Risk Factors Comparison 2023-05-19 to 2022-05-20 Form: 10-K

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• We may not achieve some or all of the intended or anticipated benefits of Nextracker being a separate, publicly- traded company, which could negatively impact our business, financial condition and results of operations. • The success of certain of our activities depends on our ability to protect our intellectual property rights; claims of infringement or misuse of intellectual property and / or breach of license agreement provisions against our customers or us could harm our business. • We may not meet regulatory quality standards applicable to our manufacturing and quality processes for medical devices, which could have an adverse effect on our business, financial condition or results of operations. • We are subject to physical and operational risks from natural disasters, severe weather events, and climate change. • If our products or components contain defects, demand for our services may decline **, our reputation may be damaged,** and we may be exposed to product liability and product warranty liability **. • The COVID- 19 pandemic has had, and may in the future again have, a material adverse effect on our business, results of operations and financial condition** . Business and Operational Risks Our customers may cancel their orders, change production quantities or locations, or delay production, any of which could harm our business; the short- term nature of our customers' commitments and rapid changes in demand **have in the past caused, and** may **in the future,** cause supply chain and other issues which could adversely affect our operating results. Cancellations, reductions, or delays by a significant customer or by a group of customers have harmed, and may in the future harm, our results of operations by reducing the volumes of products we manufacture and deliver for those customers, by causing a delay in the repayment of our expenditures for inventory in preparation for customer orders and / or **our possession of excess or obsolete inventory that we may not be able to sell to customers or third parties which may result in** an impairment loss for inventory, and by lowering our asset utilization and overhead absorption resulting in lower gross margins and earnings. As a provider of design and manufacturing services and components for electronics, we must provide increasingly rapid product turnaround times for our customers. We generally do not obtain firm, long- term purchase commitments from our customers, and we often experience reduced lead times in customer orders which may be less than the lead time we require to procure necessary components and materials. **Many factors outside of our control impact our customers and their ordering behavior, including recession in end markets, changing technology and industry standards, commercial acceptance for products, product obsolescence, and loss of business.** The short- term nature of our customers' commitments and the rapid changes in demand for their products reduces our ability to accurately estimate the future requirements of our customers. This makes it difficult to schedule production and maximize utilization of our manufacturing capacity. In that regard, we must make significant decisions, including determining the levels of business that we will seek and accept, setting production schedules **and locations** , making component procurement commitments, and allocating personnel and other resources based on our estimates of our customers' requirements **. We cannot assure you that present or future customers will not significantly change, reduce, cancel or delay their orders** . On occasion, customers require rapid increases in production or require that manufacturing of their products be transitioned from one facility to another to reduce costs or achieve other objectives. These demands may stress our resources, cause supply chain management issues, and reduce our margins. We may not have sufficient capacity at any given time to meet our customers' demands, and transfers from one facility to another can result in inefficiencies and costs due to excess capacity in one facility and corresponding capacity constraints at another. Many of our costs and operating expenses are relatively fixed, and thus customer order fluctuations, deferrals, and transfers of demand from one facility to another, as described above, have had a material adverse effect on our operating results in the past and we may experience such effects in the future. A significant percentage of our sales come from a small number of customers and a decline in sales to any of these customers could adversely affect our business. Sales to our ten largest customers represent a significant percentage of our net sales. Our ten largest customers accounted for approximately 34 %, **34 % and** 36 % ~~and 39 %~~ of net sales in fiscal years **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively. No customer accounted for more than 10 % of net sales in fiscal year **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ . Our principal customers have varied from year to year. These customers may experience dramatic declines in their market shares or competitive position, due to economic or other forces, that may cause them to reduce their purchases from us or, in some cases, result in the termination of their relationship with us. Significant reductions in sales to any of these customers, or the loss of major customers, would materially harm our business. If we are not able to replace expired, canceled or reduced contracts with new business in a timely manner, our revenues and profitability could be harmed. Additionally, mergers, acquisitions, consolidations or other significant transactions involving our key customers generally entail risks to our business. If a significant transaction involving any of our key customers results in the loss of or reduction in purchases by any of our largest customers, it could have a material adverse effect on our business, results of operations, financial condition and prospects. Supply chain disruptions, manufacturing interruptions or delays, or the failure to accurately forecast customer demand, ~~could~~ **have in the past affected, and may in the future,** affect our ability to meet customer demand, lead to higher costs, or result in excess or obsolete inventory. We have been and continue to be adversely affected by supply chain issues, including shortages of required electronic components. From time to time, we have experienced shortages of some of the components, including electronic components, that we use. These shortages can result from strong demand for those components or from problems experienced by suppliers, such as shortages of raw materials. We have also experienced, and continue to experience, such shortages due to the effects of the COVID- 19 pandemic. Most recently, we have experienced shortages of semiconductor components which ~~has~~ **have** impacted our **business** ~~end markets~~ . These ~~unanticipated~~ component shortages have and will continue to result in curtailed production or delays in production, which prevent us from making scheduled shipments to customers. **Inflationary pressures**

have increased and may continue to increase pricing of components. Our failure or inability to accurately forecast demand and volatility in the availability of materials, equipment, components, and services, including rising prices due to inflation or scarcity of availability **, have in the past adversely impacted, and** may **in the future,** adversely impact our business and results of operations. Our inability to make scheduled shipments has caused and will continue to cause us to experience a reduction in sales, increase in inventory levels and costs, and could adversely affect relationships with existing and prospective customers. Component shortages **have in the past, and** may **in the future** also increase our cost of goods sold because we may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components. As a result, component shortages have adversely affected, and will continue to adversely affect, our operating results. Our customers also may experience component shortages which may adversely affect customer demand for our products and services. Our end markets have been and continue to be impacted by logistical constraints, ~~with COVID- 19 related restrictions contributing to a declining workforce, including at ports and warehouses,~~ as well as driver shortages and increased freight and logistics costs around the world. **In addition, if a component shortage is threatened or anticipated, we may purchase such components early to avoid a delay or interruption in our operations. Purchasing components early has in the past caused, and may in the future, cause us to incur additional inventory carrying costs and cause us to experience inventory obsolescence, both of which may not be recoverable from our customers and adversely affect our gross profit margins and results of operations.** Our supply chain has been and ~~will~~ **may** continue to be impacted by the COVID- 19 pandemic, and may be impacted by other events outside our control, including macro- economic events, trade restrictions, political crises, social unrest, terrorism, and conflicts (including the Russian invasion of Ukraine), other public health emergencies, ~~trade restrictions,~~ or natural or environmental occurrences in locations where we or our customers and suppliers have manufacturing, research, engineering and other operations. ~~The ongoing~~ **Our business has in the past been, and may in the future be, adversely affected by delays and increased costs resulting from issues that our common carriers deal with in transporting our materials, our products, or both. Given the complexity of our supply chain and our geographically dispersed operations, we depend on a variety of common carriers to transport our materials from our suppliers to us, and to transport our products from us to our customers. Problems suffered by any of these common carriers, whether due to geopolitical issues, the** COVID- 19 pandemic ~~has materially and adversely affected~~ **, a natural disaster, labor problems, increased energy prices, criminal activity** ~~our~~ - **or some other issue, have in the past** ~~business and results of operations. The duration and extent to which it will continue to adversely impact our business and results of operations remains uncertain and could be material. The ongoing COVID- 19 pandemic has~~ resulted ~~in a widespread public health crisis and numerous disease control measures being taken to limit its spread~~ , ~~including travel bans~~ and ~~restrictions, quarantines, shelter- in- place orders, and shutdowns. These measures have materially impacted and are continuing to impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. We have significant operations worldwide, including in China, Mexico, the United States, Brazil, India, Malaysia and Europe, and each of these geographies has been affected by the outbreak and has taken measures to try to contain it. This has resulted in disruptions at many~~ - **may** ~~of our manufacturing operations and facilities, and further disruptions could occur~~ in the future ~~. Most recently, with the lockdowns in China, we have been experiencing temporary plant closures and / or restrictions at certain of our manufacturing facilities in China. Any such disruptions could materially adversely affect our business. There have been renewed disease control measures (most recently, in China) being taken to limit the spread including movement bans and shelter- in- place orders. We continue to closely monitor the situation in all the locations where we operate. The impact of the pandemic on our business has included and could in the future include: • disruptions to or restrictions on our ability to ensure the continuous provision of our manufacturing services and solutions; • temporary closures or reductions in operational capacity of our manufacturing facilities; • temporary closures of our direct and indirect suppliers, resulting~~ --- **result** in ~~adverse effects to~~ **shipping delays, increased costs,** ~~our~~ - **or** ~~supply chain, and~~ other supply chain disruptions, ~~which~~ **and therefore have in the past had, and may in the future have. a material** ~~adversely~~ -- **adverse** ~~affect~~ **effect** ~~our ability to procure sufficient inventory to support customer orders; • temporary shortages of skilled employees available to staff manufacturing facilities due to shelter- in- place orders and travel restrictions within as well as into and out of countries; • restrictions or disruptions of transportation, such as reduced availability of air transport, port closures, and increased border controls or closures; • increases in operational expenses and other costs related to requirements implemented to mitigate the impact of the pandemic; • delays or limitations~~ on ~~the ability of our customers to perform or~~ **our** ~~make timely payments; • reductions in short- and~~ **operations. The effects of climate change, including extreme weather events,** long- term ~~demand for our manufacturing services and solutions, or other disruptions in technology buying patterns; • workforce disruptions due to illness, quarantines, governmental actions, other restrictions, and / or the social distancing measures we have taken to mitigate the impact of COVID- 19 at our locations around the world in an effort to protect the health and well- being of our employees, customers, suppliers and of the communities in which we operate (including working from home, restricting the number of employees attending events or meetings in person, limiting the number of people in our buildings and factories at any one time, further restricting access to our facilities and suspending employee travel); and • our management team continuing to commit significant time, attention and resources to monitoring the COVID- 19 pandemic and seeking to mitigate its effects on our business and workforce. The global spread of COVID- 19 also has created significant macroeconomic uncertainty, volatility and disruption, which may continue to adversely affect our and our customers' and suppliers' liquidity, cost of capital and ability to access the capital markets. As a result, the continued spread of COVID- 19 could cause further disruptions in our supply chain and customer demand, and could adversely affect the ability of our customers to perform, including making timely payments to us, which could further adversely impact our business, financial condition, and results of operations. The COVID- 19 pandemic has, in the short- term, adversely impacted, and may, in the long- term, adversely impact the global economy, potentially leading to an economic downturn. In addition, various local, state and national governments and agencies issued various safety regulations and guidelines intended to prevent the transmission of~~

