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

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You should carefully consider the risks described below and other information contained in this Annual Report on Form 10- K when considering an investment decision with respect to our securities. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our business operations. Any of the events discussed in the risk factors below may occur. If they do, our business, results of operations, financial condition or liquidity could be materially adversely affected. In such an instance, the trading price of our securities could decline, and you might lose all or part of your investment. Risks Related to **Strategic Initiatives and Operations If we do not successfully implement the Goodyear Forward plan and our** ~~the~~ **other** ~~Cooper Tire Acquisition~~ **strategic initiatives, our operating results, financial condition and liquidity may be materially adversely affected. On November 15, 2023, we announced a transformation plan, known as " Goodyear Forward, " that is intended to optimize our portfolio, deliver significant margin expansion and reduce leverage in order to drive sustainable and substantial shareholder value creation.** We **believe that the Goodyear Forward plan has ambitious, but achievable, goals. However, the successful implementation of the Goodyear Forward plan** may **face** ~~not achieve all of the intended benefits of the acquisition of Cooper Tire and our integration efforts may disrupt our current plans or operations. Although we are on track to achieve the expected synergies from the Cooper Tire acquisition, there can be no assurance that we will be able to successfully complete the integration of Cooper Tire' s operations and assets or otherwise realize the remaining expected benefits of the acquisition (including additional operating and other cost synergies). We expect to continue our efforts to integrate Cooper Tire during the first half of 2023. Difficulties in integrating Cooper Tire and Goodyear may result in Goodyear performing differently than expected, in operational challenges, in the failure to realize or sustain anticipated run- rate cost synergies and efficiencies in the expected timeframe or at all, or in the difficulty or failure of utilizing our available U. S. tax attributes, in which case the Cooper Tire acquisition may not be accretive to earnings per share, may not improve our balance sheet position, may not enhance our ability to delever, and may not generate additional free cash flow due to reduced cash tax payments. The continued integration of the two companies may result in~~ material challenges, including the ~~diversion~~ **ability** of management ~~' s~~ **and our employees to focus on implementing the Goodyear Forward plan as well as** ~~attention~~ - **attending** ~~from~~ **to our** ongoing business ~~concerns~~ ; retaining key management and other employees; ~~retaining or attracting business and operational relationships;~~ the possibility of faulty assumptions underlying ~~expectations regarding~~ the ~~integration process~~ **specific initiatives** and **goals included within the Goodyear Forward plan and the** associated **costs of implementing** ~~expenses; consolidating corporate and administrative infrastructures and eliminating duplicative operations; coordinating geographically separate organizations; unanticipated issues in integrating information technology, communications and other~~ -- **the** ~~systems~~ **plan** ; as well as potential unknown ~~liabilities~~ or unforeseen **challenges,** expenses or delays ~~relating to integration~~ **in implementing the Goodyear Forward plan** . **As a** ~~Risks Related to Operations Our results~~ - **result** ~~of operations and financial condition have been~~ , ~~and may continue to~~ **we cannot assure you that we will** be ~~, adversely impacted by~~ **able to successfully implement** the ~~ongoing COVID~~ **cost reduction or top line actions in the Goodyear Forward plan or to realize or sustain the anticipated run** - **rate benefits within** ~~19 pandemic, or similar public health crises, and that impact may be material. The COVID- 19 pandemic has caused, and continues to cause, volatility in~~ the ~~global economy, the tire~~ **time** ~~industry and~~ **frames set out in the Goodyear Forward plan** ~~our~~ - **or** ~~business. In response to the pandemic, international, federal, state and local public health and governmental authorities took extraordinary actions to contain and combat the outbreak and spread of COVID- 19 throughout most regions of the world, including travel bans, quarantines, " stay-~~ at **all** ~~- home " orders and similar mandates that caused many individuals to substantially restrict their daily activities and many businesses to curtail or cease normal operations, and they may take additional or further actions in the future. The tire industry has been negatively impacted by this evolving situation. In 2020, there was a sudden and sharp decline in replacement tire demand and original equipment manufacturers suspended or severely limited automobile production globally. Recovery in automobile production globally has been constrained by supply chain disruptions, including an insufficient availability of semiconductor chips, caused by COVID- 19 and a variety of global factors. The ongoing COVID- 19 pandemic, or similar public health crises, may result in decisions to change future production levels based on an evaluation of market demand signals, inventory and supply levels, as well as our ability to continue to safeguard the health of our associates. We have experienced, and may experience in the future, unexpected delays or obstacles, such as disruptions in our and our customers' supply chains or government mandates, that may hamper our ability to achieve planned production levels. Due to national and local efforts to contain the spread of COVID- 19 and its related variants in certain countries, such as China, renewed stay- at- home orders and other restrictions on mobility required us to temporarily shut down or limit production at some of our facilities, including our facilities in Pulandian and Kunshan, China, at various times throughout 2022. Any suspension of production at our manufacturing facilities, or difficulties or inefficiencies in resuming or increasing production, is likely to adversely impact our future results of operations, financial condition and liquidity, and that impact may be material~~ . In addition, our ability to ~~continue~~ **successfully market and sell our chemical business, the Dunlop brand and our OTR tire business is subject to prevailing general and industry- specific economic conditions and certain financial, business and other factors beyond our control. We cannot assure you that we will be able to sell these assets or operations within the time frames set out in the Goodyear Forward plan or at all or, even if we were able to take such actions, that we could do so at prices and on terms that are acceptable to us. If we are unable to successfully** ~~implementing~~ --- **implement** ~~important~~ **the actions set forth in the Goodyear Forward plan or other** strategic initiatives **, we** ~~and capital expenditures~~ may **not** be **able** ~~reduced as we~~

