

Risk Factors Comparison 2025-02-21 to 2024-02-16 Form: 10-K

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We discuss our expectations regarding future performance, events and outcomes in this Form 10-K, quarterly and annual reports, press releases and other written and oral communications. All statements except for historical and present factual information are “ forward- looking statements ” and are based on financial data and business plans available only as of the time the statements are made, which may become outdated or incomplete. Forward- looking statements are inherently uncertain, and investors must recognize that events could significantly differ from our expectations. You should carefully consider the risk factors discussed below, together with all the other information included in this Form 10-K, in evaluating us and our ordinary shares. If any of the risks below actually occurs, our business, financial condition, results of operations and cash flows could be materially and adversely affected. Any such adverse effect may cause the trading price of our ordinary shares to decline, and as a result, you could lose all or part of your investment in us. Our business may also be adversely affected by risks and uncertainties not known to us or risks that we currently believe to be immaterial. We assume no obligation to update any forward- looking statements as a result of new information, future events or other factors.

Operational Risks We face risks associated with our sales to customers and manufacturing operations outside the United States. Our net sales consist of sales both within and outside the United States. In addition, we conduct a portion of our manufacturing outside the United States. The majority of our foreign sales occur through our foreign subsidiaries and the remainder of our foreign sales result from exports to foreign distributors, resellers and customers. Our foreign sales and operations are subject to a number of risks, including: longer accounts receivable collection periods; the impact of recessions and other economic conditions in economies outside the United States; export duties and quotas; imposition of, or changes in, tariffs, sanctions, trade restrictions, and trade relations including but not limited to those associated with the United States- Mexico- Canada Agreement (" USMCA") which replaced the North American Free Trade Agreement (" NAFTA"), other free trade agreements, and the exit of the United Kingdom from the European Union; unexpected changes in regulatory requirements; certification requirements; environmental regulations; reduced protection for intellectual property rights in some countries; potentially adverse tax consequences; political and economic instability; **geopolitical tensions**; and preference for locally produced products. These factors could have a material adverse impact on our ability to increase or maintain our international sales. Our sales and operations may be adversely affected by supply chain disruptions due to political unrest, terrorist acts, and national and international conflicts. Our sales and operations are subject to a number of risks, including political and economic instability **and geopolitical tensions**, which could have a material adverse impact on our ability to increase or maintain our international sales and operations. National and international conflicts such as war, border closures, civil disturbances and terrorist acts, including Russia's invasion of Ukraine and the ongoing conflict ~~between Israel and Hamas~~ **in the Middle East**, may increase the likelihood of already strained supply interruptions and further hinder our ability to access the materials and energy we need to manufacture our products. Additional supply chain disruptions will make it harder for us to find favorable pricing and reliable sources for the materials we need. As a result, such disruptions will put upward pressure on our costs and increase the risk that we may be unable to acquire the materials and services we need to continue to make certain products, in particular at our manufacturing facilities in Europe. Our financial success depends in part on the reliability and sufficiency of our manufacturing facilities. Our revenues depend on the effective operation of our manufacturing, packaging, and processing facilities. The operation of our facilities involves risks, including the breakdown, failure, or substandard performance of equipment, power outages, the improper installation or operation of equipment, explosions, fires, natural disasters, failure to achieve or maintain safety or quality standards, work stoppages, supply or logistical outages, and the need to comply with environmental and other directives of governmental agencies. The occurrence of material operational problems, including, but not limited to, the above events, could adversely affect our profitability during the period of such operational difficulties. Our ability to successfully grow and expand our business depends on our ability to recruit and retain a highly qualified and ~~diverse~~ **motivated** workforce. Our ability to successfully grow and expand our business is dependent upon our ability to recruit and retain a workforce with the skills necessary to develop, manufacture and deliver the products and services desired by our customers. We need highly skilled and qualified personnel in multiple areas, including research and development, engineering, sales, manufacturing, information technology, cybersecurity, accounting, regulatory, and management. We must therefore continue to effectively recruit, retain and motivate highly qualified, skilled and diverse personnel to maintain our current business and support our projected growth. A shortage of these employees for various reasons, including intense competition for skilled employees, labor shortages, increased labor costs, candidates' preference to