

Risk Factors Comparison 2025-02-24 to 2024-03-01 Form: 10-K

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

The following is a summary of the principal factors that make an investment in Kenvue speculative or risky: Risks Related to Our Business, Industry, and Operations • Damage to our reputation and the reputation of our brands, including as a result of negative publicity, could impact our brand loyalty with consumers, customers, and third- party partners. • We face substantial competitive pressures, including from multinational corporations, smaller regional companies, private- label brands, and generic non- branded products, in each of our **reportable** business segments and product lines and across all geographic markets in which we operate. • ~~Whether we can~~ **Our ability to** both innovate successfully and anticipate, understand, and respond appropriately to market trends, rapidly changing consumer and customer preferences, and shifting demand for our products. • Our marketing efforts may be costly and inefficient, and may not successfully defend, maintain, or improve our reputation, our brands, or our market share positions in existing or new markets. • Expanding our global operations requires significant resources and expenses, and we may not succeed due to various commercial, operational, and legal challenges associated with conducting business globally. • We may face challenges in implementing our digital ~~—first~~ strategy across all aspects of our operations, and our digital ~~—first~~ strategy may lead us to pursue new offerings that are outside of our historical competencies and expose us to digital- related risks. • **Uncertainty in the development, deployment, use, and regulation of artificial intelligence in our internal processes, manufacturing operations, products, and services, as well as our business more broadly, could adversely affect us.** • The failure to realize the intended benefits of acquisitions and divestitures we have pursued or may pursue. • The threats of counterfeit products, infringement of our intellectual property and other unauthorized versions of our products, which pose a risk to consumer health and safety and could damage our reputation. • Our reliance on third parties in many aspects of our business, including to manufacture products, inherently involves a lesser degree of control over business operations, compliance matters, **and** cybersecurity **and** ESG practices. • Disruptions to our manufacturing or supplier operations could adversely affect ~~us our business, results of operations or financial condition.~~ • Inflationary pressures and related volatility in the cost or availability of raw materials and other inputs for our products, including due to military conflicts, **tariffs**, and other adverse economic or market conditions. • Information security incidents, including cybersecurity breaches, interruption, breakdown, corruption, destruction, breach or failure of ~~information technology~~ **Technology systems** **Systems (as defined below)** operated by us or a third party, which could result in reputational damage, operational disruption, and significant associated costs. • Our ability to attract and retain a skilled ~~and diverse~~ workforce, **reflecting our consumers**, and to implement succession plans for our senior management. Risks Related to Government Regulation, Legal Proceedings, and Financial and Economic Market Conditions • Our ability to comply with a broad range of **national and sub- national** laws and regulations, and other requirements imposed by stakeholders, in the United States and around the world, including rapidly evolving requirements related to **tax, trade, tariffs, manufacturing, ingredients**, climate change, ESG, privacy, data protection, anti- corruption and human rights ~~matters~~. • We are, and could become, subject to legal proceedings and regulatory investigations that may result in significant expenses, liabilities (potentially in excess of accruals), and reputational damage. • Concerns about the reliability, safety and efficacy of our products and their ingredients, which have resulted and could in the future result in litigation, including personal injury or class action litigation, regulatory action, reputational damage, product recalls, product reformulations, or product withdrawals. • Legal proceedings related to talc or talc- containing products, such as Johnson’ s ® Baby Powder, sold outside the United States and Canada (pursuant to the Separation Agreement, J & J has retained ~~the tale Talc- related~~ **Related Liabilities (as defined below)** for products sold in the United States and Canada), including personal injury claims alleging that talc causes cancer, and other risks and uncertainties related to our historic sale of talc or talc- containing products (talc- based Johnson’ s ® Baby Powder was discontinued globally in 2023). • Our ability to successfully establish, maintain, protect, and enforce intellectual property rights that are, in the aggregate, material to our business, and our ability to successfully avoid violation of the intellectual property rights of others. • Risks associated with conducting business globally, including foreign currency risks and impacts on our business related to ~~the Russia–Ukraine War,~~ ongoing ~~conflict in the Middle East,~~ and possible future conflicts, geopolitical events, or adverse ~~global~~ economic or market conditions. Risks Related to Our Relationship with J & J • Our historical financial information may not necessarily reflect the results that we would have achieved as an independent, publicly traded company or what our results may be in the future. • We may not achieve some or all of the expected benefits of the Separation, including because our business will experience a loss of corporate brand identity, historical market reputation, ~~economies of scale,~~ purchasing power, and access to certain resources from which we benefited as part of J & J. • We are subject to restrictions on our business, potential tax- related liabilities (such as joint and several liability with J & J for its U. S. federal consolidated group tax return for periods prior to the date of the completion of the Exchange Offer) and potential tax- related indemnification obligations to J & J for taxes attributable to our business and, under certain circumstances, taxes arising in connection with the Separation and the subsequent distribution or other disposition by J & J of the shares of Kenvue common stock owned by J & J following the Kenvue IPO. • The failure to realize the intended benefits of our rebranding strategy in connection with the Separation and our continued use of legacy J & J branding, including ongoing use of the “ Johnson’ s ® ” brand. • The transfer of certain assets, liabilities, and contracts from J & J to us contemplated by the Separation has not been completed and may be significantly delayed or not occur at all. • We may not be able to replace necessary manufacturing operations, systems, and services when the transition services agreement (the “ Transition Services Agreement ”) and the transition manufacturing agreement (the “ Transition Manufacturing Agreement, ” **and, together with the Transition Services Agreement, the “ Transition Agreements ”**) we entered into with J & J in

connection with the Separation expire or otherwise terminate. • ~~Certain of J & J's current executive officers continue to serve as our directors, which may create conflicts of interest or the appearance thereof.~~ • We may incur indemnification obligations to J & J, including for potentially uncapped amounts, for certain liabilities relating to our business activities. • J & J has agreed to indemnify us for certain liabilities, including ~~the tale Talc~~ **the tale Talc** ~~related Related~~ **related Related** ~~Liabilities~~ **Liabilities** ~~for products sold in the United States and Canada~~, but such indemnity may not be sufficient to protect us against the full amount of such liabilities or J & J may be unable to satisfy its indemnification obligations. Risks Related to Ownership of Our Common Stock • We cannot be certain that an active trading market for our common stock will be sustained. • The stock price of our common stock may fluctuate significantly, including as a result of future sales by us or ~~our shareholders~~ or the perception that such sales may occur. ~~• Our ability to comply with obligations associated with being a public company, including implementing and maintaining effective internal control over financial reporting.~~ • We have debt obligations that impose certain restrictions on our business. • We are a holding company and depend on the ability of our subsidiaries to pay dividends and make other payments and distributions to us in order to meet our obligations. An investment in our securities involves risks and uncertainties. In addition to the other information in this Annual Report on Form 10-K, you should consider carefully the factors set forth below. We seek to identify, manage, and mitigate risks to our business, but risks and uncertainties are difficult to predict and many are outside of our control and therefore cannot be eliminated. You should be aware that it is not possible to predict or identify all of these factors and that the following is not meant to be a complete discussion of all potential risks or uncertainties. If known or unknown risks or uncertainties materialize, our business, results of operations, or financial condition could be adversely affected, potentially in a material way, which could adversely affect our business, results of operations, or financial condition. Risks Related to Our Business and Industry Our brands are critical to our success, and damage to our reputation or our brands could adversely affect ~~us our business, results of operations or financial condition~~. Our ability to compete successfully depends on the strength of our brands. The vast majority of our ~~net-Net~~ **net-Net** sales are derived from products bearing proprietary trademarks and trade names, and these trademarks and trade names convey that the products we sell are “brand name” products. Developing and maintaining the reputation of our brands is a critical component of our relationship with consumers, customers, ~~manufacturers, suppliers, distributors and other~~ **manufacturers, suppliers, distributors, and other** ~~third- party partners, including healthcare professionals, celebrities, and influencers and other individuals with whom we have relationships~~. We believe consumers, customers, and third- party partners value and trust the reputation, reliability, and status of our brands and the quality, performance, and functionality of our products. As a result, we devote significant time and resources to programs designed to grow, protect, and preserve our brands. However, these efforts may not be successful, and failure to maintain the value of our brands could impact our brand loyalty with consumers, customers, and third- party partners and otherwise adversely affect our business, results of operations, or financial condition. Our reputation and our brands have in the past been, and could in the future be, damaged by negative publicity, whether or not valid. Negative publicity could relate to our company, our brands, our products, our supply chain, our ingredients, our packaging, our ESG practices, our employees, or any other aspect of our business. ~~We could experience negative publicity (which may be raised by consumer advocaey groups, third- party interest groups, investors, employees or other stakeholders) for a variety of reasons, including as a result of product safety issues, threatened or pending legal or regulatory proceedings, product claims, advertising and promotional practices, ESG practices (including as they relate to environmental impacts, such as deforestation, packaging, plastic use, energy use, water use and waste management, or labor conditions and practiees, such as human rights or diversity, equity and inclusion matters), other sustainability or policy issues, ingredient sourcing (such as certain sources of palm oil), counterfeiting incidents or cybersecurity incidents.~~ Negative publicity that damages one of our brands could be compounded by having an adverse effect on our other brands or our company as a whole. Our reputation or our brands could also be adversely affected by negative publicity related to our industry, our competitors, our competitors' products, our customers, or our third- party partners, including healthcare professionals, **celebrities, influencers, manufacturers, suppliers, distributors, and other** ~~others individuals~~ **others individuals** with whom we have relationships, even if the publicity is not directly related to our company or our brands and ~~even if the publicity is not accurate. Our reputation or our brands could be adversely affected if our customers or~~ **or** ~~manufacturers, suppliers, distributors and other third- party partners fail to maintain high ethical, social, environmental, health and safety standards~~; ~~fail to comply with local laws and regulations~~; or become subject to other negative events or adverse publicity. ~~These third parties may also enter into relationships with or be acquired by other third parties whose values, business practices or reputation expose us to the risk of adverse publicity and damage to our existing relationships by association.~~ While we have policies and procedures in place for managing third- party relationships, it may not be possible to fully ensure that third parties adhere to the same standards and values that we do or to replace third- party partners in a timely or cost- effective manner. See “ — Risks Related to Our Operations — We rely on third parties in many aspects of our business, including to manufacture certain of our products, which exposes us to additional risks that could adversely affect ~~us our business, results of operations or financial condition.~~” **Finally** ~~In addition,~~ **In addition,** widespread use of digital and social media platforms around the world has greatly increased the accessibility of information **and misinformation** and the speed with which it is disseminated, which has made, and likely will continue to make, maintaining our reputation and our brands more challenging. ~~For example, information or misinformation about our company, our brands or our products may quickly spread to a large and global audience before we have an opportunity for redress or correction. Alternatively, our employees may knowingly or inadvertently use digital or social media platforms in ways that may not be aligned with our digital or social media strategy and could damage our reputation or our brands. Damage to our reputation or our brands could cause consumers, customers and third- party partners to lose trust in our products, require us to expend substantial resources to remedy the damage or otherwise adversely affect our business, results of operations or financial condition.~~ We operate in highly competitive product markets and competitive pressures could adversely affect ~~us our business, results of operations or financial condition~~. We face substantial competition in each of our **reportable** business segments and product lines and across all geographic markets in which we operate, ~~and competitive pressures could adversely affect our business, results of operations or financial condition.~~ We compete with

companies of all sizes on the basis of numerous factors, including cost-effectiveness; product performance; real or perceived product advantages; intellectual property rights; advertising and promotional activities; **implementation of digital and omnichannel strategies; adoption of technological advancements;** sponsorship initiatives; brand recognition and loyalty; consumer convenience; pricing; and geographic reach. ~~The~~ Furthermore, we expect that the continued attractiveness of the categories and geographic markets in which we operate will encourage the entry of new competitors of all sizes, which could increase these and other competitive pressures in the future. We may be unable to anticipate the timing and scale of the threats posed by our competitors or to successfully respond to them. In addition, **These competitive pressures and the cost of responding to them** increasingly significant and widespread competition worldwide, including management time and out-of-pocket expenses, could adversely affect our business, results of operations, or financial condition. Certain of our competitors are multinational corporations that may have greater financial, marketing, research and development or other resources **and a larger market share** than we do, as well as greater market share within certain of our categories or geographic markets. These competitors could introduce competing products more quickly, respond more effectively to changing business and economic conditions and evolving consumer preferences, outspend us on advertising and promotional activities, or possess greater negotiating leverage with customers, manufacturers, suppliers, distributors, and other third-party partners. In addition, we face competition from smaller companies that often operate on a regional basis. Many of these companies have benefited from the substantial growth in e-commerce and focus extensively on DTC or other non-traditional, digital business models. Our products also compete with retailers' private-label brands and generic non-branded products, which are typically sold at lower prices than our branded products. ~~An See~~ "Increases in the availability and acceptance of private-label brands and generic non-branded products **around the world could cause us to reduce the prices of some of our products to maintain sales volume, which could adversely affect the profitability and market share of those products and otherwise adversely affect** our business, results of operations, or financial condition." As we seek to grow our business, including by introducing new product offerings as part of our digital-first strategy and expanding our global operations, the composition of our competitors could change or expand from time to time to include companies with a strong presence in a particular category or geographic market. Some of our products that currently hold leading market share positions may nonetheless possess relatively small shares of their overall product market. Although several of our products are currently number one or two by net sales in their respective categories and we believe **that our branded products provide superior quality, performance and functionality,** we **cannot predict** have significant brand loyalty with **certainty the extent to which** consumers and customers **will continue to** favor these **our branded** products **over private-label and generic non-branded**, a competing product may be able to rapidly capture a significant share of the market for that product in the future. In some cases, we could have a leading market share position for a particular product but still possess a relatively small share of the overall market for that product due to the presence of many competing products. In addition, in some cases, we could have a leading market share position for a particular **particularly during periods when economic conditions** product but possess a substantially smaller share of the overall market for that product than the number one competitor for that product. Certain of our leading positions may also be in markets that are **uncertain** smaller than, or that have more limited growth prospects than, other markets in which we or our competitors have leading positions. If we are unable to anticipate, understand, and respond appropriately to market trends and rapidly changing consumer and customer preferences in a timely manner, ~~we~~ or at all, our business, results of operations or financial condition could be adversely affected. Our success is increasingly dependent on our ability to anticipate, understand, and respond appropriately to market trends and rapidly changing consumer and customer preferences more quickly than our competitors. This requires us to effectively leverage digital technology and data analytics to gain new commercial insights and develop targeted marketing and advertising initiatives to reach consumers and customers. To maintain our success and increase our consumer and customer base, we must continually work to maintain and enhance the reputation of our brands; develop, manufacture and market new products with differentiated benefits; maintain **and adapt to or expand our presence in** existing and emerging distribution channels; anticipate and adapt to evolving scientific knowledge and advances; successfully manage our inventories; and modernize and refine our approach as to how and where we manufacture, market, and sell our products. ~~Consumer preferences and purchasing patterns cannot be predicted with certainty and may fluctuate rapidly, facilitated by the speed with which information and opinions are shared on digital and social media platforms. For example, in recent years, there has been increasing awareness of the environmental impact and sustainability of our products, packaging and manufacturing practices.~~ Furthermore, market trends and consumer preferences and purchasing patterns may vary by geographic region, which could present challenges for our brands that have global distribution footprints. If we are unable to anticipate, understand, and respond appropriately to market trends and rapidly changing consumer and customer preferences, we may experience lower sales or increased pricing pressures, leading to excess inventory levels or lower gross margins, which could adversely affect our business, results of operations, or financial condition. If our marketing efforts are not successful, ~~we~~ our business, results of operations or financial condition could be adversely affected. We may be required to spend substantial resources on advertising and promotional activities to defend, maintain or improve our reputation, our brands or our market share positions or to successfully enter new markets, expand operations in existing markets or introduce new products to the marketplace. Our business, results of operations, or financial condition could be adversely affected if we are unable to maintain and promote a favorable perception of our brands and products on a cost-effective basis. **Our recent creation of the Global Content Factory, a production agency ecosystem that we employ to drive relevant content in all of our markets while reducing our costs, as well as our recent integration of new creative and media agencies, may not advance our brands to the extent or as quickly as we expect. Further, reliance on third parties in** our marketing initiatives or social strategy, particularly as consolidation increases in the media communications do not convey the desired message for a brand -- **and advertising industry, including key agencies we employ, could disrupt or our marketing operations** product or its ability to attract consumers and customers. We use various media, including digital, social media, and mobile communication

channels, in connection with our marketing efforts. ~~Digital, social media and mobile communication channels are becoming increasingly effective and are constantly evolving. Our ability to effectively~~ **effectiveness in doing so** utilize digital, social media and mobile communication channels depends on the successful implementation of our digital ~~–first~~ strategy. See “ — We may face challenges in implementing our digital ~~–first~~ strategy, which could adversely affect **us** our business, results of operations or financial condition. ” **Our effectiveness also depends on our ability to develop and deploy effective marketing assets.** In addition, our advertising and promotional activities may become increasingly expensive, particularly as we adapt to new and evolving media platforms and communication channels **and as media concentrates in certain platforms.** Our competitors could spend more resources on their marketing efforts, use more efficient and effective marketing initiatives than we do **,** or secure more effective endorsements from key opinion leaders or influencers, any of which may provide our competitors with a competitive advantage. Generating a meaningful return on our marketing efforts may become increasingly difficult, and even if our marketing efforts do yield increased ~~net~~ **Net** sales, the increase in ~~net~~ **Net** sales may not offset the expenses we incur. **If Furthermore, if** claims that are made as part of our advertising and promotional activities, whether they are made by us or by **third- party partners** social media influencers or other endorsers with whom we have relationships, become subject to legal or regulatory proceedings **alleging false advertising**, it could damage our reputation or our brands, cause us to alter our marketing initiatives in ways that could adversely affect our sales **,** or result in the imposition of significant damages or other penalties against us. Furthermore, if ~~our advertising claims or~~ claims made by **us or social media influencers or our third- party partners** by other endorsers with whom we have a material connection do not comply with the Endorsement Guides or any requirements of the FTC Act or similar state requirements, then the FTC and state authorities could subject us to investigations and enforcement actions, impose penalties, require us to pay monetary consumer redress, require us to revise ~~its~~ **our** marketing materials **,** or require us to accept burdensome injunctions, any of which could adversely affect **our** ~~Kenvue’s~~ business, results of operations **,** or financial condition. An inability to successfully expand our global operations could adversely affect our business, results of operations **,** or financial condition. In recent years, we have grown, and we intend to continue to grow, our business by expanding our global operations. In seeking to expand our operations in geographic markets where we currently have a presence or to establish operations in new geographic markets where we do not currently have a presence, we expect, as we have in the past, to invest significant resources, incur significant expenses **,** and face various challenges, including those related to compliance with market- specific laws or regulations, gaining acceptance of our products from consumers, customers **,** and third- party partners **,** ~~some of whom may be less familiar with our company and our brands or have existing brand loyalty or other commercial relationships with our competitors and their brands or products~~, and expanding our sales force and other personnel in those markets. We cannot predict with certainty the extent to which our products and our marketing efforts will be accepted or successful in any particular market, and it is possible that positive returns on our investments in a market will not be achieved for several years, or at all. **In addition, competition is likely to intensify in the geographic markets where we plan to expand our operations.** Local companies based in markets outside the United States may have substantial competitive advantages because of their greater understanding of, and focus on, those local markets. Some of our competitors may also be able to develop and grow in certain geographic markets more quickly than we will. Furthermore, as we continue to expand our global operations, the variety and magnitude of risks associated with conducting business around the world may increase, which could have an adverse effect on our business, results of operations **,** or financial condition. See “ — Risks Related to Financial and Economic Market Conditions — We face a variety of risks associated with conducting business around the world, including foreign currency fluctuations, and these risks will increase as we continue to expand our global operations. ” Over the last several years, we have pursued a **new** digital ~~–first~~ strategy across all aspects of our operations, ~~including research and development, supply chain, go- to- market and marketing~~, and we intend to continue to accelerate our implementation of this strategy in the future. Effective implementation of our digital ~~–first~~ strategy, **including effective integration of our digital and physical channels, is integral to the continued growth of our business, but involves significant operational changes.** Successful execution of this strategy has required, and will require, significant investments in our digital platforms, including information technology systems, and significant development and expansion of our digital capabilities, including data science, data analytics, **Artificial artificial Intelligence intelligence**, machine learning **and,** natural language processing **,** **and other developing and emerging platforms.** Our pursuit of this strategy has led us in recent years to promote new services, including e- commerce ~~and DTC services~~, and introduce innovative new products and connected health offerings, including the Tylenol ® SmartCheck Digital Ear Scope, the Nicorette ® QuickMist SmartTrack, the Zyrtec ® AllergyCast app **;** and the Neutrogena ® Skin360 app, that are outside of the traditional services and products we have historically provided to our consumers and customers. Expanding our service and product offerings through digital initiatives will expose us to additional risks and uncertainties associated with conducting business digitally, including the speed with which technology changes, technical failures, information security or cybersecurity incidents, consumer privacy and data protection concerns, ethical concerns, changes in state tax regimes and government regulation of internet activities, software, data collection, and other digital activities. See “ — Risks Related to Our Operations — An information security incident, including a cybersecurity breach, or the failure **,** ~~interruption, breakdown, invasion, corruption, destruction, or breach~~ of an information technology **or operational technology** system owned or operated by us or a third party, could adversely affect **us** our business, results of operations or financial condition. ” and “ — Risks Related to Government Regulation and Legal Proceedings — A breach of privacy laws or unauthorized access, loss or misuse of personal data could adversely affect **us** our business, results of operations or financial condition. ” We may not be able to respond appropriately to these risks and uncertainties, or we may otherwise face challenges as we continue to implement our digital ~~–first~~ strategy. If we are unable to improve our data quality and access, drive e- commerce success, enhance our precision marketing capabilities **,** or otherwise realize the intended benefits of our digital ~~–first~~ strategy **,** our growth prospects may be hindered, which could adversely affect our business, results of operations or financial condition. Many of our competitors are also investing in digital and omnichannel strategies and could be more