~~devote time and other resources~~ to **improve** ~~responding to the impacts of the COVID- 19 pandemic or similar public health crises. Our primary sources of liquidity are cash generated from our operating and financing activities. Our cash flows from operating activities are driven primarily by~~ our operating results **, including** ~~and changes in~~ our ~~working capital requirements and our~~ **operating margin, generate additional** cash ~~flows~~ - **flow,** ~~from financing activities are dependent upon our~~ - **or reduce** ~~ability to access credit or~~ **our debt** ~~other capital. If the COVID- 19 pandemic becomes more pronounced in markets where we operate, our liquidity position may deteriorate. While we actively monitor our liquidity and took a number of actions aimed at mitigating the negative consequences of the initial impact of the COVID- 19 pandemic on our cash flows and liquidity, our cash flows may decline if global economic activity declines or we are unable to have sufficient access to credit or other capital. For example, the borrowing base under our first lien revolving credit facility is dependent, in significant part, on our eligible accounts receivable and inventory, which would decline if our sales and production~~ levels **and** ~~declined. Additionally, our European revolving credit facility contains a~~ leverage ratio covenant applicable to Goodyear Europe B...... may fail to achieve our financial goals . We believe that our manufacturing footprint is less cost- competitive than that of our principal competitors. To begin to address this competitive disadvantage, we are **closing several high- cost manufacturing facilities and** curtailing production of tires for declining, less profitable segments of the tire market **. We are also** ~~(including closure of our Melksham, United Kingdom tire manufacturing facility) and~~ undertaking significant capital investments in building, expanding and modernizing certain manufacturing facilities around the world to strengthen the competitiveness of our manufacturing footprint and increase production of premium, large- rim diameter consumer tires **. In addition, plant closures, construction and modernization may temporarily disrupt our manufacturing operations and lead to temporary increases in our costs** . The failure to implement successfully this or our other important strategic initiatives may materially adversely affect our operating results, financial condition and liquidity ~~be materially adversely affected~~ .We are pursuing **other** important strategic initiatives,such as our innovation excellence,sales and marketing excellence and operational excellence initiatives.Our innovation excellence initiatives are designed to create leading technologies,products and services that anticipate the mobility and sustainability needs of consumers and fleets.Our sales and marketing excellence initiatives are intended to capture the value of our brands and grow our market share,helping our customers win in their markets and ensuring we are the preferred choice of consumers.Our operational excellence initiatives are aimed at improving our safety,quality and efficiency and creating an advantaged supply chain that delivers the right tire,to the right place,at the right time,at the right cost.If we fail to execute these initiatives successfully or if the assumptions used in developing the initiatives vary significantly from actual conditions,we may fail to achieve **our financial goals** . Our performance is also dependent on our ability to improve the volume and mix of higher margin tires we sell in our targeted market segments. In order to do so, we must be successful in developing, producing, marketing and selling products that consumers desire and that offer higher margins to us. Shifts in consumer demand away from higher margin tires could materially adversely affect our business. We have been capacity constrained from time to time with respect to the production of certain higher margin tires, particularly in the United States. When faced with these constraints, we try to alleviate them by utilizing our global manufacturing footprint to meet the demand for our tires and by adding manufacturing capacity. However, in spite of these initiatives, we may not be able to meet all of the demand for certain of our higher margin tires, which could harm our competitive position and limit our growth. We cannot assure you that our strategic initiatives will be successful. If not, we may not be able to achieve or sustain future profitability, which would impair our ability to meet our debt and other obligations and would otherwise negatively affect our operating results, financial condition and liquidity. We face significant global competition and our market share could decline. New tires are sold under highly competitive conditions throughout the world. We compete with other tire manufacturers on the basis of product design, performance, price and terms, reputation, warranty terms, customer service and consumer convenience. On a worldwide basis, we have two major competitors, Bridgestone (based in Japan) and Michelin (based in France), that have large shares of the markets of the countries in which they are based and are aggressively seeking to maintain or improve their worldwide market share. Other significant competitors include Continental, Hankook, Kumho, Nexen, Pirelli, Sumitomo, Toyo, Yokohama and various regional tire manufacturers. Our competitors produce significant numbers of tires in low- cost countries, and have announced plans to further increase their production capacity in countries around the globe. Increasingly, our competitors are making decisions on where to produce tires based not only on production cost, but in combination with total delivery cost, supply chain reliability and sustainability considerations. These increases in production capacity may result in even greater competition in the United States and elsewhere. Our ability to compete successfully will depend, in significant part, on our ability to continue to innovate and manufacture the types of tires demanded by consumers, and to reduce costs by such means as reducing excess and high- cost capacity, leveraging global purchasing, improving productivity, eliminating redundancies and increasing production at low- cost supply sources. If we are unable to compete successfully, our market share may decline, materially adversely affecting our results of operations and financial condition. In addition, the automotive industry may experience significant changes due to the introduction of new technologies, such as electric and autonomous vehicles, or new services, business models or methods of travel, such as ride sharing. As the automotive industry evolves, we may need to provide a wider range of products and services to remain competitive, including products that we do not currently have the capability to manufacture or services that we do not currently offer. The demand for our products may also decline if automotive production declines and / or total vehicle miles traveled declines, including as a result of increasing fuel costs. If we do not accurately predict, prepare for and respond to market developments, technological innovations and changing customer and consumer needs and preferences, our results of operations and financial condition could be materially adversely affected. Our capital expenditures may not be adequate to maintain our competitive position and may not be implemented in a timely or cost-effective manner. Our capital expenditures are limited by our liquidity and capital resources and by the need to pay our other expenses and to maintain adequate cash reserves and borrowing capacity to meet unexpected demands that may arise. We believe that our ratio of capital expenditures to sales is lower than the comparable ratio for our principal competitors.

