operational, economic, political, security, legal, and currency translation risks that could decrease profitability. In fiscal year ~~2023~~ **2024**, approximately 60 % of our sales were derived from customers outside the United States and many of our operations, suppliers, **customers,** and employees are located outside the United States. Our operations in foreign jurisdictions may be subject to risks including exchange control regulations, import and trade restrictions, trade policy and other potentially detrimental domestic and foreign governmental practices or policies affecting U. S. companies doing business abroad. Changing economic and political conditions within foreign jurisdictions, strained relations between countries, or the imposition, **extension, or expansion** of tariffs or international sanctions can cause fluctuations in demand, price volatility, supply disruptions, or loss of property. **The We have experienced these events in the past and the** occurrence of any of these risks **in the future** could have a material adverse impact on our financial condition, results of **operation operations**, and cash flows. Our growth strategies depend in part on our ability to further penetrate markets outside the United States, such as China, India, ~~and~~ the Middle East, **and Uzbekistan**, and involve significantly larger and more complex projects, including gasification and large- scale hydrogen projects, some in regions where there is the potential for significant economic and political disruptions. We are actively investing large amounts of capital and other resources, in some cases through joint ventures, in developing markets, which we believe to have high growth potential. Our operations in these markets may be subject to greater risks than those faced by our operations in mature economies, including political and economic instability, project delay or abandonment due to unanticipated government actions, inadequate investment in infrastructure, undeveloped property rights and legal systems, unfamiliar regulatory environments, relationships with local partners, language and cultural differences and increased difficulty recruiting, training and retaining qualified employees. In addition, our properties and contracts in these locations may be subject to seizure and cancellation, respectively, without full compensation for loss. Successful operation of particular facilities or execution of projects may be disrupted by civil unrest, acts of war, sabotage or terrorism, and other local security concerns. Such concerns may require us to incur greater costs for security or require us to shut down operations for a period of time. Furthermore, because the majority of our revenue is generated from sales outside the United States, we are exposed to fluctuations in foreign currency exchange rates. Our business is primarily exposed to translational currency risk as the results of our foreign operations are translated into U. S. dollars at current exchange rates throughout the fiscal period. Our policy is to minimize cash flow volatility from changes in

currency exchange rates. We choose not to hedge the translation of our foreign subsidiaries' earnings into dollars. Accordingly, reported sales, net earnings, cash flows, and fair values have been, and in the future will be, affected by changes in foreign exchange rates. For a more detailed discussion of currency exposure, see Item 7A, Quantitative and Qualitative Disclosures About Market Risk, below. Risks Related to Our Business Risks related to the approval, execution, and operation of our projects, particularly with respect to our largest projects, may adversely affect our operations or financial results. A significant and growing portion of our business involves clean hydrogen, carbon capture, gasification, and other large- scale projects that involve challenging engineering, **permitting, procurement**, and construction phases that may last several years and involve the investment of billions of dollars. These projects are technically complex, often reliant on significant interaction with government authorities, and face significant financing, development, operational, and reputational risks. These projects may also be subject to complex government approvals, as well as legal or regulatory challenges by government authorities or third parties. Delays in receiving required approvals or related to litigation **have required us and could in the future** require us to delay or abandon certain projects, which may result in **the incurrence of additional expense higher costs, lower returns**, the loss of invested proceeds, and reputational damage. We have in the past and may in the future encounter difficulties related to the development of projects that may result in delays, scope changes and additional costs. Such difficulties may relate to engineering, delays in designs or materials provided by the customer or a third party, equipment and materials delivery delays, schedule changes, customer scope changes, delays related to obtaining regulatory permits and rights- of- way, inability to find adequate sources of labor in the locations where we are building new plants, weather- related delays, delays by customers' contractors in completing their portion of a project, technical or transportation difficulties, cost overruns, supply difficulties, geopolitical risks, and other factors, many of which are beyond our control, that may impact our ability to complete a project within the original delivery schedule. In some cases, delays and additional costs **have been and may in the future** be substantial and could have a material adverse effect on our financial condition and results of operations. We also may be required to cancel a project and / or compensate the customer for the delay, which may also cause us to incur material costs that we may be unable to recover. In addition, in some cases we seek financing for large projects and face market risk associated with the availability and terms of such financing. These financing arrangements may require that we comply with certain performance requirements which, if not met, could result in default and restructuring costs or other losses. All of these factors could