successful at implementing these strategies, particularly if digital operations are already among their core competencies or if they decide to invest more resources in developing and expanding their digital platforms and digital capabilities. The size and global scale of our business may also enable digitally native competitors to adapt to and implement digital developments and technological advancements with greater speed, agility and effectiveness. As a result of these and other factors, we may decide to adjust our focus on digital operations, or the pace at which we pursue our digital ~~first strategy~~, ~~from time to time in the future~~, which could adversely affect our business, results of operations, or financial condition. **Uncertainty in the development, deployment, use and regulation of artificial intelligence in our internal processes, manufacturing operations, products and services, as well as our business more broadly, could adversely affect us. We are piloting the use of systems and tools that incorporate artificial intelligence- based technologies, including generative artificial intelligence, in connection with supply chain and operations, content creation, as well as in various Kenvuer productivity enhancement use cases. As with many new and emerging technologies, artificial intelligence presents numerous risks and challenges that could adversely affect our business. The development, adoption, integration, and use of generative artificial intelligence technology remains in early stages, and ineffective or inadequate artificial intelligence governance, development, use, or deployment practices by us or third parties could result in unintended consequences. In addition, any latency, disruption, or failure in our artificial intelligence systems or infrastructure could result in delays or errors in our offerings. Inadequate governance, testing, or quality assurance processes could result in flawed deployments, producing erroneous or harmful outputs, which could damage our reputation and lead to regulatory complications and legal liabilities. Developing, testing, and deploying resource- intensive artificial intelligence systems may require additional investment and increase our costs. There also may be real or perceived social harm, environmental costs, unfairness, or other outcomes that undermine public confidence in and approval of the deployment and use of artificial intelligence. Furthermore, third parties may deploy artificial intelligence technologies in a manner that reduces customer demand for our products and services. Any of the foregoing may result in decreased demand for our products and services or harm to our business, financial condition, results of operations, or reputation. The legal, regulatory and ethics landscapes around the use of artificial intelligence technologies, including generative artificial intelligence, is rapidly evolving and uncertain, including in relation to the areas of intellectual property, cybersecurity, and privacy and data protection. While we continue to implement our artificial intelligence governance based on the National Institute of Standards and Technology Artificial Intelligence Risk Management Framework, the use of artificial intelligence tools may compromise our confidential or sensitive information, result in unauthorized processing of personal data, put our intellectual property at risk or cause us to infringe on others' intellectual property rights, which could in turn damage our reputation. Additionally, third parties that license artificial intelligence technologies to us may impose unfavorable licensing terms or terminate the licenses altogether which would require us to seek licenses from alternative sources to avoid disruptions in feature delivery. Compliance with new or changing laws, regulations, or industry standards relating to artificial intelligence may impose significant operational costs and may limit our ability to develop, deploy, or use artificial intelligence technologies. Failure to appropriately respond to this evolving landscape may result in legal liability, regulatory action, or brand and reputational harm.** The rapidly changing retail landscape, including our increasing dependence on key ~~retail trade~~ customers in developed markets, changes in the policies of our ~~retail trade~~ customers and the emergence of e- commerce and other alternative retail channels, could adversely affect ~~us~~ **our business, results of operations or financial condition**. Our products are sold in a highly competitive global marketplace, which, in recent years, has experienced increased retail trade concentration, the emergence of retail buying alliances, the rapid growth of e- commerce, and the integration of traditional and digital operations at key ~~retail trade~~ customers. ~~For fiscal years 2023, 2022, and 2021, one of our customers accounted for approximately 12 %, 13 %, and 14 % of our total net sales, respectively, and our top 10 customers represented approximately 41 %, 42 %, and 43 % of our total net sales, respectively.~~ As a result of these trends, certain large-format ~~retail trade~~ customers have significant bargaining strength and represent a significant proportion of our total ~~net~~ **Net** sales. ~~Retail trade~~ **Customers** have used, and may continue to use, their bargaining strength as leverage to demand increased investments across a diverse platform, inclusive of data, retail media, search, higher trade discounts, logistical services, or fines and promotion, which could lead to reduced sales or profitability. **For a discussion of increased retail trade concentration in our industry and its impact on us, including the impact of our largest customers, refer to the section titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations — Key Factors Affecting Our Results " in Part II, Item 7 included herein**. Although we have formed long- term relationships with many of our key ~~retail trade~~ customers, our contracts with these customers typically have stated terms of one to three years. Accordingly, these relationships could change on short notice, and the terms of our future agreements with ~~such~~ **retail trade** customers ; including with respect to volume, pricing or the introduction of new products and services, are subject to periodic negotiation with each ~~retail trade~~ customer. We may not have any recourse in the event a ~~retail trade~~ customer no longer wants to purchase products from us or reduces the number of items it purchases from us. The loss of ~~or significant reduction in sales to~~ a key ~~retail trade~~ customer or a significant number of smaller ~~retail trade~~ customers, ~~or a significant reduction in sales to a key retail trade customer or a significant number of smaller retail trade customers,~~ could adversely affect our business, results of operations, or financial condition, particularly if, as a result, we would become increasingly dependent on a single customer or a small group of customers. We also have been, and may continue to be, negatively affected by changes in the policies or practices of our ~~retail trade~~ customers **surrounding their**, such as inventory **levels** de- stocking, fulfillment requirements, limitations on access to shelf space **allocation**, delisting of our products, environmental, ~~or~~ **sustainability requirements**, supply chain ~~or~~, packaging standards or initiatives, and other conditions. For example, a determination by a key retail trade customer that any of our ingredients should not be used in certain products, or that our packaging does not comply with certain environmental, sustainability, supply chain or packaging standards or initiatives, could require us to undertake a complex, time-

consuming and costly process to reformulate our products or our packaging, which may lead to product shortages, declining sales, reputational damage and otherwise adversely affect our business, results of operations or financial condition. Moreover, the standards or initiatives established by our retail trade customers may conflict with one another, as has been the case with various “clean beauty” sustainability standards, which could impose additional costs on us and otherwise present challenges, particularly for our brands that have global or large distribution footprints. In addition, the retail landscape in many markets continues to evolve as a result of the rapid growth of e-commerce retailers and price comparison websites, changing consumer preferences and purchasing patterns (as consumers increasingly shop online and via mobile and social media applications) and the increased presence of alternative retail channels, such as subscription services and DTC businesses. These trends have accelerated in recent years, including during the COVID-19 pandemic. The rapid growth of e-commerce and the emergence of alternative retail channels have created, and may continue to create, pricing pressures for us and our retail trade customers or effectively react to market trends and changes in consumer preferences and purchasing patterns, including by expanding sales through e-commerce, DTC and other alternative retail channels, our business, results of operations or financial condition could be adversely affected. See “— If we are unable to anticipate, understand, and respond appropriately to market trends and rapidly changing consumer and customer preferences in a timely manner, we or at all, our business, results of operations or financial condition could be adversely affected.” Significant challenges or delays in our innovation and development of new products and technologies could adversely affect us our business, results of operations or financial condition. Significant challenges or delays in our innovation and development of new products and technologies could adversely affect our business, results of operations or financial condition. We rely on continued global demand for our brands and products, which depends on the continued success of existing products, the successful identification, development and launch of innovative new and differentiated products and the expansion into adjacent categories, channels of distribution or geographies. Development of successful products and technologies is also necessary to offset the loss of sales when our existing products lose market share, which could occur due to various factors, such as competition and SKU rationalization. We cannot predict with certainty when or whether we will be able to develop products and technologies, or otherwise license or acquire new products and technologies, and whether they will be commercially successful. Our ability to remain competitive within the categories in which we currently operate, enter new categories and expand into adjacent categories, channels of distribution or geographic markets depends on many factors, including whether we can successfully: • identify, develop and fund technological innovations; • establish, maintain, protect and enforce necessary intellectual property protection and avoid infringing on, misappropriating or otherwise violating the intellectual property rights of others; • obtain and maintain approvals and registrations of regulated products, including from the FDA and other regulatory bodies in the United States and around the world; • anticipate and quickly respond to the needs and preferences of consumers, customers and third-party partners; and • differentiate our products from competing products by delivering efficient and effective marketing across evolving media and mobile platforms with dynamic privacy requirements. Developing new products and technologies is a complex, time-consuming, and costly process. Any new product may not generate sufficient consumer and customer interest and sales to become a profitable product or to cover the costs of its development and promotion. Our ability to achieve a successful launch of a new product could also be adversely affected by preemptive actions taken by competitors in response to the launch, such as increased advertising and promotional activities with respect to competing products. In addition, new products may not be accepted quickly or significantly in the marketplace, particularly in geographic markets that are less familiar with our company or our brands, including due to product and price competition or changes in consumer preferences or purchasing patterns. The success of a product can also be adversely affected by concerns about the reliability, safety or efficacy of the product or an ingredient used in the product. See “— Risks Related to Government Regulation and Legal Proceedings — Concerns about the reliability, safety, or efficacy of our products or their ingredients could result in litigation, regulatory action, reputational damage, product recalls, product reformulations, or product withdrawals, which could adversely affect us our business, results of operations or financial condition.” Our ability to quickly develop new products and technologies and to adapt and market our products on an ongoing basis to meet evolving consumer and customer preferences is an essential component of our business strategy. Any failure to develop and launch successful new products or to adapt our ingredients, packaging and supply chain to meet these preferences could hinder the growth of our business, and any delay in the development or launch of a new product could compromise our competitive position and otherwise adversely affect our business, results of operations or financial condition. See “— If we are unable to anticipate, understand and respond appropriately to market trends and rapidly changing consumer and customer preferences in a timely manner, or at all, our business, results of operations or financial condition could be adversely affected.” In addition, our ability to develop innovative new products could be adversely affected if third parties allege that we are infringing on, misappropriating, or otherwise violating their intellectual property rights. If, in the course of identifying or developing new products, we are found to have infringed the trademark, trade secret, copyright, patent or other intellectual property rights of others, directly or indirectly, through the use of third-party ideas or technologies, our ability to develop innovative new products could be adversely affected. Even if it is ultimately determined that we did not infringe a third party’s intellectual property rights, a claim of infringement could delay our launch of a new product or increase the cost of its development. See “— Risks Related to Government Regulation and Legal Proceedings — We may not be involved in legal proceedings based on the alleged violation of able to successfully establish, maintain, protect, and enforce intellectual property rights that, such as trademark or patent infringement claims, and, if we are found to have violated the intellectual property rights of others, in the aggregate, material to our business, results of operations or financial condition could be adversely affected.” A global health crisis, epidemic or pandemic may cause demand, supply and other operational challenges, which could adversely affect certain aspects of our business, results of operations or financial condition. We are subject to risks associated with global health crises, epidemics and pandemics, such as the global outbreak of COVID-19 and its variants. Global health crises, epidemics and

pandemics could adversely affect certain aspects of our business, results of operations or financial condition, including by causing commodity scarcities and other disruptions to our manufacturing operations, shipping delays and other disruptions to our supply chain and volatility in the demand for and availability and usage of our products. For example, during the COVID-19 pandemic, although sales of some of our products, particularly in our Self Care and Essential Health segments, increased, sales of other products, particularly in our Skin Health and Beauty segment, fluctuated due to lockdown-driven lost usage occasions, including as a result of the inability of consumers to purchase our products due to financial hardship, government actions imposing travel or movement restrictions, shifts in demand and consumption away from more discretionary or higher-priced products to lower-priced products and consumer pantry-loading activity. We may take actions to modify our business practices in response to a global health crisis, epidemic or pandemic, such as by temporarily instituting remote work for some of our employees. These future actions could adversely affect our business, results of operations or financial condition. The extent to which a global health crisis, epidemic or pandemic will impact our operations will depend on numerous evolving factors that cannot be predicted with certainty, including the global health crisis, epidemic or pandemic's magnitude and duration, the extent to which it impacts worldwide macroeconomic conditions (including interest rates, employment rates and health insurance coverage), the speed of the anticipated recovery and governmental and business reactions. We have pursued, and expect to continue to pursue, acquisitions and divestitures, which exposes us to additional risks that could adversely affect our business, results of operations or financial condition. We have historically expanded our operations by pursuing acquisitions of businesses, brands, assets, and technologies from third parties. For example, in 2019 we acquired the Dr. Ci: Labo brand of dermocosmetic skin care products and in 2018 we acquired the Zarbee's® brand of nature-inspired wellness products. As part of our growth strategy, we expect to continue to pursue acquisitions of businesses, brands, assets and technologies from third parties in the future. Pursuing acquisition targets, signing and closing acquisition transactions, and integrating acquired businesses, brands, assets, and technologies into our ongoing operations involve numerous potential risks that could adversely affect our business, results of operations, or financial condition, including:

- diverting management's attention from other business priorities;
- receiving necessary consents, clearances, and approvals in connection with a transaction, including under antitrust and competition laws, which could delay or prevent the completion of a transaction or otherwise restrict our ability to realize the expected financial or strategic goals of a transaction;
- successfully integrating the operations, technologies, services, products and systems of the acquired businesses, brands or assets in an effective, timely and cost-efficient manner;
- to the extent applicable, integrating operations across different cultures and languages and addressing the particular economic, currency, political and regulatory risks associated with specific countries;
- realizing the full extent of the expected benefits or synergies as a result of a transaction, within the anticipated time frame, or at all;
- successfully operating in new lines of business, categories, channels of distribution or geographic markets;
- achieving distribution expansion related to products, categories and geographic markets;
- retaining key employees, partners, suppliers, and customers of the acquired business;
- conforming standards, controls, procedures and policies of the acquired business with our own;
- developing and launching products with acquired technologies; and
- encountering other unanticipated problems or liabilities.

Moreover, our acquisitions have in the past resulted in, and could in the future result in, substantial exposure to contingent liabilities, such as litigation, indemnification claims, and earn-out obligations. The occurrence of these or other costs of acquisitions, such as incurrence of substantial additional debt or transaction costs or impairment of goodwill or other intangible assets, could adversely affect our business, results of operations, or financial condition. See Note 17, "Commitments and Contingencies," to the Consolidated Financial Statements included herein, including with respect to indemnification claims related to **OTC over-the-counter** Zantac products sold by third parties in the United States. In addition, we have divested, and expect to continue to periodically divest in the future, businesses, brands, and assets as part of ongoing efforts to refine our portfolio and redefine our strategic priorities. These divestitures may adversely affect our business, results of operations, or financial condition if we are unable to offset the dilutive impacts from the loss of **net-Net sales and profits** associated with the divested businesses, brands, or assets or otherwise achieve the anticipated benefits or cost savings from the divestitures. Furthermore, businesses, brands, or assets under consideration for, or otherwise subject to, divestiture may be adversely impacted prior to completion of the divestiture, which could adversely affect our business, results of operations, or financial condition. For additional information about recent acquisitions and divestitures, see Note 18, "Acquisitions and Divestitures," to the Consolidated Financial Statements included herein. Many of our products, such as our OTC products, face substantial competition from retailers' private-label brands and generic non-branded products, which are typically sold at lower prices than branded products. Legislative proposals emerge from time to time in various jurisdictions that would further encourage the early and rapid approval of generic non-branded products in those jurisdictions. An increase in the availability and acceptance of private-label brands and generic non-branded products around the world could cause us to reduce the prices of some of our products to maintain sales volume, which could adversely affect the profitability and market share of those products and otherwise adversely affect our business, results of operations or financial condition. Although we believe that our branded products provide superior quality, performance and functionality, we cannot predict with certainty the extent to which consumers will continue to favor our branded products over private-label and generic non-branded products in the future, particularly during periods when economic or market conditions are uncertain or unfavorable. In addition, retailers' private-label brands and generic non-branded products may use similar packaging and trade dress as our proprietary packaging and trade dress, which could diminish the value of our proprietary rights in our branded products. We may, from time to time, decide not to enforce such proprietary rights against these retailers due, in part, to uncertainty about the outcome and our relationship with these retailers, among other factors. See "—Risks Related to Government Regulation and Legal Proceedings—The loss of any registered trademark or other rights with respect to our trademarks or trade names could enable other companies to compete more effectively with us and otherwise adversely affect our business, results of operations or financial condition." Counterfeit, intellectual-property-infringing, or other unauthorized versions ("**Counterfeit Copies**") of our products,

particularly in our OTC business, could harm consumers and adversely affect ~~us~~ our business, results of operations or financial condition. Our industry, including our business, continues to be challenged by the vulnerability of distribution channels to illegal counterfeiting and the presence of counterfeit, intellectual property-infringing or other unauthorized products in a growing number of markets and over the internet. We have anticounterfeiting initiatives in place and work closely with government regulators and law enforcement officials to prevent and stop these activities. Nonetheless, third parties ~~have~~ **illegally distributed and sold, and may in the future illegally distribute and sell**, counterfeit ~~Counterfeit Copies~~; ~~intellectual property-infringing or other unauthorized versions~~ of our OTC medicines or other products, which do not meet our rigorous manufacturing and testing standards. ~~Such~~ **Counterfeit Copies of**, ~~intellectual property-infringing or our products~~ ~~other unauthorized versions of our medicines~~ may contain harmful substances, the wrong dose of an active pharmaceutical ingredient (“ API ”) or no API at all, depriving consumers of the therapeutic benefit of these ~~medicines~~ **products**. However, to distributors and consumers, ~~Counterfeit Copies~~ **unauthorized versions of our products** may be visually indistinguishable from the authentic versions and, as a result, the ~~unauthorized versions~~ **Counterfeit Copies** may be sold by retailers or purchased by consumers in error. ~~Counterfeit~~ **In particular, we** ~~intellectual property-infringing or other unauthorized versions of our products~~ pose a risk to consumer health and safety because of the conditions under which they are manufactured, which are often in unregulated, unlicensed, uninspected and unsanitary sites, as well as the lack of regulation of their contents. The consumption of unauthorized versions of our products that are inferior in quality yet believed to be genuine may, in some instances, ~~cause consumer health and safety issues and damage our reputation~~. We may be unable to prevent sales of ~~counterfeit~~ **Counterfeit Copies** or stolen products, unauthorized resellers online or sales in violation of law or our policies, particularly as our sales on various e-commerce platforms grow. The internet exposes consumers to greater risk because it is a preferred vehicle for ~~counterfeit, intellectual property-infringing or other unauthorized versions of products~~. ~~Counterfeit~~ **Copies**. ~~Counterfeit Copies pose a risk to consumer health and safety because of the conditions under which they are manufactured~~, ~~intellectual property-infringing or which are often in unregulated, unlicensed, uninspected, and unsanitary sites, as well as the lack of regulation of and information about other~~ ~~their contents~~. ~~Counterfeit Copies~~ ~~unauthorized versions of our products~~ could adversely affect our business, results of operations, or financial condition by being mistakenly attributed to, or impacting consumer confidence in, our authentic products, potentially resulting in lost sales, ~~damage to our reputation or our brands~~, product recalls, and an increased threat of legal or regulatory proceedings. We rely on relationships with third parties, including manufacturers, suppliers, distributors, contractors, logistics providers, and other external business partners, in many aspects of our business. If we are unable to effectively manage our third-party relationships and the agreements under which our ~~or there is a failure of these~~ ~~third-party partners~~ ~~parties~~ **operate to meet their obligations to us**, our business, results of operations or financial condition could be adversely affected. Furthermore, failure of these third parties to meet their obligations to us or substantial disruptions in our relationships with these third parties could adversely affect our business, results of operations or financial condition. While we have policies and procedures for managing these relationships, they inherently involve a lesser degree of control over business operations, compliance matters and ESG practices, thereby potentially increasing our reputational, legal, financial, and operational risk. If our ~~manufacturers, suppliers or other third-party partners~~ fail to comply with applicable laws, regulations, safety codes, employment practices, human rights standards, quality standards, environmental standards, health and safety standards, production practices or other obligations, norms or ethical standards, our reputation or our brands could be damaged, and we could be exposed to litigation, investigations, enforcement actions, monetary liability, and additional costs that could adversely affect our business, results of operations or financial condition. Moreover, some of our third-party partners are located outside the United States, which exposes us to additional risks inherent to conducting business around the world. ~~These risks will increase as we continue to expand our global operations. See “Risks Related to Financial and Economic Market Conditions—We face a variety of risks associated with conducting business around the world, including foreign currency fluctuations, and these risks will increase as we continue to expand our global operations.”~~ In particular, we partner with third parties to manufacture certain of our key products, such as Tylenol® and Zyrtec®. We depend on these third-party manufacturers to allocate to us a portion of their manufacturing capacity sufficient to meet our needs, to produce products of acceptable quality and at acceptable manufacturing yields and to deliver those products to us on a timely basis and at acceptable prices. However, these third-party manufacturers may not be able to meet our near-term or long-term manufacturing requirements, which could result in lost sales and otherwise adversely affect our business, results of operations, or financial condition. Other risks associated with our reliance on third parties to manufacture products include reliance on third parties for regulatory compliance and quality assurance, potential misappropriation of our intellectual property by third parties or their employees, limited ability to manage our inventory, possible breach of the manufacturing agreement by the third party, and the possible termination or nonrenewal of the manufacturing agreement by the third party at a time that is costly or inconvenient for us. Moreover, if any of our third-party manufacturers suffers any damage to its facilities, loses benefits under material agreements, experiences power outages or cybersecurity issues, encounters financial difficulties, is unable to secure necessary raw materials from its suppliers or suffers any other ~~disruption~~ **reduction in efficiency**, we may ~~be adversely impacted~~ **experience significant business disruption**. In the event that such a disruption occurs, we may need to seek and source other qualified third-party manufacturers, likely resulting in further delays and increased costs, which could adversely affect our business, results of operations, or financial condition. See “Disruptions to our manufacturing or supplier operations could adversely affect ~~us~~ our business, results of operations or financial condition.” In connection with the Separation, we ~~may need~~ **have replaced, and continue** to replace, certain of our existing contracts with third parties and, with respect to certain contracts, including contracts related to information technology and cybersecurity matters, that are intended to be transferred, in whole or in part, from J & J to us, ~~we have obtained, and may in the future need to obtain~~ **further**, consents or approvals from third parties. If we are unable to obtain these replacement contracts or required consents or approvals, or if we can only do so on less favorable terms, our business, results of operations,

