Risk Factors Comparison 2024-02-13 to 2023-02-24 Form: 10-K

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Following is a discussion of some of the more significant risks that could materially impact our business. There may be additional risks that impact our business that we currently do not recognize as, or that are not currently, material to our business. Business and Operational Risks A challenging global economic environment or a downturn in the markets we serve could adversely affect our operating results and stock price in a material manner. A challenging global economic environment could cause substantial reductions in our revenue and results of operations as a result of weaker demand by the end users of our products and price erosion. Price erosion may occur through competitors becoming more aggressive in pricing practices. A challenging global economy could also make it difficult for our customers, our vendors, and us to accurately forecast and plan future business activities. Our customers could also face issues gaining timely access to sufficient credit, which could have an adverse effect on our results if such events cause reductions in revenues, delays in collection, or write- offs of receivables. Further, the demand for many of our products is economically sensitive and will vary with general economic activity, trends in nonresidential construction, investment in manufacturing facilities and automation, demand for information technology equipment, and other economic factors. Global economic uncertainty could result in a significant decline in the value of foreign currencies relative to the U. S. dollar, which could result in a significant adverse effect on our revenues and results of operations; could make it difficult for our customers and us to accurately forecast and plan future business activities; and could cause our customers to slow or reduce spending on our products and services. Economic uncertainty could also arise from fiscal policy changes in the countries in which we operate. Changes in foreign currency rates and commodity prices can impact the buying power of our customers. For example, a strengthened U. S. dollar can result in relative price increases for our products for customers outside of the U. S., which can have a negative impact on our revenues and results of operations. Furthermore, customers' ability to invest in capital expenditures, such as our products, can depend upon proceeds from commodities, such as oil and gas markets. A decline in energy prices, therefore, can have a negative impact on our revenues and results of operations. **.** Our results of operations are subject to foreign and domestic political,social,economic,and other uncertainties and are affected by changes in currency exchange rates.In addition to manufacturing and other operating facilities in the U.S.,we have manufacturing and other operating facilities in Canada,China,India,Mexico, ~~Tunisia~~ and several European countries.We rely on suppliers in many countries,including China.Our foreign operations are subject to economic,social,and political risks inherent in maintaining operations abroad such as economic and political destabilization,land use risks,international conflicts,pandemics and other health- related crises,restrictive actions by foreign governments,and adverse foreign tax laws.In addition to economic and political risk,a risk associated with our European manufacturing operations is the higher relative expense and length of time required to adjust manufacturing employment capacity.We also face political risks in the U.S.,including tax or regulatory risks or potential adverse impacts from legislative impasses over,or significant legislative,regulatory or executive changes in fiscal or monetary policy and other foreign and domestic government policies,including,but not limited to,trade policies and import / export policies.Approximately ~~45~~ **44** % of our sales are outside the U.S.Other than the U.S.dollar,the principal currencies to which we are exposed through our manufacturing operations,sales,and related cash holdings are the euro,the Canadian dollar,the Hong Kong dollar,the Chinese yuan,the Mexican peso,the Australian dollar,the British pound and Indian rupee.Generally,we have revenues and costs in the same currency,thereby reducing our overall currency risk,although any realignment of our manufacturing capacity among our global facilities could alter this balance.When the U.S.dollar strengthens against other currencies,the results of our non- U.S.operations are translated at a lower exchange rate and thus into lower reported revenues and earnings The global markets in which we operate are highly competitive. We face competition from other manufacturers for each of our global business platforms and in each of our geographic regions. These companies compete on technical features, quality, availability, price, customer support, and distribution coverage. Some multinational competitors have greater engineering, financial, manufacturing, and marketing resources than we have. Actions that may be taken by competitors, including pricing, business alliances, new product introductions, intellectual property advantages, market penetration, and other actions, could have a negative effect on our revenues and profitability. Moreover, some competitors that are highly leveraged both financially and operationally could become more aggressive in their pricing of products. Our future success depends in part on our ability to develop and introduce new products and respond to changes in