~~COVID- 19 in the workplace. These regulations are complex, costly to implement, subject to frequent change~~ **changes** ~~, and to audit and investigation by governmental authorities, including~~ in **temperature levels** ~~the U. S. the Occupational Health~~ and **water availability may exacerbate** ~~Safety Administration (" OSHA "), state counterparts, and local health departments. Any failure by us to materially comply with COVID- 19- related safety rules and regulations in any of its facilities could result in sanctions, fines, as well as negative publicity for us. Recently, two executive orders were issued mandating that U. S. employees of our manufacturing facilities be vaccinated against COVID- 19 (or tested weekly). Although the implementation of~~ these executive orders was stayed by the Supreme...... the likelihood and potential severity of other risks ~~described in this " Risk Factors " section~~. Our components business is dependent on our ability to quickly launch world- class component products, and our investment in the development of our component capabilities, together with start- up and integration costs, **has in the past adversely affected, and** may **in the future** adversely affect **,** our margins and profitability. Our components business, which includes power supply manufacturing, is part of our strategy to improve our competitive position and to grow our future margins, profitability and shareholder returns by expanding our capabilities. The success of our components business is dependent on our ability to design and introduce world- class components that have performance characteristics which are suitable for a broad market and that offer significant price and / or performance advantages over competitive products. To create these world class components offerings, we must continue to make substantial investments in the development of our components capabilities, in resources such as research and development, technology licensing, test and tooling equipment, facility expansions, and personnel requirements. We may not be able to achieve or maintain market acceptance for any of our components offerings in any of our current or target markets. The success of our components business will also depend upon the level of market acceptance of our customers' end products, which incorporate our components, and over which we have no control. Our margins and profitability **have in the past been, and** may **in the future** be **,** adversely affected due to substantial investments, start- up and production ramp costs in our design services. As part of our strategy to enhance our end- to- end service offerings, we continue to expand our design and engineering capabilities. Providing these services can expose us to different or greater potential risks than those we face when providing our manufacturing services. Although we enter into contracts with our design services customers, we ~~may~~ **often** design and develop products for these customers prior to receiving a purchase order or other firm commitment from them. We are required to make substantial investments in the resources necessary to design and develop these products, and no revenue may be generated from these efforts if our customers do not approve the designs in a timely manner or at all. In addition, we may make investments in designing products and not be able to design viable manufacturable products, in which cases we may not be able to recover our investments. Even if we are successful in designing manufacturable products and our customers accept our designs, if our customers do not then purchase anticipated levels of products, we may not realize any profits. Our design activities often require that we purchase inventory for initial production runs before we have a purchase commitment from a customer. Even after we have a contract with a customer with respect to a product, these contracts ~~may~~ **sometimes** allow the customer to delay or cancel deliveries and may not obligate the customer to any particular volume of purchases. These contracts can generally be terminated on short notice. In addition, some of the products we design and develop must satisfy safety and regulatory standards and some must receive government certifications. If we fail to obtain these approvals or certifications on a timely basis, we would be unable to sell these products, which would harm our sales, profitability and reputation. Our design services offerings require significant investments in research and development, technology licensing, test and tooling equipment, patent applications, facility building and expansion, and recruitment. We may not be able to achieve a high enough level of sales for this business to be profitable. The costs of investing in the resources necessary to expand our design and engineering capabilities, and in particular to support our design services offerings, have historically adversely affected our profitability, and may continue to do so as we continue to make investments to grow these capabilities. In addition, we often agree to certain product price limitations and cost reduction targets in connection with these services. Inflationary and other increases in the costs of the raw materials and labor required to produce the products have occurred and may recur from time to time. Also, the production ramps for these programs are typically significant and negatively impact our margin in early stages as the manufacturing volumes are lower and result in inefficiencies and unabsorbed manufacturing overhead costs. We may not be able to reduce costs, incorporate changes in costs into the selling prices of our products, or increase operating efficiencies as we ramp production of our products, which would adversely affect our margins and our results of operations. If we do not effectively manage changes in our operations, our business may be harmed; we have taken substantial restructuring charges in the past and we may need to take material restructuring charges in the future. The expansion of our business, as well as business contractions and other changes in our customers' requirements, including as a result of COVID- 19, have in the past, and may in the future, require that we adjust our business and cost structures by incurring restructuring charges. Restructuring activities involve reductions in our workforce at some locations and closure of certain facilities. All of these changes have in the past placed, and may in the future place, considerable strain on our financial and management control systems and resources, including decision support, accounting management, information systems and facilities. If we do not properly manage ~~our~~ - **or maintain adequate** financial and management controls **, including internal controls over financial reporting** , reporting systems and procedures to manage our employees, our business could be harmed. In recent years, including fiscal years **2023,** 2022, **and** 2021 ~~, and 2020~~ , we initiated targeted restructuring activities focused on optimizing our portfolio, in particular customers and products in our consumer devices business, optimizing our cost structure in lower growth areas and, more importantly, streamlining certain corporate and segment functions. Restructuring charges are recorded based upon employee termination dates, site closure and consolidation plans generally in conjunction with an overall corporate initiative to drive cost reduction and realign the Company' s global footprint. We may be required to take additional charges in the future to align our operations and cost structures with global economic conditions, market demands, cost competitiveness, and our geographic footprint as it relates to our customers' production requirements ~~and in response to the economic challenges in light of recent events with COVID- 19~~ . We may consolidate certain manufacturing facilities or transfer certain of our operations to **other** ~~lower cost~~ geographies. If we are required to take additional restructuring charges in the future, our operating results, financial condition, and cash flows could be adversely impacted. Additionally, there are other potential risks associated with our restructurings that could adversely affect us, such as delays encountered with the finalization and implementation of the restructuring activities, work stoppages, and the failure to achieve targeted cost savings. A breach of our IT or physical security systems, or violation of data privacy laws, may cause us to incur significant legal and financial exposure. We **rely** ~~are increasingly reliant~~ on our information systems **, some of which are managed by third parties,** to process, transmit and store electronic information (including sensitive data such as confidential business information and personally identifiable information relating to employees, customers, and other business partners), and to manage or support a variety of critical business processes and activities ~~. In particular~~ **including financial reporting** , ~~the COVID~~ **inventory management, procurement, invoicing, and electronic communications. With increased work** - **from** ~~19 pandemic has caused us to modify our business practices, including requiring or permitting many of our office~~ - ~~based employees to work from~~ home **arrangements** ~~. As a result~~ , we are increasingly dependent upon our information systems to operate our business and our ability to effectively manage our business depends on the security, reliability and adequacy of our information systems **. We may be adversely affected if our information systems break down, fail, or are no longer supported. In addition, we continue to invest in and implement modifications and upgrades to our information systems, which may be complex and require significant management oversight, and subject us to inherent costs and associated risks including disruption of operations and loss of information** . We regularly face attempts by sophisticated **and malicious** actors to gain unauthorized access ~~through the Internet or to introduce malicious software~~ to our information systems, including those using techniques that change frequently or may be disguised or difficult to **detect and** remain dormant until a triggering event or that may continue undetected for an extended period of time. **They may** ~~We are also a target of malicious attackers who~~ attempt to gain access to our ~~network~~ **networks** ~~or~~ **,** data centers or **cloud resources- including** those **managed by third parties- or those** of our customers **, vendors** or end users ~~,~~ **;** steal proprietary information related to our business, products, employees, and customers; or interrupt our systems ~~and~~ **, operations or** services or those of our customers or others. We believe such attempts are increasing in number and in technical sophistication ~~. There has been a rise in ransomware and other " cyber attacks ", along with power outages or hardware failures~~ , which, if we are subject to, could have material adverse effects. Due to the political uncertainty and military actions involving Russia, Ukraine and surrounding regions, we and the third parties upon which we rely may be vulnerable to a currently heightened risk of information technology breaches, computer malware **, ransomware** or other cyber attacks, including attacks that could materially disrupt our systems and operations, supply chain and ability to produce, sell and distribute our products. In some instances, we, our customers, and the users of our products and services might be unaware of an incident or its magnitude and effects. We have implemented security systems with the intent of maintaining and protecting the physical security of our facilities and inventory and protecting our customers' and our suppliers' confidential information. **We** ~~In addition, while we~~ seek to detect and investigate all unauthorized attempts and attacks against our network, products, and services, and to prevent their recurrence where practicable through changes to our internal processes and tools **. There can be no assurance** , ~~we~~ **however, that our security measures will be sufficient to prevent a material breach or compromise in the future. We** are subject to, and at times have suffered from, breach or attempted breach of ~~these~~ **our** security systems which have in the past and may in the future result in unauthorized access to our facilities and / or unauthorized acquisition, use or theft of the inventory or information we are trying to protect. If unauthorized parties gain physical access to our **operations or** inventory or if they gain electronic access to our information systems or if such **operations,** information or inventory is used in an unauthorized manner, misdirected, or lost or stolen during transmission or transport, any theft or misuse of such **operations,** information or inventory could result in, among other things, unfavorable publicity, **loss of competitive advantage,** governmental inquiry and oversight, difficulty in marketing our services **, increased security and compliance costs, higher insurance premiums** , allegations by our customers that we have not performed our contractual obligations, litigation by affected parties including our customers and possible financial obligations for damages related to the theft or misuse of such information or inventory, any of which could have a material adverse effect on our profitability and cash flow. **Further, third parties, such as cloud or hosted solution providers, could be a source of risk in the event of a failure of their own systems and infrastructure or could experience their own privacy or security event which could create risks similar to those described above.** These risks are likely to be elevated in times of geopolitical instability and escalated tensions between countries **. Moreover, we may be required to invest significant additional resources to comply with evolving cybersecurity regulations and to modify and enhance our information systems, information security and controls, and to investigate and remediate any security vulnerabilities** . In addition, data privacy laws and regulations, including the European Union General Data Protection Regulation (" GDPR "), the UK GDPR, **the EU** ePrivacy Directive, Singapore' s Personal Data Protection Act, **China' s Personal Information Protection Law (" PIPL"),** and other privacy and data security laws throughout the Asia Pacific region and across the globe pose increasingly complex compliance challenges, which may increase compliance costs, and any failure to comply with data privacy laws and regulations could result in significant penalties. Additionally, many U. S. states including California, **Colorado, Connecticut, Utah and** Virginia **have** ~~, Colorado and Utah~~ recently enacted legislation ~~,~~ and associated regulations **,** and it is anticipated that many more states will enact similar legislation and / or release additional regulations **which, if passed, may have conflicting requirements that would make compliance challenging** . The California Consumer Privacy Act (" CCPA ") ~~,~~ became effective January 1, 2020 and was further amended by the California Privacy Rights Act ~~, or~~ **("** CPRA **")** , **which became effective** on ~~November 3~~ **January 1** , ~~2020~~ **2023** . The CCPA and CPRA, among other requirements, require covered companies to provide new rights and disclosures to California consumers, and allow such consumers abilities to opt- out of certain sales of personal information and other activities **,** and ~~will create~~ **creates** a new regulatory enforcement body. These **recent and** potential ~~new~~ **additional** regulations and avenues for enforcement could result in **,** among other things, government inquiries, which could result in significant penalties ~~,~~ **.**

