Risk Factors Comparison 2023-10-20 to 2022-10-25 Form: 10-K

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

Our ability to schedule production, manage capital expenditures and maximize the efficiency of our manufacturing capacity is highly dependent on the actions of our customers, who generally do not commit to long- term production schedules, and ~~may~~ cancel orders, change production quantities, delay production **and /** or change sourcing strategy. Most of our customers do not commit to firm production schedules for more than one quarter. We make significant decisions, including determining the levels of business that we will seek and accept, production schedules and locations, component procurement commitments, personnel needs and other resource requirements, based on our estimate of customer requirements. Our inability to forecast the level of customer orders with certainty makes it difficult to schedule production and maximize utilization of our manufacturing capacity and supply chain capabilities. Many factors outside of our control impact our customers and their ordering behavior, including global pandemics, recession in end markets, changing technology and industry standards, commercial acceptance for products and shifting market demand, product obsolescence, and loss of business. Customers have canceled their orders, changed production quantities or designs, delayed production, changed their sourcing strategy and terminated their relationships with us. We cannot assure you that present or future customers will not terminate their service arrangements with us or significantly change, reduce, cancel or delay the amount of services ordered. Such changes, delays and cancellations have led to, and may lead in the future to a decline in our production and our possession of excess or obsolete inventory that we may not be able to sell to customers or third parties. This may result in write downs of inventories, reduction in the number of products that we sell, delays in payment for inventory that we purchased, and reductions in the use of our manufacturing facilities. As many of our costs and operating expenses are relatively fixed, a reduction in customer demand, particularly a reduction in demand for a product that represents a significant amount of revenue, can harm our gross profit margins and results of operations. In the past, we have also been required to increase staffing and other expenses in order to meet anticipated demand. On occasion, customers have required rapid increases in production for one or more of their products or requested that we relocate our manufacturing operations or transfer manufacturing from one facility to another, which stresses our resources and may reduce operating margins. Our business at times experiences periods of rapid growth which can place considerable demands upon our management team and our operational, financial and management information systems. Our ability to manage growth effectively requires us to continue to implement and improve these systems; avoid cost overruns; maintain customer, supplier and other favorable business relationships during transition periods; efficiently and effectively dedicate resources to existing customers as well as new projects; acquire or construct additional facilities; occasionally transfer operations to different facilities; acquire equipment in anticipation of demand; procure materials and components; continue to develop the management skills of our managers and supervisors; adapt relatively quickly to new markets or technologies and continue to hire, train, motivate and manage our employees. Our failure to effectively manage growth, as well as our failure to realize the anticipated benefits of the actions we take to try to manage our growth, could have a material adverse effect on our results of operations. In addition, we sometimes experience difficulty forecasting the timing of our receipt of payment from customers. The necessary process to begin manufacturing can be lengthy. Because we ~~may~~ make capital expenditures during this ramping- up process and do not receive payment until after we produce and ship the customer' s products, any delays or unanticipated costs in the ramping- up process may have a significant adverse effect on our cash flows and our results of operations. Servicing our largest customers may also require us to increase our capital expenditures. The effect of COVID- 19 on our operations and the operations of our customers, suppliers and logistics providers has had, and may in the future again have, a material and adverse impact on our financial condition and results of operations. Our global operations expose us to ~~the~~ COVID- 19 ~~pandemic~~ **and its variants** , which ~~has~~ **have** had and ~~will continue to~~ **may in the future again** have an adverse impact on our employees, operations, supply chain and distribution system. ~~While we have taken numerous steps~~ **Public and private sector policies and initiatives** to **reduce** ~~mitigate the impact of the pandemic on our results of operations, there~~ -- **the transmission of** ~~can be no assurance that these efforts will be successful. To date,~~ COVID- 19 ~~has increased our expenses, primarily related to additional labor costs and the procurement of personal protection equipment for our employees globally, and has caused a reduction in factory utilization due to travel disruptions and restrictions. COVID- 19 continues to spread across the globe and is impacting worldwide economic activity, including our global manufacturing production sites. Public and private sector policies and initiatives to reduce the transmission of COVID- 19~~ , including travel restrictions and quarantines, have and ~~are~~ **may have again in the future** ~~impacting~~ --- **impact** our operations, including affecting the ability of our employees to get to our facilities, reducing capacity utilization levels, causing certain facility or intermittent business ~~closures~~ **suspensions** , and interrupting the movement or increasing the cost of moving components and products through our supply chain. If ~~additional~~ factory ~~closures~~ **suspensions** are required or reductions in capacity utilization levels occur **in the future** , we **would** expect to incur additional direct costs and lost revenue. Our suppliers have experienced facility closures or reductions in their capacity utilization levels **and** ~~, which in some cases are ongoing. Our suppliers~~ may experience closures or reductions again in the future. When this occurs **,** we have and may in the future again have difficulty sourcing materials necessary to fulfill production requirements which could lead to higher material and freight costs ~~. COVID- 19 has also impacted our customers and creates unpredictable reductions or increases in demand for our manufacturing services~~ . Our ability to continue to manufacture products is highly dependent on our ability to maintain the safety and health of our factory employees. The ability of our employees to work has been, and may again be significantly impacted by individuals contracting or being exposed to COVID- 19. ~~While we are following the requirements of governmental authorities and taking preventative and protective measures to prioritize the safety~~

~~of our employees, these measures are not always successful and we have been required to temporarily close facilities or take other measures. In addition, responding to the continuing pandemic diverts management' s attention from our key strategic priorities, and may cause us to reduce, delay, alter or abandon initiatives that may otherwise increase our long- term value or otherwise disrupt our business operations. While we are staying in close communication with our sites, employees, customers, suppliers and logistics partners and acting to mitigate the impact of this dynamic and evolving situation, the duration and extent of the effect of COVID- 19 on Jabil is not determinable.~~ We believe COVID- 19 has had, and may in the future again have, a material and adverse impact on our consolidated financial position, results of operations and cash flows. ~~In addition, the impact of the COVID- 19 pandemic could exacerbate the other risks we face.