or financial condition could be adversely affected. See “ — Risks Related to Our Relationship with J & J — The transfer of certain contracts and other assets and rights from J & J to us may require the consents or approvals of third parties and governmental authorities, and failure to obtain these consents or approvals could adversely affect ~~us~~ **our business, results of operation or financial condition**. ” In addition, upon expiration or termination of the Transition ~~Services Agreement~~ **Agreements** and the Transition Manufacturing Agreement entered into with J & J in connection with the Separation, we may need to engage alternative third- party sources to provide certain ~~manufacturing operations, systems and~~ services that J & J currently provides ~~to us~~, which could further increase our exposure to the risks related to reliance on third parties ~~described in the preceding two paragraphs~~. See “ — Risks Related to Our Relationship with J & J — J & J may fail to perform under the Transition ~~Manufacturing Agreement~~ **Agreements**, or we may fail to have replacement ~~manufacturing~~ arrangements in place when ~~the~~ **these Transition Manufacturing Agreement agreements expires- expire**. ” and “ — Risks Related to Our Relationship with J & J — J & J may fail to perform under the Transition ~~Services Agreement~~, or we may fail to have replacement systems and services in place when the Transition ~~Services Agreement expires~~. ” Our ability to meet the needs of our consumers and customers depends on the proper functioning of our manufacturing and supplier operations. Our manufacturing operations require the timely delivery of sufficient amounts of complex, high- quality components and materials. Interruptions or delays in our internal operations, or those of our third- party ~~partners~~ **manufacturers, suppliers and logistics providers**, could adversely affect our business, results of operations, or financial condition. These disruptions could be caused by a number of factors, including regulatory action, quality control or safety issues, labor disputes, or the lack of availability of qualified personnel, concentration or insolvency of ~~manufactures~~ **manufacturers** or suppliers, site- specific incidents (such as fires, explosions, flooding, power outages or site closures), natural disasters (such as hurricanes, earthquakes or other severe natural events), raw material shortages, increases in the cost of components and materials for our products, political unrest, terrorist attacks, cybersecurity incidents, epidemics, pandemics (such as the COVID-19 pandemic), global shipping, logistics, transport and warehousing constraints, governmental incentives and controls (including import and export restrictions, such as new or increased tariffs, sanctions, quotas, or trade barriers), other unfavorable economic or market conditions, trade embargoes, customs and tax requirements, and similar factors. We have in the past faced, and may in the future face, unanticipated interruptions and delays in manufacturing through our internal and external supply chain. Manufacturing or supplier disruptions could result in product shortages, declining sales, reputational damage, or significant costs, which could adversely affect our business, results of operations, or financial condition. In addition, although we currently operate in- house manufacturing sites and source from hundreds of suppliers around the world, some of our products are currently manufactured at a single location or a limited number of locations. Despite our goal of having two or more ~~activity~~ **active** sources of supply for all critical materials or to build appropriate safety stock, we purchase certain key components and materials for our products, including APIs required to manufacture Tylenol®, from single- source suppliers or a limited number of suppliers. As a result, a disruption that only impacts a single manufacturer, manufacturing facility, or supplier could nonetheless have an adverse effect on our business, results of operations, or financial condition. ~~The unavailability of qualified manufacturers or suppliers could further disrupt our operations.~~ Our current ~~manufacturing or supplier operations~~ **third- party partners** may not be able to continue to manufacture or supply ~~current~~ **required** quantities at preferential prices or accommodate our anticipated growth. New manufacturers and suppliers may need to be qualified under industry and governmental standards as well as our own ethical and business partner standards, which can require a significant amount of resources. If we are unable to enter into relationships with new manufacturers or suppliers or replace the loss or unavailability of any of our existing manufacturers or suppliers on a timely basis, or at all, our business, results of operations, or financial condition could be adversely affected. Disruptions to our distribution operations could adversely affect our ability to deliver our products to consumers and customers. Our ability to receive inventory and deliver products to distributors, customers, and consumers on a timely basis depends on the proper functioning of our manufacturing, supplier, and distribution operations, and interruptions or delays in these operations could adversely affect our business, results of operations, or financial condition. Distribution disruptions can occur for many reasons, including manufacturing or supplier disruptions, labor disputes or ~~shortages~~ **the lack of availability of qualified personnel**, concentration or insolvency of distributors or logistics providers, site- specific incidents, natural disasters, political unrest, terrorist attacks, cybersecurity incidents, epidemics, pandemics (such as the COVID-19 pandemic), other unfavorable economic or market conditions, trade embargoes, customs and tax requirements and similar factors -, ~~Increases~~ **increases** in transportation ~~costs (including fuel costs)~~ or shipping costs, issues with overseas shipments, reductions in the transportation capacity of carriers, ~~labor strikes or shortages in the transportation industry,~~ disruptions to transportation infrastructure, and ~~other~~ **unexpected delivery interruptions or delays** could also increase the costs of, or otherwise adversely affect, our distribution operations. ~~Interruptions or delays in our distribution operations could disrupt our ability to process or fulfill customer or consumer orders. Any delay in processing, or inability to fulfill, customer or consumer orders through our distribution network could adversely affect our business, results of operations or financial condition.~~ We are also subject to risks of damage to, or loss of, our products while they are stored in our warehousing facilities or being delivered by our shipping vendors. Distributors, customers, and consumers rely on timely receipt of our products and any repeated, intermittent or long- term disruption to, or failure of, the operations of our warehousing and distribution facilities could lead to lower sales and profitability, excess inventory, reputational damage or loss of loyalty to our brands. In addition, as we continue to grow our business, we may need to continue to update or expand our warehousing and distribution facilities, which may require significant amounts of capital, or engage additional third- party distributors and shipping vendors, which may increase the risks to our business associated with reliance on third parties. See “ — We rely on third parties in many aspects of our business, including to manufacture certain of our products, which exposes us to additional risks that could adversely affect ~~us~~ **our business, results of operations or financial condition**. ” Volatility in the cost or availability of raw materials and other inputs for our products, including due to military conflicts, has adversely affected, and could in the future continue to adversely affect ~~us~~, **our business, results of operations or**

financial condition. The manufacture **manufacturing** and distribution of our products involves a variety of raw materials, including **essential resins, silicon, pulp and corn derivatives, paper, agrochemicals, vegetable oils, resins, pulp, tropical oils, lubricants, tallow, corn, poultry, soybeans and oleochemicals** silicon; packaging components, including corrugate; and other inputs, including energy, labor, transportation (such as trucks, containers, and ocean freight), and logistics services. Any increase in the cost, or constraint on the availability, of these **raw materials, packaging components** or other inputs for our products could adversely affect our business, results of operations, or financial condition. Volatility in the cost or availability of these **or raw materials, packaging components** and other inputs for our products can occur for many reasons, including changes in consumer and customer preferences and purchasing patterns, regulatory action, safety issues, labor issues, concentration or insolvency of suppliers, site-specific incidents, natural disasters, political unrest, terrorist attacks, cybersecurity incidents, epidemics, pandemics (such as the COVID-19 pandemic), other unfavorable economic or market conditions, trade embargoes, customs and tax requirements, currency fluctuations, and similar factors. Inflationary pressures have **recently increased in recent years**, and may **continue to increase in the future, impacting** the costs of these raw materials, packaging components, and other inputs for our products. Since 2021, we have experienced, and we **continue to may in the future** experience, higher than expected inflation, including escalating transportation, commodity, and other supply chain costs and disruptions that have adversely affected, and **continue to could in the future** adversely affect, our results of operations. We **anticipate that were able to mitigate some of these impacts through 2023 and 2024 with deflationary impacts seen in certain cost areas. Nonetheless, inflationary pressures may again increase and** supply chain disruptions **will may** persist in the near-term. We strive to maintain our usual profit margins in economies experiencing high inflation rates, which has in the past caused us (including in response to recent periods of high inflation in the United States), and may in the future cause us, to increase our prices **where possible** and to implement supply chain optimization initiatives to partially offset the adverse effects of the high inflation. **During Specifically, since 2021-2023 and 2024**, we have partially offset the impact of **prior inflation-inflationary largely increases** through price increases, in addition to continued supply chain optimization initiatives. However, if our costs continue to be subject to **significant** inflationary pressures, we may not be able to offset the higher costs through price increases, achieve cost efficiencies, **such as in manufacturing and distribution**, or otherwise manage the exposure through sourcing strategies, ongoing productivity initiatives, and the use of commodity hedging contracts, which could adversely affect our business, results of operations, or financial condition. In addition, even if we are initially able to increase the prices of our products **as a responsive measure to inflationary pressures**, we may not be able to sustain these price increases, or sustained price increases may eventually lead to a decline in sales volume **if our competitors do not increase their prices or if consumers or customers decide to no longer pay the higher prices for our products**. As a result, inflationary pressures could damage our reputation or our brands or lead to loss of profitability or market share, which could adversely affect our business, results of operations, or financial condition. In addition, in certain cases, our relationship with a particular supplier may not be governed by a contract and the supplier could discontinue our supply at any time. This risk may be magnified in economies experiencing high inflation rates, as suppliers could respond to inflationary pressures by reallocating supply to competitors that are willing to pay more for the applicable materials or components. If we are unable to procure key raw materials or packaging components for our products at a reasonable cost, or at all, our business, results of operations, or financial condition could be adversely affected. If we are unable to accurately forecast demand for our products, **we our business, results of operations or financial condition** could be adversely affected. To ensure adequate inventory supply, we forecast inventory needs and place orders with our third-party manufacturers before firm orders are placed by our consumers or customers. Factors that could affect our ability to accurately forecast demand for our products include an unanticipated increase or decrease in demand for our products; our failure to accurately forecast acceptance for new products; product introductions by competitors; unanticipated changes in general market conditions **(which may; the impact of incidence rates for illnesses certain of our products address; the seasonal nature of certain of our products, including as a result in cancellations of unseasonable weather conditions** advance orders or a reduction or increase in the rate of reorders or at-onece orders placed by our customers); the impact on demand due to natural disasters **or unseasonable weather conditions**, weakening of economic conditions or consumer or customer confidence in future economic conditions **(which could reduce demand for our products)**; and terrorism or acts of war, or the threat thereof, or political or labor instability or unrest **(which could adversely affect consumer or customer confidence and spending or the cost or availability of raw materials and other inputs for our products)**. If we fail to accurately forecast consumer and customer demand for our products, we may experience excess inventory levels or a shortage of product **to deliver to our consumers, customers and distributors. Excess inventory inventory** levels in excess of consumer or customer demand may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices or in less preferred distribution channels, which could damage our reputation and otherwise adversely affect our business, results of operations, or financial condition. In addition, if we underestimate the demand for our products, our third-party manufacturers may not be able to manufacture products in quantities that are sufficient to meet our consumer or customer requirements, which could result in delays in the shipment of our products, lost sales, and damage to our reputation and customer and distributor relationships. The difficulty in forecasting demand may also make it difficult to estimate our future results of operations or financial condition from period to period. **We may not fully realize the expected cost savings and / or operating efficiencies associated with our restructuring programs, including the 2024 Multi-Year Restructuring Initiative, or our strategic initiatives, which could adversely affect us. From time to time we implement restructuring or strategic initiatives intended to maintain long-term sustainable growth, such as the 2024 Multi-Year Restructuring Initiative, which is designed to build on our strengths, improve our underlying information technology infrastructure, and optimize our cost structure by rebalancing resources to better position us for future growth. We cannot guarantee that we will be able to successfully implement these restructuring programs or strategic initiatives, that we will achieve or sustain the intended benefits under these programs, or that the benefits, even if achieved, will be adequate to meet our long-term growth and**

profitability expectations, which could in turn adversely affect our business. In addition, such restructuring or strategic initiatives may result in reduced productivity and diminished workforce morale, which can cause these initiatives to suffer. If market conditions improve, renewed business growth may strain our existing resources and we may not be able to effectively scale in response. Our business is increasingly dependent on information informational technology systems ; operational technology systems; networks and services, including internal and public internet and intranet sites ; data hosting and processing facilities and technologies ; cloud- based services and hardware ; physical security systems ; digital, social media , and mobile technology platforms and other hardware ; software- enabled shop- floor manufacturing and distribution automation systems or operational technology ; software and technical applications and platforms (collectively, “ IT Technology Systems ”), some of which are managed, hosted, provided or used by third parties, including cloud- based service providers and their vendors. Our Technology uses of IT-Systems include: • communicating within our company and those of with other parties, including consumers, customers and third- party partners ; • ordering and managing materials from suppliers; • manufacturing and testing our products; • receiving and processing orders from, shipping products to and invoicing our consumers and customers; • marketing products to consumers and customers; • collecting, transferring, storing or processing personal data from consumers, customers, vendors, employees and contractors; • processing transactions, including employee payroll, employee and retiree benefits and payments to customers and vendors; • hosting, processing and sharing confidential and proprietary research, intellectual property, business plans and financial information; • summarizing and reporting results of operations, including financial reporting; • managing our banking and other cash liquidity systems and platforms; • complying with legal, regulatory and tax requirements; • providing data security; and • handling other processes involved in managing our business. Our IT Systems and those of third parties with which we partner or their vendors could be interrupted, damaged, invaded, corrupted, or breached or cease to function properly due to any number of causes, including catastrophic events, natural disasters, power outages, computer and telecommunications failures, improper data handling, phishing attempts, cyberattacks, malware and ransomware attacks, security breaches, security incidents , or employee or other insider error or malfeasance. In particular, extensive information security and cybersecurity threats, which affect companies globally, pose a risk to the security and availability of these systems and networks and the confidentiality, integrity and availability of our sensitive data. The overall increase in supply chain attacks on companies generally and our interdependency on third- party partners service providers increase the potential for supply disruptions and service outages. Certain of our third- party partners and their vendors have access to portions of our IT Technology Systems, and any attack on the IT Technology Systems of these third- party partners or their vendors could then be used to attempt to infiltrate our IT Technology Systems. Furthermore, any cybersecurity incident impacting our third- party partners or their vendors may adversely affect our business, results of operations , or financial condition even if the breach does not directly impact our IT Technology Systems. If the market for third parties that provide the IT Technology Systems we use in our business were to contract or converge in the future, this may increase both the challenge in identifying capable service providers and the potential impact of a breach incident with any single service provider. Cyberattacks and other cybersecurity incidents are of ever- increasing levels of sophistication and are made by groups and individuals with a wide range of motives (including industrial espionage) and expertise . Our Technology Systems and those of third- party partners have been, and likely will continue to be, subject to advanced computer attacks , including nation viruses or other malicious code, ransomware, unauthorized access attempts, denial of service attacks, phishing, social engineering, hacking, and other cyberattacks. In addition, the global threat of cyberattacks has increased in response to global conflicts, including the Russia - Ukraine War. See states, organized criminal groups,“ hactivists — Risks Related to Financial and Economic Market Conditions — Acts of war , military actions, terrorist attacks, or civil unrest could adversely affect us.” We continually assess insiders acting with malicious intent and others. Our IT Systems and those these of threats and make investments to increase internal protection, detection and response capabilities, and ensure the third parties with which we partner or and their vendors have been, the required capabilities and controls likely will continue to be address these risks. However , subject to advanced computer attacks our security efforts may not prevent or timely detect interruptions , including viruses breakdowns, invasions, corruptions, destructions, breaches, cyberattacks, or other compromises malicious code, ransomware, unauthorized access attempts, denial of service attacks, phishing, social engineering, hacking and other cyberattacks. In addition, the global threat of cyberattacks has increased in response to global conflicts, including the Russia- Ukraine War and ongoing conflicts in the Middle East. See “ — Risks Related to Financial and Economic Market Conditions — Acts of war, military actions, terrorist attacks, or civil unrest could adversely affect our or interruptions to business, results of operations or our Technology Systems or financial condition.” We continually assess these those of threats and make investments to increase internal protection, detection and response capabilities and ensure the third parties with which we partner and or their vendors (collectively have the required capabilities and controls to address these risks. However, “ our security efforts may not prevent or timely detect interruptions Interruptions ”), breakdowns, invasions, corruptions, destructions, breaches, cyberattacks or other compromises of or interruptions to our IT Systems or those of third parties with which we partner or their vendors, and we may not be able to timely remediate any interruptions Interruptions , breakdowns, invasions, corruptions, destructions, breaches, cyberattacks or other compromises or interruptions that we detect, which could adversely affect our business, results of operations , or financial condition. We Furthermore, notwithstanding any contractual rights or remedies we may have, because we do not be able to ensure that the technologies, capabilities, and control controls , and may have limited oversight over, our third- party partners employ to protect the integrity and security of their Technology vendors, we cannot ensure the technologies, capabilities and controls they employ to protect the integrity and security of their IT Systems will provide adequate protection. In addition, we , and our third - party parties with which we partner partners and their vendors periodically upgrade IT Technology Systems or adopt new technologies. If an upgrade to an IT a Technology System or a newly adopted technology that is used in our business does not function as designed or for its intended purpose, or increases our exposure to a cyberattack or cybersecurity incident, our business, results of operations , or