Additionally, new privacy laws and regulations are under development at the U. S. Federal and state level and many international jurisdictions. The effects of the GDPR, the **PIPL, the** CPRA and other state laws and other data privacy laws and regulations, including the many international privacy laws, may be significant, and may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply. Any actual or perceived failures to comply with these laws or regulations, or related contractual or other obligations, or any perceived privacy rights violation, **whether by us, one of our third- party service providers or vendors or another third party,** could lead to investigations, claims, and proceedings by governmental entities and private parties, damages for contract breach, and other significant costs, penalties, and other liabilities, as well as harm to our reputation and market position. The GDPR **, the PIPL** , U. S. state laws and other laws and self- regulatory codes may affect our ability to reach current and prospective customers, to understand how our solutions and services are being used, to respond to customer requests allowed under the laws, and to implement our business strategy effectively. These laws and regulations could similarly affect our customers. Our strategic relationships with major customers create risks. In the past, we have completed numerous strategic transactions with customers. Under these arrangements, we generally acquire inventory, equipment and other assets from the customers, and lease or acquire their manufacturing facilities, while simultaneously entering into multi- year manufacturing and supply agreements for the production of their products. We may pursue these customer divestiture transactions in the future. These arrangements entered into with divesting customers typically involve many risks, including the following: • we may need to pay a purchase price to the divesting customers that exceeds the value we ultimately may realize from the future business of the customer; • the integration of the acquired assets and facilities into our business may be time- consuming and costly, including the incurrence of restructuring charges; • we, rather than the divesting customer, bear the risk of excess capacity at the facility; • we may not achieve anticipated cost reductions and efficiencies at the facility; • we may be unable to meet the expectations of the customer as to volume, product quality, timeliness and cost reductions; • our supply agreements with the customers generally do not require any minimum volumes of purchase by the customers, and the actual volume of purchases may be less than anticipated; and • if demand for the customers' products declines, the customer may reduce its volume of purchases, and we may not be able to sufficiently reduce the expenses of operating the facility or use the facility to provide services to other customers. As a result of these and other risks, we have been, and in the future may be, unable to achieve anticipated levels of profitability under these arrangements. In addition, these strategic arrangements have not, and in the future may not, result in any material revenues or contribute positively to our earnings per share. We may encounter difficulties with acquisitions and divestitures, which could harm our business. We have completed numerous acquisitions of businesses, including the recent acquisition of Anord Mardix, and we may acquire additional businesses in the future. Any future acquisitions may require additional equity financing, which could be dilutive to our existing shareholders, or additional debt financing, which could increase our leverage and potentially affect our credit ratings. Any downgrades in our credit ratings associated with an acquisition could adversely affect our ability to borrow by resulting in more restrictive borrowing terms. As a result of the foregoing, we also may not be able to complete acquisitions or strategic customer transactions in the future to the same extent as in the past, or at all. To integrate acquired businesses, we must implement our management information systems, operating systems and internal controls, and assimilate and manage the personnel of the acquired operations. The difficulties of this integration may be further complicated by geographic distances. The integration of acquired businesses may not be successful and could result in disruption to other parts of our business. In addition, the integration of acquired businesses may require that we incur significant restructuring charges. In addition, acquisitions involve numerous risks and challenges, including: • diversion of management' s attention from the normal operation of our business; • potential loss of key employees and customers of the acquired companies; • difficulties managing and integrating operations in geographically dispersed locations; • the potential for deficiencies in internal controls at acquired companies; • increases in our expenses and working capital requirements, which reduce our return on invested capital; • lack of experience operating in the geographic market or industry sector of the acquired business; • cybersecurity and compliance related issues; • initial dependence on unfamiliar supply chain or relatively small supply chain partners; and • exposure to unanticipated liabilities of acquired companies. In addition, divestitures involve significant risks, including without limitation, difficulty finding financially sufficient buyers or selling on acceptable terms in a timely manner, and the agreed- upon terms could be renegotiated due to changes in business or market conditions. Divestitures could adversely affect our profitability and, under certain circumstances, require us to record impairment charges or a loss as a result of the transaction. In addition, completing divestitures requires expenses and management attention and could leave us with certain continuing liabilities. These and other factors have harmed, and in the future could harm, our ability to achieve anticipated levels of profitability at acquired operations or realize other anticipated benefits of an acquisition or divestiture, and could adversely affect our business and operating results. **On February 13, 2023, Nextracker completed its IPO and, as of the closing, the Company beneficially owned 61. 4 % of the total outstanding shares of Nextracker' s capital stock.** We ~~are pursuing alternatives for our Nextracker business, including a full or partial separation of the business, through an initial public offering of Nextracker or otherwise, which~~ may not be ~~consummated~~ **able to achieve all of the intended or anticipated strategic and financial benefits expected** as **a result of the IPO and Nextracker being a separate, publicly- traded company,** or ~~when planned~~ **such benefits may be delayed,** or **not occur** at all **. These intended and anticipated benefits include the following: • Allows investors to separately evaluate the merits** , **performance and future prospects of each company' s respective businesses and to invest in each company separately based on their distinct characteristics. • Allows us and Nextracker to more effectively pursue our respective distinct operating priorities and strategies and enable management of both companies to focus on unique opportunities for long- term growth and profitability. Our and Nextracker' s separate management teams will also be able to focus on executing the companies' differing strategic plans without diverting attention from the other businesses. • Permits each company to concentrate its financial resources solely on its own operations without having to compete with each other for investment capital, providing each company with greater flexibility to invest capital in its businesses**

in a time and manner appropriate for its distinct strategy and business needs. • Creates ~~and~~ - **an** ~~may not~~ **independent equity structure that will afford Nextracker direct access to the capital markets and facilitate its ability to capitalize on its unique growth opportunities. If we fail to** achieve **some or all of** the ~~intended~~ benefits ~~. We~~ **expected to result from the IPO and Nextracker being a separate, publicly- traded company, or if such benefits** are **delayed,** ~~pursuing alternatives for~~ our **businesses, operating results and financial condition could be materially and adversely affected. The actions required to separate our and** Nextracker **' s respective** ~~business~~ **businesses** ~~, including a full or partial separation of the business, through an initial public offering of Nextracker or otherwise. The proposed separation of our Nextracker business may not be consummated as currently contemplated or at all, or may encounter unanticipated delays. If we are unable to consummate a transaction on favorable terms or at all, we may experience negative reactions from the financial markets and from our shareholders and employees. Planning a separation requires significant time, effort, and expense,~~ may divert the attention of our management and employees from other aspects of our business operations and could adversely affect the business, financial condition, results of operations and cash flows of us and our Nextracker business. **Further** ~~In addition~~ , ~~if we complete the proposed separation, there~~ -- **the Nextracker business** ~~can be no assurance that we~~ will be ~~able~~ **subject** to **additional costs as** ~~realize the intended benefits. Following~~ a ~~potential~~ **result of being a** ~~separation~~ **separate , publicly- traded company. The consummation of the IPO also resulted in a dilution of our economic interest in the Nextracker business and, as a result, we will only benefit from a portion of any profits and growth of the Nextracker business in the future, and as a result our prior historical results may not be indicative of future results. Moreover** , the combined value of the two publicly- traded companies may not be equal to or greater than what the value of our ordinary shares would have been had the **IPO** ~~potential separation~~ not occurred **. To the extent we pursue any other alternatives for our Nextracker business subsequent to the IPO, such as a tax- free spin- off transaction or additional follow- on offerings, we may be exposed to various risks similar to those described above. In addition, we may receive opinions from outside tax counsel as to the tax implications of the IPO or any such future transactions which rely on certain facts, assumptions, representations and undertakings regarding past and future conduct of both us and Nextracker, and which, if incorrect, incomplete, inaccurate or not satisfied, could result in significant tax liabilities to us and our shareholders. We have overlapping directors with Nextracker, which may lead to conflicting interests or the appearance of conflicting interests. Several of our directors and officers also serve as directors of Nextracker. Our officers and members of our Board of Directors have fiduciary duties to our shareholders. Likewise, any such persons who serve as directors of Nextracker have fiduciary duties to Nextracker' s stockholders. Therefore, such persons may have conflicts of interest or the appearance of conflicts of interest with respect to matters involving or affecting us and Nextracker. The appearance of conflicts of interest created by such overlapping relationships also could impair the confidence of our investors** . Our operating results may fluctuate significantly due to seasonal demand. Two of our significant end markets are the lifestyle market and the consumer devices market. These markets exhibit particular strength generally in the two quarters leading up to the end of the calendar year in connection with the holiday season. As a result, we have historically experienced stronger revenues in our second and third fiscal quarters as compared to our other fiscal quarters. Economic or other factors leading to diminished orders in the end of the calendar year could harm our business. We depend on our executive officers and skilled personnel. Our success depends to a large extent upon **our ability to hire and retain a workforce with** the ~~continued services of~~ **skills necessary for our business to develop and manufacture the products desired by our customers. We need highly skilled personnel in multiple areas including, among others, engineering, manufacturing, information technology, cybersecurity, supply chain, business development, and management including** our executive officers and other key employees. Generally, our employees are not bound by employment or non- competition agreements, and we cannot assure you that we will retain our executive officers and other key employees. We could be seriously harmed by the loss of any of our executive officers or other key employees. **Future leadership transitions and management changes may cause uncertainty in, or a disruption to, our business, and may increase the likelihood of senior management or other employee turnover.** In addition, in connection with expanding our design services offerings, we must attract and retain experienced design engineers. **Our failure to recruit and retain experienced design engineers could limit the growth of our design services offerings, which could adversely affect our business.