~~ Because we depend on a limited number of customers, a reduction in sales to any one of those customers **has and** could **again** cause a significant decline in our revenue. We currently depend, and expect to continue to depend for the foreseeable future, upon a relatively small number of customers for a significant percentage of our net revenue and upon their continued existence, growth, viability and financial stability. See " Business – The Company. " In some instances, particular manufacturing services we provide for a customer represent a significant portion of the overall revenue we receive from that customer. As a result of this concentration, a reduction in business from one or more of our largest customers could have a material adverse effect on our results of operations. In addition, if one or more of our significant customers were to become insolvent or otherwise become unable to pay us on a timely basis, or at all, our operating results and financial condition could be adversely affected. Efficient component and material purchasing is critical to our manufacturing processes and contractual arrangements. A shortage of components or an increase in price could interrupt our operations and reduce our profit, increase our inventory carrying costs, increase our risk of exposure to inventory obsolescence and cause us to purchase components of a lesser quality. Strategic and efficient component and materials purchasing is an aspect of our strategy. Inflation rates have increased and may continue to rise. Our suppliers have raised their prices and may continue to raise prices. When prices rise, they impact our margins and results of operations if we are not able to pass the increases through to our customers or otherwise offset them. Most of our significant long- term customer contracts permit quarterly or other periodic prospective adjustments to pricing based on decreases and increases in component prices and other factors; however, we could bear the risk of component price increases that occur between any such re- pricings or, if such re- pricing is not permitted, during the balance of the term of the particular customer contract. There can be no assurance that we will continue to be able to purchase the components and materials needed to manufacture customer products at favorable prices. Accordingly, certain component price increases could adversely affect our gross profit margins and results of operations. Some of the products we manufacture require one or more components that are only available from a single source. Some of these components are subject to supply shortages from time to time. In some cases, supply shortages will substantially curtail production of all assemblies using a particular component. A supply shortage can also increase our cost of goods sold if we have to pay higher prices for components in limited supply, or cause us to have to redesign or reconfigure products to accommodate a substitute component. In the past there have been industry wide conditions, **pandemics,** natural disasters and global events that have caused material and component shortages ~~and shortages from the COVID- 19 pandemic are ongoing~~. In fiscal year ~~2022~~ **2023**, our supply chain was impacted by component shortages, most notably in the semiconductor industry. Our production of a customer' s product has and could again be negatively impacted by any quality, reliability or availability issues with any of our component suppliers. The financial condition of our suppliers could affect their ability to supply us with components and their ability to satisfy any warranty obligations they may have, which could have a material adverse effect on our results of operations. If a component shortage is threatened or anticipated, we **have and** may **in the future** purchase such components early to avoid a delay or interruption in our operations. Purchasing components early may cause us to incur additional inventory carrying costs and may cause us to experience inventory obsolescence, both of which may not be recoverable from our customers and could adversely affect our gross profit margins and results of operations. A component shortage will require us to look to second tier vendors or to procure components through brokers. ~~These components~~ - **Component availability** may be **impacted by a supplier' s decision** ~~of lesser quality than those we have historically purchased and could cause us~~ to ~~incur costs to bring such components up to~~ **change part design, performance specifications, manufacturing process, manufacturing locations and /** ~~our~~ - **or** ~~quality levels~~ **use of subcontractors,** or ~~to replace defective ones~~ **by both planned and unforeseen product discontinuation**. See " Management' s Discussion and Analysis of Financial Condition and Results of Operations " and " Business – Components Procurement. " Customer relationships with emerging companies present more risks than with established companies. Customer relationships with emerging companies present special risks because we do not have an extensive product or customer relationship history. There is less demonstration of market acceptance of their products making it harder for us to anticipate requirements ~~than with~~ **as compared to** established customers. Our credit risk on these customers, especially in trade accounts receivable and inventories, and the risk that these customers will be unable to fulfill indemnification obligations to us **,** are potentially increased. We sometimes offer these customers extended payment terms, loans and other support and financial accommodations which increases our financial exposure and has impacted our financial results in the past. The success of our business is dependent on our ability to keep pace with technological changes and competitive conditions in our industry, and our ability to effectively adapt our services as our customers react to technological changes and competitive conditions in their respective industries. If we are unable to offer technologically advanced, cost effective, quick response manufacturing services that are differentiated from our competition and adapt those services as our customers' requirements change, demand for our services will decline. Introducing new business models or programs requiring implementation of new competencies, such as new process technologies and our development of new products or services, **has and** could affect our operations and financial results. The introduction of new business models or programs requiring implementation or development of new competencies, such as new process technology within our operations and our independent development of new products or services, presents challenges in addition to opportunities. The success of new business models or programs depends on a number of factors including, but not limited to, a sufficient understanding of the new business or markets, timely and successful product development (by us and / or our customer), market acceptance, our ability to manage the risks associated with new business models or programs and new product production ramp- up, the effective management of purchase commitments and inventory levels in line with anticipated product demand, our development or acquisition of appropriate intellectual property, the availability of supplies in adequate quantities and at appropriate costs to meet anticipated demand, and the risk that new products may have quality or other defects in the early stages of introduction. Accordingly, we cannot determine in advance the ultimate result of new business models or programs. As a result, we must make long- term investments, develop or obtain appropriate intellectual property and commit significant resources before knowing whether our assumptions will accurately reflect customer demand. After the development of a new business model, program, product or service, we typically must be able to manufacture appropriate volumes quickly and at low cost. To accomplish this, we endeavor to accurately forecast volumes, mixes of products and configurations; however, we do not always succeed at doing so. We compete with numerous other diversified manufacturing service providers, electronic manufacturing services, design providers and others. Our business is highly competitive and our manufacturing processes are generally not subject to significant proprietary protection. We compete against numerous domestic and foreign electronic manufacturers, manufacturing service providers, design providers and others. The significant purchasing power and market power of these competitors, many of which are large companies, **has and** could increase pricing and competitive pressures for us. Most of our competitors have international operations and significant financial resources and some have substantially greater manufacturing, research and development (R & D) and marketing resources. These competitors may: • respond more quickly to new or emerging technologies or changes in customer requirements; • have technological expertise, engineering capabilities and / or manufacturing resources that are greater than ours; • have greater name recognition, critical mass and geographic market presence; • be better able to take advantage of acquisition opportunities; • devote greater resources to the development, promotion and sale of their services and execution of their strategy; • be better positioned to compete on price for their services; • have excess capacity, and be better able to utilize such excess capacity; • have greater direct buying power from component suppliers, distributors and raw material suppliers; • have lower cost structures as a result of their geographic location or the services they provide; • be willing or able to make sales or provide services at lower margins than we do; • have increased vertical capabilities providing them greater cost savings. We also face competition from the manufacturing operations of our current and potential customers, who are continually evaluating the merits of manufacturing products internally against the advantages of outsourcing. In the past, some of our customers moved a portion of their manufacturing from us in order to more fully utilize their excess internal manufacturing capacity. The actions of competitors and current and potential customers have and could cause a decline in our sales and / or compression of our profits. Our business **has and** could be adversely affected by any delays, or increased costs, resulting from common carrier or transportation issues. We rely on a variety of common carriers across the globe to transport our materials from our suppliers