customer preferences. Our markets are characterized by the introduction of products with increasing technological capabilities. Our success depends in part on our ability to anticipate and offer products that appeal to the changing needs and preferences of our customers in the various markets we serve. Developing new products and adapting existing products to meet evolving customer expectations requires high levels of innovation, and the development process may be lengthy and costly. If we are not able to timely anticipate, identify, develop and market products that respond to rapidly changing customer preferences, demand for our products could decline. The relative costs and merits of our solutions could change in the future as various competing technologies address the market opportunities. We believe that our future success will depend in part upon our ability to enhance existing products and to develop and manufacture new products that meet or anticipate technological changes, which will require continued investment in engineering, research and development, capital equipment, marketing, customer service, and technical support. We have long been successful in introducing successive generations of more capable products, but if we were to fail to keep pace with technology or with the products of competitors, we might lose market share and harm our reputation and position as a technology leader in our markets. See the discussion above in Part I, Item 1, under Research and Development. We may be unable to achieve our goals related to revenue growth. In order to meet the goals in our strategic plan, we must execute our

commercial strategy ~~Market Delivery System (" MDS")~~ and grow our business, both organically and through acquisitions. We may be unable to achieve our goals due to a failure to identify growth opportunities, such as trends and technological changes in our end markets. The enterprise and industrial end markets we serve may not experience the growth we expect. Further, those markets may be unable to sustain growth on a long- term basis, particularly in emerging markets. If we are unable to achieve our goals related to revenue growth, it could have a material adverse effect on our results of operations, financial position, and cash flows. ~~could be negatively impacted.~~ Our revenue for any particular period can be difficult to forecast.Our revenue for any particular period can be difficult to forecast,especially in light of the challenging and inconsistent global macroeconomic environment and related market uncertainty.Our revenue may grow at a slower rate than in past periods or even decline on a year- over- year basis.Changes in market growth rates can have a significant effect on our operating results.The timing of orders for customer projects can also have a significant effect on our operating results in the period in which the products are shipped and recognized as revenue.The timing of such projects is difficult to predict,and the timing of revenue recognition from such projects may affect period to period changes in revenue.As a result,our operating results could vary materially from quarter to quarter based on the receipt of such orders and their ultimate recognition as revenue.Similarly,we are often informed by our customers well in advance that such customer intends to place an order related to a specific project in a given quarter.Such a customer' s timeline for execution of the project,and the resulting purchase order,may be unexpectedly delayed to a future quarter,or cancelled.The frequency **and length** of such delays can be difficult to predict.As a result,it is difficult to precisely forecast revenue and operating results for future quarters.In addition,our revenue can be difficult to forecast due to unexpected changes in the level of our products held as inventory by our channel partners and customers.Our channel partners and customers purchase and hold our products in their inventory in order to meet the service and on- time delivery requirements of their customers.As our channel partners and customers change the level of Belden products owned and held in their inventory,our revenue is impacted.As we are dependent upon our channel partners and customers to provide us with information regarding the amount of our products that they own and hold in their inventory,unexpected changes can occur and impact our **revenue forecast.** We may be unable to implement our strategic plan successfully. Our strategic plan ~~is designed~~ **was developed based upon market and technology trends that we believe present revenue growth opportunities that will lead** to **increased** ~~continually enhance~~ shareholder value ~~by improving~~ **. In order to capture that** ~~revenues~~ - **revenue growth** ~~and profitability~~ , ~~reducing costs~~ **we will increasingly focus on offering solutions** , ~~and improving working capital management~~ **although selling products will remain a core focus of the business** . To achieve these goals, ~~our~~ **we have identified a series of** strategic priorities ~~are reliant on our Belden Business System, which includes continuing deployment of our MDS~~ to **drive growth** ~~capture market share through end- user engagement, channel management, outbound marketing,~~ and ~~careful vertical market selection; improving~~ **improve efficiency, addressing** our ~~recruitment~~ **commercial, innovation,** and **operational processes** ~~development of talented associates; developing strong global business platforms; acquiring businesses that fit our