Risk Factors Comparison 2024-02-28 to 2023-02-27 Form: 10-K

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The following summary highlights some of the principal risks that could adversely affect our business, financial condition or results of operations. This summary is not complete and the risks summarized below are not the only risks we face. These risks are discussed more fully further below in this section entitled " Risk Factors " in Item 1A. of this report. These risks include, but are not limited to, the following: • **We have a substantial amount of indebtedness that could materially adversely affect, among other things, our financial condition, our ability to return capital to our shareholders, needed investments into our business, and our credit ratings. • If we are unable to successfully execute the next phase of our strategic transformation, including our portfolio optimization, it may have a material adverse effect on our business, results of operations and financial condition. • Our ability to declare and pay dividends is subject to certain considerations. • Our results of operations may be negatively impacted by the outcome of uncertainties related to legal claims, disputes, investigations and litigation, including the ongoing antitrust and competition investigations and related class actions lawsuits. •** Inflationary trends **and pricing uncertainty** , including in the price of our input costs, such as raw materials, transportation and energy, could adversely affect our business and financial results in the short term and result in uncertainties in the long term. • Supply chain disruptions, geopolitical developments, including the Russia- Ukraine **war, the Israel- Hamas war and wider Middle East developments (including disruptions to the Red Sea passage or such** ~~conflict~~ **conflicts spreading further in the relevant regions)** , or climate **-** change events (including severe weather events) may adversely affect our suppliers or our procurement of raw materials, and thus may impact our business and financial results. • **Our success depends** ~~If we are unable to successfully execute the next phase of our strategic transformation, it may have a material adverse effect~~ on **attracting and retaining talented people within** our business ~~, results of operations~~ and ~~financial condition~~ **our management team** . ~~• The integration~~ **Changes to management, including turnover** of **our** ~~the N & B Business may continue to~~ **top** ~~present~~ **executives, and** significant ~~challenges~~ **shortfalls in recruitment** , **retention** ~~and we may not realize anticipated synergies and other benefits of the N & B Transaction. • We have a substantial amount of indebtedness that could materially adversely affect our~~ - **or** ~~financial condition and~~ **transition of employees** ~~our~~ - **or** ~~degree of leverage~~ **our management team** could adversely affect our **ability** ~~credit ratings. • If we fail~~ to ~~successfully enter into~~ **compete and achieve** ~~or~~ **our** ~~close~~ strategic **goals** ~~transactions or divestments, or successfully manage acquisitions, collaborations, joint ventures or partnerships, it could adversely affect our business and growth opportunities~~ . • If we are unable to successfully market to our expanded and diverse customer base, our operating results and future growth may be adversely affected. • Our business is highly competitive, and if we are unable to compete effectively ~~,~~ our sales and results of operations will suffer ~~. • Our success depends on attracting and retaining talented people within our business. Significant shortfalls in recruitment or retention could adversely affect our ability to compete and achieve our strategic goals~~ . • A significant portion of our sales is generated from a limited number of large multi- national customers, which are currently under competitive pressures that may affect the demand for our products and profitability. • We may not successfully develop and introduce new products that meet our customers' needs, which may adversely affect our results of operations. • **International conflicts (** ~~Global health crises,~~ such as the ~~COVID~~ **Russia** - **Ukraine war** ~~19 pandemic, have had an~~ **and the Israel- Hamas war)** ~~impact on our supply chain and could have a material impact on global operations~~ , **geopolitical events** ~~our customers and our suppliers~~ , ~~which could adversely impact our business and results of operations. • Natural~~ **natural** disasters, public health crises (such as the COVID- 19 pandemic), **trade wars** ~~international conflicts (such as the Russia- Ukraine conflict), geopolitical events~~ , terrorist acts, labor strikes, political or economic crises (such as ~~the~~ uncertainty related to protracted U. S. federal ~~debt ceiling~~ **government funding** negotiations), accidents and other events could adversely affect our business and financial results **, including** by disrupting development, manufacturing, distribution or sale of our products. • A significant data breach or other disruption to our information technology systems could disrupt our operations, result in the loss of confidential information or personal data, and adversely impact our reputation, business or results of operations. • We **are subject to risks associated with the potential use of artificial intelligence (" AI ") in our own operations and by third- party partners that we may engage with. • We** have made investments in and continue to expand our business into emerging markets, which exposes us to certain risks. • The impact of currency fluctuation or devaluation in the international markets in which we operate may negatively affect our results of operations. • International economic, political, legal, compliance and business factors could negatively affect our financial statements, operations and growth. • Economic uncertainty, including increased inflation, may adversely affect demand for our products which may have a negative impact on our operating results and future growth. • **The integration of the N & B Business may continue to present significant challenges, and we may not realize anticipated synergies and other benefits of the N & B Transaction. •** If we are unable to react in a timely and cost- effective manner to changes in consumer trends, such as increasing awareness of health and wellness, our results of operations and future growth may be adversely affected. • We are subject to increasing customer, consumer, shareholder and regulatory focus on sustainability, which may result in additional costs in order to meet new requirements ~~or integrate the N & B Business and Frutarom with our sustainability practices~~ . • Our performance may be adversely impacted if we are not successful in managing our inventory and / or working capital balances. • Any impairment of our tangible or intangible long- lived assets, including goodwill, may adversely impact our profitability **. • If we fail to successfully enter into or close collaborations, joint ventures, partnerships or acquisitions, or successfully manage such transactions, it could adversely affect our business and growth opportunities** . • Our funding obligations for our pension and postretirement plans could adversely affect our earnings and cash flows. • The phase out of the London Interbank Offered

Rate (" LIBOR ") may impact the interest rates paid on our variable rate indebtedness and could cause our interest expense to increase. • ~~Our business may be negatively impacted as a result of the United Kingdom' s departure from the European Union. •~~ If we are unable to comply with regulatory requirements and industry standards, including those regarding product safety, quality, efficacy and environmental impact, we could incur significant costs and suffer reputational harm which could adversely affect results of operations. • Defects, quality issues (including product recalls), inadequate disclosure or misuse with respect to the products and capabilities could adversely affect our business, reputation and results of operations ~~. • Our results of operations may be negatively impacted by the outcome of uncertainties related to litigation~~ . • Failure to comply with environmental protection laws may cause us to close, relocate or operate one or more of our plants at reduced production levels, and expose us to civil or criminal liability, which could adversely affect our operating results and future growth. • We could be adversely affected by violations, by us or our counterparties, of the U. S. Foreign Corrupt Practices Act, similar U. S. or foreign anti- bribery and anti- corruption laws and regulations, applicable sanctions laws and regulations in the jurisdictions in which we operate or ethical business practices and related laws and regulations. • Our ability to compete effectively depends on our ability to protect our intellectual property rights. • Changes in our tax rates, the adoption of new U. S. or international tax legislation, or changes in existing tax laws could expose us to additional tax liabilities that may affect our future results. • The N & B Transaction could result in significant tax liability, and we may be obligated to indemnify DuPont for any such tax liability imposed on DuPont. • If we fail to comply with data protection laws in the U. S. and abroad, we may be subject to fines, penalties and other costs. We routinely encounter and address risks in conducting our business. Some of these risks may cause our future results to be different- sometimes materially different- than we presently anticipate. Below are material risks we have identified that could adversely affect our business. How we react to material future developments, as well as how our competitors and customers react to those developments, could also affect our future results. Risks Related to Our Business and Industry **consists** of a renewed growth- focus strategy,enhanced cost & productivity initiatives,a redesigned operating model,a reaffirmation of our commitment to our portfolio optimization initiatives and a plan to evolve our Board in line with best- in-class governance standards,as well as certain changes to our Executive Leadership Team.Implementing such changes can be complex,costly and time- consuming and may also result in unanticipated issues,such as additional expenses,competitive responses,employee turnover or impact on our commercial relationships.Even if such initiatives are implemented successfully,the full benefits may not be realized or may not be realized within the desired timeframe.The failure to meet the challenges involved in implementing our strategic transformation could result in a material adverse impact on our business,results of operations and financial condition. **The combination** ~~As a part~~ of **large** ~~our ongoing strategic transformation and our portfolio optimization strategy as discussed above~~ , **diverse** ~~we continue to evaluate~~ and **independent businesses is** ~~work towards divestitures or strategic transactions.For instance,during the third quarter of 2022,the second quarter of 2023 and the third quarter of 2023,we completed~~ **complex** ~~divestitures~~ **,costly and time- consuming.The combination with the N & B Business may also result in material unanticipated problems,expenses,liabilities,competitive responses,employee turnover and loss** of ~~our Microbial Control~~ **customer and other** business **relationships.In addition** , **even if** ~~a portion of~~ the ~~Savory Solutions~~ **operations of the N & B** ~~business~~ **Business** ~~and~~ **are integrated successfully,the full benefits of the transaction may not be realized,including,among others,the synergies,cost savings** ~~our~~ - **or revenue growth** ~~Flavor Specialty Ingredients business,respectively.During the third quarter of 2023,we announced~~ that **are** ~~we entered into an agreement for the sale of our Cosmetics Ingredients business,which is~~ expected ~~to close in the first quarter of 2024,subject to customary closing conditions~~ . ~~The~~ **These** ~~successful entry into and closing~~ **benefits may not be achieved within the anticipated time frame or at all.The difficulties** of ~~such~~ **integration or realizing the full benefits of the N & B** ~~transactions~~ - **Transaction** ~~is contingent on many factors,including~~ **include** ,among **others:• the diversion** The global economy **continues to** ~~experienced~~ - **experience** high rates of inflation **. Though inflation appears to be gradually declining** in ~~2022~~ **certain parts of the world** , ~~and such~~ inflationary pressure **and price uncertainty** is expected to ~~generally~~ continue in ~~2023~~ **2024** ~~despite price decreases for certain materials and services that hit historical highs in 2022~~ . As a result of the broader inflationary environment and supply chain disruptions we have experienced, and may continue to experience, volatility and increases in the price of input costs, such as certain raw materials, transportation and energy costs. We might also suffer from supply disruptions from supplier exits as higher costs may become unaffordable for certain suppliers. ~~The significant spike in energy prices over the course of 2022, especially in Europe, has created cost pressures for us and may continue to impact our financial performance.~~ In addition, **though many** central banks ~~may continue to~~ **have paused monetary policies such as** ~~increase~~ **increasing** interest rates ~~or conduct~~ **to counter inflation, rates remain at historical highs and may continue to remain at such levels. These and** other monetary policies to counter inflation ~~, which~~ could negatively affect our borrowing costs and those of our customers and suppliers, as well as exchange rates and other macroeconomic factors. If we are unable to increase the prices of our products to our customers to offset inflationary cost trends, or if we are unable to achieve cost savings to offset such cost increases, we could fail to meet our cost expectations, and our profits and operating results could be adversely affected. Our ability to price our products competitively to timely reflect higher input costs is critical to maintain and grow our sales. Increases in prices of our products to customers or the impact of the broader inflationary environment on our customers may **continue to** lead to declines in demand and sales volumes. Further, we may not be able to accurately predict **or hedge for price fluctuations of input costs, or predict** the volume impact of **the** price increases **in our products** , **while** ~~especially if~~ our competitors ~~are~~ **may be** able to more successfully adjust to such input cost volatility. Increasing our prices to our customers could result in long- term sales declines or loss of market share if our customers find alternative suppliers or choose to reformulate their consumer products to rely less on our products, which could have an adverse long- term impact on our results of operations. Increased cost volatility trends may also impact the business and financial situation of our ~~customer~~ **customers** or suppliers, which could in turn affect the demand or supply, respectively, by such parties. Future inflationary and deflationary trends are beyond our control, and we may not be able to sufficiently mitigate any impact on our business and financial situation ~~. Supply chain disruptions,~~

