

Risk Factors Comparison 2024-02-20 to 2023-02-28 Form: 10-K

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

You should carefully consider all of the information in this document and the following risk factors before making an investment decision regarding our securities. Any of the following risks could materially and adversely affect our business, financial condition, results of operations, cash flows and the actual outcome of matters as to which forward- looking statement are made in this document. Risks Relating to Our Business General global economic and business conditions affect demand for our products. We compete in various geographic regions and product markets around the world. Among these, the most significant are global industrial ~~, markets and~~ **and residential, infrastructure and energy** markets. We expect to experience fluctuations in revenues and results of operations due to economic and business cycles. Important factors for our business and the businesses of our customers include the overall strength of the **global** economy and our customers' confidence in the economy, industrial and governmental capital spending, the strength of ~~the commercial~~ **and residential and infrastructure market markets**, unemployment rates, availability of commercial financing, interest rates, **inflation rates**, and energy and commodity prices. Recessions, economic downturns, inflation, slowing economic growth and social and political instability in the industries and / or markets where we compete could negatively affect our revenues and financial performance in future periods, result in future restructuring charges, and adversely impact our ability to grow or sustain our business. ~~For example, current macroeconomic~~ **Macroeconomic** and political instability caused by global supply chain disruptions, inflation, ~~and the strengthening of the U. S. dollar and the conflict between Russia and Ukraine, have and could continue to~~ **adversely impact our results of operations. In addition, military conflicts and their impact on economies may** adversely impact our results of operations. The businesses of many of our industrial customers are to varying degrees cyclical and have experienced periodic downturns. In addition, demand for a portion of our products and services depends upon the level of capital expenditure by companies in the energy industry, which depends, in part, on prices of oil and gas, which are volatile and declines in such prices may result in suspensions or delays in large capital projects within the energy sector. While we attempt to minimize our exposure to economic or market fluctuations by serving a balanced mix of end markets and geographic regions, any of the above factors, individually or in the aggregate, or a significant or sustained downturn in a specific end market or geographic region could reduce demand for our products and services, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. We compete in attractive markets with a high level of competition, which may result in pressure on our profit margins and limit our ability to maintain or increase the market share of our products. The markets for our products and services are geographically diverse and highly competitive. We compete against large and well-established national and global companies, as well as regional and local companies and lower- cost manufacturers. **Competition may also result from new entrants into the markets we serve offering products and / or services that compete with ours.** We compete based on technical expertise, reputation for quality and reliability, timeliness of delivery, previous installation history, contractual terms and price. Some of our competitors ~~, in particular smaller companies,~~ attempt to compete based primarily on price, localized expertise and local relationships. In addition, economic downturns could adversely affect pricing as market participants compete more aggressively on price. If we are unable to continue to differentiate our products, services and solutions, or if our pricing is adversely impacted or we incur additional costs to remain competitive, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our future growth is dependent upon our ability to adapt our products, services and organization to meet the demands of local markets in both developed and emerging economies and by developing or acquiring new technologies that achieve market acceptance with acceptable margins. We operate in global markets that are characterized by customer demand that is often global in scope but localized in delivery. We compete with thousands of smaller regional and local companies that may be positioned to offer products produced at lower cost than ours, or to capitalize on highly localized relationships. Also, in several emerging markets potential customers prefer local suppliers, in some cases because of existing relationships and in other cases because of local legal restrictions or incentives that favor local businesses. In addition, we need to be flexible to adapt our products to ever changing customer preferences, including those relating to regulatory, climate change and social responsibility matters. Accordingly, our future success depends upon a number of factors, including our ability to adapt our products, services, organization, workforce and sales strategies to fit localities throughout the world, particularly in high- growth emerging markets; identify emerging technological and other trends in our target end markets; and develop or acquire competitive products and services and bring them to market quickly and cost-effectively. The failure to effectively adapt our products or services could have a material adverse effect on our business, financial condition, results of operations and cash flows. We may not be able to identify, finance and complete suitable acquisitions and investments, and any completed acquisitions and investments could be unsuccessful or consume significant resources. Our business strategy includes acquiring businesses and making investments that complement our existing business. We expect to analyze and evaluate the acquisition of strategic businesses or product lines with the potential to extend or strengthen our industry position or enhance our existing set of product and service offerings. We may not be able to identify suitable acquisition candidates, obtain financing or have sufficient cash necessary for acquisitions or successfully complete acquisitions in the future. Acquisitions and investments may involve significant cash expenditures, debt incurrences, equity issuances, operating losses and expenses. Acquisitions involve numerous other risks, including: • diversion of management time and attention from daily operations; • difficulties integrating acquired businesses, technologies and personnel into our business; • difficulties in obtaining and verifying the financial statements and other business information of acquired businesses; • inability to obtain required regulatory approvals; • potential loss of key employees, key contractual relationships or key