strategic plan; and continuing to be a leading Lean company~~ . We have a disciplined process for deploying this strategic plan through our associates. There is a risk that we may not be successful in developing or executing these measures to achieve the expected results for a variety of reasons, including market developments, economic conditions, shortcomings in establishing appropriate action plans, or challenges with executing multiple initiatives simultaneously. For example, our ~~MDS~~ **commercial** ~~initiative~~ **initiatives** may not succeed or we may lose market share due to challenges in choosing the right products to market or the right customers for these products, integrating products of acquired companies into our sales and marketing strategy, or strategically bidding against OEM partners. We may fail to identify growth opportunities. We may not be able to acquire businesses that fit our strategic plan on acceptable business terms, and we may not achieve our other strategic priorities . Our results of operations are subject...... thus into lower reported revenues and earnings . Supply chain issues, including scarcity of raw materials or other components necessary to produce the products we manufacture, could increase costs or cause a delay in our ability to fulfill orders, and could adversely affect our future results of operations and our overall financial performance. The Company relies on an extended supply chain and the availability of certain raw materials, including but not limited to copper, to produce a significant amount of our products. A reduction or interruption in supply ~~, including interruptions due to COVID- 19 or geopolitical unrest beyond the Company' s control~~ , an inability to procure quality raw materials in a cost effective manner and constrain volatile materials costs, a failure to monitor contract compliance to ensure and sustain sourcing savings, a failure to procure adequate inventory or raw materials from our suppliers, or regulatory changes may lead to delays in manufacturing and increases in costs. Many components, including those that are available from multiple sources, are at times subject to industry- wide shortages that could materially adversely affect the Company' s financial condition and operating results. While the Company has entered into agreements for the supply of many components, there can be no assurance that the Company will be able to extend or renew these agreements on similar terms, or at all. Component suppliers may suffer from poor financial conditions, which can lead to business failure for the supplier or consolidation within a particular industry, further limiting the Company' s ability to obtain sufficient quantities of components on commercially reasonable terms. Health crises, **such as a** ~~like the COVID- 19~~ pandemic, could lead to quarantines or labor shortages, thus impacting the output of key suppliers. If the Company' s supply of components for a new or existing product were delayed or constrained, or if an outsourcing partner delayed shipments of completed products to the Company, the Company' s financial condition and operating results could be materially adversely affected. The Company' s business and financial performance could also be materially adversely affected depending on the time required to obtain sufficient quantities from the original source, or to identify and obtain sufficient quantities from an alternative source. Similarly, if the Company' s customers experience production challenges due to the inability to obtain certain components, this may negatively impact the customers' ordering patterns from the Company. The presence of substitute products in the marketplace may reduce demand for our products and negatively impact our business. Fiber optic **and wireless** systems are increasingly substitutable for copper- based cable systems. Customers may shift demand to ~~fiber optic~~ systems with greater capabilities than copper- based cable systems, leading to a reduction in demand for copper-based cable. We may not be able to offset the effects of a reduction in demand for our copper- based cable systems ~~with an increase in demand for our existing fiber optic systems. Further, the supply chain in the fiber market is highly constrained, with a small number of vertically integrated firms controlling critical inputs and the related intellectual property~~ . Similarly, in our non- cable businesses, customers could rapidly shift the methods by which they capture and transmit signals in ways that could lead to decreased demand for our current or future products. These factors, either together or in isolation, may negatively impact revenue and profitability. Cyber security incidents have and could in the future interfere with our business and operations. Computer hacking, malware, phishing, and spamming attacks against online networking platforms have become more prevalent. Though it is difficult to determine what, if any, harm may directly result from any specific attack or interruption, such events could also be expensive to remedy, harm our reputation or brands, and / or lead users to lose trust and confidence in our business. We, and others on our behalf, also ~~store~~ **have possession of** " personally identifiable information " (" PII ") with respect to employees, vendors, customers, and others. While we have implemented safeguards to protect the privacy of this information, it is possible that hackers or others might obtain this information in the future, as occurred in 2020. Based on this occurrence or