~~geopolitical developments, including the Russia- Ukraine conflict, or climate- change events (including severe weather events) may adversely affect our suppliers or our procurement of raw materials, and thus may impact our business and financial results~~ . In connection with our manufacturing of our products, we often rely on third party suppliers for raw materials. We use many different raw materials for our business, such as essential oils, extracts and concentrates derived from fruits, vegetables, flowers, woods and other botanicals, animal products, raw fruits, organic chemicals and petroleum- based chemicals, as well as, gelatin, glycols, cellulose processed grains, guar, locust bean gum, organic vegetable oils, peels, saccharides, seaweed, soybeans, and sugars and yeasts. Supply chain disruptions, such as the ones related to the COVID- 19 pandemic, may impair or delay our ability to obtain sufficient quantities of certain raw materials through our ordinary supply channels and cause us to incur higher costs by procuring raw materials from other sources in order to compensate for such delays or lack of availability. In addition, our suppliers, similar to us, are subject to risks, inherent in agriculture, manufacturing and distribution on a global scale, including industrial accidents, environmental events, climate change, strikes and other labor disputes, disruptions in supply chain or information systems, disruption or loss of key research or manufacturing sites, product quality control, safety and environmental compliance issues, licensing requirements and other regulatory issues, as well as natural disasters, global or local health crises, international conflicts, terrorist acts, geopolitical developments, trade wars, and other external factors over which neither they nor we have control. These suppliers could also become insolvent or experience other financial distress. If our suppliers are unable to supply us with sufficient quantities of ingredients and raw materials to meet our needs, we would need to seek alternative sources of such materials (which may result in higher transportation or procurement costs) or pursue our own production of such ingredients or direct acquisition of such raw materials. However, for certain of our ingredients and raw materials, we rely on a limited number of suppliers where there are not readily available alternatives. If we are unable to obtain or manufacture alternative sources of such ingredients or raw materials at a similar cost, we may seek to (i) reformulate our products and / or (ii) increase pricing to reflect the higher supply cost. To mitigate our sourcing risk, we maintain strategic stock levels for critical items. However, if we do not accurately estimate the amount of raw materials that will be used for the geographic region in which we will need these materials or competitively price our products, our margins could be adversely affected. Geopolitical developments, such as **trade wars,** the Russia- Ukraine **war, the Israel- Hamas war and wider Middle East developments (including disruptions to the Red Sea passage or such** ~~conflict~~ **conflicts spreading further in the relevant regions)** , could adversely impact, among other things, our raw material, energy and transportation costs, ~~as well as~~ certain of our suppliers **, distributors, customers** and local markets, global and local macroeconomic conditions, and cause further supply chain disruptions **(including by delaying the delivery times of raw materials needed for our business or our products to customers)** . As the Russia- Ukraine ~~conflict~~ **war** has prolonged, it continues to impact our sourcing of certain raw materials for future years, and we continue to look for alternative suppliers or adjust the types of raw materials used in our products. **In addition, as the Israel- Hamas war develops with potential implications for the wider Middle East (including the Red Sea passage), it may have similar impacts on suppliers, customers or local markets.** At the same time, climate- change related disruptions ~~, like the February 2021 winter storm in Texas~~ , may affect the availability, quality and pricing of raw materials. There is growing evidence that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather and precipitation patterns, growing and harvesting conditions (both on land and in the sea), and the frequency and severity of extreme weather and natural disasters, such as floods, wildfires, droughts and water scarcity. To the extent such climate change effects have a negative impact on crop size and quality, supply chain, energy or transportation costs, it could impact the availability, quality and pricing of affected raw materials. Climate related policies and energy production restrictions and pricing may exacerbate such negative impacts. More generally, as we source many of our raw materials globally to help ensure quality control or to mitigate supply chain disruptions, we are subject to additional risks related to the increases in energy or transportation costs. Energy prices are in turn subject to significant volatility caused by, among other things, market fluctuations, supply and demand changes, currency fluctuations, production and transportation disruptions, and other world events, as well as geopolitical developments and climate change related conditions discussed above. If we are not able to successfully mitigate such supply chain and climate- change related risks, we could experience disruptions in production or increased costs, which may result in decrease in our gross margin or reduced sales, and have a material adverse effect on our business, results of operations and financial condition. Attracting,developing,and retaining talented employees is essential to the successful delivery of our products and has become more difficult and costly in the current labor market.Furthermore,as we continue to focus on innovation,our need for scientists and other professionals will increase and may result in increased labor costs.The ability to attract and retain talented employees is critical in the development of new products and technologies which is an integral component of our growth strategy.Competition for employees can be intense and if we are unable to successfully integrate,motivate and reward our employees,we may not be able to retain them.If we are unable to retain our employees or attract new employees in the future,our ability to effectively compete with our competitors and to grow our business could be adversely affected. In **addition, we have announced, as part of our strategic transformation initiatives, certain headcount reductions to re- align our workforce to match strategic and financial objectives and optimize resources for long- term growth. Such reductions could lead to increased uncertainty, attrition or lower morale amongst those employees who are not directly affected by the headcount reductions as those reductions are being implemented, which may result in decreased productivity or could otherwise impact our results of operation. In addition, the loss of any member of our senior management could materially adversely affect our ability to execute our business plan and strategy. We may not find an adequate replacement in a timely fashion, or at all and any replacement may view the business differently than current members of management. Future executives may make changes to our strategic focus, operations, business plans or financial guidance and outlook, with corresponding changes in how we report our results of operations. We can make no assurances that we would be able to properly manage any shift in focus or that any changes to our business would ultimately prove successful. Lastly, our success may depend on the ability of our new Chief**

Executive Officer to integrate and quickly adapt to and understand our business, operations, and strategic plans. This will be critical to the Company and our management' s ability to make informed decisions about our near- term strategic direction and operations. While our Board of Directors strives to mitigate the risk through a robust management succession process, which includes the outgoing Chief Executive Officer serving in an advisory role until December ~~2022~~ **2024** , ~~we announced~~ **leadership transitions can be inherently difficult to manage. An inadequate transition may cause disruption to** our **business due to** ~~new strategic and financial vision previewing a refreshed strategic plan and new operating model~~ , ~~which~~ among other things, consists of a renewed growth- focus......, among others: • the diversion - **diverting** ~~of~~ management' s attention **away** ~~to integration matters; • integrating operations and systems, including communications systems, administrative and information technology infrastructure and financial reporting and internal control systems, some of which may prove to be incompatible; • conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures between the businesses; • integrating employees and attracting and retaining key personnel, including talent; • retaining relationships with existing or new customers and suppliers; • integrating and managing the expanded operations of a significantly larger and more complex company; • liabilities that are larger than expected or potential unknown liabilities, adverse consequences and unforeseen increased expenses associated with the transaction; • restrictions until February 2023 that may limit our ability to pursue certain strategic transactions, including issuing IFF common stock for acquisitions and equity capital market transactions, or disposing of certain businesses that would otherwise increase the value of our business, if such transaction (s) could cause certain aspects of the N & B Transaction and certain DuPont historic transactions to fail to qualify as tax- free transactions; • successfully exiting transitional services agreement entered into with DuPont in connection with the N & B Transaction without impacting the continuity or quality of such services or incurring materially increased costs; and • our ability to negotiate terms that are as favorable as those DuPont had received, as we replace or renew contracts following the N & B Transaction and the loss of the DuPont brand recognition for the N & B Business. The failure to meet the challenges involved in integrating the businesses and to realize the anticipated benefits of the transaction could result in a material adverse impact on our business and results of operations. As of December 31, 2022, our total debt was $ 10. 