work remotely, changes in laws and policies regarding immigration and work authorizations in jurisdictions where we have operations, or any government mandates that may result in workforce attrition and difficulty with recruiting, may jeopardize our ability to grow and expand our business. We may, from time to time, experience problems in our labor relations. A portion of our North American workforce is represented by a union under a single collective bargaining agreement. In Europe, employees at our Marano ~~;~~ Ticino, Italy facility and Bertinoro, Italy facility are covered by a national collective bargaining agreement, respectively. We believe that our present labor relations with all our union employees are satisfactory, however, our failure to renew these agreements on reasonable terms could result in labor disruptions and increased labor costs, which could adversely affect our financial performance. Similarly, if our relations with the union portion of our workforce do not remain positive, such employees could initiate a strike, work stoppage or slowdown in the future. In the event of such an action, we may not be able to adequately meet the needs of our customers using our remaining workforce and our operations and financial condition could be adversely affected. Additionally, other portions of our workforce could become subject to union campaigns. The effects of

global climate change or other unexpected events, including global health crises, may disrupt our operations and have a negative impact on our business. The effects of global climate change, such as extreme weather conditions and natural disasters occurring more frequently or with more intense effects, or the occurrence of unexpected events including wildfires, tornadoes, hurricanes, earthquakes, floods, tsunamis and other severe hazards or global health crises, such as the outbreak of Ebola or the global COVID- 19 pandemic, or other actual or threatened epidemic, pandemic, outbreak and spread of a communicable disease or virus, in the countries where we operate or sell products and provide services, could adversely affect our operations and financial performance. Extreme weather, natural disasters, power outages, global health crises or other unexpected events could disrupt our operations by impacting the availability and cost of materials needed for manufacturing, causing physical damage and partial or complete closure of our manufacturing sites or distribution centers, loss of human capital, temporary or long- term disruption in the manufacturing and supply of products and services and disruption in our ability to deliver products and services to customers. These events and disruptions could also adversely affect our customers' and suppliers' financial condition or ability to operate, resulting in reduced customer demand, delays in payments received or supply chain disruptions. Further, these events and disruptions could increase insurance and other operating costs, including impacting our decisions regarding construction of new facilities to select areas less prone to climate change risks and natural disasters, which could result in indirect financial risks passed through the supply chain or other price modifications to our products and services. We may be subject to risks relating to our information technology and operational technology systems. We rely extensively on information technology and operational technology systems, networks and services including hardware, software, firmware and technological applications and platforms (collectively, "IT Systems") to manage and operate our business from end- to- end, including ordering and managing materials from suppliers, design and development, manufacturing, marketing, selling and shipping to customers, invoicing and billing, managing our banking and cash liquidity systems, managing our enterprise resource planning and other accounting and financial systems and complying with regulatory, legal and tax requirements. We have invested and will continue to invest in improving our IT Systems. Some of these investments are significant and impact many important operational processes and procedures. There is no assurance that newly implemented IT Systems will improve our current systems, improve our operations or yield the expected returns on the investments. In addition, the implementation of new IT Systems may be more difficult, costly or time consuming than expected and cause disruptions in our operations and, if not properly implemented and maintained, negatively impact our business. If our IT Systems cease to function properly or if these systems do not provide the anticipated benefits, our ability to manage our operations could be impaired. We currently rely on third- party service providers for many of the critical elements of our global information and operational technology infrastructure and their failure to provide effective support for such infrastructure could negatively impact our business and financial results. We have outsourced many of the critical elements of our global information and operational technology infrastructure to third- party service providers in order to achieve efficiencies. If such service providers do not perform or do not perform effectively, we may not be able to achieve the expected efficiencies and may have to incur additional costs to address failures in providing service by the service providers. Depending on the function involved, such non- performance, ineffective performance or failures of service may lead to business disruptions, processing inefficiencies or security breaches. Disruptions or breaches of our information systems could adversely affect us. Despite our implementation of cybersecurity measures which have focused on prevention (including a robust cybersecurity employee education program to train our employees on email and password security, recognizing phishing and related topics