also negatively impact our reputation or relationships with our customers, suppliers and other third parties, any of which could adversely affect our ability to secure new projects in the future. In addition, **several of our large- scale clean hydrogen** projects are being built before finalization of offtake agreements **for a substantial percentage of expected production**, which may create uncertainty regarding future **demand, pricing**, and other commercial terms. If we are unable to enter into favorable commercial agreements with prospective customers, our projected returns could be adversely impacted, which may harm our business and financial performance. **In addition, uncertainty regarding future offtake agreements for our clean hydrogen projects may lead to greater uncertainty regarding our prospects, which may adversely affect the market prices for our securities and our credit ratings**. The operation of our facilities, pipelines, and delivery systems inherently entails hazards that require continuous oversight and control, such as pipeline leaks and ruptures, fire, explosions, toxic releases, mechanical failures, vehicle accidents, or cyber incidents. If operational risks materialize, they could result in loss of life, damage to the environment, or loss of production, all of which could negatively impact our ongoing operations, reputation, financial results, and cash flows. In addition, our operating results are dependent on the continued operation of our production facilities and our ability to meet customer requirements, which depend, in part, on our ability to properly maintain and replace aging assets. We are subject to extensive government regulation in the jurisdictions in which we do business. Regulations addressing, among other things, import / export restrictions, anti- bribery and corruption, and taxes, can negatively impact our financial condition, results of operation, and cash flows. We are subject to government regulation in the United States and in the foreign jurisdictions where we conduct business. The application of laws and regulations to our business is sometimes unclear. Compliance with laws and regulations may involve significant costs or require changes in business practices that could result in reduced profitability. If there is a determination that we have failed to comply with applicable laws or regulations, we may be subject to penalties or sanctions that could adversely impact our reputation and financial results. Compliance with changes in laws or regulations can result in increased operating costs and require additional, unplanned capital expenditures. Export controls or other regulatory restrictions could prevent us from shipping our products to and from some markets or increase the cost of doing so. Changes in tax laws and regulations and international tax treaties could affect the financial results of our businesses. Increasingly aggressive enforcement of anti- bribery and anti- corruption requirements, including the U. S. Foreign Corrupt Practices Act, the United Kingdom Bribery Act and the China Anti- Unfair Competition Law, could subject us to criminal or civil sanctions if a violation is deemed to have occurred. In addition, we are subject to laws and sanctions imposed by the U. S. and other jurisdictions where we do business that may prohibit us, or certain of our affiliates, from doing business in certain countries, or restricting the kind of business that we may conduct. Such restrictions may provide a competitive advantage to competitors who are not subject to comparable restrictions or prevent us from taking advantage of growth opportunities. Further, we cannot guarantee that our internal controls and compliance systems will always protect us from acts committed by employees, agents, business partners or that businesses that we acquire would not violate U. S. and / or non- U. S. laws, including the laws governing payments to government officials, bribery, fraud, kickbacks and false claims, pricing, sales and marketing practices, conflicts of interest, competition, export and import compliance, money laundering, and data privacy. Any such improper actions or allegations of such acts could damage our reputation and subject us to civil or criminal investigations in the U. S. and in other jurisdictions and related shareholder lawsuits, could lead to substantial civil and criminal, monetary and non- monetary penalties, and could cause us to incur significant legal and investigatory fees. In addition, the government may seek to hold us liable as a successor for violations committed by companies in which we invest or that we acquire. We may be unable to successfully identify, execute or effectively integrate acquisitions, manage our joint ventures, or effectively disentangle divested businesses. Our ability to grow

revenue, earnings, and cash flow at anticipated rates depends in part on our ability to identify, successfully acquire and integrate businesses and assets at appropriate prices, and realize expected growth, synergies, and operating efficiencies. We may not be able to complete transactions on favorable terms, on a timely basis or at all. In addition, our results of operations and cash flows may be adversely impacted by the failure of acquired businesses or assets to meet expected returns, the failure to integrate acquired businesses, the inability to dispose of non-core assets and businesses on satisfactory terms and conditions, and the discovery of unanticipated liabilities or other problems in acquired businesses or assets for which we lack adequate contractual protections or insurance. In addition, we may incur asset impairment charges related to acquisitions that do not meet expectations. In addition, some of our largest projects involve joint ventures. These arrangements may involve significant risks and uncertainties, including our ability to cooperate with our strategic partners, our strategic partners having interests or goals that are inconsistent with ours, and the potential that our strategic partners may be unable to meet their economic or other obligations to the joint venture, which may negatively impact the expected benefits of the joint venture and cause us to incur additional expense or suffer