Risk Factors Comparison 2024-02-21 to 2023-02-22 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

The risk factors described in this section could materially adversely affect our business, including our results of operations, cash flows and financial condition, and cause the value of our securities to decline. This list of risks is not exhaustive. Our ability to attain our goals and objectives is dependent on numerous factors and risks, including, but not limited to, the most significant ones described in this section. Risk Related to Our International Operations The demand for our products is impacted by the effects of, and changes in, worldwide economic, social, political and market conditions, which **have had in the past and** could **in the future** have a material adverse effect on our business. We have operations in ~~over~~ **more than** 50 countries and our domestic and international operations are strongly influenced by matters beyond our control, including changes in political, social, economic and labor conditions **(including governmental shutdowns)** , tax laws (including U. S. taxes on foreign earnings), and international trade regulations (including tariffs), as well as the impact ~~of~~ these changes **have** on ~~the underlying~~ demand for our products. In ~~2022~~ **2023** , approximately ~~72~~ **69** % of our net sales were from international operations. Macroeconomic developments such as impacts from slower growth in ~~the~~ geographic regions in which we operate; inflation; raw material, freight and labor availability **and cost** ; ~~rising~~ energy costs; political, social, supply chain and other disruptions; ~~COVID- 19~~ **epidemics, pandemics or other outbreaks of illness, disease or virus** ; and uncertainty in the global credit or financial markets leading to a loss of consumer confidence could result in a material adverse effect on our business as a result of, among other things, ~~reduced~~ **lower** consumer spending, **reduced** ~~declines in~~ asset valuations, diminished liquidity and credit availability, volatility in securities prices, credit rating downgrades and fluctuations in foreign currency exchange rates. Tensions remain in relations between the U. S. and China. In recent years, the U. S. government imposed ~~additional~~ **or increased** tariffs on **various** products imported into the U. S. from China. This has resulted in reciprocal tariffs on goods imported from the U. S. into China. The impacts on our operations to date have not been significant. **However,** ~~There remains risk that~~ our business could be significantly impacted if additional tariffs or other restrictions are imposed on products. ~~Any of these~~ **These** actions or ~~further~~ **other** developments in international trade relations could have a material adverse effect on our business. In addition, business and operational disruptions or delays caused by political, social or economic instability and unrest – such as recent civil, political and economic disturbances in **Argentina** ~~the U. S., Russia, Ukraine~~ , Afghanistan, Syria, Iraq **, Yemen** , Iran, Turkey, North Korea, Hong Kong and Sri Lanka and the related impact on global stability, **the Russia- Ukraine war, the Israel- Hamas war,** terrorist attacks and the potential for other hostilities ~~, public health crises~~ or natural disasters in various parts of the world – could contribute to a climate of economic and political uncertainty that ~~in turn~~ could have a material adverse effect on our business. ~~In~~ **The Russia- Ukraine war that began in** February 2022 **continued in** ~~, Russia invaded Ukraine after which the U. S., Canada, the European Union and other countries imposed economic sanctions on Russia, Belarus and certain banks, companies and individuals affiliated with those countries. Russian military actions and the resulting sanctions could adversely affect the global economy and financial markets. In the second quarter of 2022~~ **2023** ~~,~~ **and** we ~~ceased shipment~~ **maintained our position** of ~~all~~ **not shipping** products for the Russian market ~~, where our sales in 2021 were approximately 1 % of our net sales for that year, and we maintained that position~~ throughout the year. The impact of ~~these~~ -- **the** ~~government measures~~ **continuing war** and our exit from our Russia- related business, as well as any further retaliatory actions taken by Russia, the ~~United States~~ **U. S.** , the European Union and other jurisdictions, is unknown and could have a material adverse effect on our business. **In October 2023, the war between Israel and Hamas began. Our sales in Israel in 2022 were less than 1 % of our total net sales and have declined since the beginning of the war. We have experienced some disruptions in our operations in Israel and implemented plans to address these disruptions, which included sourcing production from alternative locations while focusing on the continued safety of our Israeli employees and their families. The impact of this war and any related hostilities in the Middle East region or elsewhere is unknown and could have a material adverse effect on our business.** We are not able to predict the duration and severity of adverse economic, social, political or market conditions in the U. S. or other countries. Foreign currency exchange rates, and fluctuations in those rates, may materially adversely ~~affect~~ **affects** our business. The substantial majority of our net sales in ~~2022~~ **2023** was in foreign currencies. Fluctuations in ~~currencies~~ **currency exchange rates** , such as those associated with the ~~euro~~ **Argentine peso** and Chinese **renminbi** ~~yuan in 2022,~~ which had ~~an~~ unfavorable ~~impact~~ **impacts in 2023** ~~for the year~~ , ~~can~~ **may** result in a variety of negative effects, including lower net sales, increased costs, lower gross margin percentages, increased allowance for credit losses and / or write- offs of accounts receivable, and required recognition of impairments of capitalized assets, including goodwill and other intangible assets. Foreign currency translation decreased our net sales in ~~2022~~ **2023** by approximately $ ~~417~~ **58** million **compared to the prior year** ~~. Margins on sales of our products in foreign countries could be materially adversely affected by foreign currency exchange rate fluctuations~~ . We monitor our foreign currency exposures and may ~~, from time to time,~~ use hedging instruments to mitigate transactional exposure to changes in foreign currencies. The effectiveness of our hedges in part depends on our ability to accurately forecast **our** future cash flows, which is particularly difficult during periods of uncertain demand for our products and services and highly volatile **foreign currency** exchange rates. **Our** ~~Further,~~ hedging activities may offset only a portion, or none at all, of the material adverse financial effects of unfavorable movements in foreign **currency** exchange rates over the limited time the hedges are in place and we may incur significant losses from ~~hedging~~ **these** activities ~~due to factors such as demand volatility and foreign currency fluctuations~~ . Our strategy includes increased growth in emerging markets, including China, which ~~could create~~ **creates** greater exposure to unstable political conditions, civil unrest, economic volatility, contagious disease and other risks applicable to international operations. A significant amount of our net sales –

approximately 40 % ~~of our net sales~~ in ~~2022~~ **2023** – originated in emerging markets, ~~including~~ **which includes** countries in Asia Pacific, Latin America, Eastern Europe and Middle East / Northern Africa. The profitable growth of our business in emerging markets is a significant focus of our long- term growth strategy and our regional results have and can fluctuate significantly based on **their** economic conditions ~~in these regions~~. Our business operations have been and may **continue to** be adversely affected by the current and future political environment in China, including as a result of its response to tariffs ~~instituted~~ **imposed** by the U. S. government on goods imported from China, tariffs imposed by China on U. S. goods, the increasing use of economic sanctions and export control restrictions, any trade agreements entered into between the U. S. and China, and tensions related to Hong Kong and Taiwan. Our ability to operate in China or other emerging markets **has been and** may **continue to** be adversely affected by changes in the laws and regulations of these jurisdictions or ~~the~~ **their** interpretation thereof, including those relating to taxation, import and export tariffs, raw materials, environmental regulations, land use rights, property, foreign currency conversion, the regulation of private enterprises and other matters. **Epidemics** ~~In 2022~~, **pandemics** ~~many of our~~ - **or** ~~manufacturing and~~ other **outbreaks** ~~operations in China experienced limited production and / or closure amid governmental lockdown orders. All~~ of **illness, disease** ~~our~~ - **or virus** ~~manufacturing facilities are currently open, but, some of our employees are still unable to travel easily within and outside their countries. The pandemic~~ and other adverse developments in emerging markets **materially adversely affected our business at various times during the 2020- 2023 period. There have been and** could **be further disruptions in our supply chain or ability to manufacture our products, as well as temporary closures of our facilities or those of our suppliers or customers, which have impacted and could in the future impact our sales and operating results. If we are unable to successfully expand our business in emerging markets or achieve the return on capital we expect from our investments in these countries, our financial performance could be materially adversely affected. In addition to the risks applicable to our international operations, factors that have negatively impacted our operations in these emerging markets from time to time include the less established or reliable legal systems and possible disruptions due to unstable political conditions, civil unrest or economic volatility. These factors can** have a material adverse effect on our business ~~. There have been and could be further disruptions~~ in ~~our supply chain or ability to manufacture our products, as well as temporary closures of our facilities or those~~ -- **the** ~~of our suppliers or customers, any