970 billion. Despite our level of indebtedness, we expect to continue to have the ability to borrow additional debt. There may be circumstances in which required payments of principal and / or interest on our debt could adversely affect our cash flows, our operating results or our ability to return capital to our shareholders. Furthermore, our degree of leverage could adversely affect our future credit ratings. If we are unable to maintain or improve our current investment grade rating or improve our leverage, it could adversely affect our future cost of funding, liquidity and access to capital markets. On October 13, 2022, S & P Global Ratings downgraded our Local Currency LT credit rating~~ from " BBB " to " BBB-...... the acquisition target may fail to further the Company' s **financial** ~~business strategy as anticipated, expose the Company to increased competition or other challenges with respect to the Company' s products or geographic markets,~~ and **operational goals** ~~expose the Company to additional liabilities associated with the acquired business, technology or other asset or arrangement. We may also incur asset impairment charges related to acquisitions if we fail to maintain and integrate the acquired businesses and such impairments charges would reduce our~~ - **or** ~~earnings~~ **causing a deterioration in morale** . As a result of our acquisition of Frutarom and the N & B Transaction, the number of our customers significantly increased and became more diverse. Our historical customer base was primarily comprised of large and medium- sized food, beverage and consumer products companies. With the completion of the N & B Transaction, our customer base has further increased significantly and, based on ~~2022~~ **2023** sales, we had approximately ~~40~~ **27** , 000 customers, approximately ~~58~~ **54** % of which are small and mid- sized companies. This substantial increase in and diversity of our customer base has required us and may continue to require us to adjust, among other things, our product development, manufacturing, distribution, marketing, customer relationship and sales strategy as well as adapt corporate, information technology, finance and administrative infrastructures to support different go- to- market models. We may experience difficulty managing the growth of a portfolio of customers that is more diverse in terms of its geographical presence as well as with respect to the types of services they require and the infrastructure required to deliver our products. If we are unable to successfully gain market share or maintain our relationships with these customers, our future growth could be adversely affected ~~. Our business is highly competitive, and if we are unable to compete effectively our sales and results of operations will suffer~~ . The markets in which we compete are highly competitive. We face vigorous competition from companies throughout the world, including multi- national and specialized companies active in flavors, fragrances, enzymes, pharmaceutical excipients, nutrition and specialty ingredients, as well as consumer product companies which may develop their own competing products. For instance, in the flavors industry, we face increasing competition from ingredient suppliers that have expanded their portfolios to include flavor offerings. Some of our competitors specialize in one or more of our product sub- segments, while others participate in many of our product sub- segments. In addition, some of our global competitors may have more resources than we do or may have proprietary products that could permit them to respond to changing business and economic conditions more effectively than we can. Moreover, there has been increased consolidation among our competitors, and such consolidation or partnerships among our competitors may exacerbate these risks. As we continue to enter into adjacent markets, such as ~~cosmetic ingredients,~~ functional foods, specialty fine ingredients and nutrition products, we may face greater competition- related risks in these markets than with our other businesses. For example, the specialty fine ingredients market is more price sensitive than the flavors market and is characterized by relatively lower profit margins. Some fine ingredients products are less unique and more replaceable than competitors' products. There is no assurance that operating margins will remain at current levels, which could substantially impact our business, operating results and financial condition. Competition in our business is based, among other things, on innovation, product quality, regulatory compliance, pricing, quality of customer service, the support provided by marketing and application groups, and understanding of consumers. It is difficult for us to predict the timing, scale and success of our competitors' actions in these areas. In particular, the discovery and development of new products, protection of our intellectual property and development and retention of key employees are critical to our ability to effectively compete in our business. Advancement in technologies have also enhanced the ability of our competitors to develop substitutable products. Increased competition by existing or future competitors, including aggressive price competition, could result in the loss of sales, reduced pricing and margin pressure and could adversely impact our sales and profitability. Failing to identify and make capital expenditures to achieve growth opportunities, being unable to make new concepts scalable, or failing to effectively and timely reinvest in our business operations, could result in the loss of competitive position and adversely affect our financial condition or results of operations. Attracting, developing, and retaining talented...... otherwise impact our results of operation. During ~~2022~~ **2023**, our 25 largest customers, a majority of which were multi- national consumer products companies, collectively accounted for ~~28~~ **approximately 32** % of our sales in the aggregate. Large multi- national customers' market share, especially in the consumer product industry, continues to be pressured by new smaller companies and specialty players that cater to or are more adept at adjusting to the latest consumer trends, including towards natural products and clean labels, changes in the retail landscape (including e- commerce and consolidation), and increased competition from private labels, which have resulted and may continue to result in decreased demand for our products by such multi- national customers and volume erosion, especially in our Nourish business. Furthermore, consolidations amongst our customers have resulted in larger and more sophisticated customers with greater buying power and additional negotiating strength. If such trends continue, our sales could be adversely impacted if we are not able to replace these sales. In addition, large multi- national customers and ~~,~~ increasingly middle market customers ~~,~~ continue to utilize " core lists " of suppliers to improve margins and profitability in the flavors and fragrance segments. Typically, these " core list " suppliers are then given priority for new or modified products. Recently, these customers are making inclusion on their " core lists " contingent upon a supplier providing more favorable terms, including rebates, which could adversely affect our margins. We must either offer competitive cost- in- use solutions to secure and maintain inclusion on these " core lists " or seek to manage the relationship without being on the " core- list. " If we choose not to pursue " core- list " status due to profitability concerns or if we are unable to obtain " core- list " status, our ability to maintain our share of these customers' future purchases could be adversely affected and therefore our future results of operations. Our ability to differentiate ourselves and deliver growth largely depends on our ability to successfully develop and introduce new products and product improvements that meet our customers' needs, and ultimately appeal to consumers. Innovation is a key element of our ability to develop and introduce new products. We cannot be certain that we will be successful in achieving our innovation goals, such as the development of new molecules, new and expanded delivery systems and other technologies. In ~~2022~~ **2023**, we spent approximately **5.** 5 % of our sales on research and development, and as part of our new strategic vision announced in December 2022, we expect to continue investment in research and development and innovation initiatives. This investment level may vary in the future if available resources to invest in research and development are limited due to our ongoing integration and restructuring efforts or from adverse macroeconomic or supply chain factors. We also may need to devote more resources to enhancing our existing product portfolios. Our research and development investments may only generate future revenues to the extent that we are able to develop products that meet our customers' specifications, are at an acceptable cost and achieve acceptance by the targeted consumer market. Furthermore, there may be significant lag times from the time we incur research and development costs to the time that these research and development costs may result in increased revenue. Consequently, even when we " win " a project, our ability to generate revenues as a result of these investments is subject to numerous customer, economic and other risks that are outside of our control, including delays by our customers in the launch of a new product, the level of promotional support for the launch, poor performance of our third- party vendors, anticipated sales by our customers not being realized or changes in market preferences or demands, or disruptive innovations by competitors. ~~The continued evolution of~~ **International conflicts (such as the Russia- Ukraine war and Israel- Hamas war), geopolitical events, natural disasters, public health crises (such as the** COVID- 19 **pandemic), trade wars, terrorist acts, labor strikes, political or economic crises (such as uncertainty related to protracted U. S. federal government funding negotiations), accidents** and ~~its variants~~ **other events could adversely affect our business and financial results, including by disrupting development, manufacturing, distribution or sale of our products. As a company engaged in the global development, manufacture and distribution of products, we are subject to the risks inherent in such activities, including industrial accidents, environmental events, strikes and other labor disputes, product quality control issues, safety, licensing requirements and other regulatory issues**, as well as ~~periodic spikes in infection our business and financial results,including by disrupting development,manufacturing,distribution or sale of our products.As a company engaged in the global development,manufacture and distribution of products,we are subject to the risks inherent in such activities,including industrial accidents,environmental events,strikes and other labor disputes,product quality control issues,safety,licensing requirements and other regulatory issues,as well as~~ natural disasters,public health crises,such as pandemics or epidemics,international conflicts,geopolitical events, **trade wars,** terrorist acts,political or economic crises (such as the uncertainty related **to** protracted U.S.federal ~~debt ceiling~~ **government funding** negotiations) and other external factors over which we have no control. **See,also " — Supply chain disruptions,geopolitical developments,including the Russia- Ukraine war,the Israel- Hamas war and wider Middle East developments (including disruptions to the Red Sea passage),or climate- change events (including severe weather events) may adversely affect our suppliers or our procurement of raw materials,and thus may impact our business and financial results."** For instance,the Russia- Ukraine ~~conflict~~ **war** has adversely impacted and ~~could~~ **may** continue to impact,among other things,certain of our local markets and suppliers,global and local macroeconomic conditions,foreign exchange ~~rates~~ rates **and financial markets**, **raw material** ~~local outbreaks at our facilities~~, ~~or supplier~~ **energy and transportation costs**, **and** ~~customer or vendor facilities, in spite of safety measures or vaccinations, could~~ cause **further supply chain** disruptions ~~to our~~ **. We maintain** operations ~~or~~ **in both Russia and Ukraine and export products to customers in Russia and Ukraine from operations outside the region. In response to the events in Ukraine, the Company has limited the production and supply of ingredients in and to Russia to only** those **that meet the essential needs** of **people** ~~our suppliers~~, ~~customers or vendors~~ **including food, hygiene and medicine**. As a result of