reputational damage. In addition, due to the nature of these arrangements, we may have limited ability to direct or influence the management of the joint venture, which may limit our ability to assist and oversee the design and implementation of the joint venture's business as well as its accounting, legal, governance, human resources, information technology, and other administrative systems. This may expose us to additional risks and uncertainties because we may be dependent upon and subject to liability, losses, or reputational damage relating to systems, controls, and personnel that are not under our control. These risks may be augmented when the joint venture is operating outside the United States due to differences in language, culture, and regulation, as well as the factors listed above that are relevant to our international operations. We continually assess the strategic fit of our existing businesses and may divest businesses that are deemed not to fit with our strategic plan or are not achieving the desired return on investment. These transactions pose risks and challenges that could negatively impact our business and financial statements. For example, when we decide to sell or otherwise dispose of a business or assets, we may be unable to do so on satisfactory terms within our anticipated time frame or at all. In addition, divestitures or other dispositions may dilute our earnings per share, have other adverse financial and accounting impacts, distract management, and give rise to disputes with buyers **or others**. In addition, we have agreed, and may in the future agree, to indemnify buyers against known and unknown contingent liabilities. Our financial results could be impacted adversely by claims under these indemnification provisions. The security of our information technology systems could be compromised, which could adversely affect our ability to operate. We depend on information technology to enable us to operate safely and efficiently and interface with our customers as well as to maintain our internal control environment and financial reporting accuracy and efficiency. Our information technology capabilities are delivered through a combination of internal and external services and service providers. If we do not allocate and effectively manage the resources necessary to build and sustain the proper technology infrastructure, we could be subject to transaction errors, processing inefficiencies, the loss of customers, business disruptions, property damage, or the loss of or damage to our confidential business information due to a security breach. In addition, our information technology systems may be damaged, disrupted or shut down due to attacks by computer hackers, computer viruses, employee error or malfeasance, power outages, hardware failures, telecommunication or utility failures, catastrophes or other unforeseen events, and in any such circumstances our system redundancy and other disaster recovery planning may be ineffective or inadequate. Security breaches of our systems (or the systems of our customers, suppliers or other business partners) could result in the misappropriation, destruction or unauthorized access or disclosure of confidential information or personal data belonging to us or to our employees, partners, customers or suppliers, and may subject us to legal liability. As with most large systems, our information technology systems have in the past been, and in the future likely will be subject to computer viruses, malicious codes, unauthorized access and other cyber-attacks, and we expect the sophistication and frequency of such attacks to continue to increase. **In addition, advancements in, and the deployment of, intelligent automation, including artificial intelligence fooling and "bots", may increase our and our vendors' vulnerability to such attacks**. To date, we are not aware of any significant impact on our operations or financial results from such attempts; however, unauthorized access could disrupt our business operations, result in the loss of assets, and have a material adverse effect on our business, financial condition, or results of operations. Any of the attacks, breaches or other disruptions or damage described above could: interrupt our operations at one or more sites; delay production and shipments; result in the theft of our and our customers' intellectual property and trade secrets; damage customer and business partner relationships and our reputation; result in defective products or services, physical damage to facilities, pipelines or delivery systems, including those we own or operate for third parties, legal claims and proceedings, liability and penalties under privacy laws, or increased costs for security and remediation; or raise concerns regarding our internal control environment and internal control over financial reporting. Each of these consequences could adversely affect our business, reputation and our financial statements. Our business involves the use, storage, and transmission of information about our employees, vendors, and customers. The protection of such information, as well as our proprietary information, is critical to us. The regulatory environment surrounding information security and privacy is increasingly demanding, with the frequent imposition of new and constantly changing requirements. We have established policies and procedures to help protect the security and privacy of this information. We also, from time to time, export sensitive customer data and technical information to recipients outside the United States. Breaches of our security measures or the accidental loss, inadvertent disclosure, or unapproved dissemination of proprietary information or sensitive or confidential data about us or our customers, including the potential loss or disclosure of such information or data as a result of fraud, trickery, or other forms of deception, could expose us, our customers, or the individuals affected to a risk of loss or misuse of this information, which could ultimately result in litigation and potential legal and financial liability. These events could also damage our reputation or otherwise harm our business. Interruption in ordinary sources of raw material or energy supply or an inability to recover increases in energy and raw material costs from customers could result in lost sales or reduced profitability. Hydrocarbons, including natural gas, are the primary feedstock for the production of hydrogen, carbon monoxide, and syngas. Energy,