any future occurrence, in addition to having to take potentially costly remedial action, we may also be subject to fines, penalties, lawsuits, and reputational damage. Furthermore, we rely on our information systems and those of third parties ~~for storing~~ **that maintain** proprietary company information about our products and intellectual property, as well as for processing customer orders, manufacturing and shipping products, billing our customers, tracking inventory, supporting accounting functions and financial statement preparation, paying our employees, and otherwise running our business. In addition, we may need to enhance our information systems to provide additional capabilities and functionality. The implementation of new information systems and enhancements is frequently disruptive to the underlying business of an enterprise. Any disruptions affecting our ability to accurately report our financial performance on a timely basis could adversely affect our business in a number of respects . If we are unable to successfully...... can occur and impact our revenue forecast . We may experience significant variability in our quarterly and annual effective tax rate which would affect our reported net income. We have a complex tax profile due to the global nature of our operations, which encompass multiple taxing jurisdictions. Variability in the mix and profitability of domestic and international activities, identification and resolution of various tax uncertainties, changes in tax laws and rates, and the extent to which we are able to realize net operating loss and other carryforwards included in deferred tax assets and avoid potential adverse outcomes included in deferred tax liabilities, among other matters, may significantly affect our effective income tax rate in the future. Our effective income tax rate is the result of the income tax rates in the various countries in which we do business. Our mix of income and losses in these jurisdictions affects our effective tax rate. For example, relatively more income in higher tax rate jurisdictions would increase our effective tax rate and thus lower our net income. Similarly, if we generate losses in tax jurisdictions for which no benefits are available our effective income tax rate will increase. Our effective income tax rate may also be impacted by the recognition of discrete income tax items, such as required adjustments to our liabilities for uncertain tax positions or our deferred tax asset valuation allowance. A significant increase in our effective income tax rate could have a material adverse impact on our earnings. The increased prevalence of cloud computing and other disruptive business models may negatively impact certain aspects of our business. The nature in which many of our products are purchased or used is evolving with the increasing prevalence of cloud computing and other methods of off- premises computing and data storage. This may negatively impact one or more of our businesses in a number of ways, including: • Consolidation of procurement power leading to the commoditization of IT products; • Reduction in the demand for infrastructure products previously used to support on- site data centers; • Lowering barriers to entry for certain markets, leading to new market entrants and enhanced competition; and • Preferences for software as a service billing and pricing models may reduce demand for non- cloud " packaged " software. We may have difficulty integrating the operations of acquired businesses, which could negatively affect our results of operations, profitability, and achievement of our strategic plan. As part of our strategic plan initiatives, we periodically execute acquisitions and divestitures. The extent to which appropriate acquisitions are made will affect our overall growth, operating results, financial condition, and cash flows. Our ability to acquire businesses successfully will decline if we are unable to identify appropriate acquisition targets, competition among potential buyers increases, the cost of acquiring suitable businesses becomes too expensive, or we lack sufficient sources of capital. As a result, we may be unable to make acquisitions or be forced to pay more or agree to less advantageous acquisition terms for companies we would like to acquire. We may also have difficulty integrating acquired businesses or future acquisitions may be unable to meet our performance expectations. Some of the integration challenges we might face include differences in corporate culture and management styles, additional or conflicting governmental regulations, compliance with the Sarbanes- Oxley Act of 2002, financial reporting that is not in compliance with U. S. generally accepted accounting principles, disparate company policies and practices, customer relationship issues, and retention of key personnel. Furthermore, we may be unable to integrate operations successfully or cost- effectively, which could have an adverse impact on our results of operations or our profitability. If we are unable to retain key employees, our business operations could be adversely affected. The loss of key employees could have an adverse effect on us. We may not be able to find qualified replacements for these individuals and the integration of potential replacements may be disruptive to our business. More broadly, a key determinant of our success is our ability to attract, develop, and retain talented associates. While this is one of our strategic priorities, we may not be able to succeed in this regard. ~~The increased influence of chief information officers and similar high- level executives may negatively impact demand for our products. As a result of the increasing interconnectivity of a wide variety of systems, chief information officers and similar executives are more heavily involved in operation areas that have not historically been associated with information technology. As a result, CIOs and IT departments are exercising influence over the procurement and purchasing process at the expense of engineers, plant managers and operation personnel that have historically driven demand for many of our products. When making purchasing decisions, CIO' s often value interoperability, standardization, cloud- readiness and security over domain expertise and niche application knowledge. As a~~