** There is substantial competition in our industry for ~~highly~~ skilled employees **and we may incur higher labor, recruiting and / or training costs in order to attract and retain employees with the requisite skills. We may not be successful in hiring or retaining such employees which could adversely impact our business and results of operations** . Additionally, hiring, training and retaining skilled employees may be adversely impacted by global economic uncertainty and **changes to** office **environments and workforce trends. From time to time, we face challenges that may impact employee retention, such as workforce reductions and facility consolidations and** closures ~~caused by COVID~~ **, and some of our most experienced employees are retirement** - ~~19~~ **eligible which may adversely impact retention** . ~~Our failure to recruit and retain~~ **To the extent that we lose** experienced ~~design engineers~~ **personnel through retirement or otherwise** , **it is critical** ~~or~~ **for** ~~if~~ **us to develop other employees, hire new qualified employees and successfully manage** ~~they~~ - **the transfer** ~~are unable to work effectively or at all due to the COVID- 19 pandemic, could limit the growth~~ of **critical knowledge** ~~our design services offerings, which could adversely affect our business~~ . There also is the risk that we will be unable to achieve our diversity, equity and inclusion objectives and goals or meet the related requirements of our shareholders and other stakeholders. Catastrophic events could have a material adverse effect on our operations and financial results. Our operations or systems could be disrupted by natural disasters, terrorist activity, public health issues (including the COVID- 19 pandemic), cybersecurity incidents, interruptions of service from utilities, political crises and conflicts (including the Russian invasion of Ukraine), transportation or telecommunications providers, or other catastrophic events. **Climate change may exacerbate the frequency and intensity of natural disasters and adverse weather conditions.** Such events could make it difficult or impossible to manufacture or deliver products to our customers, receive production materials from our suppliers, or perform critical functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. While we maintain business recovery plans that are intended to allow us to recover from natural disasters or other events that can be disruptive to our business, some of our systems are not fully redundant and we cannot be sure that our plans will fully protect us from all such disruptions. We maintain a program of insurance coverage for a variety of property, casualty, and other risks. We place our insurance coverage with multiple carriers in numerous jurisdictions. However, one or more of our insurance providers may be unable or unwilling to pay a claim. The types and amounts of insurance we obtain vary depending on availability, cost, and decisions with respect to risk retention. The policies have deductibles and exclusions that result in us retaining a level of self- insurance. Losses not covered by insurance may be large, which could harm our results of operations and financial condition. **The** ~~Our business could be adversely affected by any delays, or increased costs, resulting from issues that our common carriers are dealing with in transporting our materials, our products, or both. Given the complexity of our supply chain and our geographically dispersed operations, we depend on a variety of common carriers to transport our materials from our suppliers to us, and to transport our products from us to our customers. Problems suffered by any of these common carriers, whether due to geopolitical issues, the~~ COVID- 19 pandemic **and the measures taken to limit its spread have materially impacted our workforce and operations** , **the operations of our customers, and those of our respective vendors and suppliers. The impact of the pandemic on our business has included and could again in the future include: • disruptions to or restrictions on our ability to ensure the continuous provision of our manufacturing services and solutions, including as** a ~~natural disaster, labor problems, increased energy prices, criminal activity or some other issue, could~~ result **of temporary closures or reductions** in **operational capacity of** ~~shipping delays, increased costs, or~~ **our manufacturing facilities; • temporary closures of our direct and indirect suppliers, resulting in adverse effects to our supply chain, and** other supply chain disruptions, **which adversely affect our ability to procure sufficient inventory to support customer orders; • workforce disruptions, including temporary shortages of skilled employees available to staff manufacturing facilities due to shelter- in- place orders** and **travel restrictions within as well as into and out of countries; • restrictions or disruptions of transportation, such as reduced availability of air transport, port closures, and increased border controls or closures; • increases in operational expenses and other costs related to requirements implemented to mitigate the impact of the pandemic; • delays or limitations on the ability of our customers to perform or make timely payments; and • reductions in short- and long- term demand for our manufacturing services and solutions, or other disruptions in technology buying patterns. The COVID- 19 pandemic also created significant macroeconomic uncertainty, volatility and disruption, which may continue to adversely affect our and our customers' and suppliers' liquidity, cost of capital and ability to access the capital markets and cause further disruptions in our supply chain and customer demand. The extent to which the remaining effects of the COVID- 19 pandemic** could ~~therefore~~ **continue** to impact our business and financial results going forward will be dependent on future developments such as ~~the~~ **its** length and severity ~~of the crisis~~ , ~~the~~ **its** potential resurgence ~~of COVID- 19~~ in the future including the emergence of more contagious or vaccine- resistant variants ~~of the virus~~ ,the availability and distribution of effective treatments and vaccines,and public health measures and actions taken ~~throughout the world~~ to contain COVID- 19,and the overall impact **of the remaining effects** of the COVID- 19 pandemic on the global economy and capital markets,among many other factors,all of which remain ~~highly~~ uncertain and unpredictable.We cannot at this time quantify or forecast the business impact of **the remaining effects of the** COVID- 19,and there can be no assurance that the **remaining effects of the** COVID- 19 pandemic will not have a material **and** adverse effect on our ~~operations~~ **business, financial results and financial condition. To the extent the remaining effects of the COVID- 19 pandemic impacts our business, it increases the likelihood and potential severity of other risks described in this " Risk Factors " section** . Industry Risks We depend on industries that continually produce technologically advanced products with short product lifecycles and our business would be adversely affected if our customers' products are not successful or if our customers lose market share. We derive our revenue from customers in a number of end markets and factors affecting any of these industries in general or our customers in particular, could adversely impact us. These factors include: • rapid changes in technology, evolving industry standards, and requirements for continuous improvement in products and services that result in short product lifecycles; • demand for our customers' products may be seasonal; • our customers may fail to successfully market their products, and our customers' products may fail to gain widespread commercial acceptance; • our customers' products may have supply chain issues, including as a result of the COVID- 19 pandemic; **and** • our customers may experience dramatic market share shifts in demand which may cause them to lose market share or exit businesses ~~; and • a negative impact of the COVID- 19 pandemic on our customers or on the demand for our customers' products~~ . Our industry is extremely competitive; if we are not able to continue to provide competitive services, we may lose business. We compete with a number of different companies, depending on the type of service we provide or the location of our operations. For example, we compete with major global EMS providers, other smaller EMS companies that have a regional or product- specific focus and Original Design Manufacturers (" ODMs") with respect to some of the services that we provide. We also compete with our current and prospective customers, who evaluate our capabilities in light of their own capabilities and cost structures. In the past, some of our customers moved a portion of their manufacturing from us in order to more fully utilize their excess internal manufacturing capacity. Any of these developments could cause a decline in our sales, loss of market acceptance of our products or services, decreases of our profits or loss of our market share. Our industry is extremely competitive, many of our competitors have achieved substantial market share, and some may have lower cost structures or greater design, manufacturing, financial or other resources than we do. We face particular competition from Asian- based competitors, including Taiwanese ODM suppliers who compete in a variety of our end markets and have a substantial share of global information technology hardware production. If we are unable to provide comparable manufacturing services and improved products at lower cost than the other companies in our market, our net sales could decline. Financial Risks Our goodwill and identifiable intangible assets could become......, and other outstanding borrowings. Our debt level may create limitations. As of March 31, ~~2022~~ **2023** , our total debt was approximately $ ~~4~~ **3** . ~~2~~ **8** billion. This level of indebtedness could limit our flexibility as a result of debt service requirements and restrictive covenants, and may limit our ability to access additional capital or execute our business strategy. Our exposure to financially troubled customers or suppliers may adversely affect our financial results. We provide manufacturing services to companies and industries that have in the past, and may in the future, experience financial difficulty. **When** ~~If some of~~ our customers experience financial difficulty, we ~~could~~ have difficulty recovering amounts owed to us by these customers, or demand for our products from these customers ~~could~~ **sometimes** ~~decline~~ **declines** . Additionally, if our suppliers experience financial difficulty, we could have difficulty sourcing supplies necessary to fulfill production requirements and meet scheduled shipments. ~~If~~ **When** one or more of our customers ~~were to become~~ **becomes** insolvent or otherwise ~~were~~ **is** unable to pay for the services provided by us on a timely basis, or at all, our operating results and financial condition **are** ~~could be~~ adversely affected. Such adverse effects **have in the past included and** could **in the future** include one or more of the following: an increase in our provision for doubtful accounts, a charge for inventory write- offs, a reduction in revenue, and an increase in our working capital requirements due to higher inventory levels and increases in days our accounts receivables are outstanding ~~. Any of these risks may be heightened by the effects of the COVID- 19 pandemic~~ . The market price of our ordinary shares is volatile. The stock market in recent years has experienced significant price and volume fluctuations that have affected the market prices of companies, including technology companies. These fluctuations have often been unrelated to or disproportionately impacted by the operating performance of these companies. The market for our ordinary shares has been and may in the future be subject to similar volatility. Factors such as fluctuations in our operating results, announcements of technological innovations or events affecting other companies in the electronics industry, currency fluctuations, general market fluctuations, and macro- economic conditions may cause the market price of our ordinary shares to decline. Stock price fluctuations could impact the value of our equity compensation, which could affect our ability to recruit and retain employees. Changes in our credit rating may make it more expensive for us to raise additional capital or to borrow additional funds. We are also exposed to interest rate fluctuations on our outstanding borrowings and investments. Our credit is rated by credit rating agencies. Our ~~5. 000 % Notes due 2023, our~~ 4. 750 % Notes due 2025, our 3. 750 % Notes due 2026 **, our 6. 000 % Notes due 2028** , our 4. 875 % Notes due 2029 and our 4. 875 % Notes due 2030 are currently rated BBB- by Standard and Poor' s (" S & P") which is considered to be “ investment grade ” by S & P, rated Baa3 by Moody’ s which is considered to be “ investment grade ” by Moody' s, and rated BBB- by Fitch which is considered to be" investment grade" by Fitch. Any decline in our credit rating may make it more expensive for us to raise additional capital in the future on terms that are acceptable to us, if at all, negatively impact the price of our ordinary shares, increase our interest payments under some of our existing debt agreements, and have other negative implications on our business, many of which are beyond our control. In addition, the interest rate payable on some of our credit facilities is subject to adjustment from time to time if our credit ratings change. Thus, any potential future negative change in our credit rating may increase the interest rate payable on these credit facilities. In addition, we are exposed to interest rate risk under our variable rate terms loans, bilateral facilities and revolving credit facility for indebtedness we have incurred or may incur under such facilities. The interest rates on our borrowings under our revolving credit facility may be based on either (i) ~~a margin over LIBOR~~ **the Term Secured Overnight Financing Rate (" Term SOFR")** or (ii) the base rate (the greatest of the agent' s prime rate, the federal funds rate plus 0. 50 % **,** and **the Term SOFR** ~~LIBOR for a one- month interest period~~ plus 1. 00 %) plus an applicable margin, in each case depending on our credit rating, and other borrowings also may be based on ~~LIBOR~~ **Term SOFR** . Refer to the discussion in note 9 to the consolidated financial statements," Bank Borrowings and Long- Term Debt" for further details of our debt obligations. We are also exposed to interest rate risk on our invested cash balances, our securitization facilities and our factoring activities. **We are subject to the risk of increased income taxes. We are subject to taxes in numerous jurisdictions. Our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory rates and changes in tax laws or their interpretation including changes related to tax holidays or tax incentives. The international tax environment continues to change as a result of both coordinated efforts by governments and unilateral measures designed by individual countries, both intended to tackle concerns over perceived international tax avoidance techniques, which could ultimately have an adverse effect on the taxation of international businesses. In the U. S., various proposals to raise corporate income taxes are under active consideration. On August 16, 2022, the Inflation Reduction Act of 2022 (the “ IRA ”) was enacted into law by the U. S. government, which includes a new corporate minimum tax, a stock repurchase excise tax, numerous green energy credits, and other tax provisions. Pending further guidance, it is possible that the IRA could increase our future tax liability, which could in turn adversely impact our business and future profitability.