Risk Factors Comparison 2024-02-15 to 2023-02-15 Form: 10-K

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

The Company' s operations could be affected by various risks, many of which are beyond its control. Based on current information, the Company believes that the following identifies the most material risk factors that could affect its operations. Past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods. Risks Relating to the M & M Divestitures, N & B Transaction and the Dow and Corteva Distributions DuPont could incur additional tax liabilities if certain internal transactions undertaken in connection with the completed divestiture of a majority of **the** ~~its historic~~ Mobility & Materials ~~segment~~ **business** to Celanese ~~,~~ and **divestiture** ~~in connection with DuPont' s pursuit~~ of ~~plans to divest~~ the Delrin ® business **to TJC (the" M & M Divestitures")** , fail to qualify for their intended tax treatment. **Prior** ~~On November 1, 2022, DuPont and one of its subsidiaries completed the sale~~ to ~~Celanese of a majority of~~ the **closing of** ~~Company' s historic Mobility & Materials segment, including~~ the ~~Engineering Polymers business line and select product lines within the Performance Resins and Advanced Solutions business lines (the "~~ M & M ~~Divested Businesses ") for $ 11 billion in cash, subject to customary transaction adjustments in accordance with the Transaction Agreement (the " M & M Divestiture~~ **Divestitures** ~~"). On February 18, 2022, DuPont also announced that its Board of Directors approved the divestiture of the Delrin ® Business subject to entry into a definitive agreement and satisfaction of customary closing conditions. There can be no assurance as to the outcome, timing or ability to realize expected benefits from the Delrin ® business divestiture process. Prior to the Closing of the M & M Divestiture~~ , DuPont engaged in certain internal reorganization activities to separate **into and to separately align the legal entities holding** the M & M ~~Divested Businesses~~ -- **Business** ~~,~~ and ~~in certain cases in connection therewith,~~ the Delrin ® business ~~, into separate subsidiaries and to align the subsidiaries holding the M & M Divested Businesses and the Delrin ® business (referred to collectively as the" M & M Businesses")~~ for disposition ~~in a tax- efficient manner~~ . DuPont has recognized a tax liability **pursuant to these reorganization activities** related to the M & M ~~Divestiture~~ **Divestitures** . However, if certain **of these** internal **reorganization activities** ~~transactions related to the separation of the M & M Businesses~~ fail to qualify for their intended tax treatment under U. S. federal, state, local tax and / or foreign tax law, DuPont could incur additional tax liabilities ~~. DuPont may not realize the anticipated benefits of its share repurchase programs and any failure to repurchase the Company' s common stock after DuPont has announced its intention to do so may negatively impact the Company' s stock price. On November 7, 2022, DuPont' s Board of Directors approved a new share repurchase program, which terminates on June 30, 2024, unless extended or shortened by the Board, authorizing the repurchase and retirement of up to $ 5 billion of common stock. In addition to the $ 250 million remaining under the Company' s existing share repurchase program, which was approved in February 2022. The Company entered into the 2022 ASR Agreements in November 2022 for the repurchase of an aggregate of $ 3. 25 billion of common stock with $ 250 million of such repurchases under the existing program and the remaining $ 3 billion under the new program. Under these or any other future share repurchase programs, DuPont may make share repurchases through a variety of methods, including open share market purchases or privately negotiated transactions, including additional ASR agreements in accordance with applicable federal securities laws. The timing and amount of any repurchases, if any, will depend on factors such as the stock price, economic and market conditions, and corporate and regulatory requirements. Any failure to repurchase shares after the Company has announced its intention to do so may negatively impact DuPont' s reputation, investor confidence and the price of the Company' s common stock. The existence of these share repurchase programs could cause the price of the Company' s common stock to be higher than it otherwise would be and could potentially reduce the market liquidity for DuPont stock. Although these programs are intended to enhance long- term stockholder value, there is no assurance they will do so because the market price of DuPont common stock may decline below the levels at which we repurchased shares and short- term stock price fluctuations could reduce the effectiveness of the programs. Repurchasing common stock will reduce the amount of cash DuPont has available to fund working capital, capital expenditures, strategic acquisitions or business opportunities and other general corporate requirements, and the Company may fail to realize the anticipated benefits of these share repurchase programs~~ . The separation and combination of DuPont' s Nutrition & Biosciences business with IFF could result in a significant tax liability to DuPont. The distribution by DuPont to its stockholders of all the issued and outstanding shares of N & B through the Exchange Offer (" N & B Distribution") and the merger of N & B with a wholly- owned subsidiary of IFF (" N & B Merger") are expected to be tax- free to DuPont stockholders for U. S. federal income tax purposes (except to the extent that cash was paid to DuPont stockholders in lieu of fractional shares pursuant to the N & B Merger Agreement), and the N & B Contribution, **defined below,** N & B Distribution, and the one- time payment from N & B to DuPont of approximately $ 7. 3 billion (" Special Cash Payment") are expected to result in no recognition of gain or loss by DuPont for U. S. federal income tax purposes. DuPont received an opinion of counsel and also obtained a private letter ruling from the Internal Revenue Service (the" IRS") regarding certain matters impacting the U. S. federal income tax treatment of the separation and transfer by DuPont of its N & B Business (the " N & B Contribution "), N & B Distribution, Special Cash Payment and certain related transactions. The conclusions of the IRS private letter ruling were based, among other things, on various factual assumptions DuPont authorized and representations DuPont made to the IRS. If any of **those** assumptions or representations are, or become, inaccurate or incomplete, reliance on the IRS private letter ruling may be affected. If the N & B Contribution and N & B Distribution failed to qualify for the treatment described above, DuPont would be required to generally recognize a taxable gain on the transactions and stockholders of DuPont who receive N & B Common Stock (and subsequently, IFF Common Stock) would be subject to tax on their receipt of the N & B Common Stock. Additionally, if the Special Cash Payment or certain internal transactions related to the separation of the Nutrition & Biosciences business fail to qualify for their intended tax- free treatment under U. S. federal, state, local tax and / or foreign tax law, DuPont could incur additional tax liabilities. Under the Tax Matters Agreement by and between DuPont with N & B and IFF, N & B or IFF is generally required to indemnify DuPont for any taxes resulting from the separation of the Nutrition & Biosciences business (and any related costs and other damages) to the extent such amounts resulted from (i) certain actions taken by N & B or IFF involving the capital stock of N & B or IFF or any assets of the N & B group (excluding actions required by the documents governing the proposed transactions), or (ii) any breach of certain representations and covenants made by N & B or IFF. DuPont is subject to continuing contingent tax- related liabilities of Dow and Corteva following the separations and DWDP Distributions. After the separations and DWDP Distributions, there are