and to our customers. Problems suffered by any of these common carriers, including natural disaster, pandemic, labor problems, increased energy prices, or criminal activity, **has and** could result in shipping delays for products or materials, increased costs or other supply chain disruptions, and could therefore have a negative impact on our ability to receive products from suppliers and deliver products to customers, resulting in a material adverse effect on our operations. We may not be able to maintain our engineering, technological and manufacturing expertise. Many of the markets for our manufacturing and engineering services are characterized by rapidly changing technology and evolving process development. The continued success of our business will depend upon our ability to: • hire, retain and expand our pool of qualified engineering and technical personnel; • maintain and continually improve our technological expertise; • develop and market manufacturing services that meet changing customer needs; and • anticipate and respond to technological changes in manufacturing processes on a cost- effective and timely basis. Although we use the assembly and testing technologies, equipment and processes that are currently required by our customers, we cannot be certain that we will be able to maintain or develop the capabilities required by our customers in the future. The emergence of new technology, industry standards or customer requirements may render our equipment, inventory or processes obsolete or noncompetitive. The acquisition and implementation of new technologies and equipment and the offering of new or additional services to our customers **has in the past and** may **again in the future** require significant expense or capital investment, which could reduce our operating margins and our operating results. In facilities that we newly establish or acquire, we may not be able to insert or maintain our engineering, technological and manufacturing process expertise. Our failure to anticipate and adapt to our customers' changing technological needs and requirements or to hire sufficient personnel to maintain our engineering, technological and manufacturing expertise could have a material adverse effect on our results of operations. We depend on attracting and retaining officers, managers and skilled personnel. Our success depends to a large extent upon the continued services of our officers, managers and skilled personnel. These employees are not generally bound by employment or non- competition agreements, and we cannot assure you that we will retain them. To aid in managing our growth and strengthening our pool of management and skilled personnel, we will need to internally develop, recruit and retain skilled management personnel. If we are not able to do so, our business and our ability to continue to grow could be harmed. We derive a substantial majority of our revenues from our international operations, which are subject to a number of different risks and often require more management time and expense than our domestic operations. Our international operations are subject to a number of risks, including: • difficulties in staffing and managing foreign operations and attempting to ensure compliance with our policies, procedures, and applicable local laws; • less flexible employee relationships that can be difficult and expensive to terminate due to, among other things, labor laws and regulations; • rising labor costs (including the introduction or expansion of certain social programs), in particular within the lower- cost regions in which we operate, due to, among other things, demographic changes and economic development in those regions; • labor unrest and dissatisfaction, including potential labor strikes or claims; • increased scrutiny by the media and other third parties of labor practices within our industry (including working conditions, compliance with employment and labor laws and compensation) which may result in allegations of violations, more stringent and burdensome labor laws and regulations, higher labor costs and / or loss of revenues if our customers become dissatisfied with our labor practices and diminish or terminate their relationship with us; • burdens of complying with a wide variety of foreign laws, including those relating to export and import duties, domestic and foreign import and export controls, trade barriers (including tariffs and quotas), environmental policies and privacy issues, and local statutory corporate governance rules; • risk of non- compliance with the U. S. Foreign Corrupt Practices Act (the " FCPA ") or similar regulations in other jurisdictions; • less favorable, less predictable, or relatively undefined, intellectual property laws; • lack of sufficient or available locations from which to operate or inability to renew leases on terms that are acceptable to us or at all; • unexpected changes in regulatory requirements and laws or government or judicial interpretations of such regulatory requirements and laws and adverse trade policies, and adverse changes to any of the policies of either the U. S. or any of the foreign jurisdictions in which we operate; • adverse changes in tax rates or accounting rules and the manner in which the U. S. and other countries tax multinational companies or interpret their tax laws or accounting rules or restrictions on the transfer of funds to us from our operations outside the U. S.; • limitations on imports or exports of components or products, or other trade sanctions; • political and economic instability and unsafe working conditions; • geopolitical unrest, including the invasion of Ukraine, the possibility of military activity in countries near or adjacent to Ukraine, and the sanctions and other actions taken by the European Union, the United States, and other governments around the world in response; • **the attacks on Israel, the possibility of military activity in countries near or adjacent to Israel, and the sanctions and other actions that have or may be taken by other governments around the world in response could impact the Company although we have limited business in Israel; •** risk of governmental expropriation of our property; • inadequate infrastructure for our operations (e. g., lack of adequate power, water, transportation and raw materials); • legal or political constraints on our ability to maintain or increase prices; • health concerns, epidemics and related government actions; • increased travel costs and difficulty in coordinating our communications and logistics across geographic distances and multiple time zones; • longer customer payment cycles and difficulty collecting trade accounts receivable; • fluctuations in currency exchange rates; • economies that are emerging or developing or that are subject to greater currency volatility, negative growth, high inflation, limited availability of foreign exchange and other risks; • higher potential for theft, misappropriation or unauthorized access to or use of technology, data or intellectual property; and • international trade disputes **have and** could result in tariffs and other protectionist measures that **have and** could adversely affect our business. Tariffs **have and** could increase the costs of the components and raw materials we use in the manufacturing process as well as import and export costs for finished products. Countries could adopt other protectionist measures that could limit our ability to manufacture products or provide services. Increased costs to our U. S. customers who use our non- U. S. manufacturing sites and components may adversely impact demand for our services and our results of operation and financial condition. Additionally, international trade disputes may cause our customers to decide to relocate the manufacturing of their products to another location, either within country, or into a new country. Relocations may require considerable management time as well as expenses related to market, personnel and facilities development before any significant revenue is generated, which may negatively affect our margin. Furthermore, there can be no assurance that all customer manufacturing needs can be met in available locations within the desired timeframe, or at all, which may cause us to lose business, which may negatively affect our financial condition and results of operation. In particular, a significant portion of our manufacturing, design, support and storage operations are conducted in our facilities in China, and revenues associated with our China operations are important to our success. Therefore, our business, financial condition and results of operations may be materially adversely affected by economic, political, legal, regulatory, competitive, infrastructure and other factors in China. International trade disputes or political differences with China **have and** could result in tariffs and other measures that could adversely affect the Company' s business. The Chinese economy differs from the economies of most developed countries in many respects, including the level of government involvement and control over economic growth. In addition, our operations in China are governed by Chinese laws, rules and regulations, some of which are relatively new. The Chinese legal system continues to rapidly evolve, which may result in uncertainties with respect to the interpretation and enforcement of Chinese laws, rules and regulations that could have a material adverse effect on our business. China