Productivity improvements and manufacturing cost improvements may be required to offset potential increases in labor and raw material costs, including inflationary increases, and competitive price pressures. In addition, as part of our strategy to reduce high- cost and excess manufacturing capacity and to increase our capacity to produce higher margin tires, we may need to modernize or expand our facilities. We may also need to make additional capital expenditures in order to achieve our global climate ambition and related goals. We are currently undertaking significant construction, expansion and modernization projects globally. We may not have sufficient resources to implement planned capital expenditures with minimal disruption to our existing manufacturing operations, or within desired time frames and budgets. Any disruption to our operations, delay in implementing capital improvements or unexpected costs may materially adversely affect our business and results of operations. If we are unable to make sufficient capital expenditures, or to maximize the efficiency of the capital expenditures we do make, we may be unable to achieve productivity improvements, which may harm our competitive position, to manufacture the products necessary to compete successfully in our targeted market segments, or to achieve our global climate ambition and related goals. In addition, plant construction and modernization may temporarily disrupt our manufacturing operations and lead to temporary increases in our costs. A prolonged economic downturn or economic uncertainty could adversely affect our business and results of operations. Deterioration of global or regional economic conditions, including recession, financial instability, inflation, labor shortages or energy availability and costs (including fuel surcharges), could negatively impact our business and our results of operations. A prolonged economic downturn can adversely affect OE production levels and consumer spending habits on replacement tires, resulting in lower- than- expected net sales. Inflation, which has risen significantly, has and may continue to increase our operational costs, including labor, transportation and energy costs, and continued increases in interest rates in response to concerns about inflation may have the effect of further increasing economic uncertainty or creating recessionary economic conditions. As a result, instability and weakness of the U. S. and global economies, including due to recession, inflation, high unemployment, disruptions to financial markets, geopolitical events and **public health crises** ~~other effects caused directly or indirectly by the COVID- 19 pandemic~~ , and the corresponding negative effects on consumer spending, may materially negatively affect our business and results of operations **, including impairment charges relating to goodwill, intangible assets, investments and other long- lived assets** . Raw material, energy and transportation costs may materially adversely affect our operating results and financial condition. Raw material, energy and transportation costs can be volatile. Inflationary cost pressures, among other factors, may cause increases in the prices of natural and synthetic rubber, carbon black and petrochemical- based commodities. Market conditions, including actions by competitors, or contractual obligations may prevent us from passing any such increased costs on to our customers through timely price increases. Additionally, increased demand for consumer products and supply chain disruptions as a result of ~~the pandemic and other~~ global events, including **disruptions to transportation routes,** port congestion and container shortages, has led to inflationary cost pressures on transportation. Higher raw material, energy and transportation costs around the world may offset our efforts to reduce our cost structure. High demand for and / or limited availability of raw materials and other energy sources could result in declining margins and operating results and adversely affect our financial condition. The volatility of raw material costs may cause our margins, operating results and liquidity to fluctuate. In addition, lower raw material costs may put downward pressure on the price of tires, which could ultimately reduce our margins and adversely affect our results of operations. If the Company is unable to obtain adequate sources of raw materials, energy or transportation, its operations could be interrupted. In addition, fluctuations in the price of gasoline for consumers can affect driving and purchasing habits and impact demand for tires. If we fail to extend or renegotiate significant collective bargaining contracts with our labor unions as they expire from time to time, or if our unionized employees were to engage in a strike or other work stoppage or interruption, our business, results of operations, financial condition and liquidity could be materially adversely affected. We are a party to collective bargaining contracts with our labor unions, which represent a significant number of our employees, including our collective bargaining agreements with the USW. ~~The new Goodyear~~ **Our primary collective bargaining** agreement with the USW, which covers approximately 5, ~~700~~ **300** of our associates in the United States at December 31, ~~2022~~ **2023** , ~~was ratified in the second half of 2022 and~~ expires in July 2026. Approximately 2, ~~300~~ **200** of our associates at our Texarkana and Findlay plants in the United States at December 31, ~~2022~~ **2023** are covered by separate collective bargaining agreements with the USW, which expire in June 2024 ~~and February 2024, respectively~~ . In addition, approximately ~~21~~ **20** , 000 of our associates outside of the United States are covered by union contracts that have expired or are expiring in ~~2023~~ **2024** , primarily in ~~Germany~~ **Luxembourg** , Poland, **Brazil, Mexico,** China, ~~Mexico,~~ Slovenia, ~~France and~~ Turkey **, India and Serbia** . Although we believe that our relations with our associates are satisfactory, no assurance can be given that we will be able to successfully extend or renegotiate our collective bargaining agreements as they expire from time to time. If we fail to extend or renegotiate our collective bargaining agreements, if disputes with our unions arise, or if our unionized workers engage in a strike or other work stoppage or interruption, we could experience a significant disruption of, or inefficiencies in, our operations or incur higher labor costs, which could have a material adverse effect on our business, results of operations, financial condition and liquidity. Our international operations have certain risks that may materially adversely affect our operating results, financial condition and liquidity. We have manufacturing and distribution facilities throughout the world. Our international operations are subject to certain inherent risks, including: • exposure to local economic conditions; • adverse foreign currency fluctuations; • adverse currency exchange controls; • withholding taxes and restrictions on the withdrawal of foreign investment and earnings; • tax policies and regulations; • labor regulations; • tariffs; • government price and profit margin controls; • expropriations of property; • adverse changes in the diplomatic relations of foreign countries with the United States; • the potential instability of foreign governments; • hostility from local populations and insurrections or armed conflicts; • risks of renegotiation or modification of existing agreements with governmental authorities; • export and import restrictions; and • other changes in laws or government policies. The likelihood of such occurrences and their potential effect on us vary from country to country and are unpredictable. Certain regions, including Latin America, Asia, Eastern Europe, the Middle East and Africa, are inherently more economically and politically volatile and, as a result, our business units that operate in these regions could be subject to significant fluctuations in sales and operating income from quarter to quarter. Because a significant percentage of our operating income in recent years has come from these regions, adverse fluctuations in the operating results in these regions could have a significant impact on our results of operations in future periods. In addition, compliance with complex foreign and U. S. laws and regulations that apply to our international operations increases our cost of doing business in international jurisdictions. These numerous and sometimes conflicting laws and regulations include import and export laws, anti- competition laws, anti- corruption laws, such as the U. S. Foreign Corrupt Practices Act, the U. K. Bribery Act and other local laws prohibiting corrupt payments to governmental officials, data privacy laws such as