several significant areas where the liabilities of Dow and Corteva may become the Company' s obligations, either in whole or in part. For example, to the extent that any subsidiary of the Company was included in the consolidated tax reporting group of either TDCC or EIDP for any taxable period or portion of any taxable period ending on or before the effective date of the DWDP Merger, such subsidiary is jointly and severally liable for the U. S. federal income tax liability of the entire consolidated tax reporting group of TDCC or EIDP, as applicable, for such taxable period. In connection with the separations and DWDP Distributions, DuPont, Dow and Corteva have entered into a Tax Matters Agreement, as amended, that allocates the responsibility for prior period consolidated taxes among Dow, Corteva and DuPont. If Dow or Corteva are unable to pay any prior period taxes for which it is responsible, however, DuPont could be required to pay the entire amount of such taxes, and such amounts could be significant. Other provisions of federal, state, local, or foreign law may establish similar liability for other matters, including laws governing tax- qualified pension plans, as well as other contingent liabilities. In connection with the separations and DWDP Distributions, certain liabilities are allocated to or retained by DuPont through assumption or indemnification of Dow and / or Corteva, as applicable. If DuPont is required to make payments pursuant to these indemnities to Dow and / or Corteva, DuPont may need to divert cash to meet those obligations, and the Company' s financial results could be negatively impacted. In addition, certain liabilities are allocated to or retained by Dow and / or Corteva through assumption or indemnification, or subject to indemnification by other third parties. These indemnities may not be sufficient to insure the Company against the full amount of liabilities, including PFAS Stray Liabilities, allocated to or retained by it, and Dow, Corteva and / or third parties may not be able to satisfy their respective indemnification obligations in the future. Pursuant to the DWDP Separation and Distribution Agreement, the DWDP Employee Matters Agreement, and the DWDP Tax Matters Agreement, as amended, (collectively, the " Core Agreements ") with Dow and Corteva, as well as the Letter Agreement between DuPont and Corteva, DuPont has agreed to assume, and indemnify Dow and Corteva for, certain liabilities. Payments pursuant to these indemnities may be significant and could negatively impact the Company' s business. Third parties could also seek to hold DuPont responsible for any of the liabilities allocated to Dow and Corteva, including those related to EIDP' s materials science and / or agriculture businesses, or for the conduct of such businesses prior to the distributions, and such third parties could seek damages, other monetary penalties (whether civil or criminal) and / or other remedies. Additionally, DuPont generally assumes and is responsible for the payment of the Company' s share of (i) certain liabilities of DowDuPont relating to, arising out of or resulting from certain general corporate matters of DuPont and (ii) certain separation expenses not otherwise allocated to Corteva or Dow (or allocated specifically to it) pursuant to the Core Agreements, and third parties ~~could~~ **may** seek to hold it responsible for Dow' s or Corteva' s share of any such liabilities. Dow and / or Corteva, as applicable, have agreed to indemnify it for such liabilities; however, such indemnities may not be sufficient to protect it against the full amount of such liabilities or from other remedies, and Dow and / or Corteva, as applicable, may not be able to fully satisfy their indemnification obligations. Even if DuPont ultimately succeeds in recovering from Dow and / or Corteva, as applicable, any amounts for which DuPont is held liable, DuPont may be temporarily required to bear these losses. Each of these risks could negatively affect the Company' s business, financial condition, results of operations and cash flows. Generally, as described in Litigation, Environmental Matters and Indemnifications, losses from liabilities related to discontinued and / or divested operations and businesses of EIDP that are not primarily related to its agriculture business or specialty products business, (" Stray Liabilities "), are allocated to or shared by each of Corteva and DuPont. Stray Liabilities include liabilities arising out of actions to the extent related to or resulting from EIDP' s development, testing, manufacture or sale of per- or polyfluoroalkyl substances, (" PFAS Stray Liabilities ") **, that are not otherwise defended and indemnified by Chemours** . At December 31, ~~2022~~ **2023** , the Company has recorded an indemnification liability related to Stray Liabilities. The Company recognizes an indemnification liability when a loss is reasonably probable and can be reasonably estimated. While the Company has established processes and controls over the information to support its accounting for indemnification liabilities with each of Corteva and Dow, the Company is reliant on the accuracy, transparency, completeness and timeliness of information from the applicable party, either Corteva or Dow, that retains direct liability for the underlying matter. Estimating indemnified costs of environmental remediation and compliance activities is particularly difficult since such activities are dependent on the nature of and activity at specific sites; new and evolving analytical, operating and remediation technologies and techniques; agreed action plans; changes in environmental regulations; permissible levels of specific compounds in water, air or soil; enforcement theories and policies, including efforts to recover natural resource damages; and the presence and financial viability of other potentially responsible parties. At December 31, ~~2022~~ **2023** , the Company had recorded indemnification assets related to Stray Liabilities and other matters. Although the Company believes it is remote, there can be no assurance that any such third- party would have adequate resources to satisfy its indemnification obligation when due, or, would not ultimately be successful in claiming defenses against payment. Even if recovery from the third- party is ultimately successful, DuPont may be temporarily required to bear these losses. Each of these risks could negatively affect the Company' s business, financial condition, results of operations and cash flows. See discussion of the Core Agreements in Note 4 to the Consolidated Financial Statements and Litigation, Environmental Matters and Indemnifications in Note 16 to the Consolidated Financial Statements. On January 22, 2021, DuPont, Corteva and Chemours entered into a cost sharing arrangement related to future eligible PFAS costs. The Company' s results of operations could be adversely affected by litigation and other commitments and contingencies, including expected performance under and impact of the cost sharing arrangement. While reducing uncertainty, the Company expects to benefit from the cost sharing arrangement related to future PFAS eligible costs, achievement of any such benefits may not be realized and depend on a number of factors and uncertainties that include, but are not limited to: the achievement, terms and conditions of final agreements related to the cost sharing arrangement; the outcome of any pending or future litigation related to PFAS or PFOA, including personal injury claims and natural resource damages claims; the extent and cost of ongoing remediation obligations and potential future remediation obligations; changes in laws and regulations applicable to PFAS chemicals, changes in applicable health advisory levels and in chronic reference doses for PFAS in drinking water; the performance by each of the parties of their respective obligations under the cost sharing arrangement. DuPont faces risks arising from various unasserted and asserted litigation matters, including product liability, patent infringement and other intellectual property disputes, contract and commercial litigation, claims for