financial condition could be adversely affected. To date, we have not experienced any material impact to our business or operations resulting from information security or cybersecurity incidents. However, due to the frequency with which attack techniques change and the increased volume and sophistication of attacks, there is the continuous potential for our business, results of operations, or financial condition to be adversely affected by an information security or cybersecurity incident involving us or a third party with which we partner or its vendor, which could result in reputational, competitive, operational, or other business harm as well as financial costs and regulatory action. Moreover, we expect that the variety and magnitude of risks associated with our use of ~~IT~~ **Technology** Systems will increase as we continue to implement our digital-first strategy and as our third-party partners similarly expand their digital operations. ~~While~~ **The availability of cybersecurity insurance to cover an information security or cybersecurity incident in the future, whether on economically reasonable terms or at all, is uncertain and, even if available, the coverage may not be sufficient to cover all financial, legal, business or reputational losses that may result from an interruption, breakdown, invasion, corruption, destruction, breach, cyberattack or other compromise of or interruption to the IT Systems or confidential and other sensitive information used in our business. If we currently maintain cybersecurity insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on financially reasonable terms, or at all, or that any insurer may will not deny coverage as to any future claim.** Even if we maintain cybersecurity insurance, the successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our business, results of operations or financial condition. See “ — Insurance coverage, even where available, may not be sufficient to cover losses we may incur. ” In addition, limitation of liability or indemnity provisions in our contracts, including with vendors and service providers, may not be enforceable or adequate or otherwise protect us from any liabilities or damages for an information security or cybersecurity incident with respect to any particular claim. In connection with the Separation, we continue to work to separate our ~~IT~~ **Technology** Systems from J & J’s ~~IT~~ **Technology** Systems. Any of the foregoing risks may be exacerbated by the Separation as a result of the required transition of our ~~IT~~ **Technology** Systems and related transfer of data. See “ — Risks Related to Our Relationship with J & J — We have incurred and continue to incur significant charges in connection with the Separation and incremental costs as an independent, publicly traded company. ” For additional information about risks related to privacy and data protection matters, see “ — Risks Related to Government Regulation and Legal Proceedings — A breach of privacy laws or unauthorized access, loss or misuse of personal data could adversely affect ~~us~~ **our business, results of operations or financial condition.** ” For additional information about Kenvue’s cybersecurity risk management, strategy, governance, and incident disclosures, see **Part I, Item 1C, “ Cybersecurity. ”** Our business depends on our ability to attract and retain talented, highly skilled employees ~~who reflect our consumers and a diverse workforce,~~ and on the succession of our senior management. Our business depends on our ability to attract and retain talented employees ~~representing diverse backgrounds,~~ **who have a multitude of** experiences and skill sets **, and who represent all of our consumers.** The market for highly skilled personnel and leaders in our industry is extremely competitive, and our ability to compete depends on our ability to hire, develop, motivate, and retain highly skilled personnel and leaders ~~in all areas of our business and in all geographic markets in which we operate, particularly as we continue to implement our digital-first strategy and expand our global operations.~~ A failure to **understand our consumers and** maintain our brands and our reputation **could adversely affect our ability to attract and retain top talent and thus our ability to develop, market, and sell successful products. Negative perception of our belonging and inclusion philosophy, whether due to our perceived over- or under- emphasis, may likewise result in issues hiring or retaining employees,** as well as **potential litigation or other** ~~a diverse, equitable and inclusive work environment, could adversely~~ **adverse impacts** affect our ability to attract and retain top talent. If we are less successful in our hiring efforts, or, if we cannot retain highly skilled workers and key leaders, then our ability to develop, market and sell successful products could be adversely affected. Furthermore, our ability to attract and retain talent has been, and may continue to be, impacted to varying degrees by challenges in the labor market that emerge from time to time, such as wage inflation, labor shortages, changes in immigration laws and government policies, and a shift toward remote work and other flexible work arrangements. ~~As part of J & J, we were able to capitalize on J & J’s historical market reputation, performance and corporate brand identity to attract and retain key personnel to run and operate our business. As an independent, publicly traded company, we do not have the same historical market reputation, performance or corporate brand identity as J & J, which may make it more difficult for us to attract or retain such personnel. In connection with the Separation, we hired and integrated a significant number of employees on an expedited basis to enable us to continue to operate without the same access to J & J’s existing operational and administrative infrastructure. Furthermore,~~ **and** the Separation has resulted in new and increased demands on our management team and other employees. Current or prospective employees could ~~also~~ **also** experience uncertainty about their future roles at our company as a result of the Separation or other strategic, organizational, or operational changes in the future. As a result, we may lose key personnel or we may be unable to attract, integrate, retain, or motivate qualified individuals, or the costs associated with attracting, integrating, retaining, or motivating personnel may increase. ~~Any impact on our ability to operate our business with employees possessing the appropriate expertise could adversely affect our business, results of operations or financial condition.~~ Effective succession planning is also important to our long-term success. The loss of one or more of our key employees, particularly if unexpected or sudden, could adversely affect our business. While we follow a disciplined, ongoing succession planning process and have succession plans in place for senior management and other key executives, these do not guarantee that the services of qualified senior executives will continue to be available to us at particular moments in time. Any unsuccessful implementation of our succession plans or failure to ensure effective transfer of knowledge and smooth transitions involving key employees could adversely affect our business, results of operations, or financial condition. Labor disputes, strikes, work stoppages, or other labor relations matters could adversely affect ~~us~~ **our business, results of operations or financial condition.** Some of our employees are members of unions or trade associations, represented by works councils or otherwise

subject to collective bargaining agreements in certain jurisdictions, including the United States. As a result, we are exposed to risks associated with labor disputes, strikes, work stoppages, and other similar labor relations matters. We may be unable to negotiate new collective bargaining agreements on similar or more favorable terms, and we may experience work stoppages, higher ongoing labor costs, or other labor issues in the future. We may also experience difficulties or delays in implementing changes to our workforce in certain geographic markets or in building our workforce in new geographic markets that we may enter. ~~Legislative proposals~~ **Prevailing market wage rates for hourly employees have increased, and** ~~are made or discussed from expected to continue to increase, over time to time to, including as a result of increase increases to~~ the federal, **state, and local** minimum wage in the United States ~~and to~~ as well as the minimum wage in **national** a number of federal, state and ~~local sub-national~~ jurisdictions around the world. As the applicable minimum wage rates increase, we may need to increase the wage rates of our hourly employees. If we fail to increase our wages competitively in response to increasing wage rates, the quality of our workforce could decline. Legislative proposals are also made or discussed from time to time to modify benefit programs, such as health insurance and paid leave programs. Any increase in the cost of our labor as a result of these or other legislative proposals could adversely affect our business, results of operations or financial condition. Our manufacturers, suppliers or other third-party partners may also be affected by labor-related issues, which could **increase our costs or** disrupt our operations, potentially for an extended period of time, and otherwise adversely affect our business, results of operations, or financial condition. See “ — We rely on third parties in many aspects of our business, including to manufacture certain of our products, which exposes us to additional risks that could adversely affect **us our business, results of operations or financial condition.** ” Climate change, or legal, regulatory or market measures to address climate change, could adversely affect **us our business, results of operations or financial condition.** Climate change ~~resulting from increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere, which could have an adverse effect on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters,~~ could adversely affect our business, results of operations, or financial condition. Natural disasters and extreme weather conditions, ~~such as hurricanes, tornados, earthquakes, wildfires or flooding incidents,~~ pose physical risks to our facilities and assets and have in the past, and could in the future, disrupt the operation of our supply chain. ~~The~~ **In particular, the** impacts of the changing climate on water resources may result in water scarcity, ~~limiting our ability to access sufficient high-quality water in certain locations,~~ which may increase operational costs. Concern over climate change may also result in new laws or regulations designed to ~~reduce greenhouse gas emissions or mitigate the effects of climate change on the environment.~~ If new laws or regulations are more stringent than current laws or regulations, we may experience disruption in, or an increase in the costs associated with, sourcing, manufacturing, and distribution of our products. See “ — Risks Related to Government Regulation and Legal Proceedings — We are subject to a broad range of environmental, health, and safety laws and regulations, and the impact of any obligations under these laws and regulations could adversely affect **us our business, results of operations or financial condition.** ” For additional information about risks related to climate change and sustainability matters, including our climate change and sustainability goals, see “ — Increasing scrutiny, **emerging legal requirements,** and rapidly evolving expectations from stakeholders regarding ESG matters could adversely affect **us our business, results of operations or financial condition.** ” Increasing scrutiny, **emerging legal requirements,** and rapidly evolving **stakeholder** expectations, ~~including by governmental and non-governmental organizations, consumer advocacy groups, third-party interest groups, investors, consumers, customers, employees and other stakeholders, regarding ESG practices and performance, particularly as they relate to the environment, nature and biodiversity, climate change, plastic packaging, waste, health and safety, supply chain management, diversity, equity and inclusion, water scarcity, labor conditions and human rights,~~ could adversely affect our business, results of operations, or financial condition. The standards for tracking and reporting on ESG matters are relatively new, have not been harmonized **globally,** and continue to evolve. Legislators and regulators have imposed, and **may likely will** continue to impose, ESG-related legislation, rules and guidance, which may conflict with one another, create new disclosure obligations, result in additional compliance costs, or expose us to new or additional risks. In addition, customers and other stakeholders have encouraged or required, and likely will continue to encourage or require in the future, the adoption of various ESG practices that may conflict with one another and may exceed the requirements of applicable laws or regulations. ~~Furthermore~~ **We could be the subject of negative publicity despite** ~~certain organizations that~~ **or as a result of, our ESG efforts, including if the Company is not successful in achieving its ESG goals or** ~~provide provides inaccurate~~ information to investors have developed ratings for evaluating companies on their approach to managing various ESG matters. Implementing any necessary enhancements to our global **compliance** processes and controls to reflect the increased scrutiny and rapidly evolving expectations regarding ESG matters may be complex, time-consuming, and costly. **Our** ~~In October of 2023, we launched an update of our Healthy Lives Mission, which includes public ESG goals and commitments intended to position our brands as healthy healthier choices for both people and the planet and to better help manage ESG-related impacts, risk risks, and opportunities. We expect to expend significant resources to advance our Healthy Lives Mission and our broader ESG efforts.~~ However, we may be unable to successfully implement **the** programs and initiatives ~~intended necessary to achieve these~~ **advance progress toward our Healthy Lives Mission** goals and commitments, and the outcomes may not generate the intended effects, which could adversely affect ~~our business, results of operations or financial conditions.~~ For example, our ESG goals and commitments could limit our ability to obtain sufficient amounts of products or materials, either at a reasonable cost or at all, because our ESG goals and commitments could reduce the number of manufacturers or suppliers with business practices or access to materials that satisfy the requirements of our ESG goals and commitments. In addition, we expect that stakeholders will compare our ESG goals and commitments against those of our competitors. Our competitors could have more robust ESG goals and commitments or be more successful at implementing their ESG goals and commitments than us, which could adversely affect our reputation. Our competitors could also decide not to establish ESG goals and commitments at a scope or scale that is comparable to our ESG goals and commitments, which could result in our competitors having lower supply chain or operating costs. Conversely, our competitors with more aggressive ESG

initiatives may have preferred pricing and access as early adopters to materials that Kenvue does not have. Our reputation may be affected by our perceived ESG credentials and our ability to meet our ESG goals. As they evaluate investment decisions, many investors look not only at company disclosures but also to ESG rating systems that have been developed by third parties to allow ESG comparisons among companies. Although we participate in some of these ratings systems, we do not participate in all such systems. The criteria used in these ratings systems may conflict and change frequently, and we cannot predict how these third parties will score us, nor can we have any assurance that they score us accurately or other companies accurately or that other companies have provided them with accurate data. We supplement our participation in ratings systems with published disclosures of our ESG activities, but some investors may desire other disclosures that we do not provide. Investors and other stakeholders may look to us to improve our ratings before remaining invested in us, making further investments in us or otherwise engaging with us. Despite our efforts, any actual or perceived failure to achieve our ESG goals or the perception (whether or not valid) that we have failed to act responsibly with respect to ESG matters, comply with ESG laws or regulations or meet societal, investor, and consumer ESG expectations could result in negative publicity and reputational damage, lead consumers or customers to purchase competing products or investors to choose not to invest in our company, or cause dissatisfaction among our employees or other stakeholders, which could adversely affect our business, results of operations, or financial condition. Our business exposes us to the risk of liabilities and losses arising from our operations. For example, we may be liable for claims brought by consumers, customers, employees or other third parties for personal injury or property damage arising from the use of our products or premises. We also may face liabilities or losses due to site-specific incidents (such as fires, explosions, flooding or power outages), natural disasters (such as hurricanes, earthquakes or other severe natural events), cybersecurity incidents and similar factors. We seek to minimize these risks where practicable and economical through various insurance contracts from third-party insurance carriers. However, any insurance coverage we purchase or otherwise have access to is subject to large deductibles on individual claims, policy limits (on individual claims and on all claims in the aggregate), and other terms and conditions. **Our** We retain an insurance risk reserve for certain losses not covered by third party insurance. Nonetheless, our insurance may not be sufficient to cover losses we may incur. Any losses that insurance does not substantially cover could adversely affect our business, results of operations, or financial condition. In addition, the insurance industry has become more selective in offering some types of insurance, such as product liability and cybersecurity insurance, and we may not be able to obtain certain insurance coverage on favorable terms, or at all, in the future. Significant product returns or refunds could adversely affect **us** our business, results of operations or financial condition. In accordance with our terms of sale, we allow our customers to return products in **certain markets in** exchange for reimbursement and refund. In addition, some of our agreements with our **retail trade** customers provide that we are responsible for the logistical costs associated with certain product returns. Return rates and related costs may be higher for products with degrees of unpredictable **seasonable** **seasonal** demand, such as products used for sun protection or to treat coughs and colds. If product returns or refunds are significant or higher than anticipated, our business, results of operations, or financial condition could be adversely affected. Furthermore, we and our third-party partners, including **retail trade** customers and third-party e-commerce partners, modify policies relating to returns or refunds from time to time, and may do so in the future, which may result in consumer dissatisfaction, damage to our reputation or our brands or an increase in the number of product returns or the amount of refunds we make. From time to time, our products are not received as expected or are damaged in transit, which can increase return rates, damage our reputation or our brands and otherwise adversely affect our business, results of operations, or financial condition. We are subject to a broad range of laws and regulations in the United States and around the world, and compliance with or enforcement actions related to these laws and regulations could adversely affect **us** our business, results of operations or financial condition. We are subject to a broad range of laws and regulations in the United States and around the world. **These laws and regulations apply to many areas of our business, including most aspects but not limited to those described in the section titled “Business — Government Regulations” of Part I, Item 1 included herein. Furthermore, changes in governments may drive significant policy and regulation change, including an increase our or products a reduction of regulation, such as their development it relates to tax, trade, manufacturing, ingredients, formulation climate change, manufacture ESG, privacy packaging content, labeling data protection, storage anti-corruption, transportation human rights, distribution, export, import, advertising, sale and environmental impact other matters.** Compliance with or enforcement actions related to these laws and regulations could adversely affect our business, results of operations, or financial condition. In the United States, federal authorities, including the FDA, the FTC, the CPSC, the OSHA, the EPA, and the DEA, regulate different aspects of our business, along with parallel authorities at the state and local levels and comparable authorities in other jurisdictions. In particular, the FDA and comparable authorities in other jurisdictions regulate the facilities and operational procedures that we use to manufacture our products. We are required to register our facilities with these authorities and manufacture products in these facilities in accordance with **current Good Manufacturing Practices (“cGMP”)** or similar manufacturing standards in each country in which we manufacture products. Compliance with these regulations and with our own quality standards, which may exceed applicable government regulations, requires substantial expenditures of time, money, and effort across many areas of our business, including with respect to training of personnel, recordkeeping, production, quality control, and quality assurance. Failure to comply with cGMP or similar manufacturing standards at one of our or our third-party partners’ facilities could result in adverse regulatory action. For example, **McNEIL-PPC, Inc., whose assets have been transferred to us in connection with the Separation, previously operated under a consent decree, signed in 2011 with the FDA, which governed certain of its manufacturing operations and required it to remediate the facilities it operated in Lancaster, Pennsylvania (sold during fiscal year 2023), Fort Washington, Pennsylvania and Las Piedras, Puerto Rico. The FDA completed its inspections of these facilities, which included a required five-year audit period by a third-party cGMP expert, and this consent decree was vacated in July 2021.** New or more stringent laws or regulations, more restrictive interpretations of existing laws or regulations, or increased enforcement actions **by governmental and regulatory agencies around the world** could increase

our ongoing costs of **global** compliance, alter the **environment environments** in which we do business, or otherwise adversely affect our business, results of operations, or financial condition. The global regulatory landscape is subject to rapid and unexpected changes, including as a result of the Russia-Ukraine War, the recent military conflict in the Middle East, and there has been a general trend toward increasingly stringent regulation and enforcement around the world in recent years. If we fail to comply with any new or existing laws or regulations, we may be required to pay damages, cease advertising or promotional activities, alter our products or marketing materials, cease selling certain products, and possibly face fines or sanctions. Furthermore, as we continue to expand our global operations, we may be required to comply with market-specific laws and regulations, including by obtaining approvals, licenses, or certifications from a particular country's regulators. Failure to ~~obtain these approvals, licenses or certifications or~~ comply with these laws or regulations could impede our growth prospects and otherwise adversely affect our business, results of operations, or financial condition. While it is our policy and practice to comply with all **applicable** laws and regulations ~~applicable to our business~~, our internal control policies and procedures may not always protect us from reckless or criminal acts committed by our employees, ~~joint venture~~ **third-party** partners, or agents. A finding that we are in violation of, or out of compliance with, applicable laws or regulations could subject us to civil remedies, including fines, damages, injunctions, or product recalls, or criminal sanctions, any of which could adversely affect our business, results of operations, or financial condition. Even if a claim is unsuccessful, is without merit or is not fully pursued, the cost of responding ~~to such a claim~~, including management time and out-of-pocket expenses, and the **associated** negative publicity ~~surrounding such assertions regarding our products, processes or business practices~~ could adversely affect our reputation or, our brands ~~or~~ and otherwise adversely affect our business, results of operations, or financial condition. For additional information about the regulatory landscape applicable to our business, see the section titled "Business — Government Regulations" **of Part I, Item 1** included herein. For additional information about risks related to the regulatory landscape applicable to our business, see "— A breach of privacy laws or unauthorized access, loss or misuse of personal data could adversely affect ~~us our business, results of operations or financial condition~~," "— Our extensive operations and business activity throughout the world expose us to a variety of laws and regulations related to anti-corruption and human rights matters, and enforcement actions ~~the impact of any obligations~~ related to these laws and regulations could adversely affect ~~us our business, results of operations or financial condition~~." and "— We are subject to a broad range of environmental, health, and safety laws and regulations, and the impact of any obligations under these laws and regulations could adversely affect ~~us our business, results of operations or financial condition~~." We are, and could become, subject to significant legal proceedings and regulatory investigations that may result in significant expenses, fines, and reputational damage. In the ordinary course of business, we may be subject to a wide variety of claims, lawsuits, and regulatory and governmental investigations involving various issues such as **product liability, labeling, marketing, advertising, pricing,** intellectual property, commercial contracts, **foreign exchange controls** ~~product liability, labeling, marketing, advertising, pricing,~~ antitrust and trade regulation, labor and employment, indemnification, data privacy and ~~security~~ **cybersecurity**, environmental, health and safety, and tax matters. These claims and lawsuits may result in significant expenses, fines, and reputational damage. Litigation, in general, and securities, derivative action, class action, and multi-district litigation, in particular, can be expensive and disruptive, **including significant time and expense required to investigate and defend against litigation**, regardless of the merit of the underlying claims. ~~Our Some of these matters may include thousands of plaintiffs, may involve parties seeking large or indeterminate amounts, including punitive or exemplary damages, and may remain unresolved for several years. It is not feasible to predict the ultimate outcome of a legal proceeding, and our~~ assessment of the materiality of a legal proceeding, including any accruals taken in connection therewith, may not be consistent with the ultimate outcome of the legal proceeding. We could, from time to time in the future, be required to pay significant amounts as a result of settlements or judgments in legal proceedings, potentially in excess of accruals, including proceedings where we could be held jointly and severally liable among other defendants. In addition, our current estimates of the potential impact of legal proceedings on our business, results of operations, or financial condition could change from time to time ~~in the future~~. The resolution of, or increase in accruals for, a legal proceeding in a particular reporting period could adversely affect our business, results of operations, or financial condition for that period. For additional information about our current legal proceedings, see Note 17, "Commitments and Contingencies," to the Consolidated Financial Statements included herein. Concerns about the reliability, safety, or efficacy of our products or their ingredients, whether raised internally or by litigants, regulators, consumer advocacy groups, third-party interest groups or others, and whether or not based on scientific or factual evidence, have resulted, and could in the future result, in governmental investigations, regulatory action (including the shutdown of manufacturing facilities), private claims and lawsuits, recalls, reformulations, significant remediation and related costs, safety alerts, product shortages, declining sales, or reputational damage (including damage to brand image, brand equity and consumer trust in our products). We have in the past paid, and we may be required in the future to pay, for losses or injuries purportedly caused by our products. ~~These claims may be based on a variety of allegations, including that our products contain contaminants or impurities, provide inadequate instructions or warnings regarding their use, have defective packaging, fail to perform as advertised or damage property or persons.~~ If any of our products, or an ingredient contained in any of our products, is perceived or found to be contaminated or tampered with, or otherwise defective or unsafe, we have needed to, and may in the future need to, recall, reformulate, or withdraw our products, which could result in the adverse effects described above. The availability of **and coverage by** third-party product liability insurance is uncertain ~~and, even if available, potential claims may be subject to a deductible, exceed the amount of coverage or be excluded under the terms of the policies~~. See "— Risks Related to Our Operations — Insurance coverage, even where available, may not be sufficient to cover losses we may incur." Product recalls, ~~product~~ reformulations, and ~~product~~ withdrawals of various magnitudes have occurred in each of our **reportable** business segments and may occur in the future; ~~including as a result of manufacturing issues, contamination issues, shipping and other supply chain issues and labeling issues~~. For example, with respect to our Skin Health and Beauty segment, in July 2021, Johnson & Johnson Consumer Inc. ("Old JJCI