the GDPR, labor laws, tax laws, and accounting, internal control and disclosure requirements. Violations of these laws and regulations could result in civil and criminal fines, penalties and sanctions against us, our officers or our employees, prohibitions on the conduct of our business and on our ability to offer our products and services in one or more countries, and could also materially affect our reputation, business and results of operations. In certain foreign jurisdictions, there is a higher risk of fraud or corruption and greater difficulty in maintaining effective internal controls and compliance programs. Although we have implemented policies and procedures designed to promote compliance with applicable laws and regulations, there can be no assurance that our employees, contractors or agents will not violate our policies or applicable laws and regulations. Russia' s invasion of Ukraine and the resulting government sanctions could result in significant macroeconomic consequences, including increased inflationary pressures, market volatility, economic restrictions and business disruptions, which could negatively impact our business, financial condition and results of operations. **We** ~~While it remains challenging to operate our business in Ukraine, we were able to resume shipments of tires into the country on a limited basis during the second quarter of 2022 and to expand our shipments during the second half of the year. In addition, we previously~~ suspended all shipments of tires to Russia during the first quarter of 2022 and **discontinued** ~~approved the discontinuation of~~ our Russian operations in January 2023. ~~These~~ -- **The** ~~actions have~~ **war between Russia and Ukraine has** not had and ~~are~~ **is** not expected to have a direct material impact on our financial results. Nonetheless, the ongoing conflict has aggravated already challenging macroeconomic trends, including global supply chain disruptions, higher costs for certain raw materials and higher energy and transportation costs. The conflict has led to increases in the cost of energy and the potential for energy shortages, especially in Europe. We have taken steps to offset the increased cost, but we cannot predict the degree to or the time period over which energy costs will increase. In response to Russia' s invasion in Ukraine, a number of countries, including the United States, the United Kingdom and members of the European Union, have implemented economic sanctions on Russia and certain Russian enterprises and individuals. The conflict could result in further sanctions and embargoes, regional instability and potential retaliatory action by the Russian government, including cyber- attacks. While we continue to take actions to ensure the safety of our associates and the continuity of our business operations, the extent of the conflict' s impact on the global economy cannot be predicted **, particularly if the conflict were to intensify or expand** . Financial difficulties, work stoppages, supply disruptions or economic conditions affecting our major customers, dealers or suppliers could harm our business. ~~The tire industry has been negatively impacted by the COVID- 19 pandemic. 2020 was characterized by a sudden and sharp decline in replacement tire demand and original equipment manufacturers suspending or severely limiting automobile production globally; the industry is still recovering. In addition, supply chain issues impacted new vehicle production throughout 2021 and 2022. As a result of these factors, automotive~~ **Automotive** vehicle production and global tire industry demand continues to be difficult to predict. Although sales to our OE customers accounted for approximately ~~15~~ **17** % of our net sales in ~~2022~~ **2023** , demand for our products by OE customers and production levels at our facilities are impacted by automotive vehicle production. Automotive production and sales are highly cyclical and sensitive to general economic conditions and other factors, such as credit availability, interest rates, fuel prices, and consumer preference and confidence. Economic declines that result in a significant reduction in automotive production would have an adverse effect on our sales to OE customers. We may experience future declines in sales volume due to declines in new vehicle production and sales, the performance, discontinuation or sale of certain OE brands, platforms or programs, increased competition, or weakness in the demand for replacement tires, which could result in us incurring under- absorbed fixed costs at our production facilities or slowing the rate at which we are able to recover those costs. At various times, some regions around the world may be more particularly impacted by these factors than other regions. Automotive production can also be affected by ~~the ongoing pandemic,~~ labor relation issues or shortages, financial difficulties or supply disruptions. Our OE customers could experience production disruptions resulting from their own or supplier labor, financial or supply difficulties ~~, or from government actions to contain and combat the outbreak and spread of COVID- 19~~ . Such events may cause an OE customer to reduce or suspend vehicle production. Other customers, such as dealers, retailers or distributors, may experience similar disruptions to their operations. As a result, a customer could halt or significantly reduce purchases of our products, which would harm our results of operations, financial condition and liquidity. We cannot predict when customers will decide to increase or decrease inventory levels or whether new inventory levels will approximate historical inventory levels. Uncertainty and other unexpected fluctuations could have a material adverse effect on our business and financial condition. Our suppliers could also experience production disruptions due to ~~the ongoing pandemic or~~ labor, financial, supply or transportation difficulties, or new environmental laws or stricter enforcement of existing environmental laws. Any such production disruptions may result in the unexpected closure of our suppliers' facilities or increases in the cost of our raw materials, which would adversely affect our results of operations and financial condition. In addition, the bankruptcy, restructuring or consolidation of one or more of our major customers, dealers or suppliers could result in the write- off of accounts receivable, a reduction in purchases of our products or a supply disruption to our facilities, which could negatively affect our results of operations, financial condition and liquidity. If we are unable to attract and retain key personnel our business could be materially adversely affected. Our business substantially depends on the continued service of key members of our management. The loss of the services of a significant number of members of our management could have a material adverse effect on our business. Our future success will also depend on our ability to attract and retain highly skilled personnel, such as engineering, marketing and senior management professionals. Competition for these employees is intense, and we could experience difficulty from time to time in hiring and retaining the personnel necessary to support our business. Our ability to attract and retain employees may also be hampered by downturns in the automotive and tire industries, which could result in reduced payments under our incentive compensation plans, as well as by greater competition due to the increase in use of remote working environments. If we do not succeed in retaining our current employees and attracting new high quality employees, our business could be materially adversely affected. Increasing competition for highly skilled and talented workers, as well as labor shortages, could adversely affect our business. A number of factors may adversely affect the labor force available to us or increase labor costs, including high employment levels and government regulations. Although we have not experienced