experiences high turnover of direct labor in the manufacturing sector due to the intensely competitive and fluid market for labor, and the retention of adequate labor is a challenge. If our labor turnover rates are higher than we expect, or we otherwise fail to adequately manage our labor needs, then our business and results of operations could be adversely affected. We are also subject to risks associated with our subsidiaries organized in China. For example, regulatory and registration requirements and government approvals affect the financing that we can provide to our subsidiaries. If we fail to receive required registrations and approvals to fund our subsidiaries organized in China, or if our ability to remit currency out of China is limited, then our business and liquidity could be adversely affected. These factors may harm our results of operations. Also, any measures that we may implement to reduce risks of our international operations may not be effective, may increase our expenses and may require significant management time and effort. Entry into new international markets requires considerable management time as well as start- up expenses related to market, personnel and facilities development before any significant revenue is generated. As a result, initial operations in a new market may operate at low margins or may be unprofitable. Although we have implemented policies and procedures designed to cause compliance with the FCPA and similar laws, there can be no assurance that all of our employees and agents, as well as those companies to which we outsource certain of our business operations, will not take actions in violation of our policies which could have a material adverse effect on our operations. Energy price increases or shortages may negatively impact our results of operations. Certain of the components that we use in our manufacturing activities are petroleum- based. In addition, we, along with our suppliers and customers, rely on various energy sources (including oil) in our facilities and transportation activities. An increase in energy prices, which have been volatile historically, or energy shortages or restrictions could cause disruption in our operations and / or increase in our raw material costs and transportation costs. In addition, increased transportation costs of certain of our suppliers and customers could be passed along to us. We may not be able to increase our product prices enough to offset these increased costs. In addition, any increase in our product prices may reduce our future customer orders and profitability. We have on occasion not achieved, and may not in the future achieve, expected profitability from our acquisitions **; and divestitures may adversely affect our business, reputation, financial condition, results of operations or cash flows** . We have in the past and will continue to seek and complete acquisitions **and divestitures** . We cannot assure you that we will be able to successfully integrate the operations and management of our recent acquisitions. Similarly, we cannot assure you that we will be able to identify future strategic acquisitions and adequately conduct due diligence, consummate these potential acquisitions on favorable terms, if at all, or if consummated, successfully integrate the operations and management of future acquisitions. Acquisitions involve significant risks, which could have a material adverse effect on us including: • Financial risks, such as: (1) overpayment; (2) an increase in our expenses and working capital requirements; (3) exposure to liabilities of the acquired businesses, with contractually- based time and monetary limitations on a seller' s obligation to indemnify us; (4) integration costs or failure to achieve synergy targets; (5) incurrence of additional debt; (6) valuation of goodwill and other intangible assets; (7) possible adverse tax and accounting effects; (8) the risk that we acquire manufacturing facilities and assume significant contractual and other obligations with no guaranteed levels of revenue; (9) the risk that, in the future, we may have to close or sell acquired facilities at our cost, which may include substantial employee severance costs and asset write- offs, which have resulted, and may result, in our incurring significant losses; and (10) costs associated with environmental risks including fines, remediation and clean- up. • Operating risks, such as: (1) the diversion of management' s attention and resources to the integration of the acquired businesses and their employees and to the management of expanding operations; (2) the risk that the acquired businesses will fail to maintain the quality of services that we have historically provided; (3) the need to implement financial and other systems and add management resources; (4) the need to maintain customer, supplier or other favorable business relationships of acquired operations and restructure or terminate unfavorable relationships; (5) the potential for deficiencies in internal controls of the acquired operations; (6) the inability to attract and retain the employees necessary to support the acquired businesses; (7) potential inexperience in a line of business that is either new to us or that has become materially more significant to us as a result of the transaction; (8) unforeseen difficulties (including any unanticipated liabilities) in the acquired operations; (9) the impact on us of any unionized work force we may acquire or any labor disruptions that might occur; (10) the possibility that the acquired business' s past transactions or practices before our acquisition may lead to future commercial or regulatory risks; (11) the difficulty of presenting a unified corporate image; (12) the possibility that we will have unutilized capacity due to our acquisition activity; (13) when acquiring an operation from a customer and continuing or entering into a supply arrangement, our inability to meet the expectations of the customer as to volume, product quality, timeliness and cost reductions. Although we conduct what we believe to be a prudent level of due diligence regarding the businesses we purchase, in light of the circumstances of each transaction, an unavoidable level of risk remains regarding the actual condition of these businesses. Until we actually assume operating control of such businesses and their assets and operations, we may not be able to ascertain the actual value or understand the potential liabilities of the acquired entities and their operations. ~~Most~~ **Many** of our acquisitions involve operations outside of the U. S., which are subject to various risks including those described in " Risk Factors – We derive a substantial majority of our revenue from our international operations, which may be subject to a number of risks and often require more management time and expense than our domestic operations. " We have acquired and may continue to pursue the acquisition of manufacturing and supply chain management operations from our customers (or potential customers). In these acquisitions, the divesting company will typically enter into a supply arrangement with the acquirer. Therefore, our competitors often also pursue these acquisitions. In addition, certain divesting companies may choose not to offer to sell their operations to us because of our current supply arrangements with other companies or may require terms and conditions that may impact our profitability. If we are unable to attract and consummate some of these acquisition opportunities at favorable terms, our growth and profitability could be adversely impacted. **In addition, divestitures involve significant risks, including without limitation, difficulty finding financially sufficient buyers or selling on acceptable terms in a timely manner. Divestitures could adversely affect our profitability and, under certain circumstances, require us to record impairment charges or a loss as a result of the transaction. In addition, completing divestitures is costly, diverts management' s attention and could leave us with certain continuing liabilities. These and other factors could harm our ability to achieve anticipated levels of profitability or realize other anticipated benefits of an acquisition or divestiture and could adversely affect our business and operating results. We may experience difficulties with consummating the sale of our Mobility business to BYD Electronic (International) Co. Ltd. (" BYDE "). Through our indirect subsidiary, Jabil Circuit (Singapore) Pte. Ltd., we have agreed to sell our Mobility business to BYDE as announced on September 26, 2023. The transaction has not yet closed, and a number of risks and challenges may arise in consummating the divestiture, including: • The occurrence of any event, change or other circumstance that could give rise to the termination of the definitive agreement; • The failure to satisfy closing conditions and consummate the potential transaction; • Jabil' s or BYDE' s ability to obtain required regulatory approvals for the potential transaction and the timing and conditions for such approvals; and • The ability to obtain any approval required from the stockholders of BYDE or required consents of other third parties. In addition, we might experience disruption from the potential transaction, including potential adverse changes to relationships with customers, employees, suppliers or other parties resulting from the failure to consummate the potential transaction; potential proceedings relating to the potential transaction that could be instituted against Jabil; unexpected costs or unexpected liabilities that may arise from the potential transaction, whether or not consummated; the inability to retain key personnel; the impact of changes in economic, market, political or social conditions; and future regulatory or legislative actions that could adversely affect us.