of which could impact our sales and operating results. In 2022, COVID- 19 adversely~~ affected ~~global economies and financial~~ markets ~~primarily due to lockdowns in China, and any further escalation of the pandemic could lead to a more significant economic downturn that could adversely affect demand for our products and negatively impact our business. In 2021, with the spread of the Delta variant mid- year, we experienced intermittent COVID- 19 closures in Southeast Asia, particularly in our Solutions Group reportable segment. If we are unable to successfully expand our business in emerging markets or achieve the return on capital we expect as a result of our investments in these countries, our financial performance could be materially adversely affected. In addition to the risks applicable to our international operations, factors that could negatively impact our operations in these emerging markets include the less established or reliable legal systems and possible disruptions due to unstable political conditions, civil unrest or economic volatility. These factors could have a material adverse effect on our business~~ by decreasing consumer purchasing power, reducing demand for our products or increasing our costs. Our operations and activities outside of the U. S. ~~may subject~~ **subjects** us to risks different from and potentially greater than those associated with our domestic operations. A substantial portion of our employees and assets are located outside of the U. S. and, in ~~2022~~ **2023**, approximately ~~72~~ **69** % of our sales was generated outside of the U. S. International operations and activities involve risks that are different from and potentially greater than the risks we face **in** ~~with respect to~~ our domestic operations ~~;~~ **, including** changes in foreign political, regulatory and economic conditions, ~~including~~ **whether** nationally, regionally ~~and~~ **or** locally; changes in **foreign currency** exchange rates ~~for foreign currencies~~; inflation; reduced protection of intellectual property rights; laws and regulations impacting the ability to repatriate foreign earnings; challenges ~~of~~ complying with ~~a wide variety of~~ foreign laws and regulations, including those relating to sales, operations, taxes, employment and legal proceedings; establishing effective controls and procedures to ~~regulate our international operations and~~ monitor compliance with U. S. laws and regulations such as the Foreign Corrupt Practices Act and similar foreign laws and regulations, such as the UK' s Bribery Act of 2010; differences in lending practices; challenges with complying with applicable export and import control laws and regulations; and differences in language, culture and time zone. Risks Related to Our Business As a manufacturer, our sales and profitability depend upon the **availability and** cost ~~and availability~~ of raw materials and energy, which are subject to price fluctuations, and our ability to control or offset increases in raw material and labor costs. Raw material and freight cost increases have impacted our business ~~and could materially adversely affect our business~~. The ~~availability of~~ **markets for the** raw materials used in our businesses **are** ~~remained constrained in 2022, which continued to present challenges~~ **challenging** and ~~lead to~~ **can be** ~~volatility~~ **volatile**, impacting **raw material** availability and pricing. Additionally, energy costs **can be** ~~continued to increase in 2022, particularly in Europe, and could remain~~ volatile and unpredictable. Shortages and inflationary or other increases in the costs of raw materials, labor, freight and energy ~~remained significant~~ **have occurred** in **the past, and could recur. In 2021 and** 2022 **, we** ~~. We continued to implement~~ **implemented** targeted price increases ~~across~~ **in** our **Materials Group reportable segment** ~~businesses and regions and worked to re- engineer certain of our products,~~ to address raw material ~~and freight~~ inflation **, which began moderating in 2023**. If **we experience** ~~inflation~~ **inflationary headwinds** ~~remains persistent~~ in ~~2023~~ **the future**, we may ~~have to~~ implement ~~additional~~ **similar** pricing measures. Our performance depends in part on our ability to offset ~~cost increases~~ **increased** ~~for~~ raw ~~materials~~ - **material costs** by raising our ~~sales~~ **selling** prices or re- engineering our products ~~and our ability to maintain our sales prices if costs for raw materials decrease~~. It is **also** important for us to obtain timely delivery of materials, equipment, and other resources from suppliers, and to make timely delivery to customers. **We may** ~~In 2022, we experienced~~ - **experience** supply chain ~~interruptions~~ **disruptions** due to natural and other disasters ~~which are becoming more frequent due to the impacts from climate change,~~ or other events, ~~such as COVID- 19 in China and political and social unrest in Sri Lanka, energy shortages in multiple regions, and floods in Pakistan. We continued managing through the dynamic supply and demand environment in which demand across the~~

~~majority of our~~ - **or** ~~businesses and regions was strong while raw material, freight and labor availability was constrained. Inflation was significant and we implemented pricing and material re- engineering actions to offset higher costs. We also leveraged~~ our **existing relationships** ~~global scale, working closely~~ with ~~our customers and~~ suppliers **could deteriorate or end in the future** ~~to minimize disruptions and ensure preparedness through robust scenario planning~~ . Any such ~~continued or prolonged~~ disruption ~~to~~ **in** our supply chain ~~could negatively impact on our sales and profitability, and any sustained interruption in our receipt of adequate supplies~~ could have a material adverse effect on our **sales and profitability, and any sustained inability to obtain adequate supplies could have a material adverse effect on our** business. We are affected by changes in our markets due to competitive conditions, technological developments, laws and regulations, and customer preferences. If we do not compete effectively or respond appropriately to these changes, it could reduce market demand, or we could lose market share or ~~be forced to~~ reduce **our** selling prices to maintain market share, any of which could materially adversely affect our business. We ~~are at~~ **face the** risk that existing or new competitors, which include some of our customers, distributors, and suppliers, will expand in our key market segments or develop new technologies, enhancing their competitive position relative to ours. Competitors also may be able to offer additional products, services, lower prices or other incentives that we cannot or ~~would~~ **that, to maintain profitability, we may** not **be able to** offer ~~or that would make our products less profitable~~ . There can be no assurance that we will be able to compete successfully against current or future competitors or new technologies. We also are **exposed** ~~at risk~~ to changes in customer order patterns, such as changes in the levels of inventory maintained by customers and the timing of customer purchases, which may be affected by announced price increases, changes in our customer incentive programs, or changes in the customer' s ability to achieve incentive targets. Changes in customers' preferences for our products can also affect demand for our products and a decline in demand for our products could have a material adverse effect on our business. **In our Materials Group reportable segment, as supply chain constraints eased in 2022, customers increased inventory levels following a period of reduced availability. In the fourth quarter of 2022, inventories downstream from our company began to unwind swiftly, resulting in lower demand. This continued in 2023, with volume improving sequentially throughout the year.** We are affected by changes in our markets due to increasing environmental standards. If we do not respond appropriately to these changes, it could negatively impact market demand, our market share and pricing, any of which could materially **adversely affect our business. Adverse weather conditions and natural disasters, including those related to the impacts of climate change,** adversely affect our business. A substantial amount of our label materials is sold for use in plastic packaging in the food, beverage, and home and personal care market segments. In recent years, there has been an accelerated focus on sustainability and transparency in **sustainability** reporting, with greater concern regarding climate change and single- use plastics, corporate commitments and increasing stakeholder expectations regarding the reuse and recyclability of plastic packaging and recycled content, and increased regulation ~~across~~ **in** multiple geographies regarding the collection, recycling and use of recycled content. ~~We are at risk that changes~~ **Changes** in consumer preferences ~~or~~ **and** laws and regulations related to the use of plastics ~~could reduce~~ **reduces** demand for **certain of** our **products but also has the potential to increase demand for our more sustainable** products. We have established **a** strategic innovation ~~platforms~~ - **platform, among other things,** focused on material circularity and waste elimination / reduction to develop products and solutions that advance the circular economy and address the need for increased recyclability of plastic packaging, in collaboration with our customers and the businesses in our supply chain. ~~These efforts may result~~ **We have made considerable investments** in ~~additional costs and~~ **our sustainability- driven products, but** there can be no assurance that they will be successful, and a significant reduction in the use of plastic packaging could materially adversely affect demand for our products. The scientific consensus is that the emission of greenhouse gases (" GHG ") is altering ~~the composition of~~ our atmosphere in ways that are adversely affecting global climate. **There is continuing concern from members of the scientific community and the general public that GHG emissions and other human activities have or will cause significant changes in weather patterns and increase the frequency or severity of extreme weather events, including droughts, wildfires and flooding. These types of extreme weather events have and may continue to adversely impact us, our suppliers, our customers and their ability to purchase our products and our ability to timely receive appropriate raw materials to manufacture and transport our products on a timely basis.