** In addition, the ~~U~~ **Organization for Economic Co- operation and Development (“ OECD ”) has proposed certain international tax reforms that would impose a minimum tax rate of 15 %, among other provisions, as part of its Base Erosion and Profit Shifting Project** . ~~K.~~ **On December 14, 2022, EU member states agreed to adopt the OECD** ’ s ~~Financial Conduct Authority~~ **minimum tax rules** , which ~~regulates LIBOR, announced~~ **are expected to begin going into effect in 2024. Several** ~~the~~ **other countries are also considering changes to their tax law to implement the OECD’ s minimum tax proposal. As this framework is subject to further negotiation and implementation by each member country, the timing and ultimate impact of any such changes on our tax obligations are uncertain. Any such changes, if adopted, could increase tax complexity and uncertainty, adversely impact our effective tax rate and may have a material impact on our results of operations, cash flows and financial position. The foregoing and other changes to tax laws could have broader** ~~publication~~ -- **implications** ~~cessation~~ **, including impacts to the economy, currency markets, inflation or competitive dynamics, which are difficult to predict, and may positively or negatively impact the Company. Our taxes could also increase if certain tax holidays or incentives are not renewed upon expiration, or if tax** ~~dates~~ **rates applicable to us in such jurisdictions are otherwise increased. Our continued ability to qualify** for **specific tax holiday extensions will depend** ~~all U. S. Dollar and non~~ - **on, among** ~~- U. S. Dollar LIBOR settings. Most settings ceased at the~~ **other** ~~end of December 2021~~ **things, our anticipated investment** and **expansion in** ~~the~~ **these countries** ~~remaining U. S. Dollar settings (overnight~~ and

the manner in which the local governments interpret the requirements for modifications, extensions or new incentives. In addition, the Company and its subsidiaries are regularly subject to tax return audits and examinations by various taxing jurisdictions around the world. For example, one **of** ~~-, three-~~ -- **the** ~~-, six-~~ **Company' s Brazilian subsidiaries has received assessments for certain sales** and ~~twelve- month U-~~ **import taxes which the Company is opposing** . ~~S~~ **In determining the adequacy of our provision for income taxes, we regularly assess the likelihood of adverse outcomes resulting from tax examinations** . ~~Dollar LIBOR)~~ **While it is often difficult to predict the final outcome or the timing of the resolution of a tax examination, we believe that our reserves for uncertain tax benefits reflect the outcome of tax positions that are more likely than not to occur. However, we cannot assure you that the final determination of any tax examinations** will **not be materially different than that which is reflected in our income tax provisions** ~~cease at the end of June 2023. Although significant progress has been made by regulators, industry bodies,~~ and **accruals. Should additional taxes be assessed** ~~market participants to introduce and implement the Secured Overnight Financing Rate (" SOFR ")~~ as a ~~replacement rate~~ **result of a current** ~~for~~ - **or future examination** ~~U. S. Dollar LIBOR~~ , there ~~is no assurance that an alternative reference rate such as SOFR will achieve sufficient market acceptance when the publication of the principal tenors of U. S. Dollar LIBOR is discontinued, or that market participants will otherwise implement effective transitional arrangements to address that discontinuation. Such failure to implement an alternative reference rate~~ could **be a material adverse effect on our tax provision, operating** ~~result~~ **results ,** ~~in widespread dislocation in the~~ financial **position** ~~markets and volatility in the pricing of debt facilities negatively affecting our access to the borrowing of additional funds. Furthermore, while contractual arrangements in connection with certain of our debt facilities contemplate the transition from LIBOR to an alternative reference rate (including SOFR), the consequences of such transition cannot be entirely predicted and could result in an increase in the cost of our borrowings on our variable rate debt, which could adversely impact our interest expense, results of operations,~~ and cash flows **in the period or periods for which that determination is made** . We are subject to risks associated with investments. We invest in private funds and companies for strategic reasons and may not realize a return on our investments. We make investments in private funds and companies to further our strategic objectives, support key business initiatives, and develop business relationships with related portfolio companies. Many of the instruments in which we invest are non- marketable at the time of our initial investment. If any of the funds or companies in which we invest fail, we could lose all or part of our investment. From time- to- time we have identified observable price changes, or impairments in investments, and we have written down investments' fair values and recognized a loss. ~~Our~~ goodwill and identifiable intangible assets could become impaired,which could reduce the value of our assets and reduce our net income in the year in which the write- off occurs.Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired.We also ascribe value to certain identifiable intangible assets,which consist primarily of customer relationships,developed technology and trade names,among others,as a result of acquisitions.We ~~have in the past incurred and~~ may ~~in the future~~ incur impairment charges on goodwill or identifiable intangible assets if we determine that the fair values of goodwill or identifiable intangible assets are less than their current carrying values.We evaluate,on a regular basis,whether events or circumstances have occurred that indicate all,or a portion,of the carrying amount of goodwill may no longer be recoverable,in which case an impairment charge to earnings would become necessary.If the financial performance of our businesses were to decline significantly **as a result of the COVID- 19 pandemic** ,we could incur a material non- cash charge ~~in~~ **to** our **income** statement ~~of operations~~ for the impairment of goodwill and other intangible assets.Refer to note 2 to the consolidated financial statements and" Critical Accounting ~~Estimates~~ **Policies** " in" Management' s Discussion and Analysis of Financial Condition and Results of Operations" for further discussion of the impairment testing of goodwill and identifiable intangible assets.A decline in general economic conditions or global equity valuations could impact the judgments and assumptions about the fair value of our businesses and we could be required to record impairment charges on our goodwill or other identifiable intangible assets in the future,which could impact our consolidated balance sheet,as well as our consolidated statement of operations.If we are required to recognize an impairment charge in the future,the charge would not impact our consolidated cash flows,liquidity,capital resources,and covenants under our existing credit facilities,asset securitization program,and other outstanding borrowings **.Our** Changes in financial accounting standards or policies have affected, and in the future may affect, our reported financial condition or results of operations. We prepare our financial statements in conformity with U. S. GAAP. These principles are subject to interpretation by the Financial Accounting Standards Board (**"** FASB **"**), the American Institute of Certified Public Accountants (**"** AICPA **"**), the SEC and various bodies formed to interpret and create accounting policies. ~~For example, significant changes to lease accounting rules have been enacted and applied to us in fiscal year 2020 per Accounting Standard Update (" ASU") 2016- 02" Leases."~~ Changes to accounting rules or challenges to our interpretation or application of the rules by regulators may have a material adverse effect on our reported financial results or on the way we conduct business. Refer to" Recently Adopted Accounting Pronouncements" within note 2 of Item 8, Financial Statements and Supplementary Data. International Risks Weak global economic conditions **, including inflationary pressures, currency volatility, slower growth or recession, higher interest rates** , geopolitical uncertainty and instability in financial markets may adversely affect our business, results of operations, financial condition, and access to capital markets. Our operations and the execution of our business plans and strategies are subject to the effects of global economic trends, geopolitical risks and demand or supply shocks from events that could include political crises and conflict (including the Russian invasion of Ukraine), war, a major terrorist attack, natural disasters or actual or threatened public health emergencies (such as COVID- 19 ~~, including virus variants and resurgences and responses to those developments such as continued or new government- imposed lockdowns and travel restrictions~~). They are also affected by local and regional economic environments, supply chain constraints and policies in the U. S. and other markets that we serve, including interest rates, monetary policy, inflation, economic growth, recession, commodity prices, currency volatility, currency controls or other limitations on the ability to expatriate cash, sovereign debt levels and actual or anticipated defaults on sovereign debt. For example, the ongoing conflict between Russia and Ukraine and the related sanctions and other measures imposed by the European Union, the U. S. and other countries and organizations in response have led, and may continue to lead, to disruption and instability in global markets, supply chains and industries that could negatively impact our businesses, financial condition and results of operations. Additionally, changes in local economic conditions or outlooks, such as lower rates of investment or economic growth in China, Europe or other key markets, affect the demand for or profitability of our products and services outside the U. S., and the impact on the Company could be significant given the extent of our activities outside the United States. Political changes and trends such as populism, protectionism, economic nationalism and sentiment toward multinational companies and resulting tariffs, export controls or other trade barriers, or changes to tax or other laws and policies, have been and may continue to be disruptive and costly to our businesses, and these can interfere with our global operating model, supply chain, production costs, customer relationships and competitive position. Further escalation of specific trade tensions, including intensified decoupling between the U. S. and China, or in global trade conflict more broadly could be harmful to global economic growth or to our business in or with China or other countries, and related decreases in confidence or investment activity in the global markets would adversely affect our business performance. We also do business in many emerging market jurisdictions where economic, political and legal risks are heightened. Further, an increase in inflation ~~rates~~ **pressures** , such as ~~those~~ **what** the market is currently experiencing, could affect our profitability and cash flows, due to higher wages, higher operating costs, higher financing costs, and / or higher supplier prices. Inflation may also adversely affect foreign exchange rates. We may be unable to pass along such higher costs to our customers. In addition, ~~Inflation~~ **inflation** may adversely affect customers' financing costs, cash flows, and profitability, which could adversely impact their operations and our ability to collect receivables **. Rising interest rates could have a dampening effect on overall economic activity and / or the financial condition of our customers, either or both of which could negatively affect customer demand for our products and our customers' ability to repay obligations to us** . These conditions may result in reduced consumer and business confidence and spending in many countries, a tightening in the credit markets, a reduced level of liquidity in many financial markets, high volatility in credit, fixed income and equity markets, currency exchange rate fluctuations, and global economic uncertainty. In addition, longer term disruptions in the capital and credit markets could adversely affect our access to liquidity needed for our business. If financial institutions that have extended credit commitments to us are adversely affected by the conditions of the U. S. and international capital markets, they may become unable to fund borrowings under their credit commitments to us, which could have an adverse impact on our financial condition and our ability to borrow additional funds, if needed, for working capital, capital expenditures, acquisitions, research and development and other corporate purposes. We conduct operations in a number of countries and are subject to the risks inherent in international operations. The geographic distances between the Americas, Asia and Europe create a number of logistical and communications challenges for us. These challenges include managing operations across multiple time zones, directing the manufacture and delivery of products across long distances, coordinating procurement of components and raw materials and their delivery to multiple locations, and coordinating the activities and decisions of the core management team, which is based in a number of different countries. Facilities in several different locations may be involved at different stages of the production process of a single product, leading to additional logistical difficulties. Because our manufacturing operations are located in a number of countries throughout the Americas, Asia and Europe, we are subject to risks of changes in economic, social and political conditions in those countries, including: • fluctuations in the value of local currencies; • labor unrest, difficulties in staffing and geographic labor shortages; • longer payment cycles; • cultural differences; • increases in duties, tariffs, and taxation levied on our products including anti- dumping and countervailing duties; • trade restrictions including limitations on imports or exports of