damage or personal injury, antitrust claims, governmental regulations and other actions. An adverse outcome in any one or more of these matters could be material to the Company' s business, results of operations, financial condition and cash flows. In the ordinary course of business, DuPont may make certain commitments, including representations, warranties and indemnities relating to current and past operations, including those related to divested businesses, and DuPont may issue guarantees of third- party obligations. If DuPont is required to make payments as a result, they could exceed the amounts accrued therefor, thereby adversely affecting the Company' s results of operations. If the completed distribution of Corteva or Dow, in each case, together with certain related transactions, were to fail to qualify for non- recognition treatment for U. S. federal income tax purposes, then the Company could be subject to significant tax and indemnification liability. The completed distributions of Corteva and Dow were each conditioned upon the receipt of an opinion from Skadden, Arps, Slate, Meagher & Flom LLP, the Company' s tax counsel, regarding the qualification of the applicable distribution along with certain related transactions as a tax- free transaction under Section 355 and Section 368 (a) (1) (D) of the Internal Revenue Code of 1986, as amended (the " Code, " and such opinions, collectively, the " Tax Opinions "). The Tax Opinions relied on certain facts, assumptions, and undertakings, and certain representations from the Company, Dow and Corteva, as applicable, as well as the IRS Ruling (as defined below). Notwithstanding the Tax Opinions and the IRS Ruling, the Internal Revenue Service (the " IRS ") could determine on audit that either, or both, of the distributions and certain related transactions should be treated as taxable transactions if it determines that any of these facts, assumptions, representations or undertakings are not correct or have been violated, or that the distributions should be taxable for other reasons, including if the IRS were to disagree with the conclusions of the Tax Opinions. Even if a distribution otherwise constituted a tax- free transaction to stockholders under Section 355 of the Code, the Company could be required to recognize corporate level tax on such distribution and certain related transactions under Section 355 (e) of the Code if the IRS determines that, as a result of the DWDP Merger or other transactions considered part of a plan with such distribution, there was a 50 percent or greater change in ownership in the Company, Dow or Corteva, as relevant. In connection with the DWDP Merger, the Company sought and received a private letter ruling from the IRS regarding the proper time, manner and methodology for measuring common ownership in the stock of the Company, EIDP and TDCC for purposes of determining whether there was a 50 percent or greater change of ownership under Section 355 (e) of the Code as a result of the DWDP Merger (the " IRS Ruling "). The Tax Opinions relied on the continued validity of the IRS Ruling and representations made by the Company as to the common ownership of the stock of TDCC and EIDP immediately prior to the DWDP Merger, and concluded that there was not a 50 percent or greater change of ownership for purposes of Section 355 (e) as a result of the DWDP Merger. Notwithstanding the Tax Opinions and the IRS Ruling, the IRS could determine that a distribution or a related transaction should nevertheless be treated as a taxable transaction to the Company if it determines that any of the Company' s facts, assumptions, representations or undertakings was not correct or that a distribution should be taxable for other reasons, including if the IRS were to disagree with the conclusions in the Tax Opinions that are not covered by the IRS Ruling. Generally, corporate taxes resulting from the failure of a distribution to qualify for non- recognition treatment for U. S. federal income tax purposes would be imposed on the Company. Under the DWDP Tax Matters Agreement, as amended, that the Company entered into with Dow and Corteva, Dow and Corteva are generally obligated to indemnify the Company against any such taxes imposed on it. However, if a distribution fails to qualify for non- recognition treatment for U. S. federal income tax purposes for certain reasons relating to the overall structure of the DWDP Merger and the distributions, then under the DWDP Tax Matters Agreement, as amended, the Company and Corteva, on the one hand, and Dow, on the other hand, would share the tax liability resulting from such failure in accordance with the relative equity values of the Company and Dow on the first full trading day following the distribution of Dow, and the Company and Corteva would in turn share any such resulting tax liability in accordance with the relative equity values of the Company and Corteva on the first full trading day following the distribution of Corteva. Furthermore, under the terms of the DWDP Tax Matters Agreement, as amended, a party also generally will be responsible for any taxes imposed on the other parties that arise from the failure of either distribution to qualify as tax- free for U. S. federal income tax purposes within the meaning of Section 355 of the Code or the failure of certain related transactions to qualify for tax- free treatment, to the extent such failure to qualify is attributable to actions, events or transactions relating to such party, or such party' s affiliates', stock, assets or business, or any breach of such party' s representations made in connection with the IRS Ruling or in any representation letter provided to a tax advisor in connection with certain tax opinions, including the Tax Opinions, regarding the tax- free status of the distributions and certain related transactions. To the extent that the Company is responsible for any liability under the DWDP Tax Matters Agreement, as amended, there could be a material adverse impact on the Company' s business, financial condition, results of operations and cash flows in future reporting periods. Risks Relating to DuPont' s Business and Results of Operations **DuPont may not realize the anticipated benefits of its share repurchase programs and any failure to repurchase the Company' s common stock after DuPont has announced its intention to do so may negatively impact the Company' s stock price. Subsequent to year end, in the first quarter 2024, the Company' s Board of Directors approved a new share repurchase program authorizing**

the repurchase and retirement of up to $ 1 billion of common stock (" the $ 1B Program "). The ~~extent to which~~ **$ 1B Program terminates on June 30, 2025, unless extended or shortened by** the ~~novel coronavirus~~ **Board of Directors. In the first quarter 2024, DuPont entered** ~~and~~ - **an** ~~variants (COVID~~ **ASR agreement with one counterparty for the repurchase of about $ 500 million of common stock. The final number of shares to be repurchased will be based on the volume** - ~~19)~~ **weighted average stock price for DuPont common stock during the term of the ASR agreement, less** ~~and~~ - **an** ~~measures taken~~ **agreed upon discount. Final settlement is expected** in ~~response to it~~ **the second quarter of 2024. Under this or any other future share repurchase programs** , ~~impact~~ DuPont ~~' s business~~ **may make share repurchases through a variety of methods** , ~~results~~ **including open share market purchases or privately negotiated transactions** ~~of~~ **off** ~~operations~~ **market** , ~~access to sources of liquidity~~ **including additional ASR agreements in accordance with applicable federal securities laws. The timing** and ~~financial condition~~ **amount of any repurchases, if any, will** ~~depends~~ - **depend** on **factors** ~~future developments, which are highly uncertain and cannot be predicted. DuPont is actively monitoring the global impacts of the COVID- 19 pandemic, including the impacts from responsive measures, and remains focused on its top priorities- the safety and health of its employees and the needs of its customers. The Company' s