on a regular basis), mitigation, resilience and recovery, our network and products, including access solutions, may be vulnerable to cybersecurity attacks, computer viruses, malicious codes, malware, ransomware, phishing, social engineering, denial of service, hacking, break- ins and similar disruptions, including through use of **new emerging technologies, such as artificial intelligence tools or methods and machine learning**. Cybersecurity attacks and intrusion efforts are continuous and evolving, and in certain cases they have been successful at the most robust institutions. The scope and severity of risks that cyber threats present have increased dramatically and include, but are not limited to, malicious software, attempts to gain unauthorized access to data or premises, exploiting weaknesses related to vendors or other third parties that could be exploited to attack our systems, denials of service and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and corruption of data. Any such event could have a material adverse effect on our business, operating results and financial condition, as we face regulatory, reputational and litigation risks resulting from potential cyber incidents, as well as the potential of incurring significant remediation costs. Further, while we maintain insurance coverage that may, subject to policy terms and exclusions, cover certain aspects of our cyber risks, such insurance coverage may be insufficient to cover our losses or all types of claims that may arise in the continually evolving area of cyber risk. We also face increasing and evolving disclosure obligations related to cybersecurity events. Despite rigorous processes, we may not adequately meet all our existing or future disclosure obligations and / or having our disclosures misinterpreted. Determining whether a cybersecurity incident is notifiable or reportable may not be straightforward and any such mandatory disclosures could lead to negative publicity, loss of customer confidence in the effectiveness of our security measures, diversion of management' s attention and governmental investigations. Our daily business operations also require us to collect and / or retain sensitive data such as intellectual property, proprietary business information and data related to customers, employees, suppliers and business partners within our networking infrastructure including data from individuals subject to the European Union' s General Data Protection Regulation, that is subject to privacy and security laws, regulations and / or customer- imposed controls. Despite our efforts to protect such data, the loss or breach of such data due to various causes including material security breaches, catastrophic events, extreme weather, natural disasters, power outages, system failures, computer viruses, improper data handling, programming errors, unauthorized access and employee error or malfeasance could result in wide reaching negative impacts to our business, and as such, the ongoing maintenance and security of this information is pertinent to the success of our business operations and our strategic goals. Our networking infrastructure and related assets may be subject to unauthorized access by hackers, employee error or

malfiance or other unforeseen activities. Such issues could result in the disruption of business processes, network degradation and system downtime, along with the potential that a third party will exploit our critical assets such as intellectual property, proprietary business information and data related to our customers, suppliers and business partners. To the extent that such disruptions occur and our business continuity plans do not effectively address these disruptions in a timely manner, they may cause delays in the manufacture or shipment of our products and the cancellation of customer orders and, as a result, our business, operating results and financial condition could be materially and adversely affected, resulting in a possible loss of business or brand reputation. Business and Financial Risks Increased competition could adversely affect our business and financial results. We face competition in our markets from a number of large and small companies, some of which have greater financial, research and development, production and other resources than we do. Our competitive position is based principally on performance, quality, customer support, service, breadth of product line, manufacturing or packaging technology and the selling prices of our products. We may be unable to effectively compete on all these bases. Further, our competitors may improve the design and performance of their products and introduce new products with competitive price and performance characteristics. While we expect to do the same to maintain our current competitive position and market share, if we are unable to anticipate evolving trends in the market or the timing and scale of our competitors' activities and initiatives, the demand for our products and services could be negatively impacted. Global economic conditions may adversely affect our business, operating results and financial condition. Unfavorable changes in economic conditions, including inflation, **monetary policies**, recession, changes in tariffs and trade relations amongst international trading partners, or other changes in economic conditions, may adversely impact the markets in which we operate. These conditions may make it extremely difficult for our customers, our vendors and us to accurately forecast and plan future business activities, and they could cause U. S. and foreign businesses to slow spending on our products which would reduce our revenues and profitability. If inflation in costs such as raw materials, packaging, freight, labor and energy prices increase beyond our ability to control for them through measures such as implementing operating efficiencies, we may not be able to increase prices