components or assembled products, unilaterally or bilaterally; • trade sanctions and related regulatory enforcement actions and other proceedings; • potential trade wars; • increased scrutiny by the media and other third parties of labor practices within our industry (including but not limited to forced labor and adverse working conditions) which may result in allegations of violations, more stringent and burdensome labor laws and regulations and inconsistency in the enforcement and interpretation of such laws and regulations, higher labor costs, increased risk of cross- border cargo being detained or seized and / or loss of revenues if our customers become dissatisfied with our labor practices and diminish or terminate their relationship with us; • inflationary pressures, such as those the market is currently experiencing, which may increase costs for materials, supplies, and services; • imposition of restrictions on currency conversion or the transfer of funds; • environmental protection laws and regulations, including those related to climate change; • expropriation of private enterprises; • ineffective legal protection of our intellectual property rights in certain countries; • natural disasters; • exposure to infectious disease, epidemics and pandemics, including the effects of the COVID- 19 pandemic, on our business operations in geographic locations impacted by the outbreak and on the business operations of our customers and suppliers; • inability of international customers and suppliers to obtain financing resulting from tightening of credit in international financial markets; • ~~government shutdowns, lockdowns and quarantines due to COVID- 19, which may result in temporary closure of facilities or slowdowns in production; •~~ ongoing global supply chain disruptions, slowing the ability of our facilities to import necessary materials and export our products; • political unrest; and • a potential reversal of current favorable policies encouraging foreign investment or foreign trade by our host countries ~~. We operate in a number of different countries and jurisdictions, and we cannot anticipate the potential impact that new or current restrictions in each of these countries or jurisdictions due to COVID- 19 may have on our manufacturing operations and facilities, our supply chain, and our business more generally~~ . The attractiveness of our services to customers and our ability to conduct business with certain customers can be affected by changes in U. S. and other countries' **policies, including regarding** trade **. We have significant operations located in China, which have been in the past, and could in the future be, adversely affected by evolving laws, regulations and** policies ~~. In 2018~~ , **including** ~~the U. S. imposed tariffs on a large variety of products of Chinese origin. The U. S. government also, effective May 10, 2019, increased tariffs on $ 200 billion of Chinese goods to 25 %. Further, on May 15, 2019, President Trump issued an executive order designed to secure the information and communications technology and services supply chain, which would restrict the acquisition or use in the United States of information and communications technology or services designed, developed,~~

~~manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of foreign adversaries. The executive order is subject to implementation by the Secretary of Commerce and applies to contracts entered into prior to the effective date of the order. In addition, the U. S. Commerce Department has implemented additional restrictions and may implement further restrictions that would affect the conduct of business~~ with **respect** ~~certain Chinese companies. A " phase one " trade deal signed between the U. S. and China on January 15, 2020 accompanied a U. S. decision~~ to ~~cancel a plan to increase tariffs on an additional list of Chinese products and to reduce the tariffs imposed on May 13, 2019 from 15 % to 7. 5 % effective February 14, 2020. With US- China discussions over the " phase one " trade deal potentially stalled, there is a risk the current administration may consider raising tariffs on critical Chinese industries while rolling back tariffs for other products. At present, the majority of tariff exclusions granted have expired and many of the additional tariffs on Chinese origin goods remain, as do concerns over the stability of bilateral trade relations, particularly given the limited scope of the phase one agreement. In addition, China has not met its obligations under the deal and the economic disruption caused by the~~ COVID- 19 ~~pandemic increases the potential for China to invoke the deal' s " disaster clause~~ , **import** ~~" which could further challenge US- China bilateral trade relations. Depending upon their duration~~ and ~~implementation~~ **export tariffs and restrictions, and information security and privacy,** as well as **changes in** ~~our ability to mitigate their~~ -- **the political** ~~impact, these tariffs, the executive order~~ and **geopolitical environment involving China** ~~its implementation and other regulatory actions could materially affect our business, including in the form of increased cost of goods sold, decreased margins, increased pricing for customers, and reduced sales~~ . ~~In addition, US~~ **U. S.** - China bilateral trade relations remain uncertain. **The** ~~At this time, there is no assurance that a broader trade agreement will be successfully negotiated between the United States and China to reduce or eliminate the existing tariffs. Further, one of our former customers, Huawei Technologies Co., Ltd., and some of its affiliates have been added to the~~ U. S. ~~Department of Commerce~~ ' s ~~Entity List~~ **various trade actions** , **including imposing tariffs on certain goods imported** ~~and were recently made subject to enhanced restrictions designed to prevent them~~ from ~~having access~~ **China or deemed** to **be of Chinese** ~~foreign~~ -- **origin** ~~- produced items using~~ **, as well as the potential for new tariffs, trade embargoes or sanctions by the** U. S. **,** ~~- origin semiconductor technology~~ and ~~equipment;~~ **countermeasures imposed by China in response, could, depending on their duration and implementation as well as our ability to mitigate their impact, materially affect our business, including in the form of increased cost of goods sold, decreased margins, increased pricing for customers, and reduced sales. Moreover,** we could be subject to reputational harm ~~based on its~~ **if any of our customers, former customers or vendors were subject to U. S. sanctions or if our customers, former customers or vendors did** business ~~activities, including activities~~ with sanctioned countries. **Furthermore, geopolitical changes in China- Taiwan relations could disrupt the operations of several companies in Taiwan that are critical to the global supply of semiconductors and other electronic components on which many of our customers depend.** In addition, some countries in which we operate, such as Brazil, Hungary, India, **Malaysia,** Mexico ~~, Malaysia~~ and Poland, have experienced periods of slow or negative growth, high inflation, significant currency devaluations or limited availability of foreign exchange. Furthermore, in countries such as **Brazil,** China ~~, Brazil~~ , India and Mexico, governmental authorities exercise significant influence over many aspects of the economy, and their actions could have a significant effect on us. Demand for Nextracker solar trackers could be indirectly depressed as a result of existing and / or increased tariffs, duties or taxation of imported solar panels and cells. Moreover, the ongoing anti- dumping investigation by the U. S. Department of Commerce into imports of crystalline silicon photovoltaic solar panels and cells from Cambodia, Malaysia, Thailand, and Vietnam, which investigation might lead to retroactive and / or prospective tariffs on imports of panels and cells may, as a result of increased costs, depress or delay demand for U. S. solar projects and Nextracker' s solar trackers in the U. S. We could be seriously harmed by inadequate infrastructure, including lack of adequate power and water supplies, transportation, raw materials and parts in countries in which we operate. In addition, we may encounter labor disruptions and rising labor costs, in particular within the lower- cost regions in which we operate. Any increase in labor costs that we are unable to recover in our pricing to our customers could adversely impact our operating results. Operations in foreign countries also present risks associated with currency exchange and convertibility, inflation and repatriation of earnings. Inflation may impact the Company' s profits and cash flows as well as adversely affect foreign exchange rates. In some countries, economic and monetary conditions and other factors could affect our ability to convert our cash distributions to U. S. dollars or other freely convertible currencies, or to move funds from our accounts in these countries. Furthermore, the central bank of any of these countries may have the authority to suspend, restrict or otherwise impose conditions on foreign exchange transactions or to approve distributions to foreign investors. Fluctuations in foreign currency exchange rates could increase our operating costs. We have manufacturing operations and industrial parks that are located in various part of the world, including Asia, Eastern Europe, Mexico and Brazil. A portion of our purchases and our sale transactions are denominated in currencies other than the United States dollar. As a result, we are exposed to fluctuations in these currencies impacting our fixed cost overhead or our supply base relative to the currencies in which we conduct transactions. Currency exchange rates fluctuate on a daily basis as a result of a number of factors, including changes in a country' s political and economic policies. The primary impact of currency exchange fluctuations is on the cash, receivables, payables and expenses of our operating entities. As part of our currency hedging strategy, we use financial instruments such as forward exchange, swap contracts, and options to hedge our foreign currency exposure in order to reduce the short- term impact of foreign currency rate fluctuations on our operating results. If our hedging activities are not successful or if we change or reduce these hedging activities in the future, we may experience significant unexpected fluctuations in our operating results as a result of changes in exchange rates. We are also exposed to risks related to the valuation of the Chinese currency relative to the U. S. dollar. The Chinese currency is the renminbi (" RMB"). A significant increase in the value of the RMB could adversely affect our financial results and cash flows by increasing both our manufacturing costs and the costs of our local supply base. ~~Additionally, the recent COVID- 19 pandemic could contribute to foreign currency volatility.~~ Volatility in the functional and non- functional currencies of our entities and the United States dollar could seriously harm our business, operating results and financial condition. Legal and Regulatory Risks We are subject to risks relating to litigation and regulatory investigations and proceedings, which may have a material adverse effect on our business. From time to time, we are involved in various claims, suits, investigations and legal proceedings. Additional legal claims or regulatory matters may arise in the future and could involve matters relating to commercial disputes, government regulatory and compliance, intellectual property, antitrust, tax, employment or shareholder issues, product liability claims and other issues on a global basis. If we receive an adverse judgment in any such matter, we could be required to pay substantial damages and cease certain practices or activities. Regardless of the merits of the claims, litigation and other proceedings may be both time-consuming and disruptive to our business. The defense and ultimate outcome of any lawsuits or other legal proceedings may result in higher operating expenses and a decrease in operating margin, which could have a material adverse effect on our business, financial condition, or results of operations. Any existing or future lawsuits could be time- consuming, result in significant expense and divert the attention and resources of our management and other key employees, as well as harm our reputation, business, financial condition or results of operations **. Due to the global nature of our business, we are subject to a complex system of import- and export- related laws and regulations, including a range of regulations in the United States and other countries. Non- compliance with these laws and regulations can result in a wide range of penalties including the denial of export privileges, fines, criminal penalties, and the seizure of inventories** . On February 14, 2019, we submitted an initial notification of voluntary disclosure to the U. S. Department of the Treasury, Office of Foreign Assets Control (" OFAC") regarding possible noncompliance with U. S. economic sanctions requirements among certain non- U. S. Flex- affiliated operations. On September 28, 2020, we made a submission to OFAC that completed the Company' s voluntary disclosure based on the results of an internal investigation regarding the matter. On June 11, 2021, we notified OFAC that we had identified possible additional relevant transactions at one non- U. S. Flex- affiliated operation. We submitted an update to OFAC on November 16, 2021 reporting on the results of our review of those transactions. We intend to continue to cooperate fully with OFAC in this matter going forward. Nonetheless, it is reasonably possible that we could be subject to penalties that could have a material adverse effect on our financial position, results of operations or cash flows. If our compliance policies are breached, we may incur significant legal and financial exposure. We have implemented local and global compliance policies to ensure compliance with our legal obligations across our operations. A significant legal risk resulting from our international operations is compliance with the U. S. Foreign Corrupt Practices Act or similar local laws of the countries in which we do business, including the UK Anti- Bribery Act, which prohibits covered companies from making payments to foreign government officials to assist in obtaining or retaining business. Our Code of Business Conduct and Ethics prohibits corrupt payments on a global basis and precludes us from offering or giving anything of value to a government official for the purpose of obtaining or retaining business, to win a business advantage or to improperly influence a decision regarding Flex. Nevertheless, there can be no assurance that all of our employees and agents will refrain from taking actions in violation of this and our related anti-corruption policies and procedures. Any such violation could have a material adverse effect on our business. **Our customers' products and the manufacturing processes and design services that we use to produce them often are highly complex.