”) voluntarily recalled all lots of five Neutrogena ® and Aveeno ® aerosol sunscreen product lines to the consumer level and advised consumers to stop using the affected products out of an abundance of caution after internal testing identified low levels of benzene in some samples of the products, though based on exposure modeling and the **EPA U. S. Environmental Protection Agency**’ s framework, daily exposure to benzene in the recalled products would not be expected to cause adverse health consequences. See Note 17, “**Commitments and Contingencies**,” to the Consolidated Financial Statements included herein for **additional information regarding benzene**. In addition, the Modernization of Cosmetics Regulation Act, enacted in December 2022, is expected to expand the FDA’ s regulatory authority over cosmetic products, including by providing the FDA with new mandatory recall authority over cosmetics and by requiring the registration of cosmetic manufacturing facilities, the reporting of certain adverse events, the issuance of cGMP requirements, and the establishment of safety substantiation requirements. We have also faced, and could face in the future, concerns about the reliability, safety, or efficacy of the ingredients used in our products. Scrutiny of **such** ingredients ~~we use in our products~~, including scrutiny that originates on digital or social media platforms, may result in an inability to use, or restrictions on the use of, the ingredients or a requirement for remedial action, which could cause us to incur significant additional costs, particularly if we need or otherwise decide to reformulate **or withdraw** the affected products, or **could** result in litigation. For example, **regulatory agencies globally, including the FDA and the European Medicines Agency, have issued guidance on assessing and controlling nitrosamine impurities in medicine products. We are continuing to undertake a review of our product portfolio in accordance with such regulatory guidance to assess any appropriate remedial action. The Company’ s subsidiary** Johnson & Johnson Inc. (Canadian affiliate) (“ JJI ”), previously sold **OTC over-the-counter** Zantac (ranitidine) products in Canada. JJI has been named as a defendant, along with other manufacturers, in ~~four~~ **two** proposed class actions in Canada alleging that Zantac and other **OTC over-the-counter** medications that contain ranitidine may degrade and result in unsafe levels of N- nitrosodimethylamine (“ NDMA ”) and can cause or have caused various cancers in patients using the products. JJI has also been named as a defendant, along with other manufacturers, in various personal injury actions in Canada related to Zantac products. Though we may have rights to indemnification from third parties for certain liabilities relating to these claims, it is not possible, at this stage, to assess reliably the outcome of these lawsuits or the potential financial impact on the Company. J & J has also received demands for indemnification for legal claims related to **OTC over-the-counter** Zantac products sold by third parties in the United States. In addition, our affiliate Johnson & Johnson Consumer Inc., **now known as Kenvue Brands LLC** (“ New JJCI ”), has been named in cases ~~in federal court~~ alleging that prenatal exposure to Tylenol ®, an acetaminophen product, is associated with the development of autism spectrum disorder and attention- deficit / hyperactivity disorder in children. ~~Plaintiffs have asserted similar claims against retailer chains, alleging similar injuries resulting from use of store- brand generic acetaminophen products. In October 2022, lawsuits filed in federal courts in the United States were organized as a multi- district litigation in the U. S. District Court for the Southern District of New York. In February 2024, the Court entered final judgment in favor of New JJCI and other sellers of acetaminophen- containing products and dismissed the majority of cases then pending in the multi- district litigation. No trial dates have been set in the remaining actions. In addition, lawsuits have been filed in state court against New JJCI, us and J & J, and lawsuits have been filed in Canada against our Canadian affiliate. Furthermore, in September 2023, the Nonprescription Drugs Advisory Committee (the “ NDAC ”) of the FDA met to discuss new data on the effectiveness of orally administered phenylephrine (“ PE ”) and concluded that the current scientific data do not support that the recommended dosage of orally administered PE is effective as a nasal decongestant. Neither the FDA nor the NDAC raised concerns about safety issues with use of oral PE at the recommended dose. In November 2024, the FDA issued a proposed order to remove the ingredient from the OTC monograph. The public now has stated it will consider the opportunity to comment for 180 days input of the NDAC, and the evidence, before taking any action on the status of oral PE. FDA issues a final order.~~ Beginning in September 2023, following the NDAC vote, putative class actions were filed against the Company and its affiliates, along with other sellers and manufacturers of PE- containing products, asserting various causes of action including violation of consumer protection statutes, negligence and unjust enrichment. Separately, putative Canadian class actions were filed beginning in September 2023 against our affiliates, along with other sellers and manufacturers of PE- containing products, alleging false, misleading representations, and seeking damages and declaratory relief based on similar causes of action. Additionally, beginning in October 2023, two putative securities class actions were filed in the U. S. District Court for the District of New Jersey against us and certain of our officers, among other defendants. Finally, in January 2024, shareholder derivative complaints were filed in the U. S. District Court for the District of New Jersey against the Company as the nominal defendant and **its affiliates** our directors and certain of our officers as defendants, ~~among~~ **along with other third- party sellers and manufacturers** defendants. It is not possible at this stage to assess reliably the outcome of these **PE- containing products, asserting various causes** ~~or the potential financial impact on the Company~~ **of action including violation of consumer protection statutes, negligence, and unjust enrichment**. See Note 17, “**Commitments and Contingencies**,” to the Consolidated Financial Statements included herein for additional information regarding litigation related to Zantac, acetaminophen, and PE. Concerns about the reliability, safety or efficacy of the ingredients used in our products could also discourage customers and consumers from carrying, purchasing, or using our products. For example, subsequent to the NDAC meeting, certain retailers announced they would no longer sell certain oral cough and cold products that contain PE as the only active ingredient, and it is possible other retailers will make similar decisions, which could adversely affect our business, results of operations, or financial condition. If we remove certain ingredients from our products, either voluntarily or pursuant to a regulatory mandate, we may not be able to successfully develop an alternative formulation or obtain necessary regulatory approvals on a timely basis, or at all. Furthermore, any reformulated product we introduce to the market may not be positively received by consumers and customers, which could result in lost sales, damage our reputation or our brands, or otherwise adversely affect our business, results of operations, or financial condition. Moreover, negative perceptions of our products or their ingredients may arise from product liability claims, product recalls, or product withdrawals, regardless of whether the

claims, recalls, or withdrawals directly involve us or our products. In addition, the mere publication of information asserting concerns about the reliability, safety or efficacy of competing products or ingredients in competing products that are also used in our products could adversely affect our business, results of operations, or financial condition. Increased regulation, litigation or adverse publicity concerning ingredients used in our products, such as acetaminophen, may discourage consumers from buying our products that contain those ingredients, even when the regulation, litigation, or publicity does not directly relate to or expressly mention us or our products, and even if not accurate. In addition, we believe our products are reliable, safe, and effective when used for their intended purposes in accordance with label directions. However, consumers have misused, and may in the future misuse, our products, including for unauthorized, nefarious or other unintended purposes, which in certain instances has had, and may in the future have, serious or even fatal implications. Misuse of our products has led to, and may in the future lead to, criticism on digital and social media platforms, negative coverage by traditional media and other forms of adverse publicity regarding our products or their ingredients, which could similarly discourage consumers from buying our products or otherwise adversely affect our reputation or our brands. See “ — Risks Related to Our Business and Industry — Our brands are critical to our success, and damage to our reputation or our brands could adversely affect us our business, results of operations or financial condition. ” Legal proceedings related to talc or talc- containing products, such as Johnson’s ® Baby Powder, sold outside the United States and Canada and other risks and uncertainties related to talc or talc- containing products could adversely affect us our business, results of operations or financial condition. A significant number of personal injury claims alleging that talc causes cancer have been made against Old JJCI and J & J arising out of the use of body powders containing talc, primarily Johnson’s ® Baby Powder. In addition, J & J has received inquiries, subpoenas, and requests to produce documents regarding talc matters from various U. S. governmental authorities and is also subject to consumer protection cases and investigations from state attorneys general. In October 2021, Old JJCI implemented a corporate restructuring, as a result of which LTL Management LLC (“ LTL ”), a subsidiary of J & J, was established through a demerger procedure and assumed sole responsibility for all liabilities of Old JJCI related in any way to injury or damage, or alleged injury or damage, sustained or incurred in the purchase or use of, or exposure to, talc, including talc contained in any product sold in the United States or Canada, or to the risk of, or responsibility for, any such damage or injury, including such liabilities based on the contamination, or alleged contamination, of talc, including talc contained in any product sold in the United States and Canada, with asbestos or any other material (the “ Talc- Related Liabilities ”). Pursuant to the Separation Agreement, J & J has retained the Talc- Related Liabilities and, as a result, has agreed to indemnify us for the Talc- Related Liabilities and any costs associated with resolving such claims. Such claims represent the vast majority of claims relating to harm arising out of, based upon or resulting from, directly or indirectly, the presence of or exposure to talc or talc- containing products. However, we remain responsible for all liabilities on account of or relating to harm arising out of, based upon or resulting from, directly or indirectly, the presence of or exposure to talc or talc- containing products sold outside the United States or Canada. LTL remains a subsidiary of J & J (and not Kenvue) following the Separation. We cannot predict with certainty the amount or timing of Talc- Related Liabilities that LTL or J & J will be required to pay, whether in connection with the bankruptcy proceedings or otherwise. Various parties have brought, and it is possible that other parties will seek to bring, claims against us, including by raising allegations that we are liable for the Talc- Related Liabilities, and it is possible that these parties will be successful in bringing such claims. Although, under the Separation Agreement, J & J has agreed to indemnify us for the Talc- Related Liabilities and any costs associated with resolving such claims, we cannot assure you that the indemnity from J & J will be sufficient to protect us against the full amount of these liabilities or that J & J will be able to fully satisfy its indemnification obligations. See “ — Risks Related to Our Relationship with J & J — In connection with the Separation, J & J agreed to indemnify us for certain liabilities. However, we cannot assure you that the indemnity will be sufficient to protect us against the full amount of such liabilities or that J & J’s ability to satisfy its indemnification obligation will not be impaired in the future. ” Although talc- based baby powder was discontinued by J & J in the United States and Canada in 2020, and we never manufactured or sold it in those markets, we have been named in claims and lawsuits, and J & J has agreed to indemnify us in those matters pursuant to the aforementioned indemnity for the Talc- Related Liabilities. Furthermore, we have been, and may continue to be, subject to claims arising out of the sale of talc- based products that do not constitute Talc- Related Liabilities, such as claims relating to the sale of talc- based Johnson’s ® Baby Powder outside the United States or Canada. We are currently subject to a few such claims outside of the United States and Canada which are in early stages, and as such, we cannot reasonably estimate any probable loss relating to such claims. While we believe we have substantial defenses to these claims, it is not feasible to predict the ultimate outcome of these litigations. Although the sale of talc- based Johnson’s ® Baby Powder has been discontinued globally, we may be subject to additional claims related to the sale of talc- based Johnson’s ® Baby Powder outside of the United States and Canada, including potential governmental inquiries, investigations, claims, and consumer protection cases. To the extent any such additional claims, whether currently pending or made in the future, do not constitute Talc- Related Liabilities, any related liabilities would not be covered by J & J’s indemnification obligations under the Separation Agreement. As a result, it is possible that these additional claims could adversely affect our business, results of operations, or financial condition. We may not be able to successfully establish, maintain, protect and enforce intellectual property rights that are, in the aggregate, material to our business. We rely on a combination of intellectual property rights, including our trademarks, trade secrets, patents, and copyrights, as well as rights to third- party intellectual property pursuant to licenses and other contracts, to establish, maintain, protect, and enforce the intellectual property and proprietary information used in our business. We consider our trademarks and trade names to be, in the aggregate, material to our business. We may not be able to establish, maintain, protect, or enforce our own intellectual property rights or, where appropriate, license in intellectual property rights necessary to support new product introductions. In addition, intellectual property is territorial, and, even if such rights are protected in the United States, the laws of other countries in which our products are or For example may be sold do not universally protect intellectual property rights to the same extent or in the same way as U. S. intellectual property

laws. Public policy, both within and outside the United States, has often become increasingly unfavorable toward certain classes of intellectual property rights. We cannot be certain that we will obtain adequate intellectual property protection for new products and technologies in the United States and other important markets or that such protections will last as long as originally anticipated. Our intellectual property rights could be invalidated, circumvented or challenged in the future, and we could incur significant costs in connection with legal actions relating to such rights. If other parties infringe on, misappropriate or otherwise violate our intellectual property rights, they could diminish the value that consumers or customers associate with our brands in the marketplace and otherwise adversely affect our business, results of operations or financial condition. From time to time, legal action has been, and may in the future be, necessary to maintain, protect and enforce our intellectual property and other proprietary rights. We may not be **able** successful in prevailing in any such matters, regardless of the merits or our expenditures and efforts. Our efforts to enforce our intellectual property and other proprietary rights may **obtain trademark protection in all jurisdictions that we consider to be important to** be met with defenses, counterclaims and counter suits attacking the validity and enforceability of our intellectual property and other proprietary rights, and if such defenses, counterclaims or counter suits are successful, it could diminish, or we could otherwise lose, valuable intellectual property and other proprietary rights. For certain of our products, we rely on inbound and outbound third-party licensing arrangements, the loss of which could adversely affect our business **results of operations or financial condition..... in establishing and promoting our trademarked brands**. Our continued success depends, to a significant degree, upon our ability to protect and preserve our registered trademarks, as well as our other rights with respect to our trademarks and trade names, and to successfully obtain additional trademark registrations in the future. We undertake substantial efforts to maintain proper use of, and to vigorously protect, our trademarks and trade names through enforcement actions as necessary, but it is possible that some courts, particularly those outside the United States, may determine that certain third-party trademarks or trade names are non-infringing, which could adversely affect our business, results of operations, or financial condition. In addition, during trademark registration proceedings, we may receive rejections of our trademark applications by the U. S. Patent and Trademark Office (“USPTO”) or comparable authorities in other jurisdictions. We may not be able to obtain trademark protection in all jurisdictions that we consider to be important to our business. In addition, we cannot assure you that the steps we have taken and will take in the future to protect our trademarks or trade names will prove adequate, that our trademarks and trade names can be successfully defended and asserted in the future or that third parties will not infringe upon or otherwise violate any such rights. Our trademark and trade name rights and related registrations may be challenged, opposed, infringed, diluted, canceled, circumvented, declared generic or determined to be infringing on other marks, as applicable. Failure to protect our trademark and trade name rights could prevent us in the future from challenging third parties who use names and logos similar to our trademarks or trade names, which may in turn cause consumer confusion or negatively affect perceptions of our brands and products. Moreover, any trademark or trade name disputes may result in a significant distraction for management and significant expense, which may not be recoverable regardless of whether we successfully resolve the dispute. Such proceedings may be protracted with no certainty of success, and an adverse outcome could subject us to liabilities, require us to cease use of certain trademarks, trade names or other intellectual property or require us to enter into licenses with third parties, any of which could have an adverse effect on our business, results of operations or financial condition. An inability to successfully establish, maintain, protect and enforce patent rights could adversely affect our business, results of operations or financial condition. We have applied for, and **may expect to** continue to apply for, patents relating to our products, product uses, product formulations, manufacturing processes, delivery devices, dosage forms, packaging and designs. **Our** When we apply for patents, our applications may not be successful, and result in the issuance of any patents or the scope of issued patents may not provide adequate protection from competition. The patenting process is expensive and time-consuming, and we may not be able to file or prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. In addition, we may not pursue or obtain patent protection in all relevant geographic markets. **Our intellectual property rights could** It is possible that patents issued or licensed to us may be **invalidated, circumvented, or** challenged successfully in the future, and such patents may consequently be narrowed in scope or found to be invalid or unenforceable. Our owned or in-licensed patents may also be challenged in administrative proceedings in the USPTO and patent offices outside the United States. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our owned or in-licensed patents or narrow the scope of our patent protection. If we or our licensors are not successful in defending against a challenge to our owned or in-licensed patents and maintaining exclusive rights to market one or more of our products still under patent protection, we could **incur significant costs** lose a portion of our sales in a very short period **connection with legal actions relating to such rights**. **If other** We or our licensors may also initiate litigation against third parties to protect or enforce **infringe on, misappropriate, our- or** owned **otherwise violate or our intellectual property** in-licensed patent rights, but even in cases where we or our licensors prevail in an infringement claim, the legal remedies available for harm caused to us may not be sufficient to make us whole. Our current owned and in-licensed patents will expire or they may **could diminish the value that consumers or customers associate with our brands in the marketplace and** otherwise cease to provide meaningful competitive advantage, and we may be unable to adequately develop new technologies and obtain future patent protection to preserve our competitive advantage or avoid adverse **adversely** effects **affect** on our business, results of operations, or financial condition. Moreover, many of our products use APIs whose original patents have expired, and our owned and in-licensed patents rarely, if ever, solely cover a new API by itself. Even with respect to our products or ingredients in our products that may be covered by patents, there may be numerous similar yet non-infringing products or ingredients in the marketplace, and this could negatively affect sales we might otherwise **make**. Despite our internal processes for intellectual property clearance, we may be involved in legal proceedings based on the alleged violation of intellectual property rights of others, including claims of trademark or patent infringement or that competitors, collaborators, or former employees have an interest in our trade secrets or other intellectual property. As a result, we could be subject to significant litigation or licensing costs or face obstacles to selling our products. If we are found to have

infringed ~~on~~, misappropriated or otherwise violated the trademark, trade secret, patent, copyright or other ~~the~~ intellectual property rights of others, directly or indirectly, through the use of trademarks, inventions, works of authorship or technologies to which third parties have a prevailing ownership claim, we may need to cease use of such trademark, invention, work, or technology in our business and pay for past infringement. We may also be required to obtain a third-party license, which may not be available on reasonable terms or at all, and even if the applicable owners are willing to permit us to continue to use the intellectual property rights, they could require significant compensation for our continued use of those rights. In certain circumstances, we may be required to redesign our products and trademarks so that they do not infringe ~~on~~, misappropriate or otherwise violate third-party intellectual property rights, which may not be possible or may ~~be require~~ substantial monetary expenditures and time ~~- consuming and expensive~~. Ceasing this use, paying these substantial amounts, or undertaking these redesign efforts could cause us to become less competitive and could adversely affect our business, results of operations, or financial condition. Even if it is ultimately determined that we did not infringe ~~on~~, misappropriate or otherwise violate the intellectual property rights of others, we could incur material legal costs and related expenses to defend against such claims, and we could incur significant costs associated with suspending our use of the challenged intellectual property rights, which could adversely affect our business, results of operations, or financial condition. Furthermore, we have employed, and expect to employ in the future, individuals who were previously employed at other companies, including our competitors or potential competitors. Although we seek to ensure that these employees, as well as our other employees and our vendors, consultants, and other commercial partners, do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that these persons have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers or other third parties or that we have improperly used or obtained these trade secrets or other proprietary information. Litigation may be necessary to defend against these claims. If we are unable to successfully defend these claims, in addition to paying monetary damages, we may lose valuable intellectual property rights and face increased competition. The unauthorized access to, or disclosure of, our proprietary information or the loss of these intellectual property rights may impact our ability to develop, manufacture, and sell our own products or may assist competitors in the development, manufacture, and sale of competing products, which could adversely affect our business, results of operations, or financial condition ~~affect our business~~, results of operations, or financial condition. In the event that any inbound license pursuant to which we use intellectual property rights of a third party expires or is otherwise terminated, we would lose the right to use the intellectual property covered by the license, which could require us to develop or license ~~in~~ alternative intellectual property. Our rights as a licensee could be similarly reduced if the applicable licensor fails to maintain or protect the licensed intellectual property in a manner that compromises the value of the licensed intellectual property. We also license out certain of our intellectual property rights to third parties, for which we receive royalty income in exchange. These outbound licensing arrangements inherently involve a lesser degree of control over the use of our intellectual property rights, thereby potentially increasing our reputational, legal, financial, and operational risk by exposing the licensed intellectual property to product safety, quality, sustainability, and other concerns. See “ — Risks Related to Our Operations — We rely on third parties in many aspects of our business, including to manufacture certain of our products, which exposes us to additional risks that could adversely affect us.” Our current owned and in-licensed patents will expire or they may otherwise cease to provide meaningful competitive advantage, and we may be unable to adequately develop new technologies and obtain future patent protection to preserve our competitive advantage or avoid adverse effects on our business, results of operations, or financial condition. Moreover, many ~~of~~ **For certain** of our products use APIs whose original patents have expired, and our owned and in-licensed patents rarely, if ever, solely cover a new API by itself. Even with respect to our products ~~-~~ **product uses**, or ingredients in our products ~~-~~ **product formulations** that may be covered by patents, **manufacturing processes** there may be numerous similar yet non-infringing products or ingredients in the marketplace, **delivery devices, dosage forms, packaging and designs**, this could negatively affect sales we might otherwise make. We rely on trade secrets, know-how and other proprietary information, which we seek to protect, in part, through ~~Technology~~ **IT** Systems and by confidentiality and nondisclosure agreements with our employees, vendors, consultants, and other commercial partners. We also seek to enter into agreements whereby our employees, vendors, consultants, and other commercial partners assign to us the rights in any intellectual property they develop in the course of their engagement with us. However, these agreements may be breached, and we may not have adequate remedies for any breach. **These agreements may not be self-executing or otherwise effectively prevent disclosure or misappropriation of our trade secrets, know-how or other proprietary information, and disputes may still arise with respect to the ownership of the intellectual property and proprietary information used in our business.** In addition, third parties may independently develop substantially equivalent proprietary information. **We consider our trademarks and trade names to be, in the aggregate, material to our business. Our trademarks and trade names are valuable assets that reinforce how consumers, customers and other third parties perceive our brands and products. We have invested a significant amount of resources and money in establishing and promoting our trademarked brands.** We are subject to increasingly complex and changing privacy and data protection laws and regulations in the United States and around the world that impose broad compliance obligations on the collection, transmission, dissemination, use, privacy, confidentiality, security, retention, availability, integrity, and other processing of health-related and other sensitive and personal information. These laws and regulations could expose us to significant risks due to our digital ~~-first~~ strategy. See “ — Risks Related to Our Business and Industry — We may face challenges in implementing our digital ~~-first~~ strategy, which could adversely affect ~~us~~ **our business**, results of operations or financial condition.” Failure to comply with these laws and regulations, which may conflict with one another and evolve in the future, could result in substantial fines, penalties, private rights of action, claims, and damage to our reputation. These laws and regulations include the California Consumer Privacy Act (as modified by the California Privacy Rights Act), the EU GDPR, the U. K. GDPR, and China’s PIPL. We are also subject to federal health information privacy laws, such as the Health Insurance Portability and Accountability Act (“HIPAA”), and consumer protection laws, such as the