changes and uncertainties arising out of the Russia- Ukraine war, our operating performance in Russia remains lower compared to previous years and may not reverse in the near future. The Israel- Hamas war may also have impacts on our operations in Israel and certain of our customers, local markets and suppliers. While we operate research and development, manufacturing and distribution facilities throughout the world, many of ~~the~~ **these** ~~,manufacturing and distribution facilities throughout the world,many of these~~ facilities are extremely specialized and certain of our research and development or creative laboratories facilities are uniquely situated to support our research and development efforts while certain of our manufacturing facilities are the sole location where a specific ingredient or product is produced.If our research and development activities or the manufacturing of ingredients or products were disrupted,the cost of relocating or replacing these activities or reformulating these ingredients or products may be substantial,which could result in production or development delays or otherwise have an adverse effect on our margins,operating results and future **growth.Moreover,as a result of the COVID- 19** pandemic' s impact on the global supply chain, we have experienced, and may continue to experience, increased costs, delays or limited availability related to raw materials, strain on shipping and transportation resources, and higher energy prices, which have negatively impacted and may continue to negatively impact, our margins and operating results ~~. We have also experienced and may experience in the future, changes in the demand and volume for certain of our products, including due to consumption or stocking behavior changes related to the COVID- 19 pandemic. Additionally, as new variants of the virus appear, especially variants that are more easily spread, cause more serious outcomes, or are resistant to existing vaccines, new health orders and safety protocols could further impact our on- site operations and our ability to manufacture, ship or deliver products and solutions to customers~~. Although we do not currently anticipate any impairment charges related to COVID- 19, the continuing effects of **the** ~~a prolonged~~ pandemic could result in increased risks to us of asset write- downs and impairments, including, but not limited to, property, plant and equipment, goodwill and other intangibles, and equity investments. Any of these events or factors could potentially result in a material adverse impact on our business and results of operations . Natural disasters, public health crises...... margins, operating results and future growth . We rely on information technology systems, including some managed by third- party providers, to conduct business and to support our business processes, including those relating to product formulas, product development, manufacturing, sales, order and invoice processing, production, distribution, internal communications and communications with third parties throughout the world, processing transactions, summarizing and reporting results of operations, complying with regulatory **(including SEC)** , tax or legal requirements, and collecting and storing customer, supplier, employee and other stakeholder information. To address the risks to our information technology systems and the associated costs, we maintain an information security program that includes updating technology and information security policies and controls, cybersecurity insurance, cybersecurity governance and compliance, employee / consultant awareness training, table- top exercises, logging and monitoring and routine testing of our information technology systems. We believe that these preventative actions provide adequate measures of protection against information security breaches / incidents and generally reduce our cybersecurity risks, however, cybersecurity incidents, data breaches and operational disruptions are constantly evolving, becoming more sophisticated **, including through the increasing use of AI,** and conducted by groups and individuals with a wide range of expertise and motives, including foreign governments, cyber terrorists, cyber criminals, malicious employees and other insiders and outsiders. Additionally, continued geopolitical turmoil, including the ongoing ~~conflict~~ **conflicts in the Middle East and** between Russia and Ukraine, heightened the risk of cyber incidents. We and our third- party providers are subject to the risks posed by such incidents, which can take many forms, including code anomalies, " Acts of God, " data leakage, hardware or software failures, human errors, cyber extortion, password theft or introduction of viruses, malware and ransomware, including through phishing emails. A disruption to our information technology systems could result in the loss of confidential business, customer, supplier or employee information, litigation or fines, and may require substantial investigations, repairs or replacements or impact our ability to summarize and report financial results in a timely manner, resulting in significant financial, legal and relational costs and potentially harming our reputation and adversely impacting our operations, customer service and results of operations. **Additionally, the increasing use and evolution of technology, including cloud- based computing and AI, may lead to potential loss or unauthorized disclosure or use of personal data and proprietary information that was collected, used, stored, or transferred with respect to our business, and to dissemination or destruction of confidential information, unintentionally or otherwise, stored in our or in our third party providers' systems or through use of AI, which may significantly increase our business and information security costs, and expose us to reputational harm, penalties, or legal liability.** As we complete integration of ~~N & B' s and Frutarom' s~~ systems **of prior acquired companies** with IFF' s systems and prepare for the announced divestitures, we reduce our risk profile. Additionally, an information security or data breach could require us to devote significant management and financial resources to address the problems created, and, as a result of the private rights of action provided for under the ~~EU~~ **European Union** ' s General Data Protection Regulation (the " GDPR "), the California Consumer Privacy Act (the " CCPA ") and other laws relating to data protection and privacy in other jurisdictions, in the event of such breaches, additional private litigation against us may result. These types of adverse impacts could also occur in the event the confidentiality, integrity or availability of company, customer, supplier or employee information are compromised due to a data loss by us or a trusted third party. We or the third parties with which we share information may not discover any such incidents and / or loss of information for a significant period of time after the incident occurs. In addition, our hybrid and remote work arrangements could introduce operational risk, including cybersecurity and IT systems management risks. We have experienced threats to our data and our systems and although we have not experienced a material incident to date, there can be no assurance that these measures will prevent or limit the impact of a future incident. Additionally, while we have insurance coverage designed to address certain aspects of cyber risks in place, such insurance coverage may be insufficient to cover all losses or all types of claims that may arise. **We are subject to risks associated with the potential use of AI in our own operations and by third- party partners that we may engage with. Recent technological advances in AI come with significant risks related to its use across many**

industries, including our own. IFF may be exposed to such risks in cases where IFF utilizes AI in connection with certain business activities now or in the future, in cases where, whether known or unknown to IFF, IFF personnel, use AI for our business or at IFF locations, or in cases where our third- party partners, whether or not known to IFF, use AI in their business activities (which we may not be in a position to control). The use of AI by us, our employees or any of our third-party partners may result in unauthorized disclosure of personal data, proprietary information and trade secrets, commercially sensitive or confidential information of IFF, our employees or our partners. Similarly, we may become, through the use of AI and unbeknownst to us, recipients or users of such information provided by other parties, which may enable, among other things, third parties to claim that we infringed on their intellectual property rights. Such unauthorized disclosures or uses of information can result, among other things, in reputational harm, loss of confidence by our customers or employees, penalties, litigation costs, or legal liability. Analyses, results or business processes relying on AI may also be deficient, inaccurate, or biased and we may fail to identify in a timely fashion or at all, if or to the extent that is the case. Furthermore, AI can exacerbate our cybersecurity or IT risks. See "-- A significant data breach or other disruption to our information technology systems could disrupt our operations, result in the loss of confidential information or personal data, and adversely impact our reputation, business or results of operations. " With new and evolving AI comes a continually changing AI regulatory environment, which may create additional compliance costs and risks. At the same time, AI has the potential to significantly change the way we do our business by, among other things, creating efficiencies, improving our processes, customer experience, talent management and our decision- making. Any failure to capitalize on the AI benefits to the same degree or with the same speed as our competitors may put us in a disadvantageous position. If we are unable to successfully manage these risks, it may have a material adverse effect on our business, results of operations and financial condition. As part of our growth strategy, we have increased our presence in emerging markets by expanding our manufacturing presence, sales organization and product offerings in these markets, and we expect to continue to expand our business in these markets as part of our new strategic vision announced in December 2022. With our acquisition of Frutarom in 2018 and the N & B Transaction, each of which also had a significant presence in emerging markets, our business in these markets has meaningfully grown. In addition to the currency and international risks described below, our operations in these markets may be subject to a variety of other risks. Emerging markets typically have a consumer base with limited or fluctuating disposable income and customer demand in these markets may fluctuate accordingly. As a result, a decrease in customer demand in emerging markets may have an adverse effect on our ability to execute our growth strategy. Further, there is no assurance that our existing products, variants of our existing products or new products that we make, manufacture, distribute or sell will be accepted or be successful in any particular developing or emerging market, due to local or global competition, product price, cultural differences, consumer preferences or otherwise. In addition, emerging markets may have weak legal systems which may affect our ability to enforce our intellectual property and contractual rights, exchange controls, unstable governments and privatization or other government actions that may affect taxes, subsidies and incentive programs and the flow of goods and currency. In conducting our business, we move products from one country to another and may provide services in one country from a subsidiary located in another country. Accordingly, we are vulnerable to abrupt changes in trade, customs and tax regimes in these markets. If we are unable to expand our business in developing and emerging markets, effectively operate, or manage the risks associated with operating in these markets, or achieve the return on capital we expect from our investments in these markets, our operating results and future growth could be adversely affected. We have significant operations outside the U. S., the results of which are reported in the local currency and then translated into U. S. dollars at applicable exchange rates for inclusion in our consolidated financial statements. The exchange rates between these currencies and the U. S. dollar have fluctuated and will continue to do so in the future, with the fluctuations being particularly pronounced in certain emerging markets. Changes in exchange rates between these local currencies and the U. S. dollar will affect the recorded levels of sales, profitability, assets and / or liabilities. Along with other macroeconomic uncertainty we are experiencing such as a highly inflationary global environment and supply chain disruptions discussed elsewhere in these risk factors, we have experienced and continue to expect volatility in global foreign currency exchange rates. **Changes to** ~~The expected continuing increase of~~ interest ~~rates~~ **rate policy as managed** by the Federal Reserve Bank to counter inflationary trends may further impact such exchange rates. Further volatility or unfavorable movements in currency exchange rates may adversely impact our financial condition, cash flows or liquidity. Although we employ a variety of techniques to mitigate the impact of exchange rate fluctuations, including sourcing strategies and a limited number of foreign currency hedging activities, we cannot guarantee that such hedging and risk management strategies will be effective, and our results of operations could be adversely affected. We operate on a global basis, with manufacturing and sales facilities in or supply arrangements with companies based in the U. S., Europe, Africa, the Middle East, Latin America, and Greater Asia. During ~~2022~~ **2023** , approximately ~~71~~ **72** % of our combined net sales were to customers outside the U. S. and we intend to continue expansion of our international operations. As a result, our business is increasingly exposed to risks inherent in international operations. These risks, which can vary substantially by location, include the following: • governmental laws, regulations and policies adopted to manage national economic and macroeconomic conditions, such as increases in taxes, austerity measures that may impact consumer spending, monetary policies that may impact inflation rates, employment regulations, currency fluctuations or controls and sustainability of resources; • changes in environmental, health and safety permits or regulations, such as regulations related to biodiversity or the continued implementation and evolution of the European Union' s REACH regulations and similar regulations that are being evaluated and adopted in other markets, or the ban on microplastics ~~proposed~~ **recently adopted** by **the** European Commission **(" EC ")** and the burdens and costs of our compliance with such regulations which may differ significantly across jurisdictions; • increased product labeling and ingredient prohibitions in specific markets that may impact consumer preferences, products costs and / or customer acceptance; • the imposition of or changes in customs, tariffs, quotas, trade barriers, other trade protection measures, import or export licensing requirements, and sanctions on trade with certain countries, imposed by the U. S. or other countries, which could adversely affect our cost or ability to import raw materials or export our products to surrounding markets; • risks and costs arising from our ability to cater to local demand and customer preferences, language and cultural differences; • **the movement for increased unionization in the U. S. and internationally may lead to labor instability, employee turnover, increased labor costs or production and operation disruptions; •** changes in the laws and policies that govern foreign investment in the countries in which we operate, including the risk of expropriation or nationalization, the costs and ability to repatriate the profit that we generate in these countries; • risks and costs associated with complying with anti- money laundering and counter- terrorism financing laws; • risks and costs associated with complying with the U. S. Foreign Corrupt Practices Act, similar U. S. or foreign anti- bribery and anti- corruption laws and regulations, applicable sanctions laws and regulations in the jurisdictions in which we operate or ethical business practices and related laws and regulations; • risks and costs associated with political and economic instability, bribery and corruption, anti- American sentiment, and social and ethnic unrest in the countries in which we operate; • difficulty in recruiting and retaining trained local personnel; • natural disasters, global or local health crisis, pandemics (such as the COVID- 19 pandemic), epidemics or international conflicts (such as the Russia- Ukraine ~~conflict~~ **war and Israel- Hamas war**) or geopolitical tension (such as deteriorating U. S.