to sufficiently offset the effect of various costs increases without negatively impacting customer demand, thereby negatively impacting our margin performance and results of operations. Furthermore, during challenging economic times our customers may face issues gaining timely access to sufficient credit, which could result in an impairment of their ability to make timely payments to us. If that were to occur, we may be required to increase our allowance for doubtful accounts and cash flow would be negatively impacted. We cannot predict the timing, depth or duration of any economic slowdown or subsequent economic recovery, worldwide, or in the markets in which we operate. Also, at any point in time we have funds in our cash accounts that are with third party financial institutions. These balances in the U. S. and other countries could exceed the Federal Deposit Insurance Corporation (" FDIC ") and other relevant insurance limits, respectively. While we monitor the cash balances in our accounts, these balances could be impacted if the underlying financial institutions fail or could be subject to other adverse conditions in the financial markets. Additionally, our future results of operations could be adversely affected by changes in the effective tax rate as a result of a change in the mix of earnings in jurisdictions with differing statutory tax rates, changes in tax laws, regulations and judicial rulings or changes in the interpretation thereof. Raw material shortages or price increases could adversely affect our business and financial results. The principal raw materials that we use in the manufacture of our products can be subject to price fluctuations due to market conditions and factors beyond our control, including ~~the COVID-19 pandemic~~ **severe hazards, global health crises** and inflationary pressures, ~~both of which have impacted our business over the past several years and are likely to continue for some time~~. Such raw materials include materials derived from petrochemicals, minerals, metals, agricultural commodities and other commodities. While the selling prices of our products tend to increase or decrease over time with the cost of raw materials, these changes may not occur simultaneously or to the same degree. At times, including during periods of rapidly increasing raw material prices, we may be unable to pass increases in raw material costs through to our customers due to certain contractual obligations. Such increases in the price of raw materials, if not offset by product price increases, or substitute raw materials, would have an adverse impact on our profitability. We believe we have reliable sources of supply for our raw materials under normal market conditions. We cannot, however, predict the likelihood or impact of any future raw material shortages. Any shortages or unforeseen price increases could have a material adverse impact on our results of operations. Our international operations subject us to currency translation risk and currency transaction risk which could cause our results to fluctuate from period to period. The financial condition and results of operations of our foreign subsidiaries are reported in local currencies and then translated into U. S. dollars at the applicable currency exchange rate for inclusion in our consolidated financial statements. Exchange rates between these currencies in recent years have fluctuated and may do so in the future. Furthermore, we incur currency transaction risk whenever we enter into either a purchase or a sales transaction using a currency different than the functional currency. Given the volatility of exchange rates, we may not be able to effectively manage our currency transactions and / or translation risks. Volatility in currency exchange rates could impact our business and financial results. Although we utilize risk management tools, such as derivative instruments, to mitigate market fluctuations in foreign currencies, any changes in strategy in regard to risk management tools can also affect revenue, expenses and results of operations and there can be no assurance that such measures will result in cost savings or that all market fluctuation exposure will be eliminated. Our debt instruments are subject to interest rate risks and impose operating and financial restrictions which could have an adverse impact on our business and results of operations. Our incurrence of indebtedness could have negative consequences to us, including limiting our ability to borrow additional monies for our working capital, capital expenditures, acquisitions, debt service requirements or other general corporate purposes; limiting our flexibility in planning for, or reacting to, changes in our operations, our business or the industries in which we compete; our leverage may place us at a competitive disadvantage by limiting our ability to invest in the business or in further research and development; making us more vulnerable to downturns in our business or the economy; and there would be a material adverse effect on our business and financial condition if we were unable to service our indebtedness or obtain additional financing, as needed. Our ability to make payments on our indebtedness