** Concern regarding climate change has led and is likely to continue **leading** ~~to lead~~ to increasing demands by legislators and regulators, customers, consumers, investors **, employees** and non- governmental organizations for companies to reduce their GHG emissions. One of our 2025 sustainability goals is to achieve at least a 3 % absolute reduction in our GHG emissions year- over- year and at least a 26 % absolute reduction ~~,~~ compared to our 2015 baseline ~~,~~ by 2025; we have already exceeded ~~this overall~~ **the cumulative 2025 GHG emissions reduction** goal. As part of our more ambitious 2030 sustainability goals, we are aiming **by 2030** to reduce our Scope 1 and 2 GHG emissions by 70 % compared to our 2015 baseline and work with our supply chain to reduce Scope 3 GHG emissions by 30 % against our 2018 baseline **; we also have** ~~, in each case by 2030, with~~ an ambition to be net zero by 2050. We could face risks to our reputation, investor confidence and market share if we are unable to continue reducing our GHG emissions. Increased raw material costs, such as **for** fuel and electricity, and compliance- related costs could also impact customer demand for our products. The ~~potential~~ **extent of the** impact of climate change on our business is uncertain, as it will depend on the limits imposed by, and timing of, new or stricter laws and regulations, more stringent environmental standards and expectations, and evolving customer and consumer preferences, but it ~~could~~ **is likely to** increase our costs and **could** have a material adverse effect on our business. We have recently acquired companies and are likely to acquire other companies. Acquisitions come with significant risks and uncertainties, including those related to integration, technology and employees. To grow existing businesses and expand into new areas, we have made acquisitions and are likely to continue acquiring companies that increase our presence in high value product categories, increase our pace of innovation and advance our sustainability ~~initiatives~~ **priorities. In 2023, we acquired Silver Crystal, Lion Brothers and Thermopatch for aggregate purchase consideration of approximately $ 231 million** . In 2022, we acquired TexTrace and Rietveld **for** ~~. The~~ aggregate purchase consideration ~~for the acquisitions of~~

~~TexTrace and Rietveld was~~ approximately $ 35 million. ~~In 2021, we acquired Vestcom for $ 1. 47 billion, as well as ZippyYum and JDC, for an aggregate of approximately $ 43 million.~~ The success of any acquisition depends ~~, in part,~~ on the ability of the combined company to realize the anticipated benefits from combining our businesses. Realizing these benefits depends, in part, on maintaining adequate focus on executing the business strategies of the combined company as well as the successful integration of assets, operations, functions and personnel. We continue to evaluate potential acquisition targets and ensure we have a robust pipeline of potential opportunities. Various risks, uncertainties and costs are associated with acquisitions. Effective integration of systems, controls, employees, product lines, market segments, customers, suppliers and production facilities and cost savings can be difficult to achieve and the ~~results~~ **success** of integration activities can be uncertain. While we have not experienced significant issues with our acquisitions to date, if management of our combined company is unable to continue minimizing the potential disruption of the combined company' s ongoing business during the integration process, the anticipated benefits of any acquisition may not be fully realized. In addition, the inability to successfully manage the implementation of appropriate systems, policies, benefits and compliance programs for the combined company could have a material adverse effect on our business. We may not be able to retain key employees of an acquired company or ~~successfully execute integration strategies and~~ achieve **the** projected performance targets for the business ~~segment~~ into which an acquired company is integrated. Both before and after the closing of an acquisition, our business and that of the acquired company may suffer due to uncertainty or diversion of management attention. Future acquisitions could result in increased debt, dilution, liabilities, interest expense, restructuring charges and amortization expenses related to intangible assets. There can be no assurance that acquisitions will be successful and contribute to our profitability. Further, we may not be able to identify value-accretive acquisition targets that support our strategy of expanding our position in high value product categories or **be able to successfully** execute additional acquisitions in the future. A significant consolidation of our customer base could negatively impact our business. A significant consolidation of our customer base could negatively impact our business. In recent years, some converter customers served by our Materials Group reportable segment have consolidated and integrated vertically and some of our largest customers have acquired companies with similar or complementary product lines. ~~This broad industry~~ **Industry** consolidation ~~has accelerated, and~~ could continue to increase the concentration of our business with our largest customers. Further consolidation may be accompanied by pressure from customers for **us to** lower **our selling** prices. While we have been generally successful at managing customer consolidations in the past, increased pricing pressures from our customers could have a material adverse effect on our business. Because some of our products are sold by third parties, our business depends in part on the financial ~~health~~ **condition** of these parties and their customers. Some of our products are sold not only by us, but also by third- party distributors. Some of our distributors also market products that compete with our products. Changes in the financial or business conditions, including economic weakness, market trends or industry consolidation, or the purchasing decisions of these **distributors** ~~third parties~~ or their customers could materially adversely affect our business. Our reputation, sales, and earnings could be materially adversely affected if the quality of our products and services does not meet customer expectations. In addition, product liability claims or regulatory actions could materially adversely affect our business ~~or~~ **and** reputation. There are ~~occasions~~ **times** when we experience product quality issues resulting from defective materials, manufacturing, packaging or design. These issues are often discovered before shipping, causing delays in shipping, delays in the manufacturing process, ~~and~~ **or,** occasionally **,** cancelled orders. When issues are discovered after shipment, they may result in additional shipping costs, discounts, refunds or loss of future sales. Both pre- shipping and post- shipping quality issues could have **a** material adverse ~~effects~~ - **effect** on our business and negatively impact our reputation. Claims for losses or injuries purportedly caused by some of our products arise in the ordinary course of our business. In addition to the risk of substantial monetary judgments and penalties that could have a material adverse effect on our business, product liability claims or regulatory actions could result in negative publicity ~~that could~~ **, reputational** harm **and loss of** ~~our reputation in the marketplace and~~ **brand** ~~the~~ value ~~of our brands~~ . We also could be required to recall and possibly discontinue the sale of ~~potentially~~ **products deemed to be** defective or unsafe ~~products~~ , which could result in adverse publicity and significant expenses. Although we maintain product liability insurance coverage, ~~product liability~~ claims are subject to a deductible or may not be covered under the terms of the policy. Changes in our business strategies **and the restructuring of our operations affect our costs and the profitability of our businesses. In addition, our profitability** may **be materially adversely** ~~increase our costs and could affect~~ **affected** ~~the profitability of~~ **if we generate less productivity improvement from** our ~~businesses~~ **restructuring actions than projected** . As our business environment changes, we have adjusted and may need to further adjust our business strategies or restructure our operations or particular businesses ~~. We expended approximately $ 8 million and $ 14 million for restructuring actions in 2022 and 2021, respectively, significantly less than in 2020 when we accelerated our restructuring activities. In 2020, we implemented restructuring and investment actions across our businesses designed to increase profitability, with the reduction of positions and assets at numerous locations across our company, which included actions in Materials Group and Solutions Group. The actions in Materials Group were primarily associated with the consolidations of its operations in North America and its graphics business in Europe, in part in response to COVID- 19. The actions in Solutions Group primarily related to global headcount and footprint reduction, with some actions accelerated and expanded in response to COVID- 19~~ . As we continue to develop and adjust our growth strategies, we may invest in new businesses that have short- term returns that are negative or low and whose ultimate business prospects are uncertain or could prove unprofitable. We **engage in restructuring actions from time to time to reduce** our costs and increase efficiencies across our business segments **.We expended approximately $ 79 million in 2023 compared to $ 8 million for restructuring actions in 2022.Our restructuring actions in 2023 included a restructuring plan to further optimize the European footprint of our Materials Group reportable segment** .We had incremental savings from restructuring actions,net of transition costs,of approximately $ ~~26~~ **69** million in fiscal year ~~2022~~ **2023** ~~,which largely reflected carryover savings from actions implemented in prior years~~ .We intend to continue efforts to reduce costs in all our businesses,which have in the past included,and may continue to include,facility closures and square