any material labor shortages to date, we have observed an increasingly competitive labor market. The increasing competition for highly skilled and talented employees has resulted, and could in the future result, in higher compensation costs and could result in difficulties in maintaining a capable workforce. If we are unable to hire and retain employees capable of performing at a high- level, or if mitigation measures we may take to respond to a decrease in labor availability, such as overtime and third- party outsourcing, have unintended negative effects, our business could be adversely affected. A sustained labor shortage, lack of skilled labor, increased turnover or labor cost inflation ~~, caused by the ongoing COVID- 19 pandemic or~~ as a result of general macroeconomic factors ~~,~~ could lead to increased costs, such as increased overtime to meet demand and increased wage rates to attract and retain employees, which could negatively affect our ability to efficiently operate our manufacturing and distribution facilities and overall business and have other adverse effects on our results of operations and financial condition. We have substantial fixed costs and, as a result, our operating income fluctuates disproportionately with changes in our net sales. We operate with significant operating and financial leverage. Significant portions of our manufacturing, selling, administrative and general expenses are fixed costs that neither increase nor decrease proportionately with sales. In addition, a significant portion of our interest expense is fixed. There can be no assurance that we would be able to reduce our fixed costs proportionately in response to a decline in our net sales and therefore our competitiveness could be significantly impacted. As a result, a decline in our net sales could result in a higher percentage decline in our income from operations and net income. Environmental issues, including climate change, or legal, regulatory or market measures to address environmental issues, may negatively affect our business and operations and cause us to incur significant costs. Our manufacturing and distribution facilities are subject to numerous federal, state, local and foreign laws and regulations designed to protect the environment, including increased government regulations to limit carbon dioxide and other greenhouse gas emissions as a result of concern over climate change, and we expect that additional requirements with respect to environmental matters, including reporting requirements, will be imposed on us in the future. In addition, we have contractual indemnification obligations for environmental remediation costs and liabilities that may arise relating to certain divested operations. There is also growing concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns, and the frequency and severity of extreme weather and natural disasters. In the event that issues related to such climate change have a negative effect on our business, we may be subjected to decreased availability or less favorable pricing for certain raw materials, including natural rubber. Natural disasters and extreme weather conditions may also disrupt the productivity of our facilities, our supply chain or the operations of our customers. If the frequency or severity of extreme weather and natural disasters increases over time, we may experience a greater number of losses at certain of our facilities. Such losses could lead to an increase in the deductibles or cost of insurance for those facilities, ~~or~~ **a reduction of insurance available** to **us, or** the unavailability of insurance on terms that are acceptable to us. Our manufacturing facilities may become subject to further limitations on the emission of greenhouse gases due to public policy concerns regarding climate change issues or other environmental or health and safety concerns. While the form of any additional regulations cannot be predicted, a " cap- and- trade " system similar to the one adopted in the European Union could be adopted in the United States. Any such " cap- and- trade " system (including the system currently in place in the European Union) or other limitations imposed on the emission of greenhouse gases could require us to increase our capital expenditures, use our cash to acquire emission credits or restructure our manufacturing operations, which could have a material adverse effect on our operating results, financial condition and liquidity. Material future expenditures may be necessary if compliance standards change, if material unknown conditions that require remediation are discovered, or if required remediation of known conditions becomes more extensive than expected. If we fail to comply with present and future environmental laws and regulations, we could be subject to future liabilities or the suspension of production, which could harm our business or results of operations. Environmental laws could also restrict our ability to expand our facilities or could require us to acquire costly equipment or to incur other significant expenses in connection with our manufacturing processes. Risks Related to Our Capital Structure Our long- term ability to meet our obligations, to repay maturing indebtedness or to implement strategic initiatives may be dependent on our ability to access capital markets in the future and to improve our operating results. The adequacy of our liquidity depends on our ability to achieve an appropriate combination of operating improvements, financing from third parties and access to capital markets. We may need to undertake additional financing actions in the capital markets in order to ensure that our future liquidity requirements are addressed or to implement strategic initiatives. These actions may include the issuance of additional debt or equity, or the factoring of our accounts receivable. Our access to the capital markets cannot be assured and is dependent on, among other things, the ability and willingness of financial institutions to extend credit on terms that are acceptable to us or our suppliers, or to honor future draws on our existing lines of credit, and the degree of success we have in implementing our strategic initiatives. We have continued our use of supplier financing programs and the factoring of our accounts receivable in order to improve our working capital efficiency and reduce our costs. If these programs become unavailable or less attractive to us or our suppliers, our liquidity could be adversely affected. Future liquidity requirements, or our inability to access cash deposits or make draws on our lines of credit, also may make it necessary for us to incur additional debt. A substantial portion of our assets is subject to liens securing our indebtedness. As a result, we are limited in our ability to pledge our remaining assets as security for additional secured indebtedness. Our inability to access the capital markets or incur additional debt in the future could have a material adverse effect on our liquidity and operations, and could require us to consider further measures, including deferring planned capital expenditures, reducing discretionary spending, selling additional assets and restructuring existing debt. We have a substantial amount of debt, which could restrict our growth, place us at a competitive disadvantage or otherwise materially adversely affect our financial health. We have a substantial amount of debt. As of December 31, ~~2022~~ **2023** , our debt (including finance leases) on a consolidated basis was approximately $ 7. ~~9~~ **6** billion. Our substantial amount of debt and other obligations could have important consequences. For example, it could: • make it more difficult for us to satisfy our obligations; • impair our ability to obtain financing in the future for working capital, capital expenditures, research and development, acquisitions or general corporate requirements; • increase our vulnerability to adverse economic and industry conditions; • limit our ability to use cash flows from operating