depends on our ability to generate cash in the future. If we do not generate sufficient cash flow to meet our debt service and working capital requirements, we may need to seek additional financing or sell assets. This may make it more difficult for us to obtain financing on terms that are acceptable to us, or at all. Without any such financing, we could be forced to sell assets to make up for any shortfall in our payment obligations under unfavorable circumstances. Interest payable in accordance with our five-year senior secured revolving credit agreement (the "Credit Agreement") is based on a fluctuating rate. In light of potential fluctuations, including interest rate increases which may continue, we are exposed to risk resulting from adverse changes in interest rates. Further, due to the cessation of the London Interbank Offered Rate ("LIBOR"), we have entered into financial transactions such as credit agreements that use the Secured Overnight Financing Rate ("SOFR") as interest rate benchmarks. SOFR is calculated differently from LIBOR and has inherent differences which could give rise to uncertainties, including the limited historical data and volatility in the benchmark rates. The full effects of the transition to SOFR or other rates remain uncertain. We may not be able to successfully consummate and manage acquisition, joint venture and divestiture activities which could have an impact on our results. From time to time, we may acquire other businesses, enter into joint ventures and, based on an evaluation of our business portfolio, divest existing businesses. These acquisitions, joint ventures and divestitures may present financial, managerial and operational challenges, including diversion of management attention from existing businesses, difficulty with integrating or separating personnel and financial and other systems, increased expenses, difficulties in realizing synergies expected to result from acquisitions, potential loss of key employees, key contractual relationships or key customers of acquired companies or of us, difficulties in integrating financial reporting systems and implementing controls, procedures and policies, including disclosure controls and procedures and internal control over financial reporting, appropriate for public companies of our size at companies that, prior to the acquisition, had lacked such controls, procedures and policies, assumption of unknown liabilities and indemnities, and potential disputes with the buyers or sellers. In addition, we may be required to incur asset impairment charges (including charges related to tangible assets, goodwill and other intangible assets) in connection with acquired businesses which may reduce our profitability. If we are unable to consummate such transactions, or successfully integrate and grow acquisitions and achieve contemplated revenue synergies and cost savings, our financial results could be adversely affected. Additionally, joint ventures inherently involve a lesser degree of control over business operations, thereby potentially increasing the financial, legal, operational and / or compliance risks. We may not be able to effectively manage and implement restructuring initiatives or other organizational changes. We may, from time to time, restructure or make other adjustments to our workforce and manufacturing footprint in response to market or product changes, performance issues, changes in strategy, acquisitions and / or other internal and external considerations. These restructuring activities and other organizational changes may result in increased restructuring costs, diversion of management's time and attention from daily operations and temporarily reduced productivity. If we are unable to successfully manage and implement restructuring and other organizational changes, we may not achieve or sustain the expected growth or cost savings benefits of these activities or do so within the expected timeframe. These effects could recur in connection with future acquisitions and other organizational changes and our results of operations could be negatively affected. Changes in our relationships with our vendors, changes in tax or trade policy, interruptions in our operations or supply chain or increased commodity or supply chain costs could adversely affect our results of operations. We are dependent on our vendors, including common carriers, to supply raw materials to our manufacturing facilities. As we continue to add capabilities to quickly move the appropriate amount of inventory at optimal operational costs through our entire supply chain, operating our fulfillment network becomes more complex and challenging. If our fulfillment network does not operate properly, if a vendor fails to deliver on its commitments, or if common carriers have difficulty providing capacity to meet demands for their services, we could experience inventory shortages, delivery delays or increased delivery costs, which could lead to lost sales and decreased guest confidence, and adversely affect our results of operations. A large portion of our raw materials are sourced, directly or indirectly, from outside the U. S. Any major changes in tax or trade policy, such as the imposition of additional tariffs or duties on imported products, between the U. S. and countries from which we source raw materials could require us to take certain actions, including for example raising prices on products we sell and seeking alternative sources of supply from vendors in other countries with whom we have less familiarity, which could adversely affect our reputation, sales, and our results of operations. Political or financial instability, **geopolitical tensions**, currency fluctuations, the outbreak of pandemics or other illnesses (such as the COVID- 19 pandemic), labor unrest, transport capacity and costs, port security, weather conditions, natural disasters, or other events that could alter or suspend our operations, slow or disrupt port activities, or affect foreign trade are beyond our control and could materially disrupt our supply of raw materials, increase our costs, and / or adversely affect our results of operations. There have been periodic labor disputes impacting the U. S. ports that have caused us to make alternative arrangements to continue the flow of inventory, and if these types of disputes recur, worsen, or occur in other countries through which we source products, it may have a material impact on our costs or inventory supply. Changes in the costs of procuring commodities used in our products or the costs related to our supply chain, could adversely affect our results of operations. Adverse