Controlling the Assault of Non- Solicited Pornography and Marketing Act (the “ CAN- SPAM Act ”), which further impose requirements for the collection, use, storage, access, transfer and protection of health- related, and other sensitive and personal information. In the United States, we are also subject to a growing number of state laws and regulations, including the Illinois Biometric Information Privacy Act, that govern the collection and use of biometric information, such as fingerprints and facial biometric templates, as well as laws in all 50 states that require businesses, under certain circumstances, to provide notice to consumers whose personal information has been accessed or acquired as a result of a data breach and, in some cases, to regulators. These laws are changing rapidly and there is also discussion in **the U. S.** Congress of a new comprehensive federal data privacy law to which we may become subject if it is enacted, which ~~would add additional complexity, restrictions and potential legal risks and~~ may require additional investment of resources in compliance programs and other operational costs. Additional privacy and data protection laws and regulations are being developed around the world, including in other jurisdictions in which we operate, and privacy enforcement by governmental authorities globally, particularly on data localization requirements and international data flows, has increased in recent years. Compliance with these new and changing laws has impacted, and may in the future impact, our business strategies, and unforeseen changes to privacy laws may affect our ability to tailor and personalize our products and services to meet our strategic goals or consumer expectations, which could adversely affect our business, results of operations, or financial condition. In addition, certain privacy and data protection laws may apply to us indirectly through our customers, manufacturers, suppliers, or other third- party partners. For example, non-compliance with applicable laws or regulations by a third- party partner that is processing personal data on our behalf may be deemed non-compliance by us or a failure by us to conduct proper due diligence on the third party. See “ — Risks Related to Our Operations — We rely on third parties in many aspects of our business, including to manufacture certain of our products, which exposes us to additional risks that could adversely affect ~~us, our business, results of operations or financial condition.~~ ” In addition, in the ordinary course of business, we may be subject to claims, lawsuits, or regulatory or governmental investigations or inquiries relating to our data privacy practices, including claims or lawsuits from third parties alleging that we have breached applicable data privacy laws or otherwise violated their privacy rights. See “ — We are, and could become, subject to significant legal proceedings and regulatory investigations that may result in significant expenses, fines, and reputational damage. ” The changes introduced by privacy and data protection laws increase the complexity of **such** regulations ~~enacted to protect business and~~ **may** ~~personal data and~~ subject us to additional costs, ~~including costs associated with implementing any required changes to our security systems, policies, procedures and practices.~~ We are also subject to the terms of our external and internal privacy and security policies, codes, representations, certifications, industry standards, publications, and frameworks and contractual obligations to third parties related to privacy, information security, and data processing, including contractual obligations to indemnify and hold harmless third parties from the costs or consequences of non-compliance with data protection laws or other obligations. In particular, the publication of our privacy policies and other statements that provide promises and assurances about data privacy and **security-cybersecurity** can subject us to potential government or legal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices. Any concerns about our data privacy and **security-cybersecurity** practices, even if unfounded, could damage the reputation of our businesses and discourage potential users from our products and services. We have extensive operations and business activity outside the United States, which exposes us to a variety of complex laws and regulations in the United States and around the world. These include anti-corruption laws and regulations, such as the FCPA, the U. K. Bribery Act 2010 and Chinese anti-corruption laws, that are aimed at preventing and penalizing corrupt behavior. ~~For example, the FCPA prohibits companies from promising, offering or giving anything of value to foreign officials with the corrupt intent of influencing the foreign official for the purpose of obtaining or retaining business or gaining any improper advantage. We operate in jurisdictions where corruption, bribery, pay-offs and other similar practices may not be uncommon.~~ Although our policies and procedures require ~~compliance with these laws and regulations and are designed to~~ facilitate compliance with these laws and regulations, our employees, contractors, and agents may take actions in violation of applicable laws or regulations or our policies. Any such violation or alleged violation, ~~even if prohibited by our policies,~~ could result in criminal or civil sanctions, reputational damage, or other substantial costs and penalties, any of which could adversely affect our business, results of operations, or financial condition. We are also subject to an increasing number of laws and regulations designed to combat abuses of human rights in ~~supply our value~~ chain operations. These laws and regulations could affect the sourcing, availability, and pricing of materials used in the manufacture of our products, which could disrupt our manufacturing operations. In addition, we have incurred additional costs to comply with these laws and regulations, including through policies and procedures related to conducting due diligence on our ~~supply~~ **complex value** chain. Nevertheless, **our suppliers** ~~we have a complex supply chain, and we may not be able~~ **satisfy their obligations with respect** to sufficiently verify the origins of certain materials used in our products or the conditions under which they were sourced. Any violation or alleged violation of these laws and regulations, even if prohibited by our policies, could result in criminal or civil sanctions, reputational damage, or other substantial costs and penalties, any of which could adversely affect our business, results of operations, or financial condition. In addition, we are subject to laws and regulations pertaining to sanctions imposed by the United States ~~(including those imposed by the U. S. Treasury Department’s OFAC)~~ and other authorities that may prohibit us or our affiliates from doing business in certain countries or restrict the type of business that may be conducted by us or our affiliates. For example, actions taken in response to the Russia- Ukraine War have included the imposition of export controls and broad financial and economic sanctions against Russia, Belarus, and specific areas of Ukraine. See “ — Risks Related to Financial and Economic Market Conditions — Acts of war, military actions, terrorist attacks, or civil unrest could adversely affect **us** ~~our business, results of operations or financial condition.~~ ” Any violation or alleged violation of these laws and regulations, even if prohibited by our policies, could result in criminal or civil sanctions, reputational damage, or other substantial costs and penalties, any of which could adversely affect our business, results of operations, or financial condition. We are subject to a broad range of **national** federal, state and local **sub- national** laws and regulations concerning the environment, health and

safety matters, regulation of chemicals, and product safety in the countries in which we manufacture and sell our products or otherwise operate our business. ~~These include requirements governing product content and labeling, the handling, manufacture, transportation, storage, use and disposal of hazardous materials and wastes, the discharge and emission of pollutants and the cleanup of contamination in the environment.~~ We could incur substantial costs, including civil or criminal fines or penalties, enforcement actions and other third-party claims and cleanup costs as a result of our failure to comply with, or liabilities under, environmental, health, and safety laws and regulations or permits required thereunder. **Such adverse events** ~~Under certain environmental laws and regulations, we may~~ **result** ~~be subject to liability for environmental investigations and cleanups, including at properties that we currently or previously owned or operated, or at sites at which waste we generated was disposed, even if the~~ **contamination condition** ~~was not caused by us or the relevant conduct was legal at the time it occurred. We are addressing contamination from historical operations that has been identified at certain of our current or former properties and are involved in a number of proceedings brought under the Comprehensive Environmental Response, Compensation, and Liability Act, commonly known as Superfund, and other comparable state, local, or foreign laws in which the primary relief sought is the cost of past and / or future remediation. We may incur significant additional costs as a result of the discovery of contamination or the imposition of additional obligations at these or other sites in the future. We may incur significant additional costs as a result of the discovery of contamination or the imposition of additional obligations~~ in the future, including at sites where we are currently addressing contamination or have been named as one of the responsible parties. Further noncompliance with laws and regulations, or the appearance of noncompliance, could impact our reputation and suppliers, customers, and consumers' willingness to work with us or purchase our products. Laws and regulations related to environmental, health and safety matters have become, and are likely to continue to become, more stringent over time. Compliance with existing or future requirements could require us to incur significant operating or capital expenditures or result in significant restrictions on our operations, including installing pollution control equipment or reformulating or ceasing the marketing of ~~our certain~~ products. We also are subject to extensive and evolving regulations regarding the manufacturing, processing, distribution, importing, exporting, registration and labeling of our products and their raw materials. This includes the REACH regulations, which came into effect in the **EU European Union** in 2007, with implementation rolling out over time, and includes certain chemical evaluation and registration requirements and potential restrictions. Since the promulgation of REACH, other jurisdictions have enacted or are in the process of implementing similar comprehensive chemical regulations. Additionally, many jurisdictions have begun to adopt a wide variety of extended producer responsibility ("EPR") laws. EPR laws ~~place impose obligations~~ on product manufacturers ~~obligations to reduce~~ **minimize the environmental impacts of products and packaging throughout their lifecycle, particularly** ~~post-consumer environmental impacts of products and packaging. For example, some EPR laws require producers to provide financial support for recycling infrastructure, implement takeback schemes, reduce plastic use, and shoulder the costs to upgrade waste treatment facilities.~~ These and other laws and regulations, as well as responding to related consumer **and customer** expectations, may require us to redesign or change certain aspects of our products and could adversely affect our business, results of operations, or financial condition. Changes in tax laws or exposures to additional tax liabilities could adversely affect ~~us~~ **our business, results of operations or financial condition**. Changes in tax laws or regulations in jurisdictions in which we operate, including changing laws in the United States and changes led by the Organization for Economic ~~Co- Cooperation~~ **operation** and Development, such as the continuing enactment by additional countries of a global minimum tax, could negatively impact our effective tax rate and adversely affect our business, results of operations, or financial condition. A change in statutory tax rate or certain international tax provisions in any jurisdiction would result in the revaluation of our deferred tax assets and liabilities related to that particular jurisdiction in the period in which the new tax law is enacted. Any such change would result in an expense or benefit recorded in ~~our the~~ Consolidated Statements of Operations. We closely monitor these proposals as they arise in the jurisdictions where we operate. Changes to tax laws or regulations may occur at any time, and any related expense or benefit recorded may be material to the fiscal quarter and year in which the law change is enacted. For additional information, see Note 14, "Income Taxes," to the Consolidated Financial Statements included herein. We conduct business and file tax returns in numerous jurisdictions and are subject to regular reviews, examinations, and audits by many tax authorities around the world. These reviews, examinations, and audits can cover periods for several years prior to the date the review, examination or audit is undertaken and could result in the imposition of material tax liabilities, including interest and penalties, if our positions are not accepted by the applicable tax authority. In connection with various government initiatives, companies are required to disclose more information to tax authorities on operations around the world, which may lead to greater audit scrutiny of profits earned in other jurisdictions. We regularly assess the likely outcomes of our tax audits and disputes to determine the appropriateness of our tax reserves. However, any tax authority could take a position on tax treatment that is contrary to our expectations, which could result in tax liabilities, including interest and penalties, in excess of reserves. **In addition to the foregoing exposures which relate to our business, we will continue to have joint and several liability with J & J with respect to certain J & J group tax returns of which we were a part. For more information, see Note 12, "Relationship with J & J," to the Consolidated Financial Statements included herein and our 2024 Proxy Statement. We face a variety of risks associated with conducting business around the world, including foreign currency fluctuations, and these risks will increase as we continue to expand our global operations.** Our extensive operations and business activity outside the United States are accompanied by certain financial, economic, and political risks, including: • **the local and regional** economic environments, **laws, regulations,** and policies in the markets that we serve, including interest rates, monetary policy, inflation, ~~economic growth~~ **financial markets**, recession, commodity prices and currency controls, or other limitations on the ability to import or export raw materials or finished product, or to repatriate earnings from overseas; • **currency devaluations in jurisdictions experiencing high inflation rates or significant currency exchange fluctuations;** • **increased costs to comply** the weakening or strengthening of the U. S. dollar, which may result in significant favorable or unfavorable translation effects when the operating results of our non-U. S. business activity are translated into U. S. dollars; •

compliance with local regulations and laws ; including, in some jurisdictions, regulatory requirements restricting our ability to manufacture or sell our products in the relevant market; • lack of well- established, reliable, or impartial legal systems in certain countries in which we operate and difficulties in enforcing contractual, intellectual property or other legal rights ; • labor market disruptions or increases in labor costs in individual countries or regions; • foreign ownership and investment restrictions and the potential nationalization or expropriation of our foreign assets; • sovereign risk related to a default by, or deterioration in, the creditworthiness of local governments, particularly in emerging markets; • political or social upheavals, rising geopolitical tensions, economic instability, repression, or human rights issues; • rising geopolitical trade tensions in our key markets, such as between the United States, Western Europe, and China; and • other geopolitical events . Furthermore, new trade actions, including natural disasters, disruptions to markets due to war, armed conflict, terrorism, epidemics or pandemics and actions taken in response to these -- the events, including imposition of new or increased trade controls, sanctions and other restrictive measures. Furthermore, the imposition of tariffs or increase in tariffs on various products, by the United States and other countries has introduced greater uncertainty with respect to trade policies and government regulations affecting trade between the United States and other countries. New or increased tariffs as well as import / export licensing requirements and restrictions have subjected, and may continue to subject, us to additional costs and expenditure of resources. Major developments in trade relations ; including the imposition of new or increased tariffs by the United States or other countries, and any emerging nationalist trends in specific countries could alter the trade environment and consumer purchasing behavior, which could adversely affect our business, results of operations, or financial condition. In an effort to minimize the impact on earnings and cash flows of foreign currency rate movements, we engage in a combination of selling price increases, where permitted, sourcing strategies, cost- containment measures, and selective hedging of foreign currency transactions. We cannot guarantee that foreign currency exchange rates will be stable in the future or that foreign currency risk can be mitigated with these risk management strategies. marketing efforts will be successful in any particular market, and it is possible that positive returns on our investments in a market will not be achieved. Any of the foregoing risks could have a significant impact on our ability to sell our products on a competitive basis in markets outside the United States and could adversely affect our business, results of operations, or financial condition. In addition, these risks will increase as we continue to expand our global operations. See “ — Risks Related to Our Business and Industry — An inability to successfully expand our global operations could adversely affect our business, results of operations, or financial condition. ” Acts of war, military actions, terrorist attacks, or civil unrest ; such as the ongoing Russia- Ukraine War or the ongoing conflict in the Middle East, may adversely affect prevailing economic conditions and our business, results of operations, or financial condition. These events could result in reduced consumer spending, reduced demand for our products, suspension of the supply of our products, challenges disruptions to our global supply chain, increased costs of materials and other inputs for our products and suppliers, foreign currency volatility, sanctions, export controls, and other trade restrictions, and work stoppages, and diminished protection for our intellectual property. For example, the ongoing Russia- Ukraine War has provoked strong reactions from the United States, the United Kingdom, the European Union EU, and various other countries and economic and political organizations around the world. Actions taken in response to the Russia- Ukraine War include the imposition of export controls and broad financial and economic sanctions against Russia, Belarus, and specific Russian- occupied areas of Ukraine. Additional sanctions or other measures may continue to be imposed by the global community, and counteractive measures may continue to be taken by the Russian government, other entities in Russia, or governments or other entities outside of Russia. Our operations and presence in Russia and Ukraine are limited. For quantification of the impact of Russian fiscal twelve months ended December 31, 2023, January 1, 2023, and January 2, 2022, our Ukrainian operations business represented 0. 2 %, 0. 1 %, and presence on 0. 3 % of our Net sales ; respectively. As of both December 31, 2023 and January 1, 2023, our Ukrainian business represented 0. 1 % of our net assets . For the fiscal twelve months ended December 31, refer 2023, January 1, 2023, and January 2, 2022, our Russian business represented 1. 0 %, 1. 4 %, and 1. 8 % of our Net sales, respectively. As of December 31, 2023 and January 1, 2023, our Russian business represented 0. 7 % and 0. 4 % of our net assets, respectively. We have been monitoring the geopolitical situation in Russia since the start of the Russia- Ukraine War. In the first quarter of 2022, we announced our decision to suspend supply of all of our products into Russia other -- the than our OTC medicines within our Self-Care segment. Supply of the suspended products terminated during the second- section titled quarter of 2022. We also suspended all advertising in Russia, all clinical trials in Russia, and any additional investment in Russia. These actions have not had, and are not expected to have, a material impact on our business as a whole. We will continue to monitor the geopolitical situation in Russia and to evaluate our activities and future operations in Russia. We have experienced, and expect to continue to experience, other risks related to the broad economic consequences of the Russia- Ukraine War, including foreign currency volatility, decreased demand for our products in countries affected by the Russia- Ukraine War, and challenges to our global supply chain related to increased costs of materials and other inputs for our products and suppliers operating in Russia and Ukraine. We also continue to monitor the various sanctions and export controls imposed in response to the Russia- Ukraine War. As a result of the Russia- Ukraine War, there has been, and we expect there will continue to be, an increased risk of information security or cybersecurity incidents, including cyberattacks perpetrated by Russia or others at its direction. Although we have taken steps to enhance our protections against these attacks, we may not be able to address the threat of information security or cybersecurity incidents proactively or implement adequate preventative measures and we may not be able to detect and address any such disruption or security breach promptly, or at all, which could adversely affect our business, results of operations or financial condition. Moreover, we are aware of incidents in which our third- party partners have been the target of information security or cybersecurity incidents as a result of the Russia- Ukraine War. Although, to date, our IT Systems have not been compromised by these incidents, it is possible that future information security or cybersecurity incidents involving our customers, manufacturers, suppliers, or other third- party partners could successfully compromise our IT Systems, which could adversely affect our business, results of operations or financial condition. See “ — Risks Related to Our Management’s Discussion and Analysis

of Financial Condition and Results of Operations — Key Factors Affecting Our An information security incident, including a cybersecurity breach, or the failure, interruption, breakdown, invasion, corruption, destruction, or breach of an information technology system owned or operated by us or a third party, could adversely affect our business, results **Results** of operations or financial condition.” In addition, actions by the United States and other governments may limit or prevent our ability to file, prosecute, and maintain patents, trademarks, and other intellectual property rights in **Part II** Russia. These actions could result in partial or complete loss of such intellectual property rights in Russia. Furthermore, **Item 7 included herein** in March 2022, the Russian government adopted a decree allowing Russian companies and individuals to exploit inventions owned by patent holders from the United States and many other countries without consent or compensation. Consequently, we may not be able to prevent third parties from practicing our inventions in Russia or from selling or importing products made using our inventions in and into Russia. It is possible that the Russian government will adopt similar measures with regard to other types of intellectual property, including trademarks, or that Russian courts, even absent any additional decrees, will refuse to enforce existing intellectual property rights, including trademarks. Moreover, prolonged non-use of our trademarks in Russia could result in the cancellation of such trademark registrations. See “—Risks Related to Government Regulation and Legal Proceedings— The loss of any registered trademark or other rights with respect to our trademarks or trade names could enable other companies to compete more effectively with us and otherwise adversely affect our business, results of operations or financial condition.” Any counterfeit, intellectual property infringing or other unauthorized versions of our products that emerge in response to these actions could damage our reputation and our brands and otherwise adversely affect our business, results of operations or financial condition. See “—Risks Related to Our Business and Industry— Counterfeit, intellectual property infringing or other unauthorized versions of our products, particularly in our OTC business, could harm consumers and adversely affect our business, results of operations or financial condition.” These developments subject our worldwide operations to increased risks and, depending on their magnitude could adversely affect our business, results of operations or financial condition. Uncertain or unfavorable global economic or market conditions could adversely affect **us** our business, results of operations or financial condition. Uncertain or unfavorable **local, regional, or** global economic or market conditions, such as a recession, an economic slowdown, inflation or reduced category growth rates, could impact our operating results or lead to significant reductions in demand or significant volatility in demand for our products, which could adversely affect our business, results of operations, or financial condition. Although we devote significant resources to support our brands and market our products at multiple price points, during periods of economic uncertainty, or unfavorable economic or market conditions consumers may reduce consumption or discretionary spending or change their purchasing patterns by forgoing purchasing certain of our products or by instead purchasing private-label or generic non-branded products, which are typically sold at lower prices than our products. These changes could reduce demand for and sales volumes of our products or result in a shift in our product mix from higher margin to lower margin product offerings. In addition, our customers may respond to uncertain or unfavorable global economic uncertainty or market conditions by increasing pressure on our selling prices or increasing promotional activity for lower-priced or value offerings as they seek to maintain sales volumes and margins. Furthermore, uncertain or unfavorable global economic uncertainty or market conditions, including the recent volatility in the banking sector, may cause our manufacturers, suppliers, distributors, contractors, logistics providers and other external business third-party partners to suffer financial or operational difficulties, which could impact their ability to provide us with or distribute finished product, raw and packaging materials or services in a timely manner or at all. We could also face difficulty collecting or recovering accounts receivables from third parties facing financial or operational difficulties. Impairment of our goodwill and other intangible assets would result in a reduction in net income. We have a material amount of goodwill, trademarks, and other intangible assets, as well as other long-lived assets, which are periodically evaluated for impairment in accordance with current accounting standards. We have in the past and may in the future confront events and circumstances, some of which may be unexpected or unpredictable, that can lead to an a significant impairment charge, including macroeconomic industry and market conditions, significant adverse shifts in our operating environment or the manner in which an asset is used, pending litigation or other regulatory matters, and current or forecasted reductions in net Net sales, operating income, or cash flows associated with the use of an asset. Impairment charges have resulted, and may in the future result, in a reduction in net Net income and an adverse effect on our business, results of operations or financial condition. For additional information regarding goodwill and other intangible assets, see Note 4, “Intangible Assets and Goodwill,” to the Consolidated Financial Statements included herein.