~~result of the influences of CIOs and IT departments, we may face increased competition from IT- industry companies that have not traditionally had major presences in the markets in which we operate. Further, the variance in considerations that drive purchasing decisions between CIOs and those with niche application expertise may result in increased competition based on price and a reduction in demand for our products. Alterations to our product mix and go- to- market strategies designed to respond to the changes in the marketplace presented by cloud computing may be disruptive to our business and lead to increase expenses, which may result in lower revenues and profitability. Further, if a competitor is able to more quickly or efficiently adapt, or if cloud computing results in significantly lower barriers to entry and new competitors enter our markets, demand for our products may be reduced.~~ Our revenue and profits would likely decline, at least temporarily, if we were to lose a key distributor. We rely on several key distributors in marketing our products. Distributors purchase the products of our competitors along with our products. Our largest distributor, WESCO, accounted for approximately 15 % of our revenue in ~~2022~~ **2023** and our top ~~eight~~ **seven** distributors, including WESCO, accounted for a total of ~~34~~ **31** % of our revenue in ~~2022~~ **2023** . If we were to lose one of these key distributors, our revenue and profits would likely decline, at least temporarily. Changes in the inventory levels of our products owned and held by our distributors can result in significant variability in our revenues. Further, certain distributors are allowed to return certain inventory in exchange for an order of equal or greater value. We have recorded reserves for the estimated impact of these inventory policies. Consolidation of our distributors could adversely impact our revenues and earnings. It could also result in consolidation of distributor inventory, which would temporarily depress our revenues. We have also experienced financial failure of distributors from time to time, resulting in our inability to collect accounts receivable in full. A global economic downturn could cause financial difficulties (including bankruptcy) for our distributors and other customers, which could adversely affect our results of operations. Actions of activists could cause us to incur substantial costs, divert management' s attention and resources, and have an adverse effect on our business. From time to time, we may be subject to proposals by activists urging us to take certain actions. If activist activities ensue, our business could be adversely affected because responding and reacting to actions by activists can be costly and time- consuming, disrupt our operations and divert the attention of management and our employees. For example, we may be required to retain the services of various professionals to advise us on activist matters, including legal, financial and communications advisors, the costs of which may negatively impact our future financial results. In addition, perceived uncertainties as to our future direction, strategy or leadership created as a consequence of activist initiatives may result in the loss of potential business opportunities, harm our ability to attract new investors, customers, employees, and joint venture partners, and cause our stock price to experience periods of volatility. Perceived failure of our signal transmission solutions to provide expected results may result in negative publicity and harm our business and operating results. Our customers use our signal transmission solutions in a wide variety of IT systems and application environments in order to help reduce security vulnerabilities and demonstrate compliance. Despite our efforts to make clear in our marketing materials and customer agreements the capabilities and limitations of these products, some customers may incorrectly view the deployment of such products in their IT infrastructure as a guarantee that there will be no security incident or policy non- compliance event. As a result, the occurrence of a high profile security incident, or a failure by one of our customers to pass a regulatory compliance IT audit, could result in public and customer perception that our solutions are not effective and harm our business and operating results, even if the occurrence is unrelated to the use of such products or if the failure is the result of actions or inactions on the part of the customer. General Industry and Economic Risks ~~The effects of the COVID- 19 pandemic continued to materially affect how we and our customers operated our businesses in 2022, and the duration and extent to which this or future~~ **Future** epidemics, pandemics or other major disasters ~~will~~ **could** impact our future results of operations and overall financial performance ~~remains uncertain~~ . In ~~December 2019, a novel coronavirus disease (" COVID- 19 ") was first reported and on March 11, 2020,~~ the **past** ~~World Health Organization characterized COVID- 19 as a pandemic that has yet to fully recede. The widespread health crisis is adversely affecting the broader economies~~ , ~~financial markets and may adversely affect the overall demand environment for many of~~ our ~~products. Our~~ operations and the operations of our suppliers, channel partners and customers **have been** ~~were and continue to be~~ disrupted to varying degrees by a ~~range of external factors related to the COVID- 19~~ pandemic ~~, some of which are not within our control. Many governments imposed, and may yet impose or may re- impose, a wide range of restrictions on the physical movement or congregation of people in order to limit the spread of COVID- 19. The COVID- 19 pandemic has had, and likely will continue to have, an impact on the attendance and productivity of our employees, and those of our channel partners or customers, resulting in negative impacts to our results of operations and overall financial performance. Additionally, COVID- 19 has resulted, and may result in future periods, in delays in non- residential construction, non- crisis- related IT purchases and project completion schedules in general, all of which can negatively impact our results in both current and future periods~~ . The duration and extent of the impact from ~~the COVID- 19 pandemic or~~ any future epidemic, pandemic or major disaster depends on future developments that cannot be accurately predicted at this time, such as the ~~severity and transmission rate of the virus (including variant mutations of the virus), the~~ extent and effectiveness of containment actions, treatments and vaccinations, the effects of measures enacted by policy makers and central banks around the globe, and the impact of these and other factors on our employees, customers, channel partners and suppliers. If we are not able to respond to and manage the impact of such events effectively, our business ~~will~~ **may** be affected. Inflation and changes in the price and availability of raw materials may lead to higher input and labor costs in a way that could be detrimental to our profitability. As a result of increased inflation, costs of raw materials and labor may increase in a way that we are unable to offset in a timely manner through higher prices for finished goods. Copper is a significant component of the cost of most of our cable products. **Historically** ~~Over the past few years, and in particular in 2021 and 2022~~ , the prices of metals, particularly copper, have been volatile. Prices of other materials we use, such as PVC and other plastics derived from petrochemical feedstocks, have also been volatile. Generally, we have recovered much of the higher cost of raw materials through higher pricing of our finished products. The majority of our products are sold through distribution, and we manage the pricing of these products through published price lists which we update from time to time, with new prices typically taking effect a few weeks after they are announced. Some OEM contracts have provisions for passing through raw material cost changes, generally with a lag of a few weeks to three months. Especially during periods of inflation, if we are unable to raise prices timely and sufficiently to recover our material costs or increases in the cost of internal or external labor, our earnings and margins could decline. If we raise our prices but competitors raise their prices less, we may lose sales, and our earnings could decline. If the price of copper were to decline, we may be compelled to reduce prices to remain competitive, which could have a negative effect on revenues. While we generally believe the supply of raw materials (copper, plastics, and other materials) is adequate, we have experienced instances of limited supply of certain raw materials, resulting in extended lead times and higher prices. If a supply interruption or shortage of materials were to occur (including due to labor or political disputes), this could have a negative effect on revenues and earnings. Similarly, if we raise employee wages in a manner sufficient to offset inflation, it may erode our profitability. Conversely, if we fail to raise employee wages in a manner sufficient to offset inflation, associates could leave the Company resulting in capacity constraints which could have a negative effect on revenues and earnings. Volatility of credit markets and rising interest rates could adversely affect our business. Uncertainty in U. S. and global financial and equity markets could make it more expensive for us to conduct our operations and more difficult for our customers to buy our products. Additionally, market volatility or uncertainty may cause us to be unable to pursue or complete acquisitions. Our ability to implement our business strategy and grow our business, particularly through acquisitions, may depend on our ability to raise capital by selling equity or debt securities or obtaining additional debt financing. Market conditions including changes in interest rates may prevent us from obtaining financing when we need it or on terms acceptable to us. We may be unable to achieve our strategic priorities in emerging markets. Emerging markets are a significant focus of our strategic plan. The developing nature of these markets presents a number of risks. We may