including electricity, natural gas, and diesel fuel for delivery trucks, is the largest cost component of our business. Because our industrial gas facilities use substantial amounts of electricity, inflation and energy price fluctuations have impacted our revenues and earnings and may continue to do so in the future. A disruption in the supply of energy, components, or raw materials, whether due to market conditions, legislative or regulatory actions, natural disasters, public health crises and pandemics, or other disruption, could prevent us from meeting our contractual commitments and harm our business and financial results. Our supply of crude helium for purification and resale is largely dependent upon natural gas production by crude helium suppliers. Lower natural gas production resulting from natural gas pricing dynamics, supplier operating or transportation issues, or other interruptions in sales from crude helium suppliers, can reduce our supplies of crude helium available for processing and resale to customers. We typically contract to pass-through cost increases in energy and raw materials to customers, but such cost pass-through results in declining margins, and cost variability can negatively impact our other operating results. For example, we may be unable to raise prices as quickly as costs rise, or competitive pressures may prevent full recovery of such costs. In addition, increases in energy or raw material costs that cannot be passed on to customers for competitive or other reasons may negatively impact our revenues and earnings. Even where costs are passed through, price increases can cause lower sales volume. New technologies create performance risks that could impact our financial results or reputation. We are continually developing and implementing new technologies and product offerings. Existing technologies are being implemented in products and designs or at scales beyond our experience base. These technological expansions can create nontraditional performance risks to our operations. Failure of the technologies to work as predicted, or unintended consequences of new designs or uses, could lead to cost overruns, project delays, financial penalties, or damage to our reputation. We may face difficulties marketing products produced using new technologies including, but not limited to, green hydrogen, which may adversely impact our sales and financial results. In addition, certain large-scale projects may contain processes or technologies that we have not operated at the same scale or in the same combination, and although such projects generally include technologies and processes that have been demonstrated previously by others, such technologies or processes may be new to us and may introduce new risks to our operations. Additionally, there is also a risk that our new technologies may become obsolete and be replaced by other market alternatives. Performance difficulties on these larger projects may have a material adverse effect on our operations and financial results. In addition, performance challenges may adversely affect our reputation and our ability to obtain future contracts. Protecting our intellectual property is critical to our technological development, and we may suffer competitive harm from infringement on such rights. As we develop new technologies, it is critical that we protect our intellectual property assets against third-party infringement. We own a number of patents and other forms of intellectual property related to our products and services. As we develop new technologies there is a risk that our patent applications may not be granted, or we may not receive sufficient protection of our proprietary interests. We may also expend considerable resources in defending our patents against third-party infringement. It is critical that we protect our proprietary interests to prevent competitive harm. Legal and Regulatory Risks Legislative, regulatory, societal, and market efforts to address global climate change may impact our business and create financial risk. We are the world's leading supplier of hydrogen, the primary use of which is the production of ultra-low sulfur transportation fuels that have significantly reduced transportation emissions and helped improve human health. To make the high volumes of hydrogen needed by our customers, we have historically used steam methane reforming to produce hydrogen without carbon capture (i. e., "gray hydrogen"), which results in the emission of **CO2 carbon dioxide**. In addition, gasification enables the conversion of lower value feedstocks into cleaner energy and value-added products; however, our gasification projects also produce **CO2 carbon dioxide**. Some of our operations are within jurisdictions that have or are developing regulatory regimes governing disclosure of GHG emissions, including CO2, such as the European Union's CSRD, California's Climate Corporate Data Accountability Act and Climate Related Financial Risk Act, and similar regulations under consideration by the SEC, which may lead to direct and indirect costs on our operations. We could also face scrutiny from stakeholders regarding our reporting under various frameworks for disclosing GHG emissions-related data, including those we use currently in our sustainability reporting. If our GHG emissions-related data, processes, and reporting are incomplete or inaccurate, or if we fail to comply with relevant reporting frameworks from newly emerging regulations, we may incur monetary penalties and reputational harm, and we could become subject to litigation or government investigations, which may also adversely affect our reputation and business. Increased public concern and governmental action may result in more international, U. S. federal and / or regional requirements to reduce or mitigate the effects of GHG emissions or increased demand for technologies and projects to limit the impact of global climate change. Although uncertain, these developments could