footage reductions,headcount reductions,organizational restructuring,process standardization,and manufacturing relocation.The ~~consolidation of Materials Group’ s operations in North America and its graphics business in Europe,the global headcount and footprint reduction in Solutions Group and the temporary cost saving actions we implemented in 2020 to mitigate the impact of the downturn caused by COVID- 19 are examples of these activities.The~~ success of these efforts is not assured and targeted savings may not be realized.In addition,cost reduction actions can result in restructuring charges **and could expose us to production risk,loss of sales and employee turnover.We** cannot provide assurance that we will achieve the intended results of any of our ~~business strategies~~ **restructuring actions** , which involve operational complexities, consume management attention and require substantial resources and effort. If we fail to achieve the intended results of such actions, our costs could increase, our assets could be impaired, and our returns on investments could be lower. **Our ability** ~~If we are unable~~ to develop and successfully market new products and applications **impacts** ~~, we could compromise~~ our competitive position. The timely introduction of new products and improvements to current products helps determine our success. Many of our current products are the result of our research and development efforts, for which we expensed $ ~~136~~ **135** . ~~1~~ **8** million in ~~2022~~ **2023** . These efforts are directed primarily toward developing new products and operating techniques and improving product performance, often in close association with our customers or end users. These efforts include patent and product development work relating to printing and coating technologies, as well as adhesive, release and ink chemistries in Materials Group. We focus on research projects related to RFID and external embellishments in Solutions Group, for which we have and license a number of patents. Additionally, our research and development efforts include sustainable innovation and design of products that increase the use of recycled content, reduce waste, extend life or enable recycling. Research and development is complex and uncertain, requiring innovation and anticipation of market trends **, which means that the costs of these expenditures may not be recovered through additional sales** . We could focus on products that ultimately are not accepted by customers or end users or we could ~~suffer~~ **experience** delays in the production or launch of new products ~~that may not lead to the recovery of our research and development expenditures and, as a result,~~ could compromise our competitive position. **Our** ~~Misassessment of our~~ infrastructure needs **impact** ~~could have a material adverse effect on~~ our business **and expenditures** . We continue to invest in our long- term growth and margin expansion plans, with $ ~~298~~ **285** . ~~5~~ **1** million in capital expenditures, including fixed assets and information technology, in ~~2022~~ **2023** . We may not be able to recoup the costs of our infrastructure investments if actual demand is not as we anticipate. In recent years, we expanded Materials Group’ s manufacturing capabilities in India and a location in Indiana; moved our Solutions Group ~~'~~ **’** s Vietnam business into a new, expanded facility; and made additional investments in both capacity and business development globally for our Intelligent Labels RFID platform, including ~~a~~ new ~~facility~~ **facilities** in Brazil **and Mexico** . We also transferred Materials Group’ s European medical capacity from Belgium to Ireland. In addition, we added capacity through our acquisitions of ~~Textrace~~ **Silver Crystal** , **Lion Brothers** ~~Rietveld, JDC, ZippyYum~~ and ~~Vestcom~~ **Thermopatch in 2023** . Infrastructure investments, which are long- term in nature, may not generate the expected return due to changes in the marketplace, failures in execution, and other factors. Significant changes from our expected need for and / or returns on our infrastructure investments could materially adversely affect our business . Our profitability may be materially adversely......, loss of sales and employee turnover . Difficulty in the collection of receivables as a result of economic conditions or other market factors could have a material adverse effect on our business. Although we have processes to administer credit granted to customers and believe our allowance for credit losses is adequate, we have increased ~~our~~ **the** allowance ~~when determined to be appropriate~~ due to, for example, **epidemics, pandemics or** ~~the~~ **other outbreaks** ~~continued impact~~ of **illness** ~~COVID- 19 in certain countries~~ , supply chain challenges, issues with raw material **availability and cost** , freight and labor availability, and ~~persistent inflation~~ **inflationary pressures** , and in the future may experience losses as a result of our inability to collect some of our accounts receivable. ~~The~~ **A customer’ s** financial difficulties **are likely to** ~~of a customer could~~ result in reduced business with that customer. We may also assume higher credit risk relating to receivables of a customer experiencing financial difficulty. If these developments were to occur **widely in our customer base** , our inability to collect on our accounts receivable from customers could substantially reduce our cash flows and income and have a material adverse effect on our business. There is a rapidly evolving awareness and focus from stakeholders, including our investors, customers and employees, with respect to global climate change and our company’ s **sustainability** ~~environmental, social~~ and governance ~~(ESG)~~ practices, which could affect our business. Investor and societal expectations with respect to ~~ESG~~ **sustainability or governance** matters have been ~~rapidly~~ evolving and increasing. We risk damage to our reputation if we do not continue to act responsibly with respect to ~~ESG~~ **these** matters in the following key areas: environmental stewardship; DEI; corporate governance; support for our communities; and ~~corporate governance and ESG~~ transparency. A failure to adequately meet stakeholders’ expectations could result in loss of business, diluted market valuation, an inability to attract and retain customers and ~~talented~~ personnel, increased negative investor sentiment toward us and / or our customers and the diversion of investment to other industries, which could have a negative impact on our stock price and access to and ~~costs~~ - **cost** of capital. **Epidemics** ~~COVID- 19 had an adverse effect on portions of our business and we could experience further negative consequences as a result of COVID- 19 that could have a material adverse effect on our business. Our operations largely recovered from the impact of COVID- 19 beginning in 2021~~ , ~~with higher volume across our businesses. Uncertainty surrounding the global health crisis remained elevated in certain countries during 2022 as parts of the world experienced increased number of COVID- 19 cases at some point during the year. The greatest impact to our company was in China due to lockdowns imposed by the government. We are unable to predict the full impact that COVID- 19 will have on our business in 2023 due to numerous uncertainties, including the duration and severity of the pandemic~~ **pandemics** ~~,~~ **or** ~~the~~ **other** ~~impact~~ **outbreaks** of **illness, and restrictions intended to prevent** ~~the~~ **their** spread ~~of new and existing variants of the virus~~ , ~~the availability, adoption and effectiveness of vaccines and treatments, and containment measures and the related macroeconomic impacts. We continue to manage this dynamic environment, including updating our scenario planning to reflect the evolving aspects of the pandemic. Risks Related to Income Taxes Changes in our tax rates could affect our business. Our effective tax rate in any period 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, or changes in tax laws and regulations or their interpretation. The impact of these changes could materially impact our business. The enactment of legislation implementing changes in taxation of business activities, adoption of other corporate tax reform policies, or other changes in tax legislation or policies~~ could materially adversely impact our business. **Epidemics** ~~Corporate tax reform~~ , **pandemics** ~~prevention of base- erosion and tax transparency continue to be high priorities for~~ - **or** ~~many tax jurisdictions worldwide, including the U. S. As a result, policies regarding corporate income and~~ other **outbreaks** ~~taxes are under heightened scrutiny globally, while tax reform legislation has been proposed or enacted in a number~~ of **illness** ~~jurisdictions. In addition~~ , **disease** ~~many countries have enacted, or plan to enact, legislation and other guidance to align their international tax rules with the Organisation for~~ - **or virus in the markets in** ~~Economic Co- operation and Development' s (" OECD ") Base Erosion and Profit Shifting (" BEPS ") recommendations and action plans,~~ which **we** ~~aim to standardize and modernize global corporate tax policy, with changes to cross- border tax, transfer- pricing documentation rules, and nexus- based tax incentive practices. Moreover, the OECD continues to engage in discussions on fundamental changes to the profit allocation among tax jurisdictions in which companies~~ do business **,** and **actions taken to contain or prevent** ~~the~~ **their further spread** ~~implementation of a global minimum tax. In the U. S.