** Defects in the products we manufacture or design, whether caused by a design, engineering, manufacturing or component failure or **error, or** deficiencies in our manufacturing processes, ~~could~~ **have occurred from time to time and, have in the past resulted, and may in the future** result in **delayed shipments to customers, reduced or canceled customer orders, or** product or component failures **. If these defects or deficiencies are significant** , ~~which may damage~~ our business reputation ~~and expose~~ **could be damaged. The failure of the products that we manufacture or of our manufacturing processes or facilities may subject** us **to regulatory enforcement, fines or penalties and, in some cases, require us to shut down, temporarily halt operations or incur considerable expense to correct a manufacturing process or facility. In addition, we may be exposed** to product liability or product warranty claims **, which** ~~. Product liability claims~~ may include liability for personal injury or property damage. Product warranty claims may include liability to pay for the recall, repair or replacement of a product or component. Although we generally allocate liability for these claims in our contracts with our customers, increasingly we are unsuccessful in allocating such liability, and even where we have allocated liability to our customers, our customers may not have the resources to satisfy claims for costs or liabilities arising from a defective product or component for which they have assumed responsibility. If we design, engineer or manufacture a product or component that is found to cause any personal injury or property damage or is otherwise found to be defective, we could spend a significant amount of money to resolve the claim. In addition, product liability and product recall insurance coverage are expensive and may not be available for some or all of our services offerings on acceptable terms, in sufficient amounts, or at all. A successful product liability or product warranty claim in excess of our insurance coverage or any material claim for which insurance coverage is denied, limited or is not available could have a material adverse effect on our business, results of operations and financial condition. We **retain certain intellectual property rights to some of the technologies that we develop as part of our engineering, design, and manufacturing services and components offerings. The measures we have taken to prevent unauthorized use of our technology may not be successful. If we** are **unable to protect our intellectual property rights, this could reduce or eliminate the competitive advantages of our proprietary technology, which would harm our business. Our engineering, design and manufacturing services and component offerings involve the creation and use of intellectual property rights, which** subject **us** to the risk of ~~increased income taxes~~ **claims of infringement or misuse of intellectual property from third parties and / or breach of our agreements with third parties, as well as claims arising from the allocation of intellectual property risk among us and our customers. From time to time, we enter into intellectual property licenses (e. g., patent licenses and software licenses) with third parties which obligate us to report covered behavior to the licensor and pay license fees to the licensor for certain activities or products, or that enable our use of third party technologies** . We **may also decline to enter into licenses for intellectual property that we do not think is useful for or used in our operations, or for which our customers or suppliers have licenses or have assumed responsibility. Given the diverse and varied nature of our business and the location of our business around the world, certain activities we perform, such as providing**

assembly services in China and India, may fall outside the scope of those licenses or may not be subject to the applicable intellectual property rights. Our licensors may disagree and claim royalties are ~~subject to taxes in numerous jurisdictions~~ **owed for such activities. In addition, the basis (e. g., base price) for any royalty amounts owed are audited by licensors and may be challenged** . Our ~~future effective tax rates~~ **customers are increasingly requiring us to indemnify them against the risk of intellectual property- related claims and licensors are claiming that activities we perform are covered by licenses to which we are a party. If any claims of infringement or misuse of intellectual property from third parties and / or breach of our agreements with third parties, as well as claims arising from the allocation of intellectual property risk among us and our customers, are brought against us or our customers, whether or not these have merit, we** could be ~~affected by changes~~ **required to expend significant resources** in **defense of such claims. In the event of such a claim, we may be required to spend a significant amount of money to develop alternatives or obtain licenses or to resolve the issue through litigation. We may not be successful in developing such alternatives or obtaining such licenses on reasonable terms or at all, and any such litigation might not be resolved in our favor, in which cases we may be required to curtail certain of our services and offerings. Additionally, litigation could be lengthy and costly, and could materially harm our financial condition regardless of outcome. We also face certain heightened risks to our intellectual property rights due to our extensive operations in foreign jurisdictions, including the risk of** ~~the~~ **theft** ~~mix~~ **or misuse** of ~~earnings~~ **our intellectual property rights** in **certain foreign jurisdictions. The laws of certain** countries ~~with differing statutory rates and changes~~ in ~~tax~~ **which we operate may not protect intellectual property rights to the same extent as the** laws **of the United States, and the mechanisms to enforce intellectual property rights may be inadequate to protect** ~~or~~ **our rights** ~~their interpretation including changes related to tax holidays or tax incentives. The international tax environment continues to change as a result of both coordinated efforts by governments and unilateral measures designed by individual countries, both intended to tackle concerns over perceived international tax avoidance techniques~~ , which could **harm our** ~~ultimately have an adverse effect on the taxation of international businesses~~ -- **business** . ~~In the U. S., various proposals to raise corporate income taxes are under active consideration. In addition, legislative changes may result from the Organization for Economic Co- operation and Development' s Base Erosion and Profit Shifting Project. In 2021, more than 140 countries tentatively signed on to a framework that imposes a minimum tax rate of 15 %, among other provisions. As this framework is subject to further negotiation and implementation by each member country, the timing and ultimate impact of any such changes on our tax obligations are uncertain. Any such changes, if adopted, could adversely impact our effective tax rate and may have a material impact on our results of operations, cash flows and financial position. Our taxes could also increase if certain tax holidays or incentives are not renewed upon expiration, or if tax rates applicable to us in such jurisdictions are otherwise increased. Our continued ability to qualify for specific tax holiday extensions will depend on, among other things, our anticipated investment and expansion in these countries and the manner in which the local governments interpret the requirements for modifications, extensions or new incentives. In addition, the Company and its subsidiaries are regularly subject to tax return audits and examinations by various taxing jurisdictions around the world. In determining the adequacy of our provision for income taxes, we regularly assess the likelihood of adverse outcomes resulting from tax examinations. While it is often difficult to predict the final outcome or the timing of the resolution of a tax examination, we believe that our reserves for uncertain tax benefits reflect the outcome of tax positions that are more likely than not to occur. However, we cannot assure you that the final determination of any tax examinations will not be materially different than that which is reflected in our income tax provisions and accruals. Should additional taxes be assessed as a result of a current or future examination, there could be a material adverse effect on our tax provision, operating results, financial position and cash flows in the period or periods for which that determination is made~~ . As a medical device manufacturer, we have additional compliance requirements. We are required to register with the U. S. Food and Drug Administration (" FDA") and are subject to periodic inspection by the FDA for compliance with the FDA' s Quality System Regulation (" QSR") requirements, which require manufacturers of medical devices to adhere to certain regulations, including testing, quality control and documentation procedures. Compliance with applicable regulatory requirements is subject to continual review and is rigorously monitored through periodic inspections and product field monitoring by the FDA. If any FDA inspection reveals noncompliance with QSR or other FDA regulations, and the Company does not address the observation adequately to the satisfaction of the FDA, the FDA may take action against us. FDA actions may include issuing a letter of inspectional observations, issuing a warning letter, imposing fines, bringing an action against the Company and its officers, requiring a recall of the products we manufactured for our customers, refusing requests for clearance or approval of new products or withdrawal of clearance or approval previously granted, issuing an import detention on products entering the U. S. from an offshore facility, or shutting down a manufacturing facility. If any of these actions were to occur, it would harm our reputation and cause our business to suffer. In the EU, we are required to maintain certain standardized certifications in order to sell our products and must undergo periodic inspections to obtain and maintain these certifications. Continued noncompliance to the EU regulations could stop the flow of products into the EU from us or from our customers. In China, the **National Medical Products** ~~Safe Food and Drug~~ Administration controls and regulates the manufacture and commerce of healthcare products. We must comply with the regulatory laws applicable to medical device manufacturers, or our ability to manufacture products in China could be impacted. In Japan, the Pharmaceutical Affairs Laws regulate the manufacture and commerce of healthcare products. These regulations also require that subcontractors manufacturing products intended for sale in Japan register with authorities and submit to regulatory audits. Other ~~Asian~~ countries **where we operate, including elsewhere in Asia** and Latin America **,** ~~where we operate~~ have similar laws regarding the regulation of medical device manufacturing. **In the event of any noncompliance with these requirements, interruption of our operations and / or ability to sell into these markets could occur, which in turn could cause our reputation and business to suffer.** Our failure to comply with environmental **, health and safety, product stewardship and producer responsibility** laws **or regulations** could adversely affect our business. We are subject to extensive and changing federal, state, local and international environmental, health and safety laws and regulations, concerning, among other things, the health and safety of our employees, the generation, use, storage, transportation, discharge and disposal of certain materials (including chemicals and hazardous substances) used in or derived from our manufacturing processes. We are also subject to laws and regulations governing the recyclability of products, the materials that may be included in products, and our obligations to dispose of these products after end users have finished with them. Additionally, we may be exposed to liability to our customers relating to the materials that may be included in the components that we procure for our customers' products. Any violation or alleged violation by us of ~~environmental~~ **these** laws **or regulations** could subject us to significant costs, fines or other penalties **, the suspension of production, or prohibitions on sales of products we manufacture. In addition, such regulations could restrict our ability to expand our facilities or could require us to acquire costly equipment, or to incur other significant expenses, including expenses associated with the recall of any non- compliant product or with changes in our operational, procurement and inventory management activities** . We are also required to comply with an increasing number of global and local product environmental compliance regulations focused on the restriction of certain hazardous substances. We are subject to the EU directives, including the Restrictions ~~on~~ **of Hazardous Substances in Electrical and Electrical Equipment ("** RoHS **")** , the **Waste Electrical and Electronic Equipment Directive ("** WEEE **")** as well as the EU' s REACH regulation. In addition, new technical classifications of e- Waste ~~being discussed~~ **were recently adopted** in **June 2022 by** the Basel Convention **regarding** ~~technical working group could affect both our customers' abilities and obligations in~~ electronics repair and refurbishment **which become effective January 1, 2025** . Also of note is China' s Management Methods for Controlling Pollution Caused by ~~electrical~~ **Electronic** ~~information~~ **Information** ~~products~~ **Products** regulation, commonly referred to as" China RoHS", which restricts the importation into and production within China of electrical equipment containing certain hazardous materials. Similar legislation has been or may be enacted in other jurisdictions, including in the United States. RoHS and other similar legislation bans or restricts the use of lead, mercury and certain other specified substances in electronics products and WEEE requires EU importers and / or producers to assume responsibility for the collection, recycling and management of waste electronic products and components. We have developed rigorous risk mitigating compliance programs designed to meet the needs of our customers as well as applicable regulations. These programs may include collecting compliance data from our suppliers, full laboratory testing and public reporting of other environmental metrics