publicity or consumer concern regarding the safety or quality of food products containing our products, or health concerns, whether with our products, products in the same general class as our products or for food products containing our products, may result in the loss of sales. Also, consumer preferences for products containing our products may change. We are dependent upon consumers' perception of the safety, quality and possible dietary benefits of products containing our food ingredient products. As a result, substantial negative publicity concerning our products or other foods and beverages in which our products are used could lead to a loss of consumer confidence in those products, removal of those products from retailers' shelves and reduced sales and prices of our products. Product quality issues, actual or perceived, or allegations of product contamination, even when false or unfounded, could hurt the image of our products or of brands of products containing our products, and cause consumers to choose other products. Further, any product recall, whether our own or by a third party, whether due to real or unfounded allegations, could impact demand on food products containing our products or even our products. Any of these events could have a material adverse effect

on our business, results of operations and financial condition. Consumer preferences, as well as trends, within the food industries change often and our failure to anticipate, identify or react to changes in these preferences and trends could, among other things, lead to reduced demand and price reductions, and could have an adverse effect on our business, results of operations and financial condition. While we continue to diversify our product offerings, developing new products entails risks and we cannot be certain that demand for our products and products containing our products will continue at current levels or increase in the future. Legal, Regulatory and Compliance Risks Material adverse legal judgments, fines, penalties or settlements could adversely affect our business. We may from time to time become involved in **various** legal proceedings and disputes incidental to the operation of our business. Our business may be adversely affected by the outcome of these proceedings and other contingencies (including, without limitation, product liability, tort, environmental, intellectual property, antitrust, data protection, privacy, and labor and employment matters) that cannot be predicted with certainty. As required by GAAP, if applicable, we establish reserves based on our assessment of contingencies. Subsequent developments in legal proceedings and other contingencies may affect our assessment and estimates of the loss contingency recorded as a reserve, and we may be required to make additional material payments. Our business exposes us to potential product liability claims and recalls, which could adversely impact our financial condition and performance. Our development, manufacture and sales of food ingredient, pharmaceutical **and**, nutritional supplement **and other** products involve an inherent risk of exposure to product liability claims, product recalls, product seizures and related adverse publicity. A product liability judgment against us could also result in substantial and unexpected expenditures, affect consumer confidence in our products, and divert management's attention from other responsibilities. Although we maintain **certain product liability** insurance coverage in amounts we believe are customary within the industry, there can be no assurance that this level of coverage is adequate or that we will be able to continue to maintain our existing insurance or obtain comparable insurance at a reasonable cost, if at all. A product recall or a partially or completely uninsured judgment against us could have a material adverse effect on results of operations and financial condition. Our brands are important assets of our businesses, and violation of our trademark rights by imitators could negatively impact revenues and brand reputation. Our brands and trademarks enjoy a reputation for quality and value and are important to our success and competitive position. Unauthorized use of our trademarks may not only erode sales of our products but may also cause significant damage to our brand name and reputation, interfere with relationships with our customers and increase litigation costs. There can be no assurance that our on-going effort to protect our brand and trademark rights will prevent all violations. Allegations that we have infringed the intellectual property rights of third parties could negatively affect us. We may be subject to claims of infringement of intellectual property rights by third parties. In general, if it is determined that one or more of our technologies, products or services infringes the intellectual property rights owned by others, we may be required to cease marketing those products or services, to obtain licenses from the holders of the intellectual property at a material cost or to take other actions to avoid infringing such intellectual property rights. The litigation process is costly and subject to inherent uncertainties, and we may not prevail in litigation matters regardless of the merits of our position. Adverse intellectual property litigation or claims of infringement against us may become extremely disruptive if the plaintiffs succeed in blocking the trade of our products and services and may have a material adverse effect on our business. We are subject to risks related to corporate social responsibility and reputational matters. Our reputation and the reputation of our brands, including the perception held by our customers, end-users, business partners, investors, other key stakeholders and the communities in which we do business are influenced by various factors. **With respect to interest** ~~There is an increased