~~ , **could materially impact our** ~~certain changes to the taxation of income derived from international~~ business **,** ~~activities have been proposed~~ as ~~a reaction to the~~ **they** ~~adoption of~~ **did at various times during the 2020- 2023 period. They could result in restrictive governmental measures being implemented to control** ~~the~~ **their spread** ~~BEPS framework~~ , **including quarantines** ~~named Pillar Two~~ , **restrictions on travel, " shelter** in ~~domestic laws. Due to the size of~~ **place " rules, stay- at- home orders, density limitations, social distancing measures, and /** ~~our~~ - **or** ~~international~~ **restrictions on types of** business **that may continue to** ~~activities, any substantial change in corporate~~ -- **operate** ~~tax policies~~ , **which** ~~enforcement activities or legislative or regulatory actions could have a material adverse effect on our business. Our inability to retain or renew certain tax incentives in foreign jurisdictions~~ could materially adversely affect our ~~effective tax rate. Our effective tax rate reflects benefits from concessionary tax rates in certain foreign jurisdictions based on the geographic location of our manufacturing activities, the industries that we serve, or the~~ business model under which we operate. If...... materially impacted by new legislation or regulations . Risks Related to Information Technology Significant disruption to the information technology infrastructure that stores our information could materially adversely affect our business. We rely on the efficient and uninterrupted operation of a large and complex information technology infrastructure to link our global business. Like ~~other~~ **all** information technology systems, ours ~~is~~ **are** susceptible to a number of risks including, but not limited to, damage or interruptions resulting from obsolescence, natural disasters, power failures, human error, viruses, social engineering, phishing, ransomware or other malicious attacks and data security breaches. We upgrade and install new systems, which, if installed or programmed incorrectly or on a delayed timeframe, could cause delays or cancellations of customer orders, impede the manufacture or shipment of products, or disrupt the processing of transactions. We have continued to implement measures to mitigate our risk related to system and network disruptions, but if a **significant** disruption were to occur, we could incur significant losses and remediation costs that could have a material adverse effect on our business. Additionally, we rely on services provided by third- party vendors for certain information technology processes, including system infrastructure management, application management, and software as a service. While we **have** ~~continued to mature~~ **matured** our cybersecurity due diligence process, this reliance on third parties makes our operations vulnerable to a failure by any one of these vendors to perform adequately or maintain effective internal controls. **Cybersecurity or other** ~~Security~~ **security** breaches could compromise our information and expose us to liability, which could ~~cause~~ **have a material adverse effect on** our business and reputation ~~to suffer~~ . We maintain information necessary to conduct our business in digital form, which is stored in data centers and on our networks and third- party cloud services, including confidential and proprietary information as well as personal information regarding our customers and employees. The secure maintenance of this information is critical to our operations. Data maintained in digital form is subject to the risk of intrusion, tampering and theft. We develop and maintain systems **and processes at significant cost** to prevent this from occurring, but ~~the development and maintenance of~~ these systems ~~is costly and requires~~ - **require** ongoing monitoring and updating as technologies change and efforts to overcome security measures become ~~increasingly~~ **more** sophisticated. ~~Moreover, despite~~ **We experience non- material cybersecurity events each year that are escalated through** our ~~efforts~~ **documented and tested Security Incident Response Plan, and although we have not experienced a significant breach in recent years** , the possibility of intrusion, tampering and theft cannot be eliminated entirely **. Our information technology and infrastructure are vulnerable to attacks by hackers or breaches due to employee error, malfeasance or other disruptions,** and the threat landscape remains challenging with **our** digital business transformation, hybrid workforces **, the increasing use of artificial intelligence,** and interconnected supply chains expanding the risk of attack. **We also perform cybersecurity** ~~Our information technology and infrastructure may become vulnerable to attacks by hackers or breached~~ due ~~to employee error, malfeasance~~ **diligence and mitigate identified risks during** ~~or~~ **our M & A due diligence process; however,** ~~other~~ - **there** ~~disruptions~~ **is still a risk that a recent or future acquisition experiences an event that could lead to a breach before risks are able to be mitigated** . Additionally, we provide confidential, proprietary and personal information to third parties when it is necessary to pursue business objectives. While we obtain **written agreements and** assurances that these third parties will protect this information and, where appropriate, assess the protections utilized by these third parties, **we are aware of suppliers in our ecosystem who have experienced security events, and** there is a risk the confidentiality of data held by third parties may be compromised. **Breaches** ~~We perform cybersecurity due diligence and mitigate identified risks during our~~ - **or** ~~M & A diligence process. While we believe we have substantially mitigated the risks related to acquired companies, there is still a risk that one of our recent acquisitions or a future acquisition may experience an incident that could lead to a breach before risks are able to be mitigated. Any such breach or attack~~ **attacks** ~~could~~ **can** compromise our network, the network of a third party to whom we have disclosed confidential, proprietary or personal information, a data center where we have stored such information or a third- party cloud service provider, and the information stored there ~~could~~ **can** be accessed, publicly disclosed, lost or stolen. Any access, disclosure or loss of information could **disrupt our operations,** result in legal claims or proceedings ~~, disrupt our operations~~, damage our reputation, impair our ability to conduct business, or result in the loss or diminished value of profitable opportunities and the loss of revenue as a result of unlicensed use of our intellectual property. Contractual provisions with third parties, including cloud service providers, ~~may~~ **often substantially** limit our ability to fully recover ~~these~~ **our** losses. If **the** personal information of our customers or employees were to be misappropriated, we could incur costs to compensate our customers or employees or pay damages or fines as a result of litigation or regulatory actions and our reputation with our customers and employees could be injured, resulting in loss of business or decline in morale. Data privacy legislation and regulation have been increasing in recent years – including, for example, the General Data Protection Regulation in the EU, the ~~Cyber Security~~ **Personal Information Protection** Law in China, the General Data Protection Law in Brazil and the state of California' s Privacy Rights Act – and although we have made reasonable efforts to comply with all applicable laws and regulations, there can be no assurance that we will not be subject to regulatory action in the event of **a data privacy violation. Cybersecurity risk** ~~an~~ **and** ~~incident. Although~~ **ransomware attacks on companies continue to significantly increase and there can be no assurance that** we have ~~experienced some security incidents~~ **fully protected our information,** that ~~did~~ **third parties to whom we have disclosed such information or with whom we have stored such information (in data centers and in the cloud) are taking similar precautions, or that we will** not **experience hacking or intrusion attempts that could** have a ~~significant or~~ material adverse effect on our business ~~, this may not be the case in the future~~. ~~We~~ **In addition to maintaining a robust set of endpoint, network, email and cloud security solutions, we** continue to take steps to further improve the security of our networks and computer systems, including strengthening authentication ~~,~~ **;** continuing to mature our zero trust architecture and strategy ~~, accessing~~ **; furthering** our ~~backups for ransomware resiliency and continuing to implement~~ advanced malware detection measures; **further** enhancing **and testing** our security incident response **plan** ~~program with escalation protocols and playbooks for security events based on risk profile; conducting third party penetration testing to assess the effectiveness of our cybersecurity; conducting employee security awareness training and phishing exercises to protect against social engineering and inadvertent or intentional disclosure of data~~; upgrading legacy information technology systems to simplify and standardize business processes and applications **; adopting a robust cloud security strategy across multiple platforms** ; continuously improving information technology project and portfolio management discipline; setting more aggressive key performance indicator targets and implementing appropriate mitigation measures; continuing to mature our data loss prevention framework **to** ~~that identifies and protects~~ - **protect** our critical data, network and site access controls; ~~removing~~ **advancing our user access management program; limiting** USB drive access across our company; increasing network segmentation; enhancing our focus on third party risk management; and improving our capabilities based on threat intelligence and the publicized incidents experienced by other companies, as well as ones that we have experienced despite their minimal operational or financial impact to date. ~~We regularly review the~~ **Risks Related to Income Taxes Changes in our tax rates affect our business. Our** ~~effectiveness~~ ---- **effective tax rate is affected by changes in the mix** of ~~our cybersecurity preparedness program using~~ **earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets** ~~an~~ **and** ~~industry~~ **liabilities, or changes in tax laws and regulations or their interpretation. The impact of these changes could materially impact our business. Legislation implementing changes in taxation of business activities, adoption of other corporate tax reform policies, or other changes in tax legislation or policies impact our expenses. Corporate tax reform, prevention of base- erosion and tax transparency continue to be high priorities for many tax jurisdictions worldwide, including the U. S. As a result, policies regarding corporate income and other taxes are under heightened scrutiny globally, with tax reform legislation having been proposed or enacted in a number of jurisdictions. In addition, many countries have enacted, or plan to enact, legislation and other guidance to align their international tax rules with the Organisation for Economic Co- operation and Development' s (" OECD ") Base Erosion and Profit Shifting recommendations and directives, which aim to** ~~standard~~ **standardize** ~~cybersecurity framework~~ and ~~best~~ **modernize global corporate tax policy, cross- border tax, transfer- pricing documentation rules, and nexus- based tax incentive** practices ~~(e~~. **Moreover** ~~g.