business and financial condition, and the business and financial condition of the company' s customers and suppliers, have been and continue to be impacted by the significantly increased economic, supply and demand uncertainties created by the COVID- 19 outbreak. In addition, public and private sector responsive measures,~~ such as the **stock price** ~~imposition of travel restrictions~~ , **economic** ~~quarantines, adoption of remote working,~~ and **market** ~~suspension of non- essential business and government services, have impacted the Company' s business and financial condition~~ **conditions** ~~. Many of DuPont' s facilities and employees are based in areas impacted by the virus. While most DuPont manufacturing sites remain in operation~~ , ~~DuPont~~ **and corporate and regulatory requirements. Any failure to repurchase shares after the Company** has **announced its intention** ~~reduced or furloughed, when necessary, certain operations in response~~ to **do so** ~~government measures, employee welfare concerns and the impact of COVID- 19 on the global demand and supply chain. DuPont' s manufacturing operations~~ may ~~be further adversely affected by impacts from COVID- 19 including, among other things, additional government actions and other responsive measures, more and / or deeper supply chain disruptions, quarantines and health and availability of essential onsite personnel. In response, the Company developed site- by- site protocols in 2020 under which the Company continues to operate. These protocols include pre- entrance screening, restricting visitor access, social distancing and masking requirements, additional sanitization and disinfecting requirements, restrictions on all nonessential travel and implementation of work- from- home protocols. Limitations on travel and doing business in- person has increased the Company' s exposure to cybersecurity risks and could~~ negatively impact **DuPont** ~~the Company' s innovation and marketing efforts, challenge the ability to deliver against the Company~~ ' s ~~strategic priorities~~ **reputation, investor confidence** and **the price of the Company' s common stock. The existence of share repurchase programs could cause the price of the Company' s common stock** to **be higher than it** otherwise ~~transact business in a timely manner,~~ **would be and could potentially reduce the market liquidity** ~~or~~ **for** ~~create operational or~~ **DuPont stock. Although these programs are intended to enhance long- term stockholder value,** ~~other~~ - **there** ~~challenges, any~~ **is no assurance they will do so because the market price** of **DuPont common stock may decline below the levels at** which **we repurchased shares and short- term stock price fluctuations** could **reduce** ~~harm DuPont' s business. Furthermore, COVID- 19 continues to adversely impact~~ the **effectiveness of** ~~broader global economy, including negatively impacting economic growth and creating disruption and volatility in~~ the ~~global financial and~~ **programs. Repurchasing common stock will reduce the amount of cash DuPont has available to fund working** capital ~~markets~~ , which could result in increases in the......, restructuring actions, and delaying certain capital expenditures ~~and non- essential spend. In addition~~ , **strategic acquisitions or business opportunities and other general corporate requirements, and** the Company may **fail** ~~consider further reductions in or furloughing additional operations in response~~ to **realize the anticipated benefits of these share repurchase programs.** ~~further and / or deeper declines in demand and / or or supply~~ **Supply** chain **and operational** disruptions **, including** ~~. There can be no guaranty that such actions will significantly mitigate the~~ **those** ~~impact of COVID- 19 on the company' s business, results of operations, access to sources of liquidity or financial condition and the Company may continue to experience materially adverse impacts to its business, results of operations and financial condition~~ as a result of **pandemics** ~~related global economic impacts, including inflationary pressures that have occurred~~ and **climate change,** ~~may continue to occur in the future. Supply chain and operational disruptions~~ and volatility in energy and raw material costs **,** could significantly increase costs and expenses ~~and~~ **,** adversely impact the Company' s sales and earnings **and impact access to sources of liquidity** . The Company' s manufacturing processes and operations depend on the continued availability of energy and raw materials, the costs of which are subject to worldwide supply and demand as well as other factors beyond the Company' s control, including potential legislation to address climate change by reducing greenhouse gas emissions, creating a carbon tax or implementing a cap and trade program which could create increases in costs and price volatility. Operational changes and transition to renewable energy sources to meet country, NGO and corporate- level net- zero GHG emissions pledges and related decarbonization technology investments, may require the Company to make significant capital investments, re- qualify its products with certain suppliers, as well as meet additional regulatory and compliance requirements and could result in higher cost and expenses. ~~Supply chain disruptions, plant and / or power outages, labor shortages and / or strikes, geo- political activity, weather events and natural disasters, including hurricanes or flooding that impact coastal regions, and global health risks or pandemics could seriously harm the Company' s operations as well as the operations of the Company' s customers and suppliers.~~ Climate change increases the frequency and severity of potential supply chain and operational disruptions from weather events and natural disasters. The chronic physical impacts associated with climate change, for example, increased temperatures, changes in weather patterns and rising sea levels, could significantly increase costs and expenses and create additional supply chain and operational disruption risks. **Supply chain disruptions, plant and / or power outages, labor shortages and / or strikes, geo- political activity, weather events and natural disasters, including hurricanes or flooding that impact coastal regions, and global health**

risks or pandemics could seriously harm the Company' s operations as well as the operations of the Company' s customers and suppliers. In addition, the Company' **s** suppliers may experience capacity limitations in their own operations or may elect to reduce or eliminate certain product lines. To address this risk, generally, the Company seeks to have many sources of supply for key raw materials in order to avoid significant dependence on any one or a few suppliers. In addition, and where the supply market for key raw materials is concentrated, DuPont takes additional steps to manage its exposure to supply chain risk and price fluctuations through, among other things, negotiated long- term contracts some which include minimum purchase obligations. However, there can be no assurance that such mitigation efforts will prevent future difficulty in obtaining sufficient and timely delivery of certain raw materials. DuPont also takes actions to offset the effects of higher energy and raw material costs through selling price increases, productivity improvements and cost reduction programs. Success in offsetting higher raw material costs with price increases is largely influenced by competitive and economic conditions and could vary significantly depending on the market served. As a result, volatility in these costs may negatively impact the Company' s business, results of operations, financial condition and cash flows. ~~impacts~~ **which could result in increases in the cost** of **capital** ~~pandemics including government actions~~ and **/ or adversely impact** ~~other~~ -- **the** ~~responsive measures,quarantines and health and~~ availability of ~~essential onsite personnel~~ **and access to capital,which could negatively affect DuPont' s liquidity** .DuPont