increase our costs related to consumption of electric power, hydrogen production, and application of our gasification technology, although these developments may be mitigated by our growth strategy focused on world-scale clean hydrogen projects. We believe we will be able to mitigate some of the increased costs through contractual terms, but the lack of definitive legislation or regulatory requirements prevents an accurate estimate of the long-term impact these measures will have on our operations. Any legislation or governmental action that limits or taxes GHG emissions could negatively impact our growth, increase our operating costs, or reduce demand for certain of our products, particularly for our core industrial gases business. In addition, our growth strategy is partially dependent on a regulatory environment that favors technologies focused on limiting the impact of climate change, in particular toward the production and distribution of clean hydrogen. For example, we anticipate benefits from tax incentives created by the U. S. Inflation Reduction Act of 2022 for carbon sequestration and clean hydrogen production in future years once our projects in these areas come on-stream in the U. S. If there is a reversal in the regulatory environment or a discontinuation or reduction of incentives or benefits for the development of technologies limiting the impact of climate change, particularly those focused on low- and zero-carbon hydrogen production, demand for our products may be less than we anticipate and certain projects and our long-term growth strategy could be adversely affected, ~~which~~. **Any such occurrence** could adversely affect **our projected returns, which may harm** our business and financial performance. Our operations may present a safety risk to our employees **and others**. Notwithstanding our emphasis on the safety of our employees and

contractors and the precautions we take related to health and safety, we may be unable to avoid safety incidents relating to our operations that result in injuries or deaths. Certain safety incidents may result in legal or regulatory action that could result in increased expenses or reputational damage. We maintain workers' compensation insurance to address the risk of incurring material liabilities for injuries or deaths, but there can be no assurance that the insurance coverage will be adequate or will continue to be available on terms acceptable to us, or at all, which could result in material liabilities to us for any injuries or deaths. Changes to federal, state, and local employee health and safety regulations, and legislative, regulatory, or societal responses to safety incidents may result in heightened regulations or public scrutiny that may increase our compliance costs or result in reputational damage. **The manufacturing and sale of our products, as well as the construction and sale of plants and facilities, may give rise to risks associated with the production, filling, storage, handling, and transport of raw materials, goods, or waste. Our products and services, if defective or not handled or performed appropriately, have in the past and may in the future lead to personal injuries, business interruptions, environmental damages, or other significant damages, which may result, among other consequences, in liability, losses, monetary penalties, or compensation payments, environmental clean-up costs, or other costs and expenses, exclusion from certain market sectors deemed important for future development of the business, and / or loss of reputation, all of which could have a material adverse effect on our business and results of operations.** Our business depends on our ability to attract, develop, engage, and retain qualified employees. Our success depends on our ability to attract, develop, engage, and retain employees with the skills necessary to our business. Competitive labor market conditions have resulted in increased demand for qualified personnel, which makes it difficult to attract, hire, and retain employees with specialized technical experience. In addition, the increasing number of experienced employees becoming retirement-eligible and our company headcount growth further amplify this challenge. The number of our employees has grown both internationally and in the United States, with our total headcount increasing from approximately 16,300 at the end of fiscal 2018 to approximately 23,000 at the end of fiscal 2023-2024. Our results of operations have been and in the future could be adversely affected by increased costs due to increased competition for skilled talent in the market. In addition, increased turnover and decreased tenure of employees may impact productivity, costs, and organizational culture. We undertake significant efforts to hire, engage, and retain our employees and to effectively manage workforce costs, even with rapid political, social, and economic shifts in our markets. If these efforts are unsuccessful, our growth may be limited and we may suffer financial or reputational harm that could have a material adverse effect on our business, financial condition, or results of operations. Our financial results may be affected by various legal and regulatory proceedings, including antitrust, tax, environmental, or other matters. We are subject to litigation and regulatory investigations and proceedings in the normal course of business and could become subject to additional claims in the future, some of which could be material. While we seek to limit our liability in our commercial contractual arrangements, there are no guarantees that each contract will contain suitable limitations of liability or that limitations of liability will be enforceable. Also, the outcome of existing legal proceedings may differ from our expectations because the outcomes of litigation, including regulatory matters, are often difficult to predict reliably. Various factors or developments can lead us to change current estimates of liabilities and related insurance receivables, where applicable, or make such estimates for matters previously not susceptible to reasonable estimates, such as a significant judicial ruling or judgment, a significant settlement, significant regulatory developments, or