~~, ~~ISO27000, NIST 800)~~ **the OECD continues to focus on fundamental changes to the profit allocation among tax jurisdictions in which companies do business and the implementation of a global minimum tax** . ~~Despite~~ **The timing and ultimate impact of such changes on our effective tax rate remain uncertain as the countries in which we operate continue to adopt** these ~~and~~ **directives. Due to** ~~other~~ -- **the size of** ~~mitigation efforts, cyber risk and ransomware attacks on companies continue to significantly increase and there can be no assurance that we have fully protected our information, that third parties to whom we have disclosed such information or~~ **our international business activities** ~~with whom we have stored such information (in data centers and on the cloud) are taking similar precautions~~ , **any substantial change in corporate tax policies, enforcement activities** or **legislative** ~~that we will not experience future hacking~~ or **regulatory actions** ~~intrusion attempts that~~ could have a material adverse effect on our business. ~~Risks Related~~ **Our inability** to ~~Human Capital For us to remain competitive, it is important to recruit and~~ retain ~~our~~ - **or renew** ~~key management and highly- skilled employees. We also utilize various outsourcing arrangements for~~ certain ~~services, and related delays, resource availability,~~ **tax incentives in foreign jurisdictions could materially adversely affect** ~~or~~ **our** ~~errors by~~ **effective tax rate. Our effective tax rate reflects benefits from concessionary tax rates in certain foreign jurisdictions based on** ~~these~~ -- **the geographic location of our manufacturing activities, the industries that we** ~~service~~ -- **serve,** ~~providers may lead to increased costs or disruption in our~~ - **or the** business **model under which we operate** . **If** ~~Competition to recruit and retain key management and highly- skilled employees has increased in recent years. In particular, due to our expansion to additional geographies and ongoing productivity efforts and recent employee restructuring actions, it may be difficult for us to recruit and retain sufficient numbers of highly- skilled employees. We may also be unable to recruit and retain key management and highly- skilled employees if~~ we do not ~~offer market~~ meet the criteria required to retain or renew these tax incentives,our effective tax rate could **be** materially ~~increase~~ **adversely affected** .The amount of various taxes we pay is subject to ongoing compliance requirements and audits by federal,state and foreign tax authorities.We are subject to regular examinations of our income tax returns by various tax authorities.We regularly assess the likelihood of material adverse outcomes resulting from these examinations to determine the adequacy of our provision for taxes.In addition,tax enforcement has become increasingly aggressive in recent years focused primarily on transfer pricing and intercompany documentation.Our estimate of the potential outcome of uncertain tax issues requires significant judgment and is subject to our assessment of relevant risks,facts,and circumstances existing at the time.We use these assessments to determine the adequacy of our provision for income taxes and other tax ~~- related~~ - ~~competitive employment and compensation terms~~ **related accounts. Our results may include favorable or unfavorable adjustments to our estimated tax liabilities in the period the assessments are made or resolved, which may materially adversely affect our effective tax rate. We have deferred tax assets that we may not be able to realize under certain circumstances** . If ~~we fail to recruit or retain our key management or sufficient numbers of highly- skilled employees, we could experience disruption in our businesses and difficulties managing our operations and implementing our business strategy. Further, if~~ we are unable to **generate sufficient taxable income in certain jurisdictions, or if there is a significant change in the** ~~timely~~ -- **time** ~~and~~ **period within which the underlying temporary differences become taxable or deductible, we could be required to increase our valuation allowances against our deferred tax assets. This would increase our** ~~effectively~~ -- **effective tax rate** ~~advance our DEI strategy, it could impact our ability to recruit~~ and **could have** ~~retain talent, resulting in~~ a material adverse effect on our business. **In addition, changes in statutory tax rates may change our deferred tax asset or liability balances, with either a favorable or unfavorable impact on our effective tax rate. A significant portion of our indefinite- lived net operating loss carryforwards is concentrated in Luxembourg and may require decades to be fully utilized under our current business model. Decreases in the statutory tax rate or changes in our ability to generate sufficient future taxable income in Luxembourg could materially adversely affect our effective tax rate. In addition, the computation and assessment of the realizability of our deferred tax assets may also be materially impacted by new legislation or regulations. Risks Related to Human Capital For us to remain competitive, deliver on our business strategy and avoid business disruption, it is important to recruit high caliber talent, retain key management and highly- skilled employees and receive high quality service from all outsourced service providers. This includes providing market- competitive compensation and benefits and ensuring a diverse, equitable and inclusive workplace. Competition to recruit and retain critical talent has increased in recent years. Our ongoing productivity efforts and restructuring actions can increase this challenge. When it comes to our outsourced service providers, we have experienced delays or errors and reduced resource availability and manage ongoing risk when it comes to people, processes and software. We also have increased our focus on risks related to artificial intelligence.** Executive succession planning is also ~~important~~ **critical** to our long- term success. We experienced several recent key management changes, including ~~recent~~ promotions **in 2023** of long- serving and experienced leaders to the positions of President and Chief ~~Operating~~ **Executive** Officer **and our President** , ~~Apparel~~ Solutions ~~Vice President / General Manager and Materials~~ Group ~~Worldwide President~~ . While we believe we have appropriate leadership development programs and succession plans in place **that are regularly discussed with our Board' s Talent and Compensation Committee** , any failure to ensure effective **leadership transitions and knowledge** transfer ~~of knowledge and smooth transitions~~ involving ~~our~~ key management **(** or ~~other~~ **any** highly- skilled employees **)** could hinder our strategic planning and execution ~~. In addition, we have outsourced certain services to third- party service providers, and may outsource other services in the future to achieve cost savings and operating efficiencies. Service provider delays, resource availability, business issues or errors may disrupt our businesses and / or increase costs. If we do not effectively develop, implement and manage outsourcing relationships, if third- party providers do not perform effectively or in a timely manner, or if we experience problems with transitioning work to a third party, we may not be able to achieve our expected cost savings, and may experience delays or incur additional costs to correct errors made by these service providers~~ . We have various non- U. S. collective labor arrangements, which make us subject to potential work stoppages, **as well as** union and works council campaigns and other labor disputes, any of which could adversely impact our business. Work interruptions or stoppages could significantly impact **our ability to deliver** ~~the volume of products we have available~~ for ~~sale~~ **our customers** . In addition, collective bargaining agreements, union contracts and labor laws may impair our ability to reduce labor costs by closing or downsizing manufacturing facilities because of limitations on personnel and salary ~~changes~~ and ~~similar~~ **other** restrictions. A work stoppage at one or more of our facilities **, or the facilities of our customers or at any of our suppliers,** could have a material adverse effect on our business. In addition, **the recent and ongoing geopolitical unrest and weather- related** ~~if any of our customers were to experience a work stoppage, that customer may halt or limit purchases of our products, which could have a material adverse effect~~ **effects** ~~on our business. Similarly, if any~~ of **climate change in numerous regions could impact** ~~our suppliers were to experience a work stoppage, they~~ - **the** ~~could halt~~ **safety and productivity of** ~~or~~ **our current employees. Those impacts** ~~limit supplies of products necessary for us to conduct our business, which~~ could **also hinder** ~~have a material adverse effect on~~ our ~~business~~ **ability to recruit and grow our talent pools in the impacted regions / countries** . Risks Related to Our Indebtedness If our indebtedness increases significantly or our credit ratings are downgraded, we may have difficulty obtaining acceptable short- and long- term financing. At December ~~31~~ **30** , ~~2022~~ **2023** , we had approximately $ 3. ~~10~~ **24** billion of debt. Our ~~overall~~ level of indebtedness and credit ratings are significant factors in our ability to obtain short- and long- term financing. Higher debt levels could negatively impact our ability to ~~meet other~~ **support our** business needs and ~~could~~ result in higher financing costs. The credit ratings assigned to us also impact the interest rates we pay. A downgrade of our short- term credit ratings could impact our ability to access the commercial paper markets and increase our borrowing costs **if** ~~. If our access to commercial paper markets were to become limited, as they were in March 2020 as a result of COVID- 19, and~~ we **needed** ~~were required~~ to obtain short- term funding under our revolving credit facility **. If our access to commercial paper markets were to become limited and we were required to obtain short- term funding under our revolving credit facility** or our other credit facilities, we would ~~face~~ **have** increased exposure to variable interest rates. An increase in interest rates ~~could have a material adverse~~ **adversely** ~~effect~~ **affects** ~~on~~ our business. In ~~2022~~ **2023**, our average variable- rate borrowings were approximately $ ~~487~~ **608** million. Increases in short- term interest rates directly impact the amount of interest we pay. Fluctuations in interest rates can increase **our** borrowing costs and have a material adverse effect on our business. **Since 2022** ~~In response to the last global economic recession~~, ~~extraordinary monetary policy actions of~~ the U. S. ~~Federal Reserve and other central banking institutions, including the utilization of quantitative easing, were taken in recent years to maintain a low interest rate environment. Given substantially increasing inflation across the globe the~~ Federal Reserve and similar monetary policymaking entities around the world ~~began increasing~~ **have raised** interest rates in ~~2022~~ **an effort to curb rising inflation across the globe**. As of December ~~31~~ **30**, ~~2022~~ **2023 ,** the U. S. Federal Reserve' s benchmark interest rate was between ~~4~~ **5**. 