Changes to our credit ratings or Disruptions disruptions in credit markets or to our banking partners or changes to our credit ratings may reduce our access to credit or overall liquidity. We currently maintain investment grade credit ratings with Moody’s Ratings Investors Service and Standard & Poor’s Global Ratings Services. We expect that credit rating agencies will routinely evaluate us, and their ratings of our long-term and short-term debt will be based on a number of factors. Any downgrade of our credit rating by a credit rating agency, whether as a result of our actions or factors which are beyond our control, could increase the cost of borrowing under any indebtedness we may incur, reduce market capacity for our commercial paper, or require the posting of collateral under our derivative contracts. We cannot assure you that we will be able to maintain satisfactory credit ratings or that we will be able to obtain additional debt or equity financing on acceptable terms in the future, and any actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade, could adversely affect our liquidity, capital position, borrowing costs, or access to capital markets. In addition, a disruption to the credit markets could increase our future borrowing costs and impair our ability to access capital and credit markets on terms commercially acceptable to us, which could adversely affect our liquidity and capital resources or significantly increase our cost of capital. We also rely on top-tier banking partners in key markets around the world for access to credit and to facilitate collection, payment, and supply chain finance programs. A disruption to one or more of these top-tier partners could impact our ability to draw on existing credit facilities or otherwise adversely affect our cash flows or the cash flows of our customers and vendors. Our historical financial information included herein may not necessarily reflect the results that we

would have achieved as an independent, publicly traded company or may not be a reliable indicator of our future results. The historical information about Kenvue prior to April 4, 2023 in this Annual Report on Form 10- K refers to our businesses as operated by and integrated with J & J. Effective April 4, 2023, our financial statements are presented on a consolidated basis, as J & J completed in all material respects the transfer of assets and liabilities of the Consumer Health segment (the “ Consumer Health Business Transfer ”) to us on such date. The financial information included in this Annual Report on Form 10- K prior to the Consumer Health Business Transfer has been prepared from J & J ’ s historical accounting records and is derived from the consolidated financial statements of J & J to present the Consumer Health Business as if it had been operating on a standalone basis. Accordingly, this information may not necessarily reflect what our financial condition, results of operations, or cash flows would have been had we been an independent, publicly traded company during the periods presented or what our financial condition, results of operations, and cash flows may be in the future, primarily because of the following factors:

- Prior to the Separation, our business was operated by J & J as part of its broader corporate organization, rather than as an independent, publicly traded company. ~~J & J or one of its affiliates performed various corporate functions for us, including facilities, insurance, logistics, quality, compliance, finance, human resources, benefits administration, procurement support, information technology, legal, corporate strategy, corporate governance, other professional services and general commercial support functions.~~

Our historical financial results reflect the direct and indirect costs for the services historically provided by J & J to us. Following the completion of the Kenvue IPO, J & J currently provides some of these services to us on a transitional basis pursuant to the Transition ~~Services Agreement~~ **Agreements** and the Transition Manufacturing Agreement. For more information on the Transition ~~Services Agreement and the Transition Manufacturing Agreement~~, see **Note 12, “ Relationship with J & J, ”** to the Company’s **Consolidated Financial Statements included herein and our 2024** Proxy Statement. Our historical financial information does not reflect our obligations under the various transitional agreements we have entered into with J & J in connection with the Separation. At the end of the transitional periods specified in these agreements, we will need to perform these functions ourselves or hire third parties to perform these functions on our behalf, and these costs may significantly exceed the comparable expenses we have incurred in the past.

- Our working capital requirements and capital expenditures were satisfied as part of J & J ’ s corporate- wide cash management and centralized funding programs prior to the Consumer Health Business Transfer, and our cost of debt and other capital may differ significantly from the historical amounts reflected in our historical financial statements.
- Prior to the Kenvue IPO, our business was integrated with the other businesses of J & J, and we benefited from J & J ’ s size and scale, including with respect to costs, employees, and relationships with customers and third- party partners. Although we have entered into transitional agreements with J & J in connection with the Separation, these arrangements may not fully capture certain benefits that we enjoyed as a result of being integrated with J & J, and the costs we incur as an independent, publicly traded company may significantly exceed comparable costs we would have incurred as part of J & J. For additional information about the past financial performance of our business and the basis of presentation of the Consolidated Financial Statements of our business included herein, see **“ Management ’ s Discussion and Analysis of Financial Condition and Results of Operations, ”** in **Part II, Item 7 included herein and** Note 1, “ Description of the Company and Summary of Significant Accounting Policies — Basis of Presentation, ” ~~to and “ Management ’ s Discussion and Analysis of Financial Condition and Results of Operations, ”~~ in the Consolidated Financial Statements included herein. We may not achieve some or all of the expected benefits of the Separation, and the Separation could adversely affect **us our business, results of operations or financial condition**. We may not be able to achieve the full strategic and financial benefits expected to result from the Separation, or the benefits may be delayed or not occur at all. We expect that the Separation will improve our strategic and operational flexibility, increase the focus of our management team on our business operations, allow us to adopt the capital structure, investment policy and dividend policy best suited to our financial profile and business needs, provide us with our own equity to facilitate acquisitions, and enable potential investors to invest directly in our business. While we have seen the benefits in a number of these areas already, others have yet to be fully recognized. We may not achieve full value from these and other anticipated benefits of the Separation for a variety of reasons, including:

- the Separation will continue to require significant amounts of management ’ s time and effort, which may divert management ’ s attention from operating and growing our business;
- the cost of capital for our business may be higher than J & J ’ s cost of capital prior to the Separation;
- our business may experience a loss of corporate brand identity, historical market reputation, economies of scale, purchasing power, and access to certain financial, managerial, and professional resources from which we benefited prior to the Separation;
- to preserve the tax- free treatment for U. S. federal income tax purposes to J & J of certain steps of the Separation our ability to pursue certain strategic transactions may be restricted; and
- other actions required to fully separate the respective businesses are required and may disrupt our operations. If we fail to fully achieve some or all of the benefits expected to result from the Separation, or if the benefits are delayed, our business, results of operations, or financial condition could be adversely affected. Our rebranding strategy in connection with the Separation involves substantial costs and may not produce the intended benefits if it is not favorably received by our consumers, customers, or third- party partners. In addition, our continued use of legacy J & J branding, including the “ Johnson ’ s ® ” brand, could adversely affect our reputation. We cannot predict with certainty the long- term effect that the Separation will have on our brands and our reputation. Although we typically rely on product branding more than corporate branding for marketing purposes, we have historically been able to capitalize on J & J ’ s market reputation, performance, and brand identity as part of our relationships with consumers, customers, and third- party partners. In connection with the Separation, we have incurred, and will continue to incur, substantial costs to rebrand our company as “ Kenvue ” and change the branding and trade dress for certain of our products around the world. Successful promotion of this rebranding will depend on the effectiveness of our marketing efforts and our ability to continue to provide reliable products to consumers and customers during the course of our transition ~~to becoming an independent, publicly traded company~~. We have invested, and will continue to invest, ~~significant resources~~ to promote our new branding, but we cannot predict with certainty how these marketing efforts will be received, and we cannot assure you that we will be able to achieve or

maintain brand recognition or status under any new names and marks at a level that is comparable to the recognition and status we historically enjoyed as part of J & J. ~~If Failure of our marketing efforts could affect~~ rebranding strategy does not produce the intended benefits, our ability to retain existing ~~and attract~~ consumers, customers, and third- party partners ~~and continue to attract new consumers, customers and third- party partners could be impacted~~, which could adversely affect our business, results of operations, or financial condition. See “ — Risks Related to Our Business and Industry — If our marketing efforts are not successful, ~~we our business, results of operations or financial condition~~ could be adversely affected.” In addition, our continued use of legacy J & J branding could adversely affect our reputation. In connection with the Separation, J & J has transferred ownership of the intellectual property rights related to the “ Johnson’ s ® ” brand to us, unless prohibited by law in a particular jurisdiction ~~(in which case J & J has granted to us an irrevocable, exclusive (even as to J & J), sublicensable, non-assignable (subject to certain exceptions), royalty- free and fully paid up license to use the applicable intellectual property rights)~~. We continue to use the “ Johnson’ s ® ” brand even following the completion of the Kenvue IPO. Furthermore, pursuant to the Trademark Phase- Out License Agreement, J & J has granted to us a non- exclusive, non- sublicensable (subject to certain exceptions), non- assignable (subject to certain exceptions), royalty- free, fully paid up worldwide license to use certain intellectual property rights retained by J & J that we used in the conduct of our business prior to the Separation, including the “ Johnson & Johnson ” name and signature and other legacy J & J branding. This license permits us to make ongoing use of certain variations of the legacy J & J branding for terms of varying duration, ranging from one year to 10 years following the Separation, based on our particular use of the legacy J & J branding. For example, the license to use legacy J & J branding on internal or external product packaging and labels terminates within five years from the Kenvue IPO, subject to extension for an additional three years if, at such termination date, we continue to make use of such legacy J & J branding despite commercially reasonable efforts to terminate use. For additional information about these licenses, see our 2024 Proxy Statement. As a result of this continued use of the legacy J & J branding, there is a risk that conduct or events adversely affecting J & J’ s reputation could also adversely affect our reputation or the reputation of our brands. Moreover, the licenses to the legacy J & J branding include quality control provisions obligating us and any sublicensees to remain in compliance with applicable law and quality standards. Failure by us or any sublicensees to comply with these obligations could potentially result in termination of the licenses, which could adversely affect our business, results of operations, or financial condition. Certain activities related to the Separation process are ongoing and we expect this process to continue to be complex, time- consuming, and costly. We ~~still need to establish or expand certain of our corporate functions, including quality, human resources, benefits administration, procurement support, information technology, and certain other professional services. We will also~~ continue to need to make investments to operate without the same access to J & J’ s existing operational and administrative infrastructure. We continue to expect to incur one- time costs to replicate, or outsource from other providers, ~~these corporate functions~~ to replace the ~~certain~~ corporate services that J & J historically provided to us prior to the Separation. Any failure or significant downtime in our own financial, administrative, or other support systems, or in the J & J financial, administrative, or other support systems during the transitional period during which J & J provides us with support, could adversely affect our business, results of operations, or financial condition. Due to the scope and complexity of the underlying projects related to the Separation, the amount of total costs could be materially higher than our estimate, and the timing of the incurrence of these costs is subject to change. In particular, our day- to- day business operations, including a significant portion of the communications among our customers, manufacturers, suppliers and other third- party partners, rely on ~~IT~~ Technology Systems. J & J’ s ~~IT~~ Technology Systems are complex, and we expect the transfer of ~~IT~~ Technology Systems from J & J to us to continue to be complex, time- consuming, and costly. There is also a risk of data loss in the process of transferring ~~IT~~ Technology Systems. As a result of our reliance on ~~IT~~ Technology Systems, the cost of the information technology integration and transfer and any loss of key data could have an adverse effect on our business, results of operations, or financial condition. Information presented in ~~our the~~ Consolidated Financial Statements for dates prior to the Kenvue IPO ~~include included~~ the assets, liabilities, ~~net sales revenues~~, and expenses that J & J’ s management determined were specifically or primarily identifiable to us, as well as direct and indirect costs that were attributable to our operations. Indirect costs are the costs of support functions that were provided on a centralized or geographic basis by J & J and its affiliates. Indirect costs were allocated to us for the purposes of preparing ~~our the~~ Consolidated Financial Statements ~~prior to the Kenvue IPO~~ based on a specific identification basis or, when specific identification was not practicable, a proportional cost allocation method, primarily based on ~~net Net~~ sales, headcount, or other allocation methodologies that were considered to be a reasonable reflection of the utilization of services provided or the benefit received by us during the periods presented, depending on the nature of the services received. The value of the assets and liabilities we assumed in connection with the Separation could ultimately be materially different than these attributions, which could adversely affect our business, results of operations, or financial condition. Following the completion of the Kenvue IPO, J & J agreed to provide us with services related to historically shared functions pursuant to the Transition Services Agreement. These services include those categorized as direct and indirect costs in the preceding paragraph and as such, cost allocations for these functions are no longer included in the Consolidated Financial Statements for dates following the completion of the Kenvue IPO. Information presented in ~~our the~~ Consolidated Financial Statements for dates subsequent to the Kenvue IPO includes the cost incurred by Kenvue in association with services provided by J & J under the Transition Services Agreement. The transfer of certain assets and liabilities from J & J to us contemplated by the Separation has not been completed and may be significantly delayed or not occur at all. Pursuant to the Separation Agreement, in order to ensure compliance with applicable law, to obtain necessary governmental approvals and other consents, and for other business reasons, we and J & J have deferred certain transfers of assets and assumptions of liabilities of businesses in certain ~~non- U. S.~~ jurisdictions. For example, certain of the assets and liabilities of our operations in China and the assets and liabilities of our operations in Russia were not transferred to us prior to the end of fiscal year 2023-2024. For more information on the Separation Agreement, see Note 12, “ Relationship with J & J, ” to the Consolidated Financial Statements included herein and in our 2024 Proxy Statement. The Separation Agreement

provides that we and J & J will use our respective reasonable best efforts to effect any transfer that was not completed prior to the completion of the Kenvue IPO as promptly following the completion of the Kenvue IPO as reasonably practicable and that, prior to such transfer, the net profits or losses from the operation of such business will, to the extent reasonably practicable and permitted by applicable law, be provided to us. Nevertheless, these arrangements may introduce additional complexities to our business. We cannot assure you that any transfer that is not yet completed will occur promptly, or at all, including if we are not able to obtain necessary governmental approvals or other consents or if there are any unanticipated developments or changes, including changes in laws or regulations, or that J & J will operate such businesses as we would have. Further, effecting the transfers could require more resources than expected, including out- of- pocket costs and expenses and internal management and employee time and resources, which could adversely affect our business, results of operations, or financial condition. In the event transfers are significantly delayed or do not occur, our business, results of operations, or financial condition may be adversely affected. The Separation Agreement provides for the transfer of certain contracts, permits, licenses and other assets and rights, in whole or in part, from J & J to us in connection with the Separation. We have completed the transfer of many, but not all, of these contracts, permits, licenses, and other assets and rights and the remainder which have not been transferred may require consents or approvals of, or provide other rights to, third parties or governmental authorities. In addition, in some circumstances, we and J & J are joint beneficiaries of contracts, and we and J & J may need to obtain the consents of third parties in order to split or separate certain remaining contracts or the relevant portion of the remaining contracts between us and J & J. Certain required consents or approvals have not yet been obtained and may not be obtained in the future. Some third parties may use consent or approval requirements or other rights in connection with the Separation to seek to terminate contracts, obtain more favorable pricing or other contractual terms from us, or require us to provide assurance regarding our financial stability as an independent, publicly traded company by obtaining letters of credit or other forms of credit support. If we are unable to obtain required consents or approvals, we may not receive certain benefits, permits, assets, licenses, and contractual commitments that are intended to be allocated to us as part of the Separation, and we may be required to seek alternative arrangements to obtain these benefits, permits, assets, licenses, and contractual commitments, which may be more costly or of lower quality. The termination or modification of contracts or failure to complete the transfer of contracts, permits, licenses, and other assets and rights to us on a timely basis, or at all, could adversely affect our business, results of operations, or financial condition. J & J is providing us with certain manufacturing services pursuant to the Transition Manufacturing Agreement for a transitional period following the completion of the Kenvue IPO. These services consist of supplying us with specified products, or components thereof, including Tylenol®, Zyrtec®, Motrin®, Benadryl®, and other OTC products, for terms of varying duration following the Separation. J & J is also providing us with services related to certain historically shared functions pursuant to the Transition Services Agreement for a transitional period following the completion of the Kenvue IPO. These services, which include certain information technology, supply chain, medical safety, finance, regulatory, real estate, and tax services, will be provided for terms of varying duration following the Separation. We are relying on J & J to satisfy its manufacturing obligations under the Transition Agreements during the applicable term for each product subject to the Transition Manufacturing Agreement. Failure by J & J to perform these obligations, or any delay in or disruption to J & J's ability to perform these obligations, could adversely affect our ability to timely deliver quality products to consumers and customers in necessary quantities, hinder sales of the applicable products, damage our reputation or the reputation of our brands, increase our costs of procuring these services, result in system or service interruptions, divert our management's focus, or otherwise adversely affect our business, results of operations, or financial condition, potentially for an extended period of time. Furthermore, pursuant to under the terms of each of the Transition Manufacturing Agreement Agreements, J & J has agreed to perform the manufacturing and other services, as applicable, for us in a manner consistent with the past practice of our business. As a result, our operational flexibility to implement changes with respect to these services or the amounts we pay for them is limited, and we may not be able to implement changes in a manner desirable to us. In addition, we have historically received informal support from J & J, which may not be addressed in the Transition Agreements. The level of this informal support will continue to diminish or be eliminated since the Kenvue IPO was completed. The services that J & J is providing to us pursuant to the Transition Manufacturing Agreement Agreements are transitional in nature. Upon the expiration of the term for each product subject to the Transition Manufacturing Agreement, we will be required to transition the manufacturing services operations for such product to our own internal organization or to obtain alternative third- party sources to provide these services. Transitioning these services manufacturing operations from J & J to us or one or more third parties will be a complex, time- consuming, and costly process, and could increase the risk of manufacturing defects or quality control issues. Agreement are transitional in nature. We are also in the process of creating our own, or engaging alternative third- party sources to provide, systems and services to replicate or replace many of the systems and services that J & J currently provides to us under the Transition Services Agreement. However, we may not be able to successfully replicate or replace these services or obtain the services at the same or better quality, at the same or lower costs or otherwise on the same or more favorable terms and conditions from third parties. For example, implementing our own information technology framework will be a complex, time- consuming, and costly process, and could make us more vulnerable to cyberattacks, network disruptions, or other information security or cybersecurity incidents. Furthermore, to the extent we decide to engage one or more third parties to provide these services to us in the future, we could encounter additional risks associated with reliance on third parties. See " — Risks Related to Our Operations — We rely on third parties in many aspects of our business, including to manufacture certain of our products, which exposes us to additional risks that could adversely affect us our business, results of operations or financial condition. " If we do not have our own systems and services or manufacturing operations, or comparable agreements with alternative third- party sources, in place when the Transition Manufacturing Agreement Agreements expires- expire, our business, results of operations, or financial condition could be adversely affected, including in the manner described in the preceding paragraph. J & J is providing us with..... of interest will