- China relations), including terrorist acts, political crisis, national and regional labor strikes in the countries in which we operate, which could endanger our personnel, interrupt our operations or adversely affect the demand for our products, the results of certain regions or our global supply chain; or • the risks of operating in developing or emerging markets in which there are significant uncertainties regarding the interpretation, application and enforceability of laws and regulations and the enforceability of contract rights and intellectual property rights. The occurrence of any one or more of these factors could increase our costs and adversely affect our results of operations. Many of our products are ingredients in a wide assortment of global consumer products throughout the world. Historically, demand for consumer products using our products, was stimulated and broadened by changing social habits and consumer needs, population growth, an expanding global middle- class and general economic growth, especially in emerging markets. Changes in the global, regional or local economic conditions have, and may in the near future, adversely impact demand for consumer products at a regional or global level. Such parameters include, but are not limited to, increased inflation, unemployment and underemployment, salaries and wage rates stagnation, low growth rates, and ongoing impacts of the COVID- 19 pandemic. Reduced consumer spending may cause changes in our customer orders including reduced demand for our products or order cancellations. The timing of placing of orders and the amounts of these orders are generally at our customers' discretion. Customers may cancel, reduce or postpone orders with us on relatively short notice. Significant cancellations, reductions or delays in orders by customers could affect our results of operation. ~~adverse impact on our business,results of operations and financial condition.~~ The combination of large,diverse and independent businesses is complex,costly and time- consuming.The combination with the N & B Business may ~~also~~ result in material unanticipated problems,expenses,liabilities,competitive responses,employee turnover and loss of customer and other business relationships.In addition,even ~~if~~ **though** the operations of the N & B Business are **being** integrated ~~successfully~~ ,the full benefits of the transaction may not be realized,including,among others,the synergies,cost savings or revenue growth that are expected.These benefits may not be achieved within the anticipated time frame or at all **,which could result in a material adverse impact on our business and results of operations** . ~~The difficulties~~ If we are unable to react in a timely and cost- effective manner to changes in consumer trends, such as increasing awareness of health and wellness our results of operations and future growth may be adversely affected. We must continually anticipate and react, in a timely and cost- effective manner, to changes in consumer preferences and demands, including changes in demand driven by increasing awareness of health and wellness, demands for transparency or cleaner labels with respect to product ingredients by consumers and regulators, and attitudes towards the impact of biotechnology advances such as gene editing and mapping. Consumers, especially in developed economies such as the U. S. and Western Europe, are rapidly shifting away from products containing artificial ingredients to all- natural, healthier alternatives **, and the development of certain new weight management pharmaceutical products such as glucagon- like peptide- 1 (GLP- 1) receptor agonists may affect consumer behavior and trends, and ultimately decrease demand for our product offerings** . In addition, there has been a growing demand by consumers, non- governmental organizations and, to a lesser extent, governmental agencies to provide more transparency in product labeling and our customers have been taking steps to address this demand, including by voluntarily providing product- specific ingredients disclosure. These ~~two~~ trends could affect the types and volumes of our ingredients and compounds that our customers include in their consumer product offerings and, therefore, affect the demand for our products. If we are unable to react to or anticipate these trends in a timely and cost- effective manner, our results of operations and future growth may be adversely affected. Federal, state, local and foreign governments, our customers, consumers and shareholders are becoming increasingly sensitive to environmental and other sustainability issues. In response, we have committed to a sustainability strategy to better understand the opportunities and risks in our sustainable efforts. The increased focus on sustainability may result in new regulations and customer requirements that could affect us. These could cause us to incur additional direct costs or to make changes to our operations in order to comply with any new regulations and customer requirements. We could also lose revenue if our customers divert business from us because we have not complied with their sustainability requirements ~~or if we are not successful in integrating N & B Business' and Frutarom' s sustainability metrics~~ . Increased shareholder activism with respect to sustainability or other governance issues or management concerns could also lead to increased costs and disruption to operations. These potential costs, changes and loss of revenue could have a material adverse effect on our business, results of operations and financial condition. We evaluate our inventory balances of materials based on shelf life, expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product / sales mix. Efficient inventory management is a key component of our business success, financial returns and profitability. To be successful, we must maintain sufficient inventory levels and an appropriate product / sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely impact our financial results. If our buying decisions do not accurately predict sourcing levels, customer trends or our expectations about customer needs are inaccurate, we may have to take unanticipated markdowns or charges to dispose of the excess or obsolete inventory, which can adversely impact our financial results. Current supply- chain related issues could also lead to raw material shortages and inventory depletion, which may adversely affect our operations. See " — Supply chain disruptions, geopolitical developments, including the Russia- Ukraine ~~conflict~~ **war, the Israel- Hamas war and wider Middle East developments (including disruptions to the Red Sea passage),** or climate- change events (including severe weather events) may adversely affect our suppliers or our procurement of raw materials, and thus may impact our business and financial results. " Additionally, we believe excess inventory levels of raw materials with a short shelf life in our manufacturing facilities subjects us to the risk of increased inventory shrinkage. If we are not successful in managing our inventory balances and shrinkage, our results of and cash flows from operations may be negatively affected. We sell certain accounts receivable on a non- recourse basis to unrelated financial institutions under " factoring " agreements, some of which are sponsored by certain customers. The cost of participating in these programs was immaterial to our results in all periods. Should we choose not to participate, or if these programs were no longer available, it could reduce our cash flows from operations in the period in which the arrangement ends. A significant portion of our assets consists of long- lived assets, including tangible assets such as our manufacturing facilities, and intangible assets, including goodwill and customer relationships. As a result of our recent acquisitions, including the acquisition of Frutarom and the N & B Transaction, as of December 31, ~~2022~~ **2023** , we ~~had~~ recorded approximately $ ~~22~~ **18** . ~~437~~ **992** billion of intangible assets and goodwill, including $ 4. 289 billion of goodwill associated with the acquisition of Frutarom and $ 11. 817 billion of goodwill associated with the merger with the N & B Business **, prior to the impact of impairment charges and business divestitures** . Our results of operations and financial position in future periods could be negatively impacted should future impairments of our long- lived assets, including intangible assets or goodwill occur ~~. During the year ended December 31, 2022, we recorded a goodwill impairment charge of $ 2. 250 billion, as well as an impairment charge of $ 120 million allocated on a pro rata basis to intangible assets and property, plant and equipment in the amounts of approximately $ 92 million and $ 28 million, respectively, in the Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income. Refer to Part II, Item 7 and Note 1, Note 5 and Note 6 to the Consolidated Financial Statements for additional information~~ . At least annually, we assess both goodwill and indefinite- lived intangible assets for impairment. We test for impairment by comparing the estimated fair value of a reporting unit with its carrying amount. If the carrying amount of a reporting unit exceeds its estimated fair value, we record an impairment charge based on the difference of the two. Intangible assets with finite lives are also tested for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Such events and changes in circumstances could include a sustained decrease in our market capitalization, increased competition or unexpected loss of market share, increased input costs beyond projections (for example due to regulatory or industry changes), our inability to recognize the anticipated benefits of acquisitions, unexpected business disruptions (for example due to a natural disaster, public health crises, such as pandemics or epidemics or loss of a customer, supplier, or other significant business relationship), acts by governments and courts, operating results falling short of projections, or significant adverse changes in the markets in which we operate. **During** ~~For example, in the third quarter of 2022, it was determined that goodwill impairment triggering events occurred for the Nourish, Health & Biosciences and Pharma Solutions reporting units. The primary indicators that were deemed to be triggering events in the quarter for the reporting units were declines in projections across various reporting units and ongoing adverse macroeconomic impacts such as inflation, increases in interest rates and unfavorable effects from exchange rates. As a result of the triggering events, we assessed the fair value of the reporting units by using a discounted cash flow method at a rate of return that reflects the relative risk of the projected future cash flows of each reporting unit, as well as a terminal value. We determined that the fair value of the Nourish and Pharma Solutions reporting units exceeded their~~ -- **the** ~~carrying value~~ **year ended December 31** , **2023, we** ~~and determined that there was no impairment of goodwill relating to these reporting units. We determined that the carrying value of the Health & Biosciences reporting unit exceeded its fair value and~~ recorded a goodwill impairment charge of $ 2. ~~250~~ **623** billion in the Consolidated Statements of (Loss) Income and Comprehensive ~~(~~ Loss ~~) Income~~ **. Refer to Part II, Item 7 and Note 1 and Note 6 to the Consolidated Financial Statements** for **additional information** ~~the year ended December 31, 2022~~ . Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions, estimates and market factors. Estimating the fair value of reporting units requires us to make assumptions and estimates regarding our business performance, future plans, future annual net cash flows, income tax considerations, discount rates and growth rates based on industry, economic, regulatory conditions and other market factors. Moreover, management will make significant accounting judgments and estimates for the application of acquisition accounting under GAAP, and the underlying valuation models. IFF' s business, operating results and financial condition could be materially and adversely impacted in future periods if IFF' s accounting judgments and estimates related to these models prove to be inaccurate. To the extent any of our acquisitions, including the acquisitions of Frutarom and the N & B Business, do not perform as anticipated and our underlying assumptions and estimates related to their fair value determination are not met, whether due to internal or external factors, the value of goodwill and other long- lived assets may be negatively affected and we may be required to record impairment charges. **From time** ~~assets.For instance,during the third quarter of 2022,we completed the divestiture of our Microbial Control business and during the fourth quarter of 2022,we announced that we entered into an agreement for the sale our Savory Solutions business,which is expected~~ to **time** ~~close in the second quarter of 2023~~ , **we** ~~subject to customary closing conditions.Any failure to complete or potential delays in closing any such transaction could adversely affect the development of our portfolio optimization strategy as well as our financial condition.We also~~ evaluate and enter into collaborations,joint ventures or partnerships ~~from time to time~~ to enhance our research and development efforts ~~or~~ **,** expand our product portfolios and technology **,or modify or enter into new distribution arrangements** .The process of establishing and maintaining ~~collaborative~~ **such** relationships is difficult and time- consuming to negotiate,document and implement.We may not be able to successfully negotiate such arrangements or the terms of the arrangements may not be as favorable as anticipated.Furthermore,our ability to generate revenues from such collaborations will depend on our partners' abilities and efforts to successfully perform the functions assigned to them in these arrangements and these collaborations may not lead to development or commercialization of products in the most efficient manner,or at all.In addition,from time to time,we have acquired,and we may acquire,only a majority interest in companies and provided or may provide earnouts for the former owners along with the ability,at our option,or obligation,at the former owners' option,to purchase the minority interests at a future date at an established price.These investments may have additional risks and may not be as efficient as other operations as we may have fiduciary or contractual obligations to the minority investors and may rely on former owners for the continuing operation of the acquired business.If we are unable to successfully establish and manage these collaborative relationships and majority investments **,** it could adversely affect our future growth.In addition,from time to time,we evaluate acquisition candidates that may strategically fit our business and / or growth objectives.If we are unable to successfully integrate and develop acquired businesses,we could fail to achieve anticipated synergies and cost savings,including any expected increase in revenues and operating results,which could have a material adverse effect on our financial results.Furthermore,even if successfully integrated,the acquisition target may **fail to further the Company' s business strategy as anticipated,expose the Company to increased competition or other challenges with respect to the Company' s products or geographic markets,and expose the Company to additional liabilities associated with the acquired business,technology or other asset or arrangement.We may also incur asset impairment charges related to acquisitions if we fail to maintain and integrate the acquired businesses and such impairments charges would reduce our earnings.** The funding obligations for our pension plans are impacted by the performance of the financial markets, particularly the equity markets and interest rates. Funding obligations are determined under government regulations and are measured each year based on the value of assets and liabilities on a specific date. If the financial markets do not provide the long- term returns that are expected under the governmental funding calculations, we could be required to make larger contributions. The equity markets can be very volatile, and therefore our estimate of future contribution requirements can change dramatically in relatively short periods of time. Similarly, changes in interest rates and legislation enacted by governmental authorities can impact the timing and amounts of contribution requirements. An adverse change in the funded status of the plans could significantly increase our required contributions in the future and adversely impact our liquidity. Assumptions used in determining projected benefit obligations and the fair value of plan assets for our pension and other postretirement benefit plans are determined by us in consultation with outside consultants and advisors. In the event that we determine that changes are warranted in the assumptions used, such as the discount rate, expected long- term rate of return on assets, or expected health care costs, our future pension and postretirement benefit expenses could increase or decrease. Due to changing market conditions or changes in the participant population, the assumptions that we use may differ from actual results, which could have a significant impact on our pension and postretirement liabilities and related costs and funding requirements. ~~In 2017, the United Kingdom' s Financial Conduct Authority (the " FCA "), which regulates LIBOR, announced that it intends to phase out LIBOR by the end of 2021. It was unclear at that time whether or not LIBOR would cease to exist, if new methods of calculating LIBOR would be established such that it continues to exist after~~ **After consultations among** ~~2021 or if replacement conventions would be developed. In March 2021, the FCA confirmed that publication of all of the LIBOR settings for Euro, Sterling and Swiss Franc and some of the LIBOR settings for Japanese Yen and US dollars ceased in December 2021 and the remainder of the LIBOR settings for US dollars will cease in June 2023. In response to the expected phase out of LIBOR, in March 2022, Congress passed the LIBOR Act to provide a uniform solution for replacing LIBOR references in existing contracts that do not supply a fallback provision identifying an alternative benchmark rate. To identify a successor rate for LIBOR,~~ financial regulators in ~~various countries, including~~ the United States **and** ~~, the United Kingdom, the European~~ -- **Europe** ~~Union and Switzerland~~ , ~~have formed working groups with the aim of recommending alternatives to LIBOR denominated in their local currencies. Some of the financial regulators have identified~~ the Secured Overnight Financing Rate (" SOFR ") **was identified** as ~~their~~ -- **the** ~~preferred~~ replacement rate for LIBOR ~~. For example~~ , **which ceased publication** in ~~May~~ **June** ~~2022~~ **2023** ~~, the Alternative Reference Rates Committee (ARRC), a group of private- market participants convened by the U. S. Federal Reserve Board and the Federal Reserve Bank of New York, endorsed SOFR as its recommended alternative benchmark rate to replace the LIBOR settings for US dollars~~ . SOFR is observed and backward- looking, which stands in contrast with LIBOR **' s** ~~under the current~~ methodology, which ~~is~~ **was** an estimated forward- looking rate and ~~relies~~ **relied** , to some degree, on the expert judgment of submitting panel members. Given that SOFR is a secured rate backed by government securities, it **is** ~~will be~~ a rate that does not take into account bank credit risk (as ~~is~~ **was** the case with LIBOR). ~~Whether or not~~ SOFR **is** ~~attains market traction as~~ a ~~LIBOR replacement tool remains in question. It~~ **relatively new reference rate with a limited history and so it** is **difficult to predict its future performance** ~~unclear if other benchmarks may emerge or if other rates will be adopted~~ . As such, the transition from LIBOR **to SOFR may** ~~poses~~ - **pose** future uncertainties and challenges. ~~Even if the financial instruments transition to using alternative benchmarks like SOFR successfully, the new benchmarks are likely to differ from LIBOR, as the alternative benchmark rate may be calculated differently.~~ Borrowings under our ~~revolving~~ **Revolving** ~~credit~~ **Credit Facility** and ~~term~~ **Term Loans** ~~loan facilities~~ are at variable interest rates **and have been amended to be** based on ~~LIBOR~~ **SOFR** . **No** ~~Although our revolving credit and term loan facilities include mechanics to facilitate the adoption by us and our lenders of an alternative benchmark rate in place of LIBOR, no~~ assurance can be made that such alternative rate will perform in a manner similar to LIBOR and may result in interest rates that are higher or lower than those that would have resulted had LIBOR remained in effect. ~~Further, transitioning to an alternative benchmark rate, such as SOFR, may result in us incurring expense and legal risks, as renegotiation and changes to documentation may be required in effecting the transition.~~ Any of these occurrences could materially and adversely affect our borrowing costs, financial condition and results of operations ~~. We currently manufacture goods in the United Kingdom for distribution in the European Union and vice- versa and therefore may continue to be adversely affected as a result of the United~~

~~Kingdom' s departure from the European Union (" Brexit ") in 2020. The impact of the withdrawal has and may continue to, among other outcomes, exacerbate the disruption of the free movement of goods, services and people between the United Kingdom and the European Union, undermine bilateral cooperation in key geographic areas and disrupt trade between the United Kingdom and the European Union or other nations as the United Kingdom pursues independent trade relations. In addition, Brexit continues to cause legal uncertainty, which could last indefinitely, and may potentially create divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. Given the lack of comparable precedent, it is unclear what the financial, trade and legal implications of the withdrawal of the United Kingdom from the European Union will be and how the withdrawal will continue to affect us. Adverse consequences concerning Brexit or the European Union could include deterioration in global economic conditions, instability in global financial markets, political uncertainty, volatility in currency exchange rates, or adverse changes in the cross- border agreements currently in place, any of which could have an adverse impact on our financial results in the future~~ . Risks Related to Legal and Regulatory Considerations The development, manufacture and sale of our products are subject to various regulatory requirements in each of the countries in which our products are developed, manufactured and sold. In addition, we are subject to product safety and compliance requirements established by governments, non- governmental organizations, including industry or similar oversight bodies, or contractually by our customers, including requirements concerning product safety, quality and efficacy, environmental impacts (including packaging, energy and water use and waste management) and other sustainability or similar issues. Changes to regulations or the implementation of additional regulations, especially in certain highly regulated markets we are active in, such as regulatory modernization of food safety laws and evolving standards and regulations affecting pharmaceutical excipients or in reaction to new or next- generation technologies, including advances in protein engineering, biotechnology (e. g., gene editing and gene mapping), ~~or~~ novel uses of existing technologies ~~has~~ **or stricter rules on ingredients produced by biotechnology techniques have** required and may in the future require us to reduce or remove certain ingredients, substances or processing aids from the product portfolio and may result in significant costs or capital expenditures or require changes in business practice that could result in reduced margins or profitability. As concerns regarding safety, quality and environmental impact become more pressing, we may see new, more restrictive regulations adopted that impact our products. For example, the **EC recently** ~~European Chemicals Agency has proposed that the European Commission adopt~~ **adopted** a ban on microplastics, including those found in personal care items, detergents and cosmetics, to reduce plastics pollution. **We are now** ~~If this ban is adopted, we will be~~ required to modify our products and / or innovate new solutions to replace microplastics in our products **. The EU Green Deal includes a Chemicals Strategy for Sustainability (CSS), which will trigger updates of the main regulations governing chemical substances used in household and cosmetic products or in industrial applications (REACH, CLP, Cosmetic Regulation and Detergent Regulation). This strategy aims for an expansion of the generic risk management approach based on hazard rather than risk and will introduce other concepts like grouping of similar substances to accelerate regulatory decision making. The practical implementation of this strategy may negatively impact some of the products we place on