** We face risks arising from the restructuring of our operations. In recent years, we have undertaken initiatives to restructure our business operations with the intention of improving utilization and realizing cost savings. These initiatives have included changing the number and location of our production facilities, largely to align our capacity and infrastructure with current and anticipated customer demand. The process of restructuring entails, among other activities, moving production between facilities, transferring programs from higher cost geographies to lower cost geographies, closing facilities, reducing the level of staff, realigning our business processes and reorganizing our management. Restructurings could adversely affect us, including a decrease in employee morale, delays encountered in finalizing the scope of, and implementing, the restructurings, failure to achieve targeted cost savings, and failure to meet operational targets and customer requirements due to the restructuring process. These risks are further complicated by our extensive international operations, which subject us to different legal and regulatory requirements that govern the extent and speed of our ability to reduce our manufacturing capacity and workforce. **We have and may be required to take additional charges in the future to align our operations and cost structures with global economic conditions, market demands, cost competitiveness, and our geographic footprint as it relates to our customers' production requirements or following divestitures. We may consolidate or divest certain manufacturing facilities or transfer certain of our operations to other geographies. If we are required to take additional restructuring charges in the future, our operating results, financial condition, and cash flows could be adversely impacted.** Any delay in the implementation of our information systems could disrupt our operations and cause unanticipated increases in our costs. We are currently in the process of completing the installation of an enterprise resource planning system in certain of our manufacturing facilities, which will replace the existing planning and financial information systems. Any delay in the implementation of these information systems could result in material adverse consequences, including disruption of operations, loss of information and unanticipated increases in costs. Disruptions to our information systems, including security breaches, losses of data or outages, and other security issues, **have and** could **in the future** adversely affect our operations. We rely on information systems, some of which are **managed** ~~owned and operated~~ by third parties, to store, process and transmit confidential information, including financial reporting, inventory management, procurement, invoicing and electronic communications, belonging to our customers, our suppliers, our employees and / or us. We ~~attempt to~~ monitor and mitigate our exposure to cybersecurity issues and modify our systems when warranted and we have implemented certain business continuity items including data backups at alternative sites. Nevertheless, these systems are vulnerable to, and at times have suffered from, among other things, damage from power loss or natural disasters, computer system and network failures, loss of telecommunication services, physical and electronic loss of data, terrorist attacks, **computer viruses, cyberattacks and** security breaches, **ranging from uncoordinated individual attempts to gain unauthorized access to our IT systems to sophisticated and targeted measures. These include industrial espionage attacks, data theft, malware,** phishing, **ransomware attacks, or** ~~cyberattacks and computer viruses. We regularly face attempts by others~~ - **other** ~~to access~~ **cybersecurity threats** ~~our~~ - **or incidents** ~~information systems in an unauthorized manner, to introduce malicious software to such systems or both~~. The increased use of mobile technologies and the internet of things can heighten these and other operational risks. If we, or the third parties who own and operate certain of our information systems, are unable to prevent such breaches, losses of data and outages, our operations could be disrupted. Also, the time and funds spent on monitoring and mitigating our exposure and responding to breaches, including the training of employees, the purchase of protective technologies and the hiring of additional employees and consultants to assist in these efforts could adversely affect our financial results. The increasing sophistication of cyberattacks requires us to continually evaluate the threat landscape and new technologies and processes intended to detect and prevent these attacks. There can be no assurance that the security measures and systems configurations we choose to implement will be sufficient to protect the data we manage. Any theft or misuse of information resulting from a security breach could result in, among other things, loss of significant and / or sensitive information, litigation by affected parties, financial obligations resulting from such theft or misuse, higher insurance premiums, governmental investigations, negative reactions from current and potential future customers (including potential negative financial ramifications under certain customer contract provisions) and poor publicity and any of these could adversely affect our financial results. In addition, we must comply with increasingly complex regulations intended to protect business and personal data in the U. S. and ~~elsewhere~~ **globally. In many cases, these laws apply not only to third- party transactions, but also restrict transfers of personal information among the Company and its international subsidiaries. Several jurisdictions have passed laws in this area, and additional jurisdictions are considering imposing additional restrictions or have laws that are pending. These laws continue to develop and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing requirements causes the Company to incur substantial costs and has required and may in the future require the Company to change its business practices** . Compliance with these regulations can be costly and any failure to comply could result in legal and reputational risks as well as penalties, fines and damages that could adversely affect our financial results. Regulatory Risks We are subject to extensive government regulations and industry standards and the terms of complex contracts; a failure to comply with current and future regulations and standards, or the terms of our contractual arrangements, could have an adverse effect on our business, customer relationships, reputation and profitability. We are subject to extensive government regulation and industry standards relating to the products we design and manufacture as well as how we conduct our business, including regulations and standards relating to labor and employment practices, workplace health and safety, the environment, sourcing and import / export practices, the market sectors we support, privacy and data protection, the regulations that apply to government contracts, and many other facets of our operations. The regulatory climate in the U. S. and other countries has become increasingly complex and fragmented, and regulatory activity has increased in recent periods. Failure or noncompliance with such regulations or standards could have an adverse effect on our reputation, customer relationships, profitability and results of operations. In addition, we regularly enter into a large number of complex contractual arrangements as well as operate pursuant to the terms of a significant number of ongoing intricate contractual arrangements. Our failure or our customers' failure to comply with the terms of such arrangements could expose us to claims or other demands and could have an adverse effect on our reputation, customer relationships, profitability and results of operations. If we manufacture products containing design or manufacturing defects, demand for our services may decline, our reputation may be damaged and we may be subject to liability claims. Our customers' products and the manufacturing processes and design services that we use to produce them often are highly complex. Defects in the products we manufacture or design, whether caused by a design, manufacturing or component failure or error, or deficiencies in our manufacturing processes, have occurred and may result in delayed shipments to customers or reduced or canceled customer orders. If these defects or deficiencies are significant, our business reputation may also be damaged. The failure of the products that we manufacture or of our manufacturing processes or facilities may subject us to regulatory enforcement, fines or penalties and, in some cases, require us to shut down, temporarily halt operations or incur considerable expense to correct a manufacturing process or facility. In addition, these defects have, and may in the future result in liability claims against us, expose us to liability to pay for the