customers of acquired companies or of ours; • assumption of the liabilities and exposure to unforeseen liabilities of acquired companies; and • dilution of interests of holders of nVent ordinary shares through the issuance of equity securities or equity-linked securities. It may be difficult for us to complete transactions quickly and to integrate acquired operations efficiently into our business operations. Any acquisitions or investments may not be successful and may ultimately result in impairment charges and have a material adverse effect on our business, financial condition, results of operations and cash flows. We may not achieve some or all of the expected benefits of our business initiatives. During **2023 and 2022**, ~~2021 and 2020~~, we continued execution of certain business restructuring initiatives aimed at reducing our fixed cost structure and realigning our business. In order to align our resources with our growth strategies, operate more efficiently and control costs, we may periodically announce ~~in the~~ future restructuring plans, which may include workforce reductions, global plant closures and consolidations, asset impairments and other cost reduction initiatives. As these plans and actions are complex, we may not be able to achieve the operating efficiencies to reduce costs or realize benefits that were anticipated in connection with these initiatives. If we are unable to execute these initiatives as planned, we may not realize all or any of the anticipated benefits, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. We may experience material cost and other inflation. ~~During~~ **In 2023 and 2022**, we experienced inflationary increases of raw materials, logistics and labor costs due to availability constraints and high demand, ~~and we expect inflationary cost increases to continue in 2023~~. We strive for productivity improvements and implement increases in selling prices to help mitigate cost increases in raw materials, freight, energy, wage and other costs such as pension, health care and insurance. We continue to implement operational initiatives in order to mitigate the impact of this inflation and continuously reduce our costs. However, these actions may not be successful in managing our costs or increasing our productivity. Continued cost inflation or failure of our initiatives to increase prices, generate cost savings or improve productivity could have a material adverse effect on our business, financial condition, results of operations and cash flows. A disruption in the availability, price or quality of products or materials that we manufacture and source from various countries throughout the world could have a material adverse effect on our results of operations. Our business is subject to risks associated with global manufacturing and sourcing. We use a variety of raw materials in the production of our products including steel, electronic components, plastics, copper and paints. We also purchase certain electrical and ~~electronic components and~~ packaging materials from a number of suppliers. During ~~2021 and~~ 2022, we experienced **inflationary increases of raw materials, logistics, labor and energy costs, and** supply chain challenges, including increased lead times, ~~due to availability constraints and high demand~~. ~~During 2023~~, ~~and we expect~~ supply chain pressures to **challenges moderated, but we continue** ~~continued~~ **in 2023 to experience inflationary increases, primarily related to labor costs**. Although we regularly monitor the financial health and operations of companies in our supply chain, and use alternative suppliers when necessary and available, supply chain constraints could cause a disruption in our ability to obtain raw materials or components required to manufacture our products and adversely affect our operations. Significant shortages in the availability of these materials or price increases could increase our operating costs and adversely impact the competitive positions of our products. We rely on materials, components and finished goods that are sourced from or manufactured **in locations** outside the U. S., including Mexico, China and other countries, and these countries may experience political or trade instability, which could disrupt our supply of products or materials. We rely on our suppliers to produce high quality materials, components and finished goods according to our specifications. Although we have quality control procedures in place, there is a risk that products may not meet our specifications which could impact our ability to ship quality products to our customers on a timely basis. Our backlog may fluctuate and material amounts of cancellations or reductions of orders or a failure to deliver our backlog on time could affect our future sales. Our backlog is comprised of the portion of firm signed purchase orders or other written contractual commitments received from customers that we have not recognized as revenue. Backlog may increase or decrease based on the addition of large multi-year projects and their subsequent completion. Backlog may also be favorably or unfavorably affected by foreign currency rate fluctuations. The dollar amount of backlog as of December 31, ~~2022~~ **2023** was \$ ~~607.639~~ **3.1** million. The timing of our recognition of revenue out of our backlog is subject to a variety of factors that may cause delays, many of which, including fluctuations in our customers' delivery schedules, are beyond our control. Such delays may lead to significant fluctuations