focus~~ from our stakeholders on Environmental, Social and Governance ("ESG") practices and disclosure, ~~and~~ if we fail, or are perceived to have failed, in any number of ESG matters, such as environmental stewardship, goals regarding our intended reduction of carbon emissions and water usage, ~~inclusion and diversity~~, **workplace conduct and belonging**, and support for local communities, or to effectively respond to changes in, or new, legal or regulatory requirements concerning climate change, **climate risk reporting**, or other sustainability concerns, our reputation or the reputation of our brands may suffer. Such damage to our reputation and the reputation of our brands may negatively impact our business, financial condition and results of operations. Further, there are an increasing number of anti-ESG legislative initiatives that may conflict with other regulatory requirements or our stakeholders' expectations. In addition, negative or inaccurate postings or comments on social media or networking websites about the Company or our brands could generate adverse publicity that could damage our reputation or the reputation of our brands. If we are unable to effectively manage real or perceived issues, including concerns about product quality, safety, corporate social responsibility or other matters, sentiments toward the Company or our products could be negatively impacted, and our financial results could suffer. Our reputation, ability to do business and results of operations could be impaired by adverse publicity or improper conduct by any of our employees, agents or business partners. We are subject to regulation under a variety of U. S. federal and state and non- U. S. laws, regulations and policies, including laws related to **environmental, health and safety**, anti-corruption, export and import compliance, anti-trust and money laundering due to our global operations. We cannot provide assurance that our internal controls will always protect us from the improper conduct of our employees, agents and business partners. Any improper conduct could damage our reputation and subject us to, among other things, civil and criminal penalties, material fines, equitable remedies (including profit disgorgement and injunctions on future conduct), securities litigation and a general loss of investor confidence. Our operations are subject to regulatory risks and the loss of governmental permits and approvals would materially and adversely affect some of our businesses. Our U. S. and non- U. S. operations are subject to a number of laws and regulations, including environmental, health and safety standards. We have incurred, and will be required to continue to incur, significant expenditures to comply with these laws and regulations. Changes to, or changes in interpretations of, current laws and regulations, including climate change legislation or other environmental mandates, could require us to increase our compliance expenditures, cause us to significantly alter or discontinue offering existing products and services or cause us to develop new products and services. Altering current products and services or developing new products and services to comply with changes in the applicable laws and regulations could require significant research and development

investments, increase the cost of providing the products and services and adversely affect the demand for our products and services, including shifting demand to competitors in countries where laws and regulations may be less stringent. In the event a regulatory authority concludes that we are not or have not at all times been in full compliance with these laws or regulations, we could be fined, criminally charged or otherwise sanctioned. Certain environmental laws assess liability on current or previous owners of real property or operators of manufacturing facilities for the costs of investigation, removal or remediation of hazardous substances or materials at such properties or at properties at which parties have disposed of hazardous substances. Liability for investigative, removal and remedial costs under certain U. S. federal and state laws and certain non- U. S. laws are retroactive, strict and joint and several. In addition to cleanup actions brought by governmental authorities, private parties could bring personal injury or other claims due to the presence of, or exposure to, hazardous substances. For more information, see "Item I. Business – Environmental and Regulatory Matters" of this report. While we have planned for future capital and operating expenditures to maintain compliance with environmental laws, our costs of compliance may exceed our estimates. We may also be subject to environmental claims for personal injury, liabilities arising from past, present or future releases of, or exposures to, hazardous substances, or cost recovery actions for remediation of facilities in the future based on our past, present or future business activities. Further, pursuant to applicable environmental and safety laws and regulations, we are required to obtain and maintain certain governmental permits and approvals, including EPA registrations under FIFRA for some of our products. We maintain EPA FIFRA registrations for ethylene oxide as a medical device sterilant and spice fumigant and for propylene oxide as a fumigant of nuts and spices. These products are progressing through a multi- year FIFRA re- registration review process. Recent draft documents indicate that the EPA intends to continue the registrations for both ethylene oxide and propylene oxide with certain additional mitigation measures. The EPA may re- examine the registrations in the future in accordance with the provisions of FIFRA. Any future determination by the EPA to discontinue permitted use of ethylene oxide or propylene oxide would have a material adverse effect on our business and financial results. Commercial supply of