25 % and ~~4~~ **5**. 50 %, up from between **4** ~~0 % and 0~~. 25 % **and 4. 50 %** the same time in ~~2021~~ **2022**. ~~If~~ **As** long- term interest rates rise, our borrowing costs ~~will~~ increase. Continued increases in interest rates could, among other things, reduce the availability and / or increase the costs of obtaining new debt and refinancing existing indebtedness and negatively impact our **business** ~~stock price~~. Our current and future debt covenants may limit our flexibility. Our credit facilities and the indentures governing our medium- and long- term notes contain, and any of our future indebtedness likely would contain, restrictive covenants that impose operating and financial restrictions on us. Among other things, these covenants restrict our ability to incur additional indebtedness, incur certain liens on our assets, make certain investments, sell our assets or merge with third parties, ~~and~~ **or** enter into certain transactions. We are also required to maintain specified financial ratios under certain conditions. These restrictive covenants and ratios ~~in our existing debt agreements and any future financing agreements~~ may limit or prohibit us from engaging in certain activities and transactions that may be in **the** ~~our long- term~~ best interest ~~and could place~~ **of our business, putting** us at a competitive disadvantage relative to our competitors, which could materially adversely affect our business. Risk Related to Ownership of Our Stock Our stock price **is** ~~may be~~ subject to significant variability. Changes in our stock price may, among other things, affect our access to, or cost of financing from, capital markets **,** ~~and may affect~~ our stock- based compensation arrangements and our effective tax rate. Our stock price ~~, which increased significantly in 2020 and 2021 but declined in 2022,~~ is influenced by changes in the overall stock market and demand for equity securities in general. Other factors, including our financial performance on an absolute basis and relative to ~~our peers~~ - **peer companies** and competitors, as well as market expectations of our performance, the level of perceived growth of our industries, and other company- specific factors, ~~can~~ **may** also materially adversely affect our stock price. There can be no assurance that our stock price will not **continue to** experience significant variability in the future. We cannot guarantee that we will continue to repurchase shares of our common stock or pay dividends on our common stock or that repurchases will enhance long- term stockholder value. Changes in our levels of stock repurchases or dividends could affect our stock price and ~~significantly~~ increase its variability. In April 2022, our Board authorized the repurchase of shares of our common stock with a fair market value of up to $ 750 million, in addition to the amount of shares that were **then** available for repurchase under our previous **Board** authorization. **In** ~~As of December 31, 2022~~ **2023**, **we repurchased 0. 8 million** shares of our common stock **at an aggregate cost of $ 137. 5 million. As of December 30, 2023, shares of our common stock** in the aggregate amount of $ ~~730~~ **592**. ~~0~~ **8** million remained authorized for repurchase under **this** ~~the 2022~~ Board authorization ~~. In 2022, we repurchased 2. 2 million shares of our common stock at an aggregate cost of $ 379. 5 million~~. We make share repurchases through a variety of methods, which may include open market purchases, privately negotiated transactions, block trades or accelerated share repurchase transactions. Our share repurchase authorizations do not obligate us to acquire any specific number of shares or to repurchase any specific number of shares for any fixed period. The timing and amount of **our** repurchases, if any, are subject to market and economic conditions, applicable legal requirements and other relevant factors. We may limit, suspend or discontinue repurchasing shares at any time at our discretion and without prior notice. Although we increased our quarterly dividend rate by approximately ~~10~~ **8** % in April ~~2022~~ **2023**, there can be no assurance that we will maintain this rate or approve further increases in the future. Future dividends are subject to market and economic conditions, applicable legal requirements and other relevant factors. We are not obligated to continue ~~a~~ **declaring** ~~dividend~~ **dividends** for any fixed period, and ~~the~~ **our** payment of dividends could be suspended or discontinued at any time at our discretion and without prior notice. We will continue to retain future earnings to develop our business, as opportunities arise, and evaluate the amount and timing of future dividends based on our operating results, financial condition, capital ~~requirements~~ **allocation strategies** and general business conditions. The amount and timing of any future dividends may vary, and the payment of any dividend does not assure that we will pay dividends in the future. In addition, any future repurchases of our common stock or payment of dividends, or any determination to cease repurchasing stock or paying dividends, could affect our stock price and significantly increase its variability. Our share repurchases and any future dividends could cause our stock price to be higher than it would otherwise be and could potentially reduce the market liquidity for our stock. Additionally, any future repurchases of our common stock or payment of dividends could impact our ability to ~~finance future growth and to~~ **invest in our businesses or** pursue ~~possible future strategic opportunities and~~ acquisitions **and venture investments**. Although our share repurchase program is intended to enhance long- term stockholder value, there is no assurance that it will do so because the market price of our common stock may decline below the levels at which we repurchased shares of stock and short- term stock price fluctuations could reduce the program' s effectiveness. Risks Related to Legal and Regulatory Matters Infringing intellectual property rights of third parties or inadequately acquiring or protecting our intellectual property could harm our ability to compete or grow. Because our products involve complex technology and chemistry, we are involved from time to time in litigation involving patents and other intellectual property. Parties have filed, and in the future may file, claims against us alleging that we have infringed their intellectual property rights. We are currently party to a litigation in which ADASA Inc. (" Adasa "), an unrelated third party, alleged that certain of our RFID products **within our Solutions Group reportable segment** infringed ~~on~~ its patent. ~~We have accrued a~~ **As of December 30, 2023 our** contingent liability **for** ~~in the amount of $ 26. 6 million based on our assessment of the probabilities and associated outcomes related to~~ this matter **was $ 82. 9**

million which reflects our best estimate of the anticipated judgment . For more information on this litigation, see Note 8, " Contingencies, " in the Notes to Consolidated Financial Statements. If we are **unsuccessful** ~~ultimately held liable~~ in **our appeals related to** the Adasa matter or are held liable for infringement in other matters, we could be required to pay damages, obtain licenses or cease making or selling certain products. There can be no assurance that licenses would be available on commercially reasonable terms or at all. The defense of these claims, whether or not meritorious, or the development of new technologies **is costly** ~~could cause us to incur significant costs~~ and ~~divert~~ **diverts** the attention of management. We also have valuable intellectual property upon which third parties may infringe. We attempt to protect and restrict access to our intellectual property and proprietary information by relying on the patent, trademark, copyright and trade secret laws of the U. S. and other countries, as well as non- disclosure agreements. However, it may be possible for a third party to obtain our information without our authorization, independently develop similar technologies, or breach a non- disclosure agreement entered into with us. In addition, many of the countries in which we operate do not have intellectual property laws as ~~fulsome~~ **protective** as those in the U. S. The use of our intellectual property by someone else without our authorization could reduce or eliminate certain competitive advantages we have, cause us to lose sales or otherwise harm our business. Further, the costs associated with protecting our intellectual property rights could materially adversely impact our business. We have obtained and applied for U. S. and foreign trademark registrations and patents, and will continue to evaluate whether to register additional trademarks and apply for additional patents. We cannot guarantee that any of ~~the~~ **our** pending applications will be approved by