changes in applicable law. A future adverse ruling, settlement, or unfavorable development could result in charges that could have a material adverse effect on our financial condition, results of operations, and cash flows in any particular period. Costs and expenses resulting from compliance with environmental regulations may negatively impact our operations and financial results. We are subject to extensive federal, state, local, and foreign environmental and safety laws and regulations concerning, among other things, emissions in the air; discharges to land and water; and the generation, handling, treatment, and disposal of hazardous waste and other materials. We take our environmental responsibilities very seriously, but there is a risk of adverse environmental impact inherent in our manufacturing operations and in the transportation of our products. Future developments and more stringent environmental regulations may require us to make additional unforeseen environmental expenditures. In addition, laws and regulations may require significant expenditures for environmental protection equipment, compliance, and remediation. These additional costs may adversely affect our financial results. For a more detailed description of these matters, see Item 1, Business – Environmental Regulation, above. A change of tax law in key jurisdictions could result in a material increase in our tax expense. The multinational nature of our business subjects us to taxation in the United States and numerous foreign jurisdictions. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, **global minimum taxes related to the new tax framework established by the Organization for Economic Co-operation and Development**, or changes in tax laws or their interpretation. Changes to income tax laws and regulations in any of the jurisdictions in which we operate, or in the interpretation of such laws, could significantly increase our effective tax rate and adversely impact our financial condition, results of operations, or cash flows. Various levels of government, including the U. S. federal government, are increasingly focused on tax reform and other legislative action to increase tax revenue. Further changes in tax laws in the U. S. or foreign jurisdictions where we operate could have a material adverse effect on our business, results of operations, or financial condition. **Actions of activist shareholders may be disruptive and costly. While we value constructive feedback from our investors and regularly engage in dialogue with them on various matters, the Company may nonetheless be subject to actions or proposals from activist shareholders that may not align with our business strategies or the interests of our other shareholders. An activist investor, Mantle Ridge L. P. and certain of its affiliates (together, "Mantle Ridge") recently nominated a slate of nine director candidates to stand for election at the Company's 2025 Annual Meeting of Shareholders and on 19 November 2024, Mantle Ridge filed a preliminary proxy statement with the SEC indicating its intention to solicit proxies on behalf of its nominees. Because Mantle Ridge nominated a full slate of nine directors, if all**

or a majority of Mantle Ridge's nominees are elected, Mantle Ridge would gain control of the Company without paying a premium to shareholders. The Board of Directors accordingly concluded that Mantle Ridge's proposal should be decided by the shareholders of the Company and not by the Board. The resulting proxy contest could be costly and time consuming for the Company and may divert management's and our Board's attention and resources from our business. In addition, if nominees advanced by Mantle Ridge are elected to our Board with a specific agenda, it may adversely affect our ability to effectively and timely implement our growth strategy, which could have an adverse effect on our business and our results of operations and financial condition. If a sufficient number of Mantle Ridge's nominees are elected, it may be deemed to constitute a change in control under certain of our material contracts and agreements. As a result of these factors, the proxy contest may cause significant fluctuation in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business. Even if we are successful in this proxy contest, we may incur significant expenses. In addition, perceived uncertainties as to our future direction, strategy, or leadership created by the proxy contest may result in the loss of business opportunities and make it more difficult to attract and retain investors, customers, employees, and other business partners. We cannot predict the outcome or timing of any matters relating to the anticipated proxy contest or the ultimate impact that such matters may have on our business, liquidity, financial condition, or results of operations.

General Risk Factors Catastrophic events could disrupt our operations or the operations of our suppliers or customers, having a negative impact on our business, financial results, and cash flows. Our operations could be impacted by catastrophic events outside our control, including severe weather conditions such as hurricanes, floods, earthquakes, storms, epidemics, pandemics, acts of war, and terrorism. Any such event could cause a serious business disruption that could affect our ability to produce and distribute products and possibly expose us to third-party liability claims. Additionally, such events could impact our suppliers, customers, and partners, which could cause energy and raw materials to be unavailable to us, or our customers to be unable to purchase or accept our products and services. Any such occurrence could have a negative impact on our operations and financial results. Inability to compete effectively in a segment could adversely impact sales and financial performance. We face strong competition from large global competitors and many smaller regional competitors in many of our business segments.

Introduction by competitors of new technologies, competing products, or additional capacity could weaken demand for, or impact pricing of our products, negatively impacting financial results. In addition, competitors' pricing policies could affect our profitability or market share.