is unable to predict the extent of ~~pandemic~~ **COVID- 19** related impacts on its business,results of operations,access to sources of liquidity and financial condition which depends on highly uncertain and unpredictable future developments **,including,but not limited to,the duration and spread of the COVID- 19 outbreak,its severity,the emergence of new variants,actions taken in response,the efficacy and availability of vaccines,and how quickly and to what extent normal economic and operating conditions resume** .DuPont' s financial results may be materially and adversely impacted by a variety of factors that have not yet been determined,including potential impairments of goodwill and other assets.DuPont,when necessary, ~~will take~~ **is taking** actions,including reducing costs,restructuring actions,and delaying certain ~~capital expenditures and non- essential spend.In addition,the Company may consider further reductions in or furloughing additional operations in response to further and / or deeper declines in demand and / or or supply chain disruptions.There can be no guaranty that such actions would significantly mitigate the impact on the company' s business,results of operations,access~~ The Company' s business, results of operations, financial condition and cash flows could be adversely affected by interruption **or regulation** of the Company' s information technology or network systems **and storage of information** and other business disruptions. DuPont relies on centralized and local information technology **and physical** networks and systems, some of which are managed or accessible by third parties, to process, transmit and store electronic information, and to otherwise manage or support its business. Additionally, the Company collects ~~and~~ **,** stores **, processes, uses and has access to** certain data, including proprietary business ~~information,~~ and ~~has access to confidential or~~ personal information **or data** that is subject to privacy and security laws, regulations **, orders** and **controls or rules imposed by** customer ~~- imposed controls~~ **or other contracts** . The processing and storage of personal information is increasingly subject to privacy and data security regulations, and many such regulations are country or territory- specific. The interpretation and application of data protection laws in the U. S., Europe, including the EU General Data Protection Regulation, Asia Pacific, Latin America ~~,~~ and elsewhere are continuing to evolve and may be different across these jurisdictions. The Company seeks to implement these requirements in a compliant manner. Violations of these laws **or standards** could result in criminal or civil sanctions ~~and~~ **, investigations, or enforcement actions.** ~~even~~ **Even** the mere allegation of such violations, could harm the Company' s ability to do business, its results of operations, financial position and reputation. Information technology system and / or network disruptions, whether caused by acts of sabotage, employee error, malfeasance or other actions, could have an adverse impact on the Company' s operations as well as the operations of the Company' s customers and suppliers. Other business disruptions may also be caused by security breaches, which could include, for example, attacks on information technology and infrastructure by hackers, viruses, breaches due to employee error, malfeasance or other actions or other disruptions. DuPont and / or the Company' s suppliers may fail to effectively prevent, detect and recover from these or other security breaches and, therefore, such breaches could result in misuse of the Company' s assets, loss of property including trade secrets and confidential or personal information, some of which is subject to privacy and security laws, and other business disruptions. As a result, DuPont may be subject to legal claims or proceedings, reporting errors, processing inefficiencies, negative media attention, loss of sales, interference with regulatory compliance which could result in sanctions or penalties, liability or penalties under privacy laws, disruption in the Company' s operations, and damage to the Company' s reputation, which could adversely affect the Company' s business, results of operations, financial condition and cash flows. Like ~~most~~ **other** major corporations, DuPont is the target of ~~industrial espionage, including~~ cyber- attacks, from time to time **, which** ~~. These cyber- security threats~~ include phishing, spam emails, hacking, social engineering, **industrial espionage** and malicious software. DuPont has determined that these attacks have resulted, and could result in the future, in unauthorized parties gaining access to certain confidential business information. **However** ~~Although management does not believe that DuPont has experienced any material losses to date related to these security breaches~~ , ~~including~~ **risks from previous** cybersecurity incidents **, have not materially affected, and are not reasonably likely to materially affect, the Company, including its business strategy, results of operations or financial. Although** , there can be no assurance that DuPont will not suffer such losses in the future. DuPont has engaged and expects to continue to engage in merger and acquisition activity. As part of preparatory and post- closing integration activities, the Company: (i) conducts a cybersecurity risk threat assessment and when evidence of a breach is uncovered, conducts additional due diligence; (ii) based on the assessment, the Company develops and implements risk mitigation plans if needed and brings the acquisition under the Company' s cyber- attack / breach detection and response programs; and (iii) conducts an internal controls risk and compliance assessment and creates **, as needed,** responsive action plans **intended** ~~as needed~~ to mitigate and remediate identified weaknesses in the control environment. DuPont seeks to actively manage the risks within the Company' s control that could lead to business disruptions and security breaches. As these threats continue to evolve, particularly around cybersecurity, DuPont may be required to expend significant resources to enhance the Company' s control environment, processes, practices and other protective measures. Despite these efforts, such events could have a material adverse effect on the Company' s business, results of operations, financial condition and cash flows. Enforcing the Company' s intellectual property rights, or defending against intellectual property claims asserted by others, could adversely affect the Company' s business, results of operations, financial condition and cash flows. Intellectual property rights, including patents, trade secrets, know- how and confidential information, trademarks, tradenames and trade dress, are important to the Company' s business. DuPont endeavors to protect the Company' s business, products and processes by obtaining and enforcing intellectual property rights under the intellectual property laws of certain jurisdictions around the world. However, DuPont may be unable to obtain or enforce its intellectual property rights in key jurisdictions for various reasons including government policies and regulations, and changes in such policies and regulations, including changes made in reaction to pressure from non- governmental organizations, or the public generally, which could impact the extent of intellectual property protection afforded by such jurisdictions. DuPont has designed and implemented internal controls intended to restrict access to and unauthorized use of the Company' s confidential information and trade secrets. Despite these precautions, the Company' s confidential information and trade secrets are vulnerable to unauthorized access and use through employee error or actions, theft by employees or third parties, cybersecurity incidents and other security breaches. When unauthorized access and use is discovered, DuPont considers the matter for report to governmental authorities for investigation, as appropriate, and takes measures intended to mitigate any potential