recall or remanufacture of a product or adversely affect product sales or our reputation. Even if our customers are responsible for the defects or defective specifications, they may not, or may not have resources to, assume responsibility for any costs or liabilities arising from these defects, which could expose us to additional liability claims. Any of these actions could increase our expenses, reduce our revenue or damage our reputation as a supplier to these customers. We may face heightened liability risks specific to our medical device business as a result of additional healthcare regulatory related compliance requirements and the potential severe consequences (e. g., death or serious injury) that could result from manufacturing defects or malfunctions of the medical devices we manufacture or design. As a service provider engaged in the business of designing and manufacturing medical devices for our customers, we have compliance requirements in addition to those relating to other industries we serve within our business. We are required to register with the U. S. Food and Drug Administration (" FDA ") and are subject to periodic inspection by the FDA for compliance with the FDA' s Quality System Regulation (" QSR "), including current Good Manufacturing Practices (cGMPs). This regulation establishes requirements for manufacturers of medical devices to implement design and process manufacturing controls, quality control, labeling, handling and documentation procedures. The FDA, through periodic inspections and post- market surveillance, continuously and rigorously monitors compliance with these QSR requirements and other applicable regulatory requirements. If any FDA inspection reveals noncompliance, and we do not address the FDA' s concerns to its satisfaction, the FDA may elect to take enforcement action against us, including issuing inspection observations or a notice of violation or a warning letter, imposing fines, bringing an action against the Company and its officers, requiring a recall of the products we manufactured, issuing an import detention on products entering the U. S. from an offshore facility or temporarily halting operations at or shutting down a manufacturing facility. Beyond the FDA, our medical device business is also subject to applicable state and foreign regulatory requirements. Within the European Union (" EU "), we are required to fulfill certain internationally recognized standards and must undergo periodic inspections to obtain and maintain certifications to these standards. Continued noncompliance to the EU regulations could stop the flow of products into the EU from us or from our customers. In China, the National Medical Products Administration controls and regulates the manufacture and commerce of healthcare products. We must comply with the regulatory laws applicable to medical device manufactures or our ability to manufacture products in China could be impacted. In Japan, the Pharmaceutical Affairs Laws regulate the manufacture and commerce of healthcare products. These regulations also require that subcontractors manufacturing products intended for sale in Japan register with authorities and submit to regulatory audits. Other foreign countries where we operate have similar laws regarding the regulation of medical device manufacturing. In the event of any noncompliance with these requirements, interruption of our operations and / or ability to allow commerce in these markets could occur, which in turn could cause our reputation and business to suffer. Compliance or the failure to comply with current and future environmental, health and safety, product stewardship and producer responsibility laws or regulations could cause us significant expense. We are subject to a variety of federal, state, local and foreign environmental, health and safety, product stewardship and producer responsibility laws and regulations, including those arising from global pandemics or relating to the use, generation, storage, discharge and disposal of hazardous chemicals used during our manufacturing process, those governing worker health and safety, those requiring design changes, supply chain investigation or conformity assessments and those relating to the recycling or reuse of products we manufacture. If we fail to comply with any present or future regulations or timely obtain any needed permits, we could become subject to liabilities, and we could face fines or penalties, the suspension of production, or prohibitions on sales of products we manufacture. In addition, such regulations could restrict our ability to expand our facilities or could require us to acquire costly equipment, or to incur other significant expenses, including expenses associated with the recall of any non- compliant product or with changes in our operational, procurement and inventory management activities. Certain environmental laws impose liability for the costs of investigation, removal and remediation of hazardous or toxic substances on an owner, occupier or operator of real estate, or on parties who arranged for hazardous substance treatment or disposal, even if such person or company was unaware of, or not responsible for, contamination at the affected site. Soil and groundwater contamination may have occurred at or near, or may have arisen from, some of our facilities. From time to time we investigate, remediate and monitor soil and groundwater contamination at certain of our operating sites. In certain instances where contamination existed prior to our ownership or occupation of a site, landlords or former owners have retained some contractual responsibility for contamination and remediation. However, failure of such persons to perform those obligations could result in us being required to address such contamination. As a result, we may incur clean- up costs in such potential removal or remediation efforts. In other instances, we may be responsible for clean- up costs and other liabilities, including the possibility of claims due to health risks by both employees and non- employees, as well as other third- party claims in connection with contaminated sites. In addition, there is an increasing governmental focus around the world on global warming and environmental impact issues, which has resulted in new environmental, health and safety regulations that may affect us, our suppliers and our customers. This could cause us to incur additional direct costs for compliance, as well as increased indirect costs resulting from our customers, suppliers or both incurring additional compliance costs that get passed on to us. These costs may adversely impact our operations and financial condition. We have limited insurance coverage for potential environmental liabilities associated with current operations and we do not anticipate increasing such coverage in the future. Our operations result in exposure to intellectual property claims. Our operations expose us to intellectual property rights claims from third parties, some of whom may hold key intellectual property rights in areas in which we operate. Intellectual property clearance or licensing efforts or activities, if any, may be inadequate to anticipate and avoid intellectual property claims. Our customers or suppliers, or their customers or suppliers, could also become subject to intellectual property claims. Even though many, but not all, of our contracts require others to indemnify Jabil for intellectual property claims relating to their products, designs or technology, any such party may not, or may not have the resources to, assume responsibility for such claims. We may be responsible for claims that our services, designs, technologies, products, or components, equipment or processes we supply or use, infringe, misappropriate or otherwise violate third party intellectual property rights. Providing turnkey design solutions, designs, technologies, products and other services may expose us to different or greater potential liabilities than those we face providing traditional manufacturing services. These liabilities may include an increase in exposure to claims that products we design or supply, or processes, materials or components we use, infringe, misappropriate or otherwise violate third- party intellectual property rights. Customers for our products and services in which we provide significant design or technology contributions sometimes require that we indemnify them against risk of intellectual property claims. If any intellectual property claims are brought, regardless of their merits, we could be required to expend significant resources in the defense or settlement of such claims, or in the defense or settlement of related indemnification claims. Intellectual property rights claims could subject us to significant liability for damages, potential injunctive action, or hamper our normal operations such as by interfering with the availability of components or have a material adverse effect on our results of operations and financial position. In the event of such a claim, we may spend significant amounts of money and effort to develop non- infringing alternatives or obtain and maintain licenses. We may not be successful in developing such alternatives or obtaining and maintaining such licenses on reasonable terms or at all. We, or suppliers or customers, may be required to or decide to discontinue products or services, and such discontinuance may result in a significant decrease in our business and / or could have a material adverse