be so resolved. Potential indemnification obligations to J & J in connection with the Separation could adversely affect ~~us~~ **our business, results of operations or financial condition**. The Separation Agreement provides for indemnification obligations (for uncapped amounts, reduced by any insurance proceeds or other third- party proceeds that the party being indemnified receives) designed to make us financially responsible for substantially all liabilities, subject to certain exceptions, that may exist relating to our business activities, whether incurred prior to or following the completion of the Kenvue IPO. **For example, J & J has received demands for indemnification for legal claims related to OTC Zantac products sold by third parties in the United States, and we have agreed to indemnify J & J for such claims.** In addition, we have agreed to indemnify J & J under certain additional circumstances pursuant to certain other agreements we have entered into with J & J in connection with the Separation. If we are required to indemnify J & J under the circumstances set forth in these agreements, we may be subject to substantial liabilities, which could adversely affect our business, results of operations, or financial condition. See “~~—Risks Related to Our Relationship with J & J—~~ We may be affected by significant restrictions, including on our ability to engage in certain corporate transactions, for a two- year period after the Exchange Offer, in order to avoid triggering significant tax- related liabilities.” To preserve the tax- free treatment of certain steps of the Separation and the Exchange Offer for U. S. federal income tax purposes, we are restricted under the Tax Matters Agreement from taking certain actions that would prevent certain steps of the Separation and the Exchange Offer from being tax- free for U. S. federal income tax purposes. Under the Tax Matters Agreement, until August 23, 2025, we are subject to specific restrictions on our ability to enter into acquisition, merger, liquidation, sale, and stock redemption transactions with respect to our stock. These restrictions may limit our ability to pursue certain strategic transactions or other transactions that we may believe to be in the best interests of our shareholders or that might increase the value of our business. These restrictions do not limit the acquisition of other businesses by us for cash consideration. In addition, under the Tax Matters Agreement, we are generally required to indemnify J & J against certain tax liabilities that may result from the acquisition of our stock or assets, even if we do not participate in or otherwise facilitate the acquisition. Furthermore, we are subject to specific restrictions on discontinuing the active conduct of our trade or business, the issuance or sale of stock or other securities (including securities convertible into our stock but excluding certain compensatory arrangements) and sales of assets outside the ordinary course of business. These restrictions may reduce our strategic and operating flexibility. For more information on the Tax Matters Agreement, see Note 12, “Relationship with J & J,” to the Consolidated Financial Statements included herein and ~~in our 2024~~ **in our 2024** Proxy Statement. Pursuant to the Separation Agreement and certain other agreements we have entered into with J & J in connection with the Separation, J & J agreed to indemnify us for certain liabilities. However, third parties could also seek to hold us responsible for any of the liabilities that J & J has agreed to retain, including Talc- Related Liabilities, and we cannot assure you that the indemnity from J & J will be sufficient to protect us against the full amount of such liabilities, or that J & J will be able to fully satisfy its indemnification obligations. In addition, pursuant to the Separation Agreement, J & J’ s self- funded insurance policies are not available to us, and J & J’ s third- party insurance policies may not be available to us, for liabilities associated with occurrences of indemnified liabilities prior to the Separation, and in any event J & J’ s insurers may deny coverage to us for liabilities associated with certain occurrences of indemnified liabilities prior to the Separation. Moreover, even if we ultimately succeed in recovering from J & J or its insurance providers any amounts for which we are held liable, we may be temporarily required to bear these losses. The occurrence of any of these events could adversely affect our business, results of operations, or financial condition. ~~Although under the Tax Matters Agreement the amount of our tax sharing payments to J & J following the completion of the Kenvue IPO will generally be determined based upon the amount of tax attributable to the Consumer Health Business for periods prior to the completion of the Exchange Offer, we nevertheless will have joint and several liability with J & J for the consolidated U. S. federal income taxes of the J & J consolidated group. We were included in the U. S. federal consolidated group tax return, and certain other combined or similar group tax returns, with J & J through August 23, 2023. Under the Tax Matters Agreement, J & J will generally make all necessary tax payments to the relevant tax authorities with respect to J & J group tax returns, and we will make tax sharing payments to J & J, the amount of which will generally be determined based upon the amount of tax attributable to the Consumer Health Business. For taxable periods that begin on or after August 24, 2023, we will no longer be included in any J & J group tax returns and we will file tax returns that include only us or our subsidiaries, as appropriate. We will not be required to make tax sharing payments to J & J for those taxable periods. Nevertheless, we have joint and several liability with J & J to the IRS for the consolidated U. S. federal income taxes of the J & J consolidated group for the taxable periods in which we were part of the J & J consolidated group. For more information on the Tax Matters Agreement, see Note 12, “Relationship with J & J,” to the Consolidated Financial Statements included herein and in our Proxy Statement.~~ We may have received better terms from unaffiliated third parties than the terms we will receive in our agreements with J & J. The agreements we have entered into with J & J in connection with the Separation, including the Separation Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the **Transition Intellectual Property Agreement, the Trademark Agreements (each as defined in Note 12, “Relationship with J & J,” to the Consolidated Financial Statements included herein), an intellectual property agreement, a trademark agreement, a reverse Transition Services Agreement, the Transition Manufacturing and a data transfer and sharing Agreement, the Registration Rights Agreement, the Reverse Transition Services Agreement and the Data Transfer and Sharing Agreement**, were prepared in the context of the Separation while we were still part of J & J. Accordingly, during the period in which these agreements were prepared, we did not have a separate or independent board of directors or a management team that was separate from or independent of J & J. The terms of these agreements, including the fees charged for services provided under these agreements, were primarily determined by J & J and, as a result, may not necessarily reflect terms that would have resulted from arm’ s- length negotiations between unaffiliated third parties or from arm’ s- length negotiations between J & J and an unaffiliated third party in another form of transaction, such as a buyer in a sale of a business transaction. We cannot assure you that an active trading market for shares of our common stock will be sustained. If an active trading market is not sustained, you may have difficulty selling your shares of our common stock at an attractive price or at all. An inactive

trading market could also impair our ability to raise capital by selling shares of our common stock, our ability to attract and motivate our employees through equity incentive awards, and our ability to acquire businesses, brands, assets, or technologies by using shares of our common stock as consideration. The stock price of our common stock may fluctuate significantly, and you could lose all or part of your investment in our common stock as a result. We cannot predict the prices at which shares of our common stock may trade. The market price of shares of our common stock may be highly volatile and fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- our quarterly or annual earnings or those of our competitors;
- variations in our quarterly dividends, if any, to shareholders;
- actual or anticipated fluctuations in our operating results or those of our competitors;
- publication of research reports about us, our competitors or our industry, changes in, or failure to meet, estimates made by securities analysts or ratings agencies of our financial and operating performance or lack of research reports by industry analysts or ceasing of analyst coverage;
- additions or departures of key management personnel;
- strategic actions or announcements by us or our competitors;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- changes to the regulatory and legal environment in which we operate;
- litigation or governmental investigations initiated against us;
- reputational issues, including reputational issues involving our competitors and their products, J & J and our third-party partners;
- actions by institutional shareholders;
- any ineffectiveness of our internal controls;
- whether, when and in what manner J & J disposes of its remaining ownership of our common stock, and other announcements made or actions taken by J & J, whether in respect of the Separation or otherwise;
- overall market fluctuations and domestic and worldwide economic and political conditions; and
- other factors described in this “Risk Factors” section and elsewhere in this Annual Report on Form 10-K.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the trading price of our common stock. If any of the foregoing events occur, it could cause our stock price to fall and may expose us to lawsuits, including securities class action litigation, that, even if unsuccessful, could result in substantial costs and divert our management’s attention and resources. You should consider an investment in shares of our common stock to be risky, and you should invest in shares of our common stock only if you can withstand a significant loss and wide fluctuations in the market value of your investment. Future sales by J & J or other holders of shares of our common stock, or the perception that such sales may occur, could cause the price of our common stock to decline. As of December 31, 2023, J & J owned 182,329,550 shares of our common stock (approximately 9.5% of our outstanding common stock). These shares are “restricted securities” as that term is defined in Rule 144 (“Rule 144”) under the Securities Act, and we have granted J & J certain registration rights with respect to its remaining shares of our common stock. J & J will be entitled to sell these shares in the public market only if the sale of such shares is registered with the SEC or if the sale of such shares qualifies for an exemption from registration under Rule 144 or any other applicable exemption under the Securities Act. We are unable to predict with certainty whether or when J & J will sell a substantial number of shares of our common stock. The sale by J & J of a substantial number of shares of our common stock, or a perception that such sale could occur, could significantly reduce the prevailing market price of shares of our common stock. If we are unable to implement and maintain effective internal control over financial reporting in the future, investors could lose confidence in the accuracy and completeness of our financial reports and the market price of shares of our common stock could be adversely affected. As an independent, publicly traded company, we are required to maintain internal control over financial reporting and to report any material weaknesses in our internal control. In addition, beginning with **this our second annual Annual report Report** on Form 10-K, we **are will be** required to furnish a report by management on the effectiveness of our internal control over financial reporting, pursuant to Section 404 of the Sarbanes- Oxley Act of 2002 (the “Sarbanes- Oxley Act”). Our independent registered public accounting firm **will is** also **be** required to express an opinion as to the effectiveness of our internal control over financial reporting **beginning with our second annual report on Form 10-K**. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating. The process of designing, implementing, and testing the internal control over financial reporting required to comply with this obligation is complex, time- consuming, and costly. **Because of its inherent limitations, any system of internal control over financial reporting, no matter how well designed, may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.** If we identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 of the Sarbanes- Oxley Act in a timely manner or to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors could lose confidence in the accuracy and completeness of our financial reports and the market price of shares of our common stock could be adversely affected. We could also become subject to investigations by the NYSE, the SEC, or other regulatory authorities, which could require additional financial and management resources. The obligations associated with being an independent, publicly traded company require significant resources and management attention. We are directly subject to reporting and other obligations under the Exchange Act, the Sarbanes- Oxley Act, the Dodd- Frank Wall Street Reform and Consumer Protection Act, and the rules and regulations of the SEC and the NYSE. **As an independent, publicly traded company, we are required to:**

- prepare and distribute periodic reports, proxy statements and other shareholder communications in compliance with the federal securities laws and rules;
- have our own board of directors and committees thereof, which comply with federal securities laws and rules and applicable stock exchange requirements;
- maintain an internal audit function;
- maintain our own financial reporting and disclosure compliance functions;
- maintain an investor relations function; and
- maintain internal policies, including those relating to trading in our securities and disclosure controls and procedures.

These reporting and other obligations place significant demands on our management, diverting their time and attention from sales-

generating activities to compliance activities, and require increased administrative and operational costs and expenses that we did not incur prior to the Separation, which could adversely affect our business, results of operations, or financial condition. **In addition, while we actively engage in and greatly value discussions with our shareholders as part of our responsibilities as a public company, the interests and objectives of some activist shareholders may not align with, among other things, our business strategy or the interests of our shareholders generally. Responding to activist shareholder actions may incur significant time and expense, including legal fees, and it could also disrupt our operations, divert our Board's and management's attention, and interfere with the execution of our long-term business strategy.** Your percentage ownership in us may be diluted in the future. In the future, your percentage ownership in us may be diluted if we issue additional shares of our common stock or convertible debt securities in connection with acquisitions, capital market transactions, or other corporate purposes, including equity-based awards that we may grant to our directors, officers, and employees. ~~In connection with the Kenvue IPO, we filed a registration statement on Form S-8 to register the shares of our common stock that we expect to reserve for issuance under our equity incentive plan.~~ The Compensation & Human Capital Committee has granted, and we expect will continue to grant, additional equity-based awards to our employees and directors from time to time under ~~our equity incentive the Kenvue 2023 plan~~ **Plan (as defined in Note 11, "Stock or the effect - Based Compensation," to if any, that future issuances and sales of shares of our common stock will have on the Consolidated Financial Statements included herein)** market price of shares of our common stock. Any such issuance could result in substantial dilution to our existing shareholders. ~~In addition, certain of our employees have rights to purchase or receive shares of our common stock as a result of the conversion of their J & J stock options, restricted share units and performance share units into our stock options and restricted share units.~~ Our Board is authorized, without further vote or action by our shareholders, to provide for the issuance from time to time of shares of our preferred stock in series and, as to each series, to fix the designation; the dividend rate and the preferences, if any, which dividends on that series will have compared to any other class or series of our capital stock; the voting rights, if any; the liquidation preferences, if any; the conversion privileges, if any, and the redemption price or prices and the other terms of redemption, if any, applicable to that series. The terms of one or more series of preferred stock could dilute the voting power or reduce the value of our common stock. For example, we could grant the holders of our preferred stock rights to elect directors in all events or on the occurrence of specified events or the right to veto specified transactions. In addition, the repurchase or redemption rights or liquidation preferences that we could assign to holders of our preferred stock could affect the residual value of our common stock. We have debt obligations that could adversely affect ~~us our business, results of operations or financial condition.~~ In connection with the Separation, we entered into certain financing arrangements, which include the offering of the Senior Notes, the Commercial Paper Program, and the Revolving Credit Facility (as defined in Note 5, "Borrowings," to the Consolidated Financial Statements included herein). **Some of the debt obligations under these financing arrangements will mature in the near future, and we may not be able to refinance these debt obligations on similar terms or at all depending on market conditions.** In addition, we may incur additional indebtedness in the future. This indebtedness could have important, adverse consequences to us and our investors, including: • requiring a substantial portion of our cash flow from operations to make interest payments; • making it more difficult to satisfy other obligations; • increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability of debt financing; • increasing our vulnerability to general adverse economic and industry conditions; • reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow our business; • limiting our ability to pay dividends **or repurchase shares of our common stock**; • limiting our flexibility in planning for, or reacting to, changes in our business and industry; and • limiting our ability to borrow additional funds as needed ~~or take advantage of business opportunities as they arise, pay cash dividends or repurchase shares of our common stock.~~ The risks described above will increase with the amount of indebtedness we incur in the future. Furthermore, our ability to borrow additional funds may be reduced and the risks described above would intensify if ~~these~~ **the rates cost of additional borrowings** were to increase significantly, whether because of an increase in market interest rates or a decrease in our creditworthiness. ~~In addition, our actual cash requirements in the future may be greater than expected.~~ Our cash flow from operations may not be sufficient to service our outstanding debt or to repay the outstanding debt as it becomes due, and we may not be able to borrow money, sell assets, or otherwise raise funds on acceptable terms, or at all, to service or refinance our debt. We are a holding company and our only material assets are our equity interests in our subsidiaries. As a consequence, we depend on the ability of our subsidiaries to pay dividends and make other payments and distributions to us in order to meet our obligations. We are a holding company with limited direct business operations. Our subsidiaries own substantially all of our assets and conduct substantially all of our operations. Dividends from our subsidiaries and permitted payments to us under arrangements with our subsidiaries are our principal sources of cash to meet our obligations. These obligations include operating expenses and interest and principal on current and any future borrowings. Our subsidiaries, including certain subsidiaries organized outside the United States, may not be able to, or may not be permitted to, pay dividends or make distributions to enable us to meet our obligations. Each subsidiary is a distinct legal entity and, under certain circumstances, legal, tax, and contractual restrictions may limit our ability to obtain cash from our subsidiaries. If the cash we receive from our subsidiaries pursuant to dividends and other arrangements is insufficient to fund any of our obligations, or if a subsidiary is unable to pay future dividends or distributions to us to meet our obligations, we may be required to raise cash through, among other things, the incurrence of debt (including convertible or exchangeable debt), the sale of assets, or the issuance of equity. Our liquidity and capital position are highly dependent on the performance of our subsidiaries and their ability to pay future dividends and distributions to us as anticipated. The evaluation of future dividend sources and our overall liquidity plans are subject to a variety of factors, including current and future market conditions, which are subject to change. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, could adversely affect our business, results of operations, or financial condition and our ability to

satisfy our obligations under our indebtedness or pay dividends on our common stock. We cannot guarantee the payment of dividends on our common stock, or the timing or amount of any such dividends. ~~On January 25, 2024, we announced that our Board had declared a quarterly cash dividend of \$ 0.20 per share of our common stock, paid on February 28, 2024 to shareholders of record as of the close of business on February 14, 2024.~~ Although we currently intend to continue paying a quarterly cash dividend to holders of our common stock, we have no obligation to do so, and our dividend policy may change at any time **at the discretion of our Board** without notice to our shareholders. ~~The payment of any dividends in the future to our shareholders, and the timing and amount thereof, will fall within the discretion of our Board.~~ Our Board's decisions regarding the payment of dividends will depend on many factors, such as our financial condition, earnings, capital requirements, debt service obligations, restrictive covenants in the agreements governing our indebtedness, general economic business conditions, industry practice, legal requirements, and other factors that our Board may deem relevant. Our ability to pay dividends will depend on our ongoing ability to generate cash **flow** from operations and ~~on our access to the capital markets.~~ ~~Furthermore, we are a holding company with limited direct business operations. As a result, our ability to pay dividends will also depend on the ability of our subsidiaries to pay dividends and make other payments and distributions to us.~~ We cannot assure you that we will pay our anticipated dividend in the same amount or frequency, or at all, in the future. If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could be adversely affected, resulting in a decrease in the market price of shares of our common stock. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U. S. GAAP") requires us to make estimates and assumptions that affect the amounts reported in ~~our combined~~ **the Consolidated financial Financial statements Statements**. We base our estimates on historical experience and ~~on various other assumptions factors~~ that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, **stockholders' equity, net-Net sales**, and expenses that are not readily apparent from other sources. If our assumptions change or if actual circumstances differ from our assumptions, our results of operations could be adversely affected and could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of shares of our common stock. Certain provisions in our amended and restated certificate of incorporation and our amended and restated bylaws, and of Delaware law, may prevent or delay an acquisition of us, which could decrease the trading price of our common stock. Our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids and to encourage prospective acquirers to negotiate with our Board rather than to attempt an unsolicited takeover not approved by our Board. These provisions include 1) the ability of our directors, and not shareholders, to fill vacancies on our Board (including those resulting from an enlargement of our Board), 2) restrictions on the ability of our shareholders to call a special meeting, 3) restrictions on the ability of our shareholders to act by written consent, 4) rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings, and 5) authority of our Board to issue preferred stock without shareholder vote or action. In addition, because we have not chosen to be exempt from Section 203 of the Delaware General Corporation Law (the "DGCL"), this provision could also delay or prevent a change of control that shareholders may favor. Section 203 of the DGCL generally prohibits a Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the time that such stockholder became an interested stockholder, subject to certain exceptions. See the section titled ~~"Description of Capital Stock — Anti- Takeover Effects of Various Provisions of Delaware Law, Our Amended and Restated Certificate of Incorporation and Our Amended and Restated Bylaws — Delaware Anti- Takeover Statute"~~ **filed incorporated by reference** as Exhibit 4. ~~4-3~~ to this **Annual Report on** Form 10- K. We believe these provisions will protect our shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our Board and by providing our Board with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some of our shareholders and could delay or prevent an acquisition that our Board determines is not in the best interests of us and our shareholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors. Our amended and restated certificate of incorporation provides ~~that certain courts within the state of Delaware or the federal district courts of the United States will be the sole and exclusive forum for the resolution of certain types of actions and proceedings that may be initiated by our shareholders, which could discourage lawsuits against us or our directors, officers, employees or shareholders. Our amended and restated certificate of incorporation provides~~, in all cases to the fullest extent permitted by law, that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery located within the state of Delaware (or, if such court does not have jurisdiction, the United States District Court for the District of Delaware) will be the sole and exclusive forum for 1) any derivative action or proceeding brought on our behalf, 2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees, or shareholders to us or our shareholders, 3) any action asserting a claim arising pursuant to any provision of our amended and restated certificate of incorporation or our amended and restated bylaws, 4) any action asserting a claim arising pursuant to any provision of the DGCL or as to which the DGCL confers jurisdiction on the Court of Chancery located within the state of Delaware, or 5) any action asserting a claim governed by the internal affairs doctrine. These exclusive forum provisions will not apply to claims arising under the Securities Act of 1933, as amended (the "Securities Act") or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the sole and exclusive forum for the resolution of any action asserting a claim arising under the Securities Act. These exclusive forum provisions may impose additional costs on shareholders in pursuing any such claims, particularly if the shareholders do not reside in or near the state of Delaware, or limit a shareholder's ability to bring a claim in a judicial forum that such shareholder finds favorable for disputes with us or our directors, officers, employees, or shareholders, which in each case may discourage

such lawsuits with respect to such claims. It is possible that a court could find these exclusive forum provisions inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, and we may incur additional costs associated with resolving such matters in other jurisdictions, which could divert our management's attention and otherwise adversely affect our business, results of operations, or financial condition. 56