impact and to stop unauthorized access. Third parties may also claim the Company' s products violate their intellectual property rights. Defending such claims, even those without merit, is time- consuming and expensive. In addition, as a result of such claims, DuPont has and could be required in the future to enter into license agreements, develop non- infringing products or engage in litigation that could be costly. If challenges are resolved adversely, it could negatively impact the Company' s ability to obtain licenses on competitive terms, commercialize new products and generate sales from existing products. Any one or more of the above factors could significantly affect the Company' s business, results of operations, financial condition and cash flows. An impairment of goodwill or intangible assets could negatively impact the Company' s financial results. In connection with completed acquisitions, DuPont has recorded goodwill and other intangible assets on our balance sheet. As a result of the DWDP Merger and related acquisition method of accounting, EIDP' s assets and liabilities were remeasured and DowDuPont recognized them at fair value. Since certain of the Company' s assets, especially those related to the Water & Protection and Electronics and Industrial segment, and those carried at Corporate & Other at December 31, ~~2022~~ **2023** are heritage EIDP, declines, if any, in projected cash flows could have a material, negative impact on the fair value of the Company' s reporting units and assets. **Refer to note 14 of the Consolidated Financial Statements for information regarding the goodwill impairment recorded in 2023.** In accordance with US GAAP, at least annually **or more frequently if impairment indicators are identified** , DuPont must assess both goodwill and indefinite- lived intangible assets for impairment. Intangible assets with finite lives are tested for impairment when events or changes in circumstances indicate their carrying value may not be recoverable. If testing indicates that goodwill or intangible assets are impaired, their carrying values will be written down based on fair values with a charge against earnings. Where DuPont utilizes discounted cash flow methodologies in determining fair values, significant negative industry or economic trends **and forecasts (including projected revenue, gross margins, selling, administrative, research and development expenses, capital expenditures, the weighted average cost of capital, the terminal growth rates, and the tax rates)** , disruptions to our business, inability to effectively integrate acquired businesses, unexpected significant change or planned changes in use of our assets, changes in the structure of our business, divestitures, market capitalization declines or increases in associated discount rates may impair our goodwill and other intangible assets **. When DuPont utilizes the market approach in determining fair values, adverse changes in projected EBITDA and derived multiples from comparable market transactions may impair our goodwill** . Accordingly, any determination requiring the write- off of a significant portion of goodwill or intangible assets could negatively impact the Company' s results of operations. Failure to effectively manage acquisitions, divestitures, alliances and other portfolio actions could adversely impact the Company' s business, results of operations, financial condition and cash flows. DuPont continuously evaluates acquisition candidates, including significant transactions, that may strategically fit the Company' s business and / or growth objectives. If DuPont is unable to successfully integrate and develop acquired businesses, DuPont could fail to achieve anticipated synergies and cost savings, including any expected increases in revenues and operating results, which could have a material adverse effect on the Company' s financial results. DuPont expects to continually review the Company' s portfolio of assets for contributions to the Company' s objectives and alignment with the Company' s growth strategy. The Letter Agreement between the Company and Corteva limits DuPont' s ability to separate certain businesses and assets to third parties without assigning certain of its indemnification obligations under the DWDP Separation and Distribution Agreement to the transferee of such businesses and assets or meeting certain other alternative conditions. DuPont may be unable to meet the conditions under the Letter Agreement, if applicable. Even if the conditions under the Letter Agreement are met or are not applicable, DuPont may not be successful in separating underperforming or non- strategic assets, and gains or losses on the divestiture of, or lost operating income from, such assets may affect the Company' s earnings. Moreover, DuPont might incur asset impairment charges related to acquisitions or divestitures that reduce the Company' s earnings. In addition, if the execution or implementation of acquisitions, divestitures, alliances, joint ventures and other portfolio actions is not successful and / or the Company fails to effectively manage its cost as its portfolio evolves, it could adversely impact the Company' s business, results of operations, financial condition and cash flows. Failure to maintain a streamlined operating model and sustain operational improvements may reduce the Company' s profitability or adversely impact the Company' s business, results of operations, financial condition and cash flows. The Company' s profitability and margin growth will depend in part on the Company' s ability to maintain a streamlined operating model and drive sustainable improvements, through actions and projects, such as consolidation of manufacturing facilities, transitions to cost- competitive regions and product line rationalizations. A variety of factors may adversely affect the Company' s ability to realize the targeted cost synergies, including failure to successfully optimize the Company' s facilities footprint, the failure to take advantage of the Company' s global supply chain, the failure to identify and eliminate duplicative programs. There can be no assurance that DuPont will be able to achieve or sustain any or all of the cost savings generated from restructuring actions. The Company' s results will be affected by competitive conditions and customer preferences. Demand for the Company' s products, which impacts revenue and profit margins, will be affected by (i) the development and timing of the introduction of competitive products; (ii) the Company' s response to downward pricing trends to stay competitive; (iii) changes in customer preferences, order patterns, such as changes in the levels of inventory maintained by customers and the timing of customer purchases which may be affected by announced price changes **and other factors outside of the Company' s control** ; (iv) availability and cost of raw materials and energy, as well as the Company' s ability and success in passing through increases in such costs; (v) levels of economic growth in the geographic and end use markets served by the Company; ~~and~~ (vi **) changes in buying patterns thought to be temporary destocking could be indicative of loss of market share and (vii**) the mega- trends in digital transformation, connectivity, automation and ethics, environmental impact and sustainability driven purchasing decisions **. The demand for product offerings that align with sustainability goals is expected to continue to increase. Customers are seeking products that are made using environmentally sound practices and materials, and which adhere to ethical and human rights standards** . Demand for product offerings that are less carbon- intensive or customers determine support their respective sustainability goals **(in areas such as Substances of Concern** , **Circular Economy, Waste, Water, nature / biodiversity, Responsible Procurement, Human Rights)** is expected to continue to increase, driven by end- user and customer demand, investor preference, and government legislative and market- and product- specific actions in response to risks created by climate change. Failure to timely react to