effect on our results of operations and financial position. These risks may be heightened in connection with our customer relationships with emerging companies. The success of certain aspects of our business depends in part on our ability to obtain, protect and leverage intellectual property rights. In certain circumstances, we strive to obtain and protect certain intellectual property rights related to solutions, designs, processes and products that we create. We believe that obtaining a significant level of protected proprietary technology may give us a competitive advantage. In addition to selectively relying on patent rights, we rely on unpatented proprietary know- how and trade secrets, and employ various methods, including non- disclosure agreements, with our customers, employees and suppliers and our internal security systems, policies and procedures to protect our know- how and trade secrets. However, we cannot be certain the measures we employ will result in protected intellectual property rights or will result in the prevention of unauthorized use of our technology. If we are unable to obtain and protect intellectual property rights embodied within our solutions, designs, processes and products, this could reduce or eliminate competitive advantages of our proprietary technology, which would harm our business and could have a material adverse effect on our results of operations and financial position. Even if we take steps to protect certain intellectual property rights, these mechanisms may not afford complete or sufficient protection, and misappropriation or unauthorized use may still occur. Further, there can be no assurance that we will be able to acquire or enforce our patent or other rights, if any, and that others will not independently develop similar know- how and trade secrets, or develop better solutions, designs, processes and products than us. We have not historically sought patent protection for many of our proprietary processes, designs or other patentable intellectual property. Further, we may not be able to prevent current or former customers, employees, contractors and other parties from breaching non- disclosure agreements and misappropriating proprietary information. If any of the foregoing occur, it could impair our ability to compete, result in a significant decrease in our business and / or could have material adverse effect on our results of operations and financial position. Financial Risks Exposure to financially troubled customers or suppliers may adversely affect our financial results. We provide manufacturing services to companies and industries that have in the past, and may in the future, experience financial difficulty. When customers experience financial difficulty, we have difficulty recovering amounts owed to us from these customers, and demand for our products from these customers sometimes declines. Additionally, if our suppliers experience financial difficulty, we could have difficulty sourcing supplies necessary to fulfill production requirements. When one or more of our customers becomes insolvent or otherwise is unable to pay for the services provided by us on a timely basis, or at all, our operating results and financial condition are adversely affected. Such adverse effects have included and may in the future include one or more of the following: an increase in our provision for doubtful accounts, a charge for inventory writeoffs, an impairment of contract assets, a reduction in revenue, and an increase in our working capital requirements due to higher inventory levels and increases in days our accounts receivable are outstanding. In addition, because we securitize certain of our accounts receivable, our securitization programs could be negatively affected by customer financial difficulty affecting the recovery of a significant amount of receivables. When financial markets experience significant turmoil, the financial arrangements we may need to enter into, refinance or repay and our customers may be adversely affected. Credit market turmoil could negatively impact the counterparties and lenders to our forward foreign exchange contracts, trade accounts receivable securitization and sale programs, unsecured credit and term loan facilities, commercial paper program, various foreign subsidiary credit facilities and other debt facilities. These potential negative impacts could limit our ability to borrow under these financing agreements, contracts, facilities and programs or renew or obtain future additional financing. Credit market turmoil could also negatively impact certain of our customers and certain of their respective customers, which could cause them to reduce or cancel their orders and have a negative effect on our results of operations. We can offer no assurance under the uncommitted trade accounts receivable sales programs that if we attempt to sell receivables through such programs in the future that we will receive funding from the associated banks, which would require us to utilize other available sources of liquidity, including our revolving credit facilities. We are subject to the risk of increased taxes. We base our tax position upon the anticipated nature and conduct of our business and upon our understanding of the tax laws of the various countries in which we have assets or conduct activities. Our tax position, however, is subject to review and possible challenge by taxing authorities and to possible changes in law (including adverse changes to the manner in which the U. S. and other countries tax multinational companies or interpret their tax laws). We cannot determine in advance the extent to which some jurisdictions may assess additional tax or interest and penalties on such additional taxes. In addition, our effective tax rate **has been and** may be increased by changes in the mix of earnings between jurisdictions, changes in the valuation of deferred tax assets and liabilities, changes in our cash management strategies, changes in local tax rates or countries adopting more aggressive interpretations of tax laws, or other legislative changes. Several countries in which we are located allow for tax incentives to attract and retain business. We have obtained incentives where available and practicable. Our taxes could increase if certain tax incentives are retracted, which could occur if we are unable to satisfy the conditions on which such incentives are based, if they are not renewed upon expiration, or if tax rates applicable to us in such jurisdictions otherwise increase. Due to the possibility of changes in existing tax law and our operations, we are unable to predict how any expirations will impact us in the future. In addition, acquisitions may cause our effective tax rate to increase, depending on the jurisdictions in which the acquired operations are located. Certain of our subsidiaries provide financing, products and services to, and undertake certain significant transactions with, other subsidiaries in different jurisdictions. Several jurisdictions in which we operate have tax laws with detailed transfer pricing rules that require that all transactions with non- resident related parties be priced using arm' s length pricing principles, and that contemporaneous documentation must exist to support such pricing. There is a risk that the taxing authorities may not deem our transfer pricing methodology or documentation acceptable. **In August 2022, the U. S. government enacted the Inflation Reduction Act (the " IRA ") which includes a 15 % book income alternative minimum tax on certain corporations and a 1 % excise tax on share repurchases. Based on our current analysis of the provisions, we do not expect these tax law changes to have a material impact on our financial statements; however, we will continue to evaluate their impact as further information becomes available.** The **European Union** ~~Organization for Economic Cooperation and Development~~ (~~OECD~~ **EU**) ~~, along with the G20, issued an~~ **and other countries have committed to enacting substantial** ~~inclusive framework in October 2021 on Base Erosion and Profit Shifting which may result in legislative~~ changes that ~~could~~ **would** reshape international tax rules, including the introduction of a global minimum tax. ~~Our~~ **In December 2022, the EU approved a directive requiring member states to incorporate a 15 % global minimum tax applied on a country- by- country basis into their respective laws effective for fiscal years beginning on or after December 31, 2023. In addition, several non- EU countries have recently proposed and / or adopted legislation consistent with the global minimum tax framework. Although the timing and ultimate impacts of any such changes are uncertain, our** effective tax rate **and cash tax liability** could be adversely impacted ~~if~~ **by the enactment of** these **rules** ~~provisions are adopted. As this framework is subject to further negotiation and implementation by each member country, the timing and ultimate impacts of any such changes on our tax obligations are uncertain~~ . Our credit rating may be downgraded. Our credit is and certain of our financial instruments and our commercial paper are rated by credit rating agencies. Any potential future negative change in our credit ratings may make it more expensive for us to raise additional capital on terms that are acceptable to us, if at all; negatively impact the price of our common stock; increase our interest payments under existing