the applicable governmental authorities. Further, we cannot assure that the validity of our patents or our trademarks will not be challenged. In addition, third parties may be able to develop competing products using technology that avoids our patents. Unfavorable developments in legal proceedings, investigations and other legal ~~, environmental, compliance~~ and regulatory matters, could impact us in a materially adverse manner. There can be no assurance that any outcome of any litigation, investigation or other legal, environmental, compliance and regulatory matter will be favorable. Our financial results could be materially adversely affected by an unfavorable outcome to pending or future litigation and investigations, and other legal, regulatory, environmental and compliance matters. See Note 8, " Contingencies, " in the Notes to Consolidated Financial Statements for more information. We are required to comply with anti- corruption **and other compliance** laws and regulations of the U. S. government and various international jurisdictions, and our failure to comply with these laws and regulations could have a material adverse effect on our business. We are required to comply with the anti- corruption **and other compliance** laws and regulations of the U. S. government and various international jurisdictions, such as the U. S. Foreign Corrupt Practices Act and the UK' s Bribery Act of 2010. If we fail to comply with anti- corruption laws, we could be subject to substantial civil and criminal penalties, including fines, monetary damages and incarceration for responsible employees and managers. In addition, if our distributors or agents fail to comply with these laws, our business may also be materially adversely affected through reputational harm and penalties. We are required to comply with environmental, health, and safety laws at our operations around the world. The costs of complying with these laws **is significant and increasing** ~~could materially adversely affect our business~~ . We are subject to national, state, provincial and / or local environmental, health, and safety laws and regulations in the U. S. and other countries in which we operate, including those related to the disposal of hazardous waste and GHG emissions from our manufacturing processes. These laws **, which are continually evolving and imposing additional requirements on our current and former manufacturing facilities,** impose liability for the costs of, and damages resulting from, cleaning up current sites, past spills, disposals and other releases of hazardous substances. **Enforcement of** ~~These~~ **these** laws ~~are often~~ **can be** unclear and **is** subject to the discretion of **governmental agencies** ~~the enforcing authorities~~ . Any failure to comply with existing and future environmental, health and safety laws could subject us to fees, penalties, costs or liabilities, impact our production capabilities, limit our ability to sell, expand or acquire facilities, and have a material adverse effect on our business. Laws and regulations related to the environment, product content and product safety are complex, change often, and can be open to different interpretations. In addition, we could be materially and adversely impacted by any environmental or product safety enforcement action affecting our suppliers, particularly in emerging markets. We have accrued liabilities for the environmental clean- up of certain sites, including the eleven sites for which U. S. governmental agencies have designated us as a potentially responsible party as of our ~~2022~~ **2023** fiscal year- end, where it is probable that a loss will be incurred and the cost or amount of loss can be reasonably estimated. See Note 8, " Contingencies, " in the Notes to Consolidated Financial Statements for more information. However, because of the uncertainties associated with environmental assessment and remediation activities, the actual expense to remediate currently identified sites ~~and other sites that could be identified for cleanup in the future~~ could be higher than the liabilities accrued **and additional sites could be identified in the future** . We are subject to export and import control laws and regulations in the jurisdictions in which we do business that could subject us to liability or impair our ability to compete in these markets. Export control laws and economic sanctions prohibit the shipment of some of our products to embargoed or sanctioned countries, governments and persons. While we train our employees to comply with these regulations, use third party screening software, and take other measures, we cannot guarantee that a violation will not occur. A prohibited shipment **has** ~~could have~~ negative consequences, including government investigations, penalties, fines, civil and criminal sanctions and **/ or** reputational harm. Any change in export or import regulations, economic sanctions or related legislation, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could decrease our ability to export or sell our products internationally. Any limitation on our ability to export or sell our products could materially adversely affect our business. Some of our products are subject to export control laws and regulations and may be exported only with an export license or through an applicable export license exception. If we fail to comply with export licensing, customs regulations, economic sanctions or other laws, we could be subject to substantial civil or criminal penalties, including ~~economic sanctions~~ **fines, criminal charges** against ~~us, incarceration for~~ responsible employees and ~~managers, and the possible~~ loss of export or import privileges. In addition, if our distributors fail to obtain appropriate import, export or re- export licenses or permits, we may also be materially adversely affected through reputational harm and penalties. Obtaining the necessary export license for a particular sale may be time consuming and expensive and could result in the delay or loss of sales opportunities. Risks Related to Other Financial Matters Our pension assets are significant and subject to market, interest and credit risk that may reduce their value. Changes in the value of our pension assets, which was approximately $ ~~585~~ **663** million as of December ~~31~~ **30** , ~~2022~~ **2023** , could materially adversely affect our earnings and cash flows. In particular, the value of our investments may decline due to increases in interest rates or volatility in ~~the~~ financial markets. ~~In addition, we~~ **We continuously evaluate options to better manage the volatility associated with our pension liabilities and** may take actions to reduce the financial volatility associated with our pension liabilities, which could result in **significant** charges ~~in the nearer term. As such, we continuously evaluate options to better manage the volatility associated with our pension liabilities~~ . Although we mitigate these risks by investing in high quality securities, ensuring adequate diversification of our investment portfolio and monitoring our portfolio' s overall risk profile, the value of our investments may nevertheless decline. The actuarial assumptions used for valuation purposes ~~could~~ affect our earnings and cash flows ~~in future periods~~ . Changes in accounting standards and government regulations could also affect our pension and postretirement plan expense and funding requirements. We evaluate the assumptions used in determining projected benefit obligations and the fair value of plan assets for our ~~international~~ **non- U. S.** pension plans and other postretirement benefit plans in consultation with outside actuaries. ~~In~~ **Our pension and projected postretirement benefit expenses and funding requirements increase or decrease as a result of** the **assumptions** ~~event that~~ we ~~were to determine that changes were warranted in the assumptions used~~ **use** , **including** ~~such as~~ the discount rate, expected long- term rate of return ~~,~~ or mortality rates ~~, our pension and projected postretirement benefit expenses and funding requirements could increase or decrease~~ . Because of changing market conditions or changes in ~~the~~ participant ~~population~~ **populations** , the actuarial assumptions that we use may differ from actual results, which could have a significant impact on our pension and postretirement benefit obligations and related costs. Funding obligations for each plan are determined based on the value of assets and liabilities on a specific date ~~as required under~~ **in accordance with** applicable government regulations. Our pension funding requirements, and the timing of funding payments, could also be affected by future legislation or regulation **. In 2023, the Dutch Senate passed the Dutch Pension Act, which requires traditional defined benefit plans to be phased out and transition to defined contribution plans by January 1, 2028** . An impairment in the carrying value of goodwill could negatively impact our results of operations and net worth. Goodwill is initially recorded at fair value and not amortized **and** ~~, but~~ is reviewed for impairment annually (or more frequently if impairment indicators are present). As of December ~~31~~ **30** , ~~2022~~ **2023** , the carrying value of our goodwill was $ ~~1~~ **2** . ~~9~~ **01** billion. In ~~2022~~ **2023** , we determined that the goodwill of our reporting units was not impaired. We review goodwill for impairment by comparing the fair value of a reporting unit to its carrying value. In assessing fair value, we make estimates and assumptions about sales, operating margins, growth rates, and discount rates based on our business plans, economic projections, anticipated future cash flows and marketplace data. There are inherent uncertainties related to these factors and management' s judgment in applying these factors. Goodwill valuations have been calculated primarily using an income approach based on the present value of projected future cash flows of each reporting unit. We could be required to evaluate the carrying value of goodwill prior to the annual assessment if we experience disruptions to our business, unexpected significant declines in operating results, divestiture of a significant component of our business or sustained market capitalization declines. These types of events could result in goodwill impairment charges in the future. Impairment charges could ~~substantially~~ **materially adversely** affect our business in the periods in which they are made.