be unable to attract, develop, and retain appropriate talent to manage our businesses in emerging markets. Deterioration of social, political, labor, or economic conditions in a specific country or region may adversely affect our operations or financial results. Emerging markets may not meet our growth expectations, and we may be unable to maintain such growth or to balance such growth with financial goals and compliance requirements. Among the risks in emerging market countries are bureaucratic intrusions and delays, contract compliance failures, engrained business partners that do not comply with local or U. S. law, such as the Foreign Corrupt Practices Act, fluctuating currencies and interest rates, limitations on the amount and nature of investments, restrictions on permissible forms and structures of investment, unreliable legal and financial infrastructure, regime disruption and political unrest, uncontrolled inflation and commodity prices, fierce local competition by companies with better political connections, and corruption. In addition, the costs of compliance with local laws and regulations in emerging markets may negatively impact our competitive position as compared to locally owned manufacturers. Legal and Regulatory Risks Changes in tax laws may adversely affect our financial position. We are a U. S.- based multinational company subject to tax in multiple U. S. and foreign tax jurisdictions. Significant judgment is required in determining our global provision for income taxes, deferred tax assets or liabilities and in evaluating our tax positions on a worldwide basis. While we believe our tax positions are consistent with the tax laws in the jurisdictions in which we conduct our business, it is possible that these positions may be contested or overturned by jurisdictional tax authorities, which may have a significant impact on our global provision for income taxes. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. Governmental tax authorities are increasingly scrutinizing the tax positions of companies. The U. S. federal and state governments, countries in the European Union, as well as a number of other countries and organizations such as the Organization for Economic Cooperation and Development **(OECD)** , are actively ~~considering~~ **implementing** changes to existing tax laws, including a ~~corporate~~ **global** minimum tax. ~~Certain changes~~ **Numerous countries have agreed to a statement** in **support of the OECD model rules that propose a global minimum** tax ~~laws~~ **rate of 15 %** and ~~related regulations may materially~~ **European Union member states have agreed to implement the global minimum tax. Various countries have enacted or are expected to enact legislation to be effective as early as 2024, with widespread implementation of a global minimum tax expected by 2025. As the legislation becomes effective in countries in which we do business, our taxes could increase and negatively** impact our ~~financial results~~ **provision for income taxes** . ~~Given the unpredictability of~~ **We will continue to monitor pending legislation and implementation by individual countries and are in** ~~these~~ -- **the** ~~possible changes and~~ **process of evaluating** ~~their~~ -- **the** potential ~~interdependency, it is possible such changes could adversely~~ impact **on** our ~~financial results~~ **business in future periods** . Changes in global tariffs and trade agreements may have a negative impact on global economic conditions, markets and our business. Like most multinational companies, we have supply chains and sales channels that extend beyond national borders. Purchasing and production decisions in some cases are largely influenced by the trade agreements and the tax and tariff structures in place. Disruption in those structures can create significant market uncertainty. While the impact of Brexit and the U. S. and Chinese tariff actions have not been material to us, unanticipated complications in the free movement of goods in Europe, an escalation of tariff activity anywhere in the world or changes to existing free trade agreements could materially impact our financial results. In addition to the potential direct impacts of free trade restrictions, longer term macroeconomic consequences could result, including slower growth, inflation, higher interest rates and unfavorable impacts to currency exchange rates. Any of these factors could have a material adverse effect on our business, financial condition and results of operations. We are subject to laws and regulations worldwide, changes to which could increase our costs and individually or in the aggregate adversely affect our business. We are subject to laws and regulations affecting our **global** ~~domestic and international~~ operations in a number of areas. These U. S. and foreign laws and regulations affect our activities including, but not limited to, in areas of labor, advertising, real estate, billing, e- commerce, promotions, quality of services, property ownership and infringement, tax, import and export requirements, anti- corruption, foreign exchange controls and cash repatriation restrictions **, machine learning and artificial intelligence** , data privacy requirements, anti- competition, environmental, health and safety. Compliance with these laws, regulations and similar requirements may be onerous and expensive, and they may be inconsistent from jurisdiction to jurisdiction, further increasing the cost of compliance and doing business. Any such costs, which may rise in the future as a result of