debt agreements; cause us to lose the ability to utilize our commercial paper program; and have other negative implications on our business, many of which are beyond our control. In addition, the interest rate payable under the Credit Facility (as such terms are defined in Note 7 – " Notes Payable and Long- Term Debt " to the Consolidated Financial Statements) is subject to adjustment from time to time if our credit ratings change. Thus, any potential future negative change in our credit rating may increase the interest rate payable on the Credit Facility and certain of our other borrowings. Our amount of debt could significantly increase in the future. The Company has a number of debt facilities. Refer to " Management' s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources " and Note 7 – " Notes Payable and Long- Term Debt " to the Consolidated Financial Statements for further details. Should we desire to consummate significant additional acquisition opportunities, undertake significant additional expansion activities, or make substantial investments in our infrastructure or in support of customer opportunities, our capital needs would increase and could result in our need to increase borrowings under our revolving credit facilities or access public or private debt and equity markets. There can be no assurance, however, that we would be successful in raising additional debt or equity on terms that we would consider acceptable. An increase in the level of our indebtedness, among other things, could: • make it difficult for us to obtain any necessary financing in the future for other acquisitions, working capital, capital expenditures, debt service requirements or other purposes; • limit our flexibility in planning for, or reacting to changes in, our business; • make us more vulnerable in the event of a downturn in our business; and • impact certain financial covenants that we are subject to in connection with our debt and asset- backed securitization programs. There can be no assurance that we will be able to meet future debt service obligations. An adverse change in the interest rates for our borrowings **has and** could adversely affect our financial condition. We pay interest on outstanding borrowings under our revolving credit facilities and certain other long term debt obligations at interest rates that fluctuate based upon changes in various base interest rates. An adverse change in the base rates upon which our interest rates are determined has and may continue to have a material adverse effect on our financial position, results of operations and cash flows. If certain economic or fiscal issues occur, interest rates **have and** could rise, which would increase our interest costs and reduce our net income. Also, increased interest rates could make any future fixed interest rate debt obligations more expensive. We are subject to risks of currency fluctuations and related hedging operations. Although a significant number of our operations are located outside the United States, the majority of our business is conducted in U. S. dollars. Changes in exchange rates will affect our net revenue, cost of sales, operating margins and net income. We cannot predict the impact of future exchange rate fluctuations. We use financial instruments, primarily forward contracts, to hedge our exposure to exchange rate fluctuations. We believe that our hedging activities enable us to largely protect ourselves from future exchange rate fluctuations. If, however, these hedging activities are not successful, if the counterparties to these hedging activities default on their obligations to us or if we change or reduce these hedging activities in the future, we may experience significant unexpected expenses from fluctuations in exchange rates. In addition, certain countries in which we operate have adopted, or may adopt, currency controls requiring that local transactions be settled only in local currency. Such controls could require us to hedge larger amounts of local currency than we have in the past. An impairment in the value of our assets would reduce the value of our assets and reduce our net income in the year in which the write- off occurs. We have recorded intangible assets, including goodwill, in connection with business acquisitions. We perform a goodwill impairment analysis on an annual basis and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the carrying amount of the reporting unit exceeds its fair value, goodwill is considered impaired. Refer to ~~note~~ **Note** 6 ~~to~~ **– " Goodwill and** ~~the~~ **Other Intangible Assets " to the** ~~consolidated~~ **Consolidated** ~~financial~~ **Financial** ~~statements~~ **Statements** for further discussion of the impairment testing of goodwill and identifiable intangible assets. A decline in general economic conditions or global equity valuations could impact the judgments and assumptions about the fair value of our businesses and we could be required to record impairment charges on our goodwill or other identifiable intangible assets in the future, which could impact our consolidated balance sheet, as well as our consolidated statement of operations. General Risk Factors Changes in financial accounting standards or policies have affected, and in the future may affect, our reported financial condition or results of operations. We prepare our financial statements in conformity with U. S. GAAP. These principles are subject to interpretation by the Financial Accounting Standards Board (FASB), the American Institute of Certified Public Accountants, the SEC and various bodies formed to interpret and create appropriate accounting policies. A change in these policies can have a significant effect on our reported results and may affect our reporting of transactions that are completed before a change is announced. Changes to those rules or questions as to how we interpret or implement them may have a material adverse effect on our reported financial results or on the way we conduct business. For example, significant changes to revenue recognition rules have been adopted and first applied to us in fiscal year 2019. We are subject to risks associated with natural disasters, climate change and global events. Our operations and those of our customers and suppliers have been and may again be subject to natural disasters, climate change- related events, pandemics or other business disruptions, which could seriously harm our results of operation and increase our costs and expenses. We are susceptible to losses and interruptions caused by hurricanes (including in Florida, where our headquarters are located), earthquakes, power shortages, telecommunications failures, water or other natural resource shortages, tsunamis, floods, typhoons, drought, fire, extreme weather conditions, rising sea level, geopolitical events such as direct or indirect terrorist acts or acts of war, other natural or manmade disasters, boycotts and sanctions or widespread criminal activities. Such events could make it difficult or impossible to manufacture or to deliver products to our customers, receive production materials from our suppliers, or perform critical functions, which could adversely affect our business globally or in certain regions. While we maintain similar manufacturing capacities at different locations and coordinate multi- source supplier programs on many of our materials, which we believe better enables us to respond to these types of events, we cannot be sure that our plans will fully protect us from all such disruptions. Our insurance coverage with respect to natural disasters is limited and is subject to deductibles and coverage limits. Such coverage may not be adequate, or may not continue to be available at commercially reasonable rates and terms. While we manufacture our products in a large number of diversified facilities and maintain insurance covering our facilities, including business interruption insurance, a catastrophic loss of the use of all or a portion of one of our key manufacturing facilities due to accident, labor issues, weather conditions, natural disaster or otherwise, whether short- or long- term, could have a material adverse effect on us. **Expectations relating to environmental, social and governance considerations expose the Company to potential liabilities, increased costs, reputational harm, and other adverse effects on the Company' s business. Many governments, regulators, investors, employees, customers and other stakeholders are increasingly focused on environmental, social and governance considerations relating to businesses, including climate change and greenhouse gas emissions, human and civil rights, and diversity, equity and inclusion. In addition, we make statements about our environmental, social and governance goals and initiatives through our sustainability report. Responding to these environmental, social and governance considerations and implementation of these goals and initiatives involves risks and uncertainties, and requires investments. We cannot guarantee that we will achieve our goals and initiatives. Any failure, or perceived failure, to achieve our goals, further our initiatives, adhere to our public statements, comply with federal, state or international environmental, social and governance laws and regulations, or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against us and materially adversely affect our business, reputation, results of operations, financial condition and stock price.**