the market, including some enzymes or fragrance ingredients** . If we are unable to adapt to these new regulations or standards in a cost effective and timely manner, we may lose business to competitors who are able to provide compliant products, expose ourselves to customer claims, regulatory fines, litigation or reputational damage. Gaps in our operational processes or those of our suppliers or distributors can result in products that do not meet our quality control or industry standards or fail to comply with the relevant regulatory requirements, which in turn can result in finished consumer goods that do not comply with applicable standards and requirements. Products that are mislabeled, contaminated or damaged could result in a regulatory non- compliance event or even a product recall by the FDA or a similar foreign agency. For instance, the Company **had** determined **in the past** that certain grades of microcrystalline cellulose (Avicel ® PH 101, 102, and 200 NF and Avicel ® RC- 591 NF) were found to be out- of- specification. Although the Company does not expect the OOS conductivity issue to affect the functionality of Avicel ® NF grades or to pose a human health hazard, corrective actions have been implemented to improve operational and laboratory conditions. We may also be exposed to serious adverse health claims related to undetected poor quality of raw materials, internal system failures to adequately reduce or eliminate certain hazards (such as pathogens, allergens, contaminants, pesticides, physical hazards, etc.) or products that are not in line with required or agreed specifications. Supply chain complexities, aging equipment and infrastructure, human errors, or other failures may exacerbate such risks. Our contracts often require us to indemnify our customers for the costs associated with a product non-compliance event, including penalties, costs and settlements arising from litigation, remediation costs or loss of sales. As our offerings are used in many products intended for human use or consumption, these consequences would be exacerbated if we or our customer did not identify the defect before the product reaches the consumer and there was a resulting impact at the consumer level. Such a result could lead to potentially large- scale adverse publicity, negative effects on consumer' s health, recalls and potential litigation, fines, penalties, sanctions or other regulatory actions. In addition, if we do not have adequate insurance or contractual indemnification from suppliers or other third parties, or if insurance or indemnification is not available, the liability relating to product or possible third- party claims arising from mislabeled, contaminated or damaged products could adversely affect our business, financial condition or results of operations. Furthermore, adverse publicity about our products, or our customers' products that contain our ingredients, including concerns about product safety or similar issues, whether real or perceived, could harm our reputation and result in an immediate adverse effect on our sales and customer relationships, as well as require us to utilize significant resources to rebuild our reputation. Defects in, misuse of, quality issues with respect to (including products recalls) or inadequate disclosure of risks relating to our products, could lead to lost profits and other economic damage, property damage, personal injury or other liability resulting in third- party claims, criminal liability, significant costs, damage to our reputation and loss of business. Any of these factors could adversely affect our business, financial condition and our ~~results of operations. From time to time we are involved in a number of legal claims, regulatory investigations and litigation, including claims related to intellectual property, product liability, environmental matters and~~

~~indirect taxes. For instance, product liability claims may arise due to the fact that we supply products to the food and beverage, functional food, pharma / nutraceutical and personal care industries. Our manufacturing and other facilities may expose us to environmental claims and regulatory investigations and potential fines. In addition, in light of our product offerings into functional food, nutraceuticals, and natural antioxidants, we may also be subject to claims of false or deceptive advertising claims relating to the efficacy, health benefits or other performance attributes of such offerings in the U. S., Europe and other foreign jurisdictions in which we offer these types of products. These claims can arise as a result of function claims, health claims, nutrient content claims and other claims that impermissibly suggest such benefits or attributes for certain foods or food components. The cost of defending these claims or our obligations for direct damages and indemnification if we were found liable could adversely affect our results of operations. As a result of the N & B Transaction and the Frutarom acquisition, we assumed legal or environmental claims, regulatory investigations, and litigation, including product liability, patent infringement, commercial litigation and other actions. We have and will continue to become involved in additional actions arising from the acquired operations. Specifically, as the N & B Business and Frutarom had a significant number of facilities located globally and a large number of customers, our exposure to legal claims, regulatory and environmental investigations and litigation is increased. This will likely result in an increase in our cost for defense, settlement of claims or indemnification obligations as compared to our historical experience. Our insurance may not be adequate to protect us from potential material expenses related to pending and future claims and our current levels of insurance may not be available in the future at commercially reasonable prices. Any of these factors could adversely affect our profitability and~~ results of operations. Our business operations and properties procure, make use of, manufacture, sell, and distribute substances that are sometimes considered hazardous and are therefore subject to extensive and increasingly stringent federal, state, local and foreign laws and regulations pertaining to protection of the environment, including air emissions, sewage discharges, the use of hazardous materials, waste disposal practices and clean- up of existing environmental contamination. Failure to comply with these laws and regulations or any future changes to them may result in significant consequences to us, including the need to close or relocate one or more of our production facilities, administrative, civil and criminal penalties, fines, sanctions, litigation, costly remediation measures, liability for damages and negative publicity. If we are unable to meet production requirements, we can lose customer orders, which can adversely affect our future growth or we may be required to make incremental capital investments to ensure supply. Idling of facilities or production modifications has caused or may cause customers to seek alternate suppliers due to concerns regarding supply interruptions and these customers may not return or may order at reduced levels even once issues are remediated. If these non- compliance issues reoccur in China or occur or in any other jurisdiction, we may lose business and may be required to incur capital spending above previous expectations, close a plant, or operate a plant at significantly reduced production levels on a permanent basis, and our operating results and cash flows from operations may be adversely affected. The global nature of our business, our increased size and employee count, the significance of our international revenue, our focus on emerging markets and presence in regulated industries create various domestic and local regulatory challenges and subject us to risks associated with our international operations. The U. S. Foreign Corrupt Practices Act (the " FCPA ") and similar anti- bribery and anti- corruption laws and regulations in other countries generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or keeping business or for other commercial advantage. In addition, U. S. public companies are required to maintain records that accurately and fairly represent their transactions and have an adequate system of internal accounting controls. Under the FCPA, U. S. companies may be held liable for the corrupt actions taken by directors, officers, employees, agents, or other strategic or local partners or representatives. As such, if we or our intermediaries fail to comply with the requirements of the FCPA or similar legislation, governmental authorities in the U. S. and elsewhere could seek to impose substantial civil and / or criminal fines and penalties which could have a material adverse effect on our business, reputation, operating results and financial condition. We operate or may pursue opportunities in some jurisdictions, such as China, India, Brazil, Russia and Africa, that pose potentially elevated risks of fraud or corruption or increased risk of internal control issues. In certain jurisdictions, compliance with anti- bribery laws may conflict with local customs and practices. From time to time, we have conducted and will conduct internal investigations of the relevant facts and circumstances, control testing and compliance reviews, and take remedial actions, when appropriate, to help ensure that we are in compliance with applicable corruption and similar laws and regulations. For example, in August 2019, during the integration of Frutarom, we were made aware of allegations that two Frutarom businesses operating principally in Russia and Ukraine made certain improper payments, including to representatives of a number of customers. Our investigation substantiated the allegations that improper payments to representatives of customers were made and that key members of Frutarom' s senior management at the time were aware of such payments. We did not uncover any evidence suggesting that such payments had any connection to the U. S. In addition, Frutarom grew through rapid acquisition and, as part of our integration efforts, we have implemented our anti- corruption and similar policies throughout a number of those acquired companies, many of which were not previously subject to these U. S. laws. Detecting,investigating and resolving actual or alleged violations of the FCPA or other anti- bribery and anti- corruption laws and regulations is expensive,could consume significant time and attention of our senior management and could subject us to investigations and inquiries by governmental and other regulatory bodies.Any allegations of non- compliance with such laws and regulations could have a disruptive effect on our operations in such jurisdiction,including interruptions of business or loss of third- party relationships,which may negatively impact our results of operations or financial condition.Any determination that our operations or activities are not in compliance with such laws and regulations could expose us to severe criminal or civil penalties or other sanctions,significant fines,termination of necessary licenses and permits and penalties or other sanctions that may harm our business and reputation. Given the international scope of our business, we also sell certain of our products to countries that are subject to U. S. and other sanctions under general licenses and authorizations related to such products, technologies and transactions. For example, the U. S., the European Union and other countries have imposed sanctions and export controls on Russia, Belarus and occupied regions of Ukraine. As a result, we have limited our export of ingredients to customers in Russia, Belarus and occupied regions of Ukraine to only those that **are permitted and** meet the essential needs of people. Compliance with sanctions laws is highly technical and requires careful oversight, and it is possible that actions taken by us, our subsidiaries or our suppliers may cause us to be in breach with these laws, which could have a material adverse effect to our business. Detecting, investigating and resolving actual or...... may harm our business and reputation. In addition, our reputation and our customers' willingness to purchase our products depend in part on our compliance by our suppliers, distributors, customers or other counterparties with ethical employment practices, such as with respect to child labor, wages and benefits, forced labor, discrimination, safe and healthy working conditions, as well as with all legal and regulatory requirements relating to the conduct of their businesses (including the ones mentioned in the preceding paragraphs). While we **generally** require that third- parties we work with agree to our code of conduct, we do not exercise control over our suppliers, distributors, vendors and customers and due to the global nature of our business cannot guarantee their compliance with such ethical and lawful business practices or such legal requirements. If our counterparties fail to comply with applicable laws, regulations, safety codes, employment practices, human rights standards, quality standards, environmental standards, production practices, or other obligations, norms, or ethical standards, our reputation and brand image could be harmed, and we could be exposed to litigation, investigations, enforcement actions, monetary liability, and additional costs that would harm our reputation, business, financial condition, results of operations and prospects. We rely on patents, trademarks, copyrights and trade secrets to protect our intellectual property rights. We