such as carbon emissions, electronic waste and water, and we also require our supply chain to comply. Non- compliance could potentially result in our customers refusing to purchase our products, and significant costs, penalties, and / or other sanctions, such as restrictions on our products entering certain jurisdictions. In the case of WEEE, the compliance responsibility rests primarily with the EU importers and / or producers rather than with EMS companies. However, customers may turn to EMS companies for assistance in meeting their obligations under WEEE. In addition, we are responsible for the cleanup of contamination at some of our current and former manufacturing facilities and at some third party sites. If more stringent compliance or cleanup standards under environmental laws or regulations are imposed, or the results of future testing and analyses at our current or former operating facilities indicate that we are responsible for the release of hazardous substances into the air, ground and / or water, we may be subject to additional liability. Additional environmental matters may arise in the future at sites where no problem is currently known or at sites that we may acquire in the future. Some environmental laws impose liability without fault, leading companies to be responsible for investigating, removing, or remediating possible hazardous substances released at properties it owns or operates, regardless of when such substances were released. Additionally, we could be required to alter our manufacturing and operations and incur substantial expense in order to comply with environmental regulations. Our failure to comply with environmental laws and regulations or adequately address contaminated sites could limit our ability to expand our facilities or could require us to incur significant expenses, which would harm our business. Failure to comply with domestic or international employment and related laws could result in the payment of significant damages, which would reduce our net income. We are subject to a variety of domestic and foreign employment laws, including those related to safety, wages and overtime, discrimination, whistle- blowing, classification of employees and severance payments. Enforcement activity relating to these laws, particularly outside of the United States, can increase as a result of increased media attention due to violations by other companies, changes in law, political and other factors. There can be no assurance that we won' t be found to have violated such laws in the future, due to a more aggressive enforcement posture by governmental authorities or for any other reason. Any such violations could lead to the assessment of fines against us by federal, state or foreign regulatory authorities or damages payable to employees, which fines could be substantial and which would reduce our net income. Our business could be impacted as a result of actions by activist shareholders or others. We may be subject, from time to time, to legal and business challenges in the operation of our company due to actions instituted by activist shareholders or others. Responding to such actions could be costly and time- consuming, may not align with our business strategies and could divert the attention of our Board of Directors and senior management from the pursuit of our business strategies. Perceived uncertainties as to our future direction as a result of shareholder activism may lead to the perception of a change in the direction of the business or other instability and may make it more difficult to attract and retain qualified personnel and business partners and may affect our relationships with vendors, customers and other third parties. **Failure** ~~Social and environmental responsibility policies and provisions may be difficult~~ to **meet** ~~comply with and may impose costs on us. Increasing attention on~~ environmental, social and governance (ESG) ~~matters~~ **expectations or standards, or to achieve our ESG goals,** may have ~~a negative~~ **an adverse** impact on our business, impose additional costs on us, and expose us to additional risks. ~~Companies are facing increasing attention~~ **In recent years, there has been an increased focus** from investors, customers, consumers, and other stakeholders ~~relating to~~ **, as well as by governmental and non- governmental organizations, on** ESG matters, including **greenhouse gas (" GHG") emissions and climate- related risks,** environmental stewardship, **responsible sourcing,** social responsibility, **human capital management,** diversity, equity, and inclusion, ~~and~~ workplace conduct ~~. There is~~ **, data privacy** ~~an~~ **and** ~~increasing~~ **cybersecurity and human rights. This increased** focus on sustainability including ESG **is present** in our industry **. This attention has resulted in a variety of required and voluntary**

reporting regimes that are not harmonized and continue to change. For example, governments around the world have enacted or are contemplating legislation and regulations that may impact how we conduct and / or report on our business by requiring the disclosure and tracking of certain GHG emissions and other climate and biodiversity information, and / or cyber security or human capital matters related to our business . A number of our customers have adopted, or may adopt, procurement policies that include social and environmental responsibility provisions that their suppliers should comply with, or they may seek to include such provisions in their procurement terms and conditions. In addition, an increasing number of investors have adopted, or may adopt, ESG policies with which they expect their portfolio companies to comply. We currently ~~comply~~ **align our sustainability program** with the ~~sustainability~~ standards set forth by various voluntary sustainability initiatives and organizations, and we have joined the **Science Based Targets Initiative and the** U. N. Global Compact, ~~a~~ voluntary ~~initiative~~ **initiatives** for businesses to develop, implement and disclose sustainability policies and practices. These ~~social and environmental responsibility and~~ ESG practices, policies, provisions and initiatives are subject to change, can be unpredictable, and may be difficult and expensive for us to comply with ~~. Evolving concerns may lead to subsequent international, national, regional and local legislative and regulatory reactions~~ . We have established sustainability and ESG programs aligned with sound **ESG** ~~environmental, social and governance~~ principles **and have established and publicly announced certain goals, commitments, and targets, which we may refine in the future** . These programs **, goals, commitments and targets** reflect our current initiatives **, plans and aspirations,** and are not guarantees that we will be able to achieve them. ~~Our~~ **Evolving stakeholder expectations, and our** ability to successfully execute these initiatives and accurately report our progress **and accomplish our goals** ~~presents~~ **present** numerous operational, financial, legal, **regulatory,** reputational and other risks **and uncertainties** , many of which are outside our control, and all of which could have a material ~~negative~~ **adverse** impact on our business. Additionally, the implementation of **and reporting on** these initiatives ~~imposes~~ **impose** additional costs on us **and a diversion of resources** . If our ESG initiatives fail to satisfy investors, current or potential customers, consumers and our other stakeholders, our reputation, our ability to **manufacture and** sell products and services ~~to customers~~ , our ability to attract or retain employees, and our attractiveness as an investment, business partner or acquirer could be negatively impacted. Similarly, our failure or perceived failure to pursue or fulfill our goals, targets and objectives or to satisfy various reporting standards within the timelines we announce **or otherwise as may be required** , or at all, could also have similar negative impacts and expose us to government enforcement actions and private litigation. Climate change, and the legal and regulatory initiatives related to climate change, could adversely affect our business, results of operations and financial condition. There ~~is~~ **continues to be** increasing concern that a gradual increase in global average temperatures due to increased concentration of carbon dioxide and other **GHGs** ~~greenhouse gases~~ in the atmosphere will cause significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters. Changes in weather patterns and an increased frequency, intensity and duration of extreme weather conditions, such as hurricanes, earthquakes, wildfires, water or other natural resource shortages, droughts, or flooding, could, among other things, pose physical risks to and impair our production capabilities, disrupt the operations of our supply chain and infrastructure, and impact our customers and their demand for our services. The geographic locations of our manufacturing facilities could intensify the negative impacts resulting from any of these issues. As a result, the effects of climate change could have a long- term adverse impact on our business, results of operations and financial condition. In many of the countries in which we operate, governmental bodies are increasingly enacting legislation and regulations in response to the potential impacts of climate change. **For example, some have enacted or are contemplating legislation and regulations that may impact how we conduct and / or report on our business by requiring the disclosure and tracking of certain GHG emissions.** These laws and regulations have, and will continue to have, the potential to impact our operations directly or indirectly as a result of required compliance by us and our suppliers. In addition, we have committed to ~~cut~~ **reduce** our ~~operational~~ **absolute scope 1 and scope 2 GHG** emissions ~~in half~~ **by fifty percent** by 2030 **and to reach net zero GHG emissions by 2040** as part of our long- term sustainability strategy and we may take additional voluntary steps to mitigate our impact on climate change. As a result, we may experience increases in energy, production, transportation and raw material costs, capital expenditures and insurance premiums and deductibles. Inconsistency of legislation and regulations among jurisdictions may also affect the costs of compliance with such laws and regulations. Any assessment of the potential impact of future climate change legislation, regulations or industry standards, as well as any international treaties and accords, is uncertain given the scope of potential regulatory change in the countries in which we operate. Given the political significance and uncertainty around the impact of climate change and how it should be addressed, we cannot predict how legislation and regulation will affect our financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could harm our reputation. Any of the foregoing could result in a material adverse effect on our business, results of operations and financial condition. ~~The success of certain of our activities depends on our ability to protect our intellectual property rights; claims of infringement or misuse of intellectual property and / or breach of license agreement provisions against our customers or us could harm our business. We retain certain intellectual property rights to some of the technologies that we develop as part of our engineering, design, and manufacturing services and components offerings. The measures we have taken to prevent unauthorized use of our technology may not be successful. If we are unable to protect our intellectual property rights, this could reduce or eliminate the competitive advantages of our proprietary technology, which would harm our business. Our engineering, design and manufacturing services and component offerings involve the creation and use of intellectual property rights, which subject us to the risk of claims of infringement or misuse of intellectual property from third parties and / or breach of our agreements with third parties, as well as claims arising from the allocation of intellectual property risk among us and our customers. From time to time, we enter into intellectual property licenses (e. g., patent licenses and software licenses) with third parties which obligate us to report covered behavior to the licensor and pay license fees to the licensor for certain activities or products, or that enable our~~

~~use of third party technologies. We may also decline to enter into licenses for intellectual property that we do not think is useful for or used in our operations, or for which our customers or suppliers have licenses or have assumed responsibility. Given the diverse and varied nature of our business and the location of our business around the world, certain activities we perform, such as providing assembly services in China and India, may fall outside the scope of those licenses or may not be subject to the applicable intellectual property rights. Our licensors may disagree and claim royalties are owed for such activities. In addition, the basis (e. g., base price) for any royalty amounts owed are audited by licensors and may be challenged. Our customers are increasingly requiring us to indemnify them against the risk of intellectual property- related claims and licensors are claiming that activities we perform are covered by licenses to which we are a party. If any claims of infringement or misuse of intellectual property from third parties and / or breach of our agreements with third parties, as well as claims arising from the allocation of intellectual property risk among us and our customers, are brought against us or our customers, whether or not these have merit, we could be required to expend significant resources in defense of such claims. In the event of such a claim, we may be required to spend a significant amount of money to develop alternatives or obtain licenses or to resolve the issue through litigation. We may not be successful in developing such alternatives or obtaining such licenses on reasonable terms or at all, and any such litigation might not be resolved in our favor, in which cases we may be required to curtail certain of our services and offerings. Additionally, litigation could be lengthy and costly, and could materially harm our financial condition regardless of outcome. We also face certain heightened risks to our intellectual property rights due to our extensive operations in foreign jurisdictions, including the risk of theft or misuse of our intellectual property rights in certain foreign jurisdictions. The laws of certain countries in which we operate may not protect intellectual property rights to the same extent as the laws of the United States, and the mechanisms to enforce intellectual property rights may be inadequate to protect our rights, which could harm our business.~~