activities in other areas of our business or to return cash to shareholders because we would need to dedicate a substantial portion of these funds for payments on our indebtedness; • limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and • place us at a competitive disadvantage compared to our competitors. The agreements governing our debt, including our credit agreements, limit, but do not prohibit, us from incurring additional debt and we may incur a significant amount of additional debt in the future, including additional secured debt. If new debt is added to our current debt levels, our ability to satisfy our debt obligations may become more limited. Our ability to make scheduled payments on, or to refinance, our debt and other obligations will depend on our financial and operating performance, which, in turn, is subject to our ability to implement our strategic initiatives, prevailing economic conditions and certain financial, business and other factors beyond our control. If our cash flow and capital resources are insufficient to fund our debt service and other obligations, we may be forced to reduce or delay expansion plans and capital expenditures, sell material assets or operations, obtain additional capital or restructure our debt. We cannot assure you that our operating performance, cash flow and capital resources will be sufficient to pay our debt obligations when they become due. We cannot assure you that we would be able to dispose of material assets or operations, obtain additional capital or restructure our debt or other obligations if necessary or, even if we were able to take such actions, that we could do so on terms that are acceptable to us. Any failure to be in compliance with any material provision or covenant of our debt instruments, or a material reduction in the borrowing base under our revolving credit facility, could have a material adverse effect on our liquidity and operations. The agreements governing our secured credit facilities, senior unsecured notes and our other outstanding indebtedness impose significant operating and financial restrictions on us. These restrictions may affect our ability to operate our business **or implement strategic initiatives, such as the Goodyear Forward plan,** and may limit our ability to take advantage of potential business opportunities as they arise. These restrictions limit our ability to, among other things: • incur additional debt or issue redeemable preferred stock; • pay dividends, repurchase shares or make certain other restricted payments or investments; • incur liens; • sell assets; • incur restrictions on the ability of our subsidiaries to pay dividends or to make other payments to us; • enter into affiliate transactions; • engage in sale / leaseback transactions; and • engage in certain mergers or consolidations or transfers of substantially all of our assets. **Certain of the strategic alternatives that we may pursue for our chemical business, the Dunlop brand or our OTR tire business may, depending on the terms of any particular transaction, require a waiver or an amendment of our credit facilities. We cannot assure you that we will be able to obtain waivers from our lenders or amend the relevant covenants in our credit facilities.** Availability under our first lien revolving credit facility is subject to a borrowing base, which is based on eligible accounts receivable and inventory, the value of our principal trademarks, the value of eligible machinery and equipment, and certain cash in an amount not to exceed $ 275 million. To the extent that our eligible accounts receivable and inventory and other components of the borrowing base decline in value, our borrowing base will decrease and the availability under that facility may decrease below its stated amount. In addition, if at any time the amount of outstanding borrowings and letters of credit under that facility exceeds the borrowing base, we are required to prepay borrowings and / or cash collateralize letters of credit sufficient to eliminate the excess. Our ability to comply with these covenants or to maintain our borrowing base may be affected by events beyond our control, including deteriorating economic conditions, and these events could require us to seek waivers or amendments of covenants or alternative sources of financing or to reduce expenditures. We cannot assure you that such waivers, amendments or alternative financing could be obtained, or if obtained, would be on terms acceptable to us. A breach of any of the covenants or restrictions contained in any of our existing or future financing agreements, including the financial covenants in our secured credit facilities, could result in an event of default under those agreements. Such a default could allow the lenders under our financing agreements, if the agreements so provide, to discontinue lending, to accelerate the related debt as well as any other debt to which a cross-acceleration or cross- default provision applies, and / or to declare all borrowings outstanding thereunder to be due and payable. In addition, the lenders could terminate any commitments they have to provide us with further funds. If any of these events occur, we cannot assure you that we will have sufficient funds available to pay in full the total amount of obligations that become due as a result of any such acceleration, or that we will be able to find additional or alternative financing to refinance any such accelerated obligations. Even if we obtain additional or alternative financing, we cannot assure you that it would be on terms that would be acceptable to us. We cannot assure you that we will be able to remain in compliance with the covenants to which we are subject in the future and, if we fail to do so, that we will be able to obtain waivers from our lenders or amend the covenants. Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly. Certain of our borrowings are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, which would require us to use more of our available cash to service our indebtedness. There can also be no assurance that we will be able to enter into swap agreements or other hedging arrangements in the future if we desire to do so, or that any existing or future hedging arrangements will offset increases in interest rates. As of December 31, ~~2022~~ **2023** , we had approximately $ 1. ~~7~~ **5** billion of variable rate debt outstanding. Risks Related to Information Technology and Intellectual Property We may be adversely affected by any disruption in, or failure of, our information technology systems. We rely upon the capacity, reliability and security of our information technology (" IT") systems across all of our major business functions, including our research and development, manufacturing, retail, financial and administrative functions. We also face the challenge of supporting our older systems and implementing upgrades when necessary ~~, as well as the integration of Cooper Tire' s IT systems with Goodyear' s IT systems~~ . Our security measures are focused on the prevention, detection and remediation of damage from computer viruses, unauthorized access, cyber- attack, natural disasters and other similar disruptions. We may incur significant costs in order to implement the security measures that we feel are necessary to protect our IT systems. However, our IT systems may remain vulnerable to damage despite our implementation of security measures that we deem to be appropriate. In addition, we are also dependent on third parties to provide important IT services relating to, among other things, human resources, electronic communications and certain finance functions. We collect and store sensitive data, including intellectual property, proprietary business information and the proprietary business information of our customers and suppliers, as well as personally identifiable information of our customers and associates, in data centers and on **IT** ~~information technology~~ networks. Additionally, we are subject to privacy, data