pharmaceutical products that we may develop, subject to cGMP manufacturing regulations, would be performed by third- party cGMP manufacturers. Modifications, enhancements or changes in third- party manufacturing facilities or procedures of our pharmaceutical products are, in many circumstances, subject to FDA approval, which may be subject to a lengthy application process or which we may be unable to obtain. Any third- party cGMP manufacturers that we may use are periodically subject to inspection by the FDA and other governmental agencies, and operations at these facilities could be interrupted or halted if the results of these inspections are unsatisfactory. Failure to comply with the FDA or other governmental regulations can result in fines, unanticipated compliance expenditures, recall or seizure of products, total or partial suspension of production, enforcement actions, injunctions and criminal prosecution, which could have a material adverse effect on our business and financial results. Permits and approvals may be subject to revocation, modification or denial under certain circumstances. Our operations or activities could result in administrative or private actions, revocation of required permits or licenses, or fines, penalties or damages, which could have an adverse effect on us. In addition, we cannot predict the extent to which any legislation or regulation may affect the market for our products or our cost of doing business. Concerns about ethylene oxide emissions have resulted in **regulatory requirements for ethylene oxide users** certain state actions against certain of our customers that are **currently have impacted, and may continue to impact** these customers', **such users'** ability to use the ethylene oxide process to sterilize medical devices **among other things**, which may, in turn, affect sales to **these our customers and our operations**. **In recent years, There there is has been** increased focus on the use and emissions of ethylene oxide ("EtO") by the EPA and **some** state environmental agencies. Certain of the Company's customers who use **EtO** ethylene oxide in the U. S. **mainly** for the sterilization of medical devices have received ongoing **federal, state,** and local scrutiny **for environmental concerns related to potential emissions of EtO** at their facilities. This scrutiny is associated with the IRIS Assessment described in "Item I. Business – Environmental and Regulatory Matters" of this report, which deemed **chronic** exposure to **ethylene oxide EtO over many years** as unsafe at levels **far** below those found in the environment. The EPA began using the IRIS Assessment in 2020 to regulate change to existing permissible emissions limits at facilities that produce or use **EtO** ethylene oxide in non- sterilization processes, and subsequently **proposed implemented** rules for **EtO** ethylene oxide sterilization facilities as well. **These rules have yet to be finalized**. Additionally, some state and local regulators have drawn their own conclusions from the IRIS Assessment, which has resulted in **some** certain state actions against our customers that continue to impact these customers' ability to use the **EtO** ethylene oxide process to sterilize medical devices. Due to these regulatory actions, many customers have taken or are expected to take some **voluntary** downtime to install new abatement equipment. **In January 2025, the EPA issued its Interim Decision ("ID") whereby EtO was re- registered for the sterilization of medical devices and the reduction of microbes on certain spices / seasonings.** The installation of **ID** provides for a phase- out period for **the use** new abatement equipment is being done ahead of **EtO on certain spices, discontinues certain minor applications, and includes mitigation and monitoring measures impacting product users, including our customers, with phased compliance deadlines ranging from several months to ten years. Further, the ID contemplates what that is expected to be changes in the EPA regulations will gather annual worker exposure data from EtO users, including our customers.** **The EtO registrants may not continue to sell EtO products to customers who do not provide such data. While the** Company remains confident that the sterilization industry **as a whole** will be able **take appropriate measures to comply with** install abatement equipment to satisfy the **latest** new forthcoming EPA requirements - The Company is working with various stakeholders to ensure the EPA considers all available assessments to appropriately quantify ethylene oxide's risks. While the Company believes that EPA will, as it has in the past, ultimately regulate to lower emissions levels based on a **timely manner** combined consideration of the various assessments available and that industry will then adopt practices and procedures to ensure compliance with these new regulations, there is no assurance that this will consistently be the case. **The ID and other requirements may be subject to further review, including additional stakeholder input, and the Company plans on continuing to work with various stakeholders to help ensure the EPA**

considers all available assessments to appropriately evaluate the risks of EtO. If the ID and other requirements remain unchanged, such requirements will likely result in increased costs and regulatory burdens for EtO users. Further, additional regulatory requirements associated with the use and emission of **EtO ethylene oxide** may be imposed in the future, both within and outside of the U. S. Such increased regulation could require **users of EtO** our customers and/or the Company to temporarily suspend operations to install additional ~~fugitive~~ emissions control technology, limit the use of **EtO ethylene oxide** or take other actions which could **ultimately** impact our business, financial condition or results of operations.