these trends and manage the Company' s product portfolio and innovation activities responsively could decrease the competitiveness of the Company' s products and result in the de- selection of the Company as a partner of choice. In addition, the failure to set goals, take actions, make progress and report against, commensurate with relevant market competitors, the Company' s sustainability strategy, could harm the Company' s reputation, and its ability to compete and to attract top talent, and could result in increased investor activism and the deselection of the Company as a partner or supplier of choice. Success in achieving the Company' s growth objectives is significantly dependent on the timing and market acceptance of the Company' s new product offerings, including the Company' s ability to renew the Company' s pipeline of new product offerings and to bring those offerings to market. This ability may be adversely affected by difficulties or delays in product development, such as the inability to identify viable new products, obtain adequate intellectual property protection, or gain market acceptance of new products **. The Company invests resources in technology and its operational assets to satisfy anticipated demand. There is no guarantee that demand will support the Company' s new investments** . There are no guarantees that new product offerings will prove to be commercially successful. Additionally, the Company' s expansion into new markets may result in greater- than- expected risks, liabilities and expenses. Failure to attract and retain talented people with the necessary knowledge and experience could adversely affect Company' s ability to compete and achieve its strategic goals. Attracting, developing, and retaining talented employees is essential to the Company' s successful delivery of products and services, ability to innovate, including developing new products and technologies, and ability to identify trends and develop new markets. Competition for employees can be intense. If the Company is unable to successfully integrate, motivate and reward its employees, it may not be able to retain them or attract new employee in the future which could adversely impact the Company' s ability to **compete** effectively ~~compete~~ . The Company may be required to increase salary and / or benefits to attract top performers which could significantly increase the Company **' s** costs and **adversely impact its** results of operations. Risks Relating to Capital Resources and Liquidity Changes in the Company' s credit ratings could increase the Company' s cost of borrowing or restrict the Company' s ability to access debt capital markets. The Company' s credit ratings are important to the Company' s cost of capital. DuPont relies on access to the debt capital markets and other short- term borrowings to finance the Company' s long- term and day- to- day operations. A decrease in the ratings assigned to it by the ratings agencies may negatively impact the Company' s access to the debt capital markets and increase the Company' s cost of borrowing. The major rating agencies will routinely evaluate the Company' s credit profile and assign debt ratings to it. This evaluation is based on a number of factors, which include weighing the Company' s financial strength versus business, industry and financial risk. The addition of further leverage to the Company' s capital structure could impact the Company' s credit ratings. Failure to maintain an investment grade rating at the Company' s current level would adversely affect the Company' s cost of funding and the Company' s results of operations and could adversely affect the Company' s liquidity and access to the capital markets. Any limitation on the Company' s ability to continue to raise money in the debt capital markets could have a substantial negative effect on the Company' s liquidity. If DuPont is unable to generate sufficient cash flow or maintain access to adequate external financing, ~~including from significant disruptions in the global credit markets,~~ it could restrict the Company' s current operations, activities under its current and future stock buyback programs, and the Company' s growth opportunities, which could adversely affect the Company' s operating results. A significant percentage of the Company' s net sales are generated from the Company' s international operations and are subject to economic, geo- political, foreign exchange and other risks. DuPont does business globally in about 50 countries. The percentage of net sales generated by the international operations of DuPont, including U. S. exports, was approximately ~~70~~ **68** percent of net sales on a continuing operations basis for the year ended December 31, ~~2022~~ **2023** . With Asia Pacific as the Company' s largest region by revenue and China as the largest country within the Asia Pacific region and second largest globally by revenue, DuPont expects the percentage of the Company' s net sales derived from international operations to continue to be significant. Risks related to international operations include: • exchange control regulations • fluctuations in foreign exchange rates • foreign investment laws **• GDP growth rate, especially in the U. S. and China** The Company' s international operations expose it to fluctuations in foreign currencies relative to the U. S. dollar, which could adversely affect the Company' s results of operations. **As** ~~For its continuing operations as~~ of the year ended December 31, ~~2022~~ **2023** , the Company' s largest currency exposures are the **European euro,** Chinese renminbi ~~, European euro~~ , Japanese yen, South Korean won and Canadian dollar. U. S. dollar fluctuations against foreign currency have an impact to commercial prices and raw material costs in some cases and could result in local price increases if the price or raw material costs is denominated in U. S. dollar. Sales and expenses of the Company' s non- U. S. businesses are also translated into U. S. dollars for reporting purposes and fluctuations of foreign currency against the U. S. dollar could impact U. S. dollar- denominated earnings. In addition, the Company' s assets and liabilities denominated in foreign currencies can also be impacted by foreign currency exchange rates against the U. S. dollar, which could result in exchange gain or loss from revaluation. DuPont also faces exchange rate risk from the Company' s investments in subsidiaries owned and operated in foreign countries. DuPont has a balance sheet hedging program and actively looks for opportunities in managing currency exposures related to earnings. However, foreign exchange hedging activities bear a financial cost and may not always be available to it or be successful in completely mitigating such exposures. DuPont generates significant amounts of cash outside of the United States that is invested with financial and non- financial counterparties. While DuPont employs comprehensive controls regarding global cash management to guard against cash or investment loss and to ensure the Company' s ability to fund the Company' s operations and commitments, a material disruption to the counterparties with whom DuPont transacts business could expose it to financial loss. Any one or more of the above factors could adversely affect the Company' s international operations and could significantly affect the Company' s business, results of operations, financial condition and cash flows. Risks Related to Regulatory Changes and Compliance Risks related to trade disputes, regulations and policies could adversely impact DuPont' s results of operations. Trade regulations, policies and disputes can and have increased tariffs, trade barriers, limited the Company' s ability to sell certain products to certain customers, and otherwise impacted the Company' s global supply and distribution chains and research and development activities. In particular, trade tensions between the US and China have led to increased trade restrictions on the semiconductor business, particularly exports to China of US- regulated products and technology, that have affected downstream demand impacting