protection, and information security laws and regulations (" Data Protection Laws ") in the United States and in jurisdictions around the globe that restrict the use, disclosure, transfer and processing of personal data. For example, we are subject to the GDPR, the California Consumer Privacy Act (" CCPA "), and the Brazilian Lei Geral de Proteção de Dados. Costs to comply with these Data Protection Laws are significant and the failure to comply with these laws could result in material legal exposure and business impact. The GDPR, for example, imposes onerous accountability obligations on companies, with penalties for non- compliance of up to the greater of € 20 million or four percent of annual global revenue. The GDPR, and other Data Protection Laws, also grant corrective powers to supervisory authorities, including the ability to impose a limit on processing personal data or to order companies to cease operations. The Data Protection Laws are part of an evolving global data protection landscape in which the number, complexity, requirements and consequences of non- compliance with these laws are increasing. This landscape includes legislative proposals recently adopted or currently pending in the United States, at both the federal and state levels, as well as in other jurisdictions, implementing new or additional requirements for data protection that could further increase compliance costs, the cost and complexity of delivering our products and services, and significantly affect our business. Any system failure, accident or security breach involving our or our third party' s IT systems could result in disruptions to our operations. A breach in the security of our IT systems could include the theft of our intellectual property or trade secrets, negatively impact our manufacturing or retail operations, or result in the compromise of personal information of our employees, customers or suppliers. While we have, from time to time, experienced system failures, accidents and security and privacy breaches involving our IT systems, these incidents have not had a material impact on our operations, and we are not aware of any resulting theft, loss or disclosure of, or damage to, material data or confidential information. To the extent that any system failure, accident or security or privacy breach results in material disruptions to our operations or the theft, loss or disclosure of, or damage to, material data or confidential information, our reputation, business, results of operations and financial condition could be materially adversely affected. We may not be able to protect our intellectual property rights adequately. Our success depends in part upon our ability to use and protect our proprietary technology and other intellectual property, which generally covers various aspects of the design and manufacture of our products and processes. We own and use tradenames and trademarks worldwide. We rely upon a combination of trade secrets, confidentiality policies, nondisclosure and other contractual arrangements and patent, copyright and trademark laws to protect our intellectual property rights. The steps we take in this regard may not be adequate to protect our intellectual property or to prevent or deter challenges or infringement or other violations of our intellectual property, and we may not be able to detect unauthorized use or take appropriate and timely steps to enforce our intellectual property rights. In addition, the laws of some countries may not protect and enforce our intellectual property rights to the same extent as the laws of the U. S. Further, while we believe we have rights to use all of the intellectual property we use, if we are found to infringe on the rights of others, we could be adversely impacted. Damage to our brand and reputation could have an adverse effect on our business. Our well- known and trusted brand names are a key competitive advantage. We believe that our future success depends, in part, on preserving, enhancing, and leveraging the value of our brands and executing our brand strategies, ~~discussed above,~~ which are designed to drive end- user demand for our products. A decline in the reputation of one or more of our brands as a result of deficiencies or defects in the design or manufacture of our products, or from legal proceedings, product recalls or warranty claims resulting from such deficiencies or defects, may harm our reputation, reduce demand for our products and adversely affect our business. Risks Related to Litigation, Laws and Regulations We could be negatively impacted by changes in tariffs, trade agreements or other trade restrictions on imported tires, raw materials and other goods or equipment. The imposition of new tariffs, changes in existing tariff rates, changes in or the repeal of trade agreements or other trade restrictions may reduce our flexibility to utilize our global manufacturing footprint to meet demand for our tires around the world. In addition, the imposition of tariffs in the United States may result in the tires subject to such tariffs being diverted to other regions of the world, such as Europe, Latin America or Asia, or in retaliatory tariffs or other actions by affected countries. Broad- based tariffs and other trade restrictions could also increase costs for our suppliers who may increase prices to us. Finally, tariffs and other trade restrictions may weaken the economies of key markets for us, such as China, resulting in lower economic growth rates and weakened demand for our products and services. These factors, individually or together, could materially adversely affect our results of operations, financial condition and liquidity. We may incur significant costs in connection with our contingent liabilities and tax matters. We have significant reserves for contingent liabilities and tax matters. The major categories of our contingent liabilities include workers' compensation and other employment- related claims, product liability and other tort claims, including asbestos claims, and environmental matters. Our recorded liabilities and estimates of reasonably possible losses for our contingent liabilities are based on our assessment of potential liability using the information available to us at the time and, where applicable, any past experience and recent and current trends with respect to similar matters. Our contingent liabilities are subject to inherent uncertainties, and unfavorable judicial or administrative decisions could occur that we did not anticipate. Such an unfavorable decision could include monetary damages, fines or other penalties or an injunction prohibiting us from taking certain actions or selling certain products. If such an unfavorable decision were to occur, it could result in a material adverse impact on our financial position and results of operations in the period in which the decision occurs, or in future periods. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations, including with respect to transfer pricing. While we apply consistent transfer pricing policies and practices globally, support transfer prices through economic studies, seek advance pricing agreements and joint audits to the extent possible and believe our transfer prices to be appropriate, such transfer prices, and related interpretations of tax laws, are occasionally challenged by various taxing authorities globally. We have received various tax assessments challenging our interpretations of applicable tax laws in various jurisdictions. Although we believe we have complied with applicable tax laws, have strong positions and defenses and have historically been successful in defending such claims, our results of operations could be materially adversely affected in the case we are unsuccessful in the defense of existing or future claims. If we wish to appeal any future adverse judgment in any of these proceedings, we may be required to post an appeal bond with the relevant court. If we were subject to a significant adverse judgment or experienced an interruption or reduction in the availability of bonding capacity, we may be required to provide letters of credit or post cash collateral, which may have a material adverse effect on our liquidity. We have significant deferred tax assets ~~, including foreign tax credits~~ . We must generate sufficient earnings of the appropriate character in order to utilize our deferred tax assets ~~prior to any applicable expiration dates~~ . If our earnings remain flat or decline over an extended period of time, we may not be able to utilize ~~certain of~~ our deferred tax assets ~~prior to their expiration~~ and we may need to record a valuation allowance against them that could materially adversely affect our results of operations in the period in which the valuation allowance is recorded. For further information regarding our contingent liabilities and tax matters, refer to Notes to the Consolidated Financial Statements No. 20, Commitments and Contingent Liabilities, and No. 7, Income Taxes. For further information regarding our accounting policies with respect to certain of our contingent liabilities and uncertain income tax positions, refer to " Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies. " We are subject to extensive government regulations that may materially adversely affect our operating results. We are subject to regulation by the Department of Transportation through NHTSA, which has established various standards and regulations applicable to tires sold in the United States and tires sold in a foreign country that are identical or substantially similar to tires sold in the United States. NHTSA has the authority to order the recall of automotive products, including tires, having safety- related defects or that do not comply with a motor vehicle safety standard, and, in some cases, to assess penalties. The TREAD Act imposes numerous requirements with respect to the early warning reporting of warranty claims, property damage claims, and bodily injury and fatality claims and also requires tire manufacturers, among other things, to comply with revised and more rigorous tire testing standards. Compliance with the TREAD Act regulations has increased the cost of producing and distributing tires in the United States. We have been subject to recalls in the past and it is possible that a recall of our tires, including under the TREAD Act or in other countries under similar regulations, could occur in the future. A substantial recall or related penalties could have a material adverse effect on our reputation, operating results and financial condition. In addition, pursuant to the Energy Independence and Security Act of 2007, NHTSA may establish a national tire fuel efficiency consumer information program. If a related rule- making process is completed, certain tires sold in the United States would be required to be rated for rolling resistance, traction and tread wear. While the federal law preempts state tire fuel efficiency laws adopted after January 1, 2006, we may become subject to additional tire fuel efficiency legislation, either in the United States or other countries. Our European operations are subject to regulation by the European Union. Two regulations, the Tire Safety Regulation and the Tire Labeling Regulation, applicable to tires sold in the European Union have been adopted. The Tire Safety Regulation sets performance standards that tires for cars and light and commercial trucks need to meet for rolling resistance, wet grip braking (passenger car tires only) and noise in order to be sold in the European Union. The Tire Labeling Regulation applies to all passenger car, light truck and commercial truck tires and requires that consumers be informed about the tire' s fuel efficiency, wet grip and noise characteristics. Other countries, such as Brazil, have also adopted tire labeling regulations, and additional countries may also introduce similar regulations in the future. Tires produced or sold in Europe also have to comply with various other standards, including environmental laws such as REACH (Registration, Evaluation, Authorisation and Restriction of Chemical Substances), which regulates the use of chemicals in the European Union. For example, REACH prohibits the use of highly aromatic oils in tires, which were used as compounding components to improve certain performance characteristics. These U. S. and European regulations, rules adopted to implement these regulations, or other similar regulations that may be adopted in the United States, Europe or elsewhere in the future may require us to alter or increase our capital spending and research and development plans or cease the production of certain tires, which could have a material adverse effect on our operating results. Laws and regulations governing environmental and occupational safety and health are complicated, change frequently and have tended to become stricter over time. As a manufacturing company, we are subject to these laws and regulations both inside and outside the United States. We may not be in complete compliance with such laws and regulations at all times. Our costs or liabilities relating to them may be more than the amount we have reserved, and that difference may be material. Compliance with the laws and regulations described above or any of the myriad of applicable foreign, federal, state and local laws and regulations currently in effect or that may be adopted in the future could materially adversely affect our competitive position, operating results, financial condition and liquidity. General Risk Factors We have foreign currency translation and transaction risks that may materially adversely affect our operating results, financial condition and liquidity. The financial position and results of operations of many of our international subsidiaries are initially recorded in various foreign currencies and then translated into U. S. dollars at the applicable exchange rate for inclusion in our financial statements. The strengthening of the U. S. dollar against these foreign currencies ordinarily has a negative impact on our reported sales and operating margin (and conversely, the weakening of the U. S. dollar against these foreign currencies has a positive impact). For the year ended December 31, ~~2022~~ **2023** , foreign currency translation unfavorably affected sales by $ **169** ~~1, 114~~ million and unfavorably affected segment operating income by $ ~~16~~ **23** million compared to the year ended December 31, ~~2021~~ **2022** . The volatility of currency exchange rates may materially adversely affect our operating results. **For the year ended December 31, 2023, net foreign currency exchange losses were $ 87 million.** We may be impacted by economic and supply disruptions associated with events beyond our control, such as war, including the current ~~conflict~~ **conflicts** between Russia and Ukraine **and between Israel and Hamas** , acts of terror, political unrest, public health concerns, labor disputes or natural disasters. We manage businesses and facilities worldwide. Our facilities and operations, and the facilities and operations of our suppliers and customers, could be disrupted by events beyond our control, such as war, acts of terror, political unrest, public health concerns, labor disputes, or severe weather conditions or natural disasters. In addition, our operations could be adversely affected as a result of other disruptions at our facilities due to fire, electrical blackouts, power losses, telecommunications failures or other similar effects. Any such disruption could cause delays in the production and distribution of our products and the loss of sales and customers. We may not be insured against all such potential losses and, if insured, the insurance proceeds that we receive may not adequately compensate us for all of our losses. **Such losses could lead to an increase in the deductibles or cost of insurance for those facilities, a reduction of insurance available to us, or the unavailability of insurance on terms that are acceptable to us.**