changes in these laws and regulations or in their interpretation, could individually or in the aggregate make our products and services less attractive to our customers, delay the introduction of new products in one or more regions, or cause us to change or limit our business practices. We have implemented policies and procedures designed to ensure compliance with applicable laws and regulations, but there can be no assurance that our employees, contractors, or agents will not violate such laws and regulations or our policies and procedures. Specifically with respect to data privacy, new and evolving data protection regulations have been adopted or are being considered or refined for most of the developed world. many of these data privacy regulations contain operational requirements for companies that receive or process personal data of residents of their respective jurisdictions and include significant penalties for non- compliance. In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services. Increasing expectations with respect to Environmental, Social and Governance (ESG) matters by our various stakeholders **and ESG regulation** could adversely affect our business and operating results. As a response to growing customer, investor, employee, governmental, and other stakeholder interest in our ESG practices, we have increased reporting of our ESG programs and performance and have established and announced our aspirational goals or targets, including those regarding greenhouse gas emissions and diversity, equity and inclusion. Our ability to achieve such goals and aspirations is subject to numerous risks and uncertainties, many of which rely on the collective efforts of others or may be outside of our control. Such risks include, among others, the availability and adoption of new or additional technologies that reduce carbon or eliminate energy sources on a commercially reasonable basis, competing and evolving economic, policy and regulatory factors, the availability of qualified candidates in our labor markets and our ability to recruit and retain diverse talent, and customer engagement in our goals. There may be times where actual outcomes vary from those aimed for or expected and sometimes challenges may delay or block progress. As a result, we cannot offer assurances that the results reflected or implied by any such statements will be realized or achieved. Moreover, standards and expectations for ESG matters continue to evolve and may be subject to varying interpretations, which may result in significant revisions to our goals or progress. A failure or perceived failure to meet our aspirational goals or targets within the timelines we announce, or at all, or a failure or perceived failure to meet evolving stakeholders expectations and standards, could damage our reputation, adversely affect employee retention or engagement or support from our various stakeholders and could subject us to government enforcement actions or penalties and private litigation. Such outcomes could negatively impact the Company' s business, capital expenditures, results of operations, financial condition and competitive position. We might have difficulty protecting our intellectual property from use by competitors, or competitors might accuse us of violating their intellectual property rights. Disagreements about patents and other intellectual property rights occur in the markets we serve. Third parties have asserted and may in the future assert claims of infringement of intellectual property rights against us or against our customers or channel partners for which we may be liable. Furthermore, a successful claimant could secure a judgment that requires us to pay substantial damages or prevents us from distributing certain products or performing certain services. We may encounter difficulty enforcing our own intellectual property rights against third parties, which could result in price erosion or loss of market share. Our use of open source software could negatively impact our ability to sell our products and may subject us to unanticipated obligations. The products, services, or technologies we acquire, license, provide, or develop may incorporate or use open source software. We monitor and restrict our use of open source software in an effort to avoid unintended consequences, such as reciprocal license grants, patent retaliation clauses, and the requirement to license our products at no cost. Nevertheless, we may be subject to unanticipated obligations regarding our products which incorporate or use open source software. If our goodwill or other intangible assets become impaired, we would be required to recognize charges that would reduce our income. Under accounting principles generally accepted in the U. S., goodwill and certain other intangible assets are not amortized but must be reviewed for possible impairment annually or more often in certain circumstances if events indicate that the asset values may not be recoverable. Asset impairment charges would reduce our income without any change to our underlying cash flows. Some of our employees are members of collective bargaining groups, and we might be subject to labor actions that would interrupt our business. Some of our employees, primarily outside the U. S., are members of collective bargaining groups. We believe that our relations with employees are generally good. However, if there were a dispute with one of these bargaining groups, the affected operations could be interrupted, resulting in lost revenues, lost profit contribution, and customer dissatisfaction.