ordering patterns from certain ~~DuPont Electronics & Industrial' s~~ customers **of the Semiconductor technologies business** . Continuing or expanding trade restrictions or disputes could adversely impact demand for and manufacture, distribution or sale of the Company' s products, and restrict access to certain markets, any of which could have a material adverse effect on the Company' s results of operations and growth prospects **. China' s policy to enhance domestic supply in sectors where the Company competes, could impact future demand for the Company' s products** . The costs of complying with evolving regulatory requirements could negatively impact the Company' s business, results of operations, financial condition and cash flows. Actual or alleged violations of environmental laws or permit requirements could result in restrictions or prohibitions on plant operations and substantial civil or criminal sanctions, as well as the assessment of strict liability and / or joint and several liability. DuPont continues to be subject to extensive federal, state, local and foreign laws, regulations, rules and ordinances relating to pollution, protection of the environment, product content, greenhouse gas emissions, and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances, which include certain substances of concern, and waste materials. Costs and capital expenditures relating to environmental, health or safety matters are subject to evolving regulatory requirements and depend on the timing of the promulgation and enforcement of specific standards which impose the requirements. Moreover, changes in the regulatory environment could inhibit or interrupt the Company' s operations, require modifications to the Company' s products, processes or facilities or cause the Company to discontinue or relocate the production of certain products. Changes to regulations or the implementation of additional regulations, may result in significant costs or capital expenditures or require changes in business practice that could result in reduced margins or profitability. Accordingly, environmental, health or safety regulatory matters could result in significant unanticipated costs or liabilities causing a negative impact on the Company' s business, cash flows and results of operations. The Company' s business, results of operations and reputation could be adversely affected by industry- specific risks including process safety and product stewardship / regulatory compliance issues. DuPont is subject to risks which include, but are not limited to, product safety or quality; shifting consumer preferences and public perception; federal, state, and local regulations on manufacturing or labeling; packaging, environmental, health and safety regulations; and customer product liability claims. In most jurisdictions, DuPont must test the safety, efficacy and environmental impact of the Company' s products to satisfy regulatory requirements and obtain the needed approvals. In certain jurisdictions, DuPont must periodically renew the Company' s approvals, which may require it to demonstrate compliance with then- current standards. The regulatory approvals process is lengthy, complex and in some markets unpredictable, with requirements that can vary by product, technology, industry and country. Regulatory standards and trial procedures are continuously changing in response to technological developments, changes in legislation, and governmental, NGO and societal demands for increasing levels of product safety and environmental protection. The pace of change together with the lack of regulatory harmony could result in unintended noncompliance. To maintain the Company' s right to produce or sell existing products or to commercialize new products, DuPont must be able to demonstrate the Company' s ability to satisfy the requirements of regulatory agencies, industries, and customers. The failure to meet existing and new requirements or receive necessary permits or approvals could have near- and long- term effects on the Company' s ability to produce and sell certain current and future products, which could significantly increase operating costs and adversely affect the Company' s business, results of operations, financial condition and cash flows. In addition, negative publicity related to product liability, safety, health and environmental matters may damage the Company' s reputation. Changes in the global and local tax regulatory environments in, and the distribution of income among, the various jurisdictions in which the Company operates, could adversely impact DuPont' s results of operations. DuPont' s 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 countries with differing statutory tax rates, changes in tax laws, regulations and judicial rulings (or changes in the interpretation thereof), changes in generally accepted accounting principles, changes in the valuation of deferred tax assets and liabilities, changes in the amount of earnings permanently reinvested offshore, the results of audits and examinations of previously filed tax returns and continuing assessments of the Company' s tax exposures and various other governmental enforcement initiatives. The Company **has ongoing federal, state and international income tax audits in various jurisdictions and evaluates uncertain tax positions that may be challenged by local tax authorities. The impact, if any, of these audits to the Company' s unrecognized tax benefits is not estimable. The Company** ' s tax expense includes estimates of tax reserves and reflects other estimates and assumptions, including assessments of future earnings of the Company which could impact the valuation of the Company' s deferred tax assets. On August 16, 2022, the Inflation Reduction Act of 2022 (the " IRA ") was enacted into law in the United States. Among other changes to the Internal Revenue Code of 1986, as amended (the " Code "), the IRA imposes a 15 ~~%~~ **percent** corporate alternative minimum tax on certain corporations (the " CAMT "). Changes in tax laws or regulations, including further regulatory developments in connection with the IRA; multi- jurisdictional changes enacted in response to the action items provided by the Organization for Economic Co- operation and Development (OECD) including the OECD' s Global Anti- Base Erosion (" GloBE) rules under Pillar Two, which ~~is expected to introduce~~ **introduces** a global minimum corporate tax rate set at 15 ~~%~~ **percent** on multinational enterprises; and the ~~OCED~~ **OECD** ' s, European Commission' s and other major jurisdiction' s heightened interest in and taxation of large multi- national companies, increase tax uncertainty and impact the Company' s effective tax rate and provision for income taxes. Given the unpredictability of possible further changes to and the potential interdependency of the United States or foreign tax laws and regulations, it is difficult to predict the cumulative effect of such tax laws and regulations on DuPont' s results of operations. The Company' s business, results of operations and reputation could be harmed by improper conduct by its employees, agents or business partners. DuPont is required to comply with numerous U. S. and non- U. S. laws and regulations including those related to anti- corruption, anti- bribery, global trade, trade sanctions, anti- trust, anti- money laundering laws, anti- slavery and human rights. The Company' s policies mandate compliance with these laws and regulations. The Company operates globally, including in parts of the world that are recognized as having governmental and commercial corruption and where local customs and practices can be inconsistent with anti- corruption and / or anti- bribery laws. Despite the Company' s training and compliance program, DuPont cannot ensure that its internal control processes will prevent improper action by employees, agents, distributors, suppliers or business partners. Violations of these laws could result in criminal or civil sanctions and even the mere allegation of such violations, could harm the Company' s ability to do business, its results of operations, financial position and reputation.