often rely on trade secrets to protect our products, manufacturing processes, extract methodologies and other processes, as this does not require us to publicly file information regarding our intellectual property. From time to time, a third party may claim that we have infringed upon or misappropriated their intellectual property rights, or a third party may infringe upon or misappropriate our intellectual property rights. We could incur significant costs in connection with legal actions to assert our intellectual property rights against third parties or to defend ourselves from third- party assertions of invalidity, infringement, misappropriation or other claims. Any settlement or adverse judgment resulting from such litigation could require us to obtain a license to continue to use the intellectual property rights that are the subject of the claim, or otherwise restrict or prohibit our use of such intellectual property rights. Any required licensing fees may not be available to us on acceptable terms, if at all. For those intellectual property rights that are protected as trade secrets, this litigation could result in even higher costs, and potentially the loss of certain rights, since we would not have a perfected intellectual property right that precludes others from making, using or selling our products or processes. The ongoing trend among our customers towards more transparent labeling could further diminish our ability to effectively protect our products. We vigilantly protect our intellectual property rights, including trade secrets. We have designed and implemented internal controls intended to restrict access to and distribution of our respective intellectual property. Despite these precautions, our intellectual property is vulnerable to unauthorized access through employee error or actions, theft and cybersecurity incidents, and other security breaches **, including due to increasing use of AI tools** . **See, also- " We are subject to risks associated with the potential use of AI in our own operations and by third- party partners that we may engage with. "** Protecting intellectual property related to biotechnology is particularly challenging because theft ~~is~~ **can be** difficult to detect and biotechnology can be self- replicating. Accordingly, the impact of such theft can be significant. For intellectual property rights that we seek to protect through patents, we cannot be certain that these rights, if obtained, will not later be opposed, invalidated or circumvented. In addition, even if such rights are obtained in the U. S., the laws of some other countries in which our products are or may be sold may not protect intellectual property rights to the same extent as the laws of the U. S **. For instance, we may be unable to obtain or defend intellectual property rights in new and inventive technology developed in whole or in part by relying on AI tools** . If other parties were to infringe on our intellectual property rights, or if our intellectual property rights were the subject of unauthorized access leading to competitive pressure or if a third party successfully asserted that we had infringed on their intellectual property rights, it could materially and adversely affect our future results of operations by, among other things, (i) being required to cease production and marketing or reducing the price that we could obtain in the marketplace for products which are based on such rights, (ii) increasing the royalty or other fees that we may be required to pay in connection with such rights, (iii) limiting the volume, if any, of such products that we can sell or (iv) resulting in significant litigation costs and potential liability. We are subject to taxes in the U. S. and numerous foreign jurisdictions. Our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in liabilities for uncertain tax positions, cost of repatriations or changes in tax laws or their interpretation. Any of these changes could have a material adverse effect on our profitability. We have and will continue to implement transfer pricing policies among our various operations located in different countries. These transfer pricing policies are a significant component of the management and compliance of our operations across international boundaries and overall financial results. Many countries routinely examine transfer pricing policies of taxpayers subject to their jurisdiction, challenge transfer pricing policies aggressively where there is potential non- compliance and impose significant interest charges and penalties where non- compliance is determined. However, governmental authorities could challenge these policies more aggressively in the future and, if challenged, we may not prevail. We could suffer significant costs related to one or more challenges to our transfer pricing policies. We are subject to the continual examination of our income tax returns by the Internal Revenue Service, state tax authorities and foreign tax authorities in those countries in which we operate, and ~~we~~ may be subject to assessments or audits in the future in any of the countries in which we operate. The final determination of tax audits and any related litigation could be materially different from our historical income tax provisions and accruals, and while we do not believe the results that follow would have a material adverse effect on our financial condition, such results could have a material effect on our income tax provision, net income or cash flows in the period or periods in which that determination is made. In addition, a number of international legislative and regulatory bodies have proposed legislation and begun investigations of the tax practices of multi- national companies and, in the European Union, the tax policies of certain European Union member states. ~~One of~~ **In December 2021,** ~~these~~ -- **the** ~~efforts has been led by the~~

~~Organization~~ **Organisation** for Economic Co- operation and Development ~~, an~~ **(" OECD ") released the Pillar Two model rules to reform** international **corporate taxation that aim** ~~association of 34 countries including the U. S., which has finalized recommendations~~ to ~~revise~~ **ensure that applicable multinationals (global revenue exceeding € 750 million) pay a minimum effective** corporate tax **rate of** ~~, transfer pricing, and tax treaty provisions in member countries. On December~~ 15 **%** ~~, 2022, European Union member states unanimously adopted the Minimum Tax Directive ensuring a global minimum level of taxation for multi- national companies~~ . **The rules are due** ~~Member States have until December 31, 2023~~ to **be passed** ~~transpose the Directive~~ into national legislation **based on each country' s approach, and some countries have already enacted or substantively enacted the rules** . The ~~enactment of~~ **OECD continues to release additional guidance on** the **Two- Pillar framework, with widespread implementation anticipated by 2024. We are continuing to evaluate the potential impact on future periods of the Pillar Two Framework, pending legislative adoption by individual countries. This** new legislation ~~could~~ **may** have a material effect on our effective tax rate, income tax expense, net income or cash flows. Since 2013, the European Commission (" EC ") has been investigating tax rulings granted by tax authorities in a number of European Union member states with respect to specific multi- national corporations to determine whether such rulings comply with European Union rules on state aid, as well as more recent investigations of the tax regimes of certain European Union member states. Under European Union law, selective tax advantages for particular taxpayers that are not sufficiently grounded in economic realities may constitute impermissible state aid. If the EC determines that a tax ruling or tax regime violates the state aid restrictions, the tax authorities of the affected European Union member state may be required to collect back taxes for the period of time covered by the ruling. ~~In late 2015 and early 2016, the EC declared that tax rulings, related to other companies, by tax authorities in Luxembourg, the Netherlands and Belgium did not comply with the European Union state aid restrictions.~~ If the EC or tax authorities in other jurisdictions were to successfully challenge tax rulings applicable to us in any of the member states in which we are subject to taxation or our internal intercompany arrangements, we could be exposed to increased tax liabilities ~~.~~ ~~In December 2017, the U. S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the " Tax Act ") that significantly revised the U. S. tax code effective January 1, 2018. The Tax Act impacted our consolidated results of operations during 2022 and is expected to continue to impact our consolidated results of operations in future periods. The ultimate impact of the Tax Act, including for future periods, may depend on additional regulatory or accounting guidance that may be issued with respect to the Tax Act~~ . In August 2022, the U. S. government enacted legislation commonly referred to as the " Inflation Reduction Act ", which, among other things, imposes a minimum " book " tax on certain corporations effective for taxable years beginning after December 31, 2022 and creates a new excise tax on stock repurchases made by certain publicly traded corporations after December 31, 2022. ~~The~~ **We will continue to evaluate its** impact **as further guidance becomes available** ~~of the Inflation Reduction Act on our operations will depend on multiple factors, many of which cannot be determined at this time. As a result, it is uncertain what the extent of the impact of the new law will be on our operations. The application of the minimum book tax or the excise tax on us could adversely affect our results of operations~~ . The completion of the N & B Transaction in 2021 was conditioned upon the receipt by DuPont of an opinion that the transaction generally will qualify as a tax- free reorganization. The tax opinion was based upon various factual representations and assumptions, as well as certain undertakings made by DuPont, IFF and N & B. If any of those factual representations or assumptions were untrue or incomplete in any material respect, any undertaking was or is not complied with, or the facts upon which the opinion was based are materially different from the facts at the closing of the N & B Transaction, the transaction may not qualify (in whole or part) for tax- free treatment. The N & B spin- off and certain aspects of the pre- spin- off internal reorganizations to form N & B could be taxable to DuPont if N & B or we were to engage in a " Spinco Tainting Act " (as defined in the Tax Matters Agreement, by and among DuPont, N & B and IFF, a form of which is attached to IFF' s registration statement on Form S- 4 (Registration Number 333- 238072)). A Spinco Tainting Act is generally any action (or inaction) within our control or under the control of N & B or their affiliates, any event involving our common stock or the common stock of N & B or any assets of N & B or its subsidiaries, or any breach by N & B or any of its subsidiaries of any factual representations, assumptions, or undertakings made by it, in each case, that would affect the non- recognition treatment of the spin- off and internal reorganizations for U. S. federal income tax purposes, as described above. Under the Tax Matters Agreement, we and N & B will be required to indemnify DuPont for any taxes resulting from a Spinco Tainting Act. If we ~~or N & B~~ were required to indemnify DuPont pursuant to the Tax Matters Agreement as described above, this indemnification obligation may be substantial and could have a material adverse effect on us, including with respect to our financial condition and results of operations. Moreover, we are not indemnified ~~by N & B~~ for tax liabilities related to pre- spin- off periods. Tax liabilities could increase as an outcome of final determination of tax examinations and could adversely impact our financial results. Legal requirements relating to the collection, storage, handling, use, disclosure, transfer, and security of personal data continue to evolve, and regulatory scrutiny in this area is increasing around the world. This regulatory environment is increasingly challenging and may present material obligations and risks to our business, including significantly expanded compliance burdens, restrictions on transfer of personal data, costs and enforcement risks. ~~For example, the European Union' s GDPR, which became effective in May~~ **Many** ~~2018, greatly increases the jurisdictional reach of EU law and adds a broad array of requirements related to personal data, including individual notice and opt- out preferences, restrictions on and requirements for transfer of personal data and the public disclosure of significant data breaches. Additionally, violations of the GDPR can result in fines of as much as 4 % of a company' s annual revenue. Other~~ governments have enacted or are enacting ~~similar~~ **new or updated** data protection laws, including data localization laws that require data to stay within their borders. All of these evolving compliance and operational requirements, restrictions on use of personal data, as well as the uncertain interpretation and enforcement of laws, impose significant costs and regulatory risks that are likely to increase over time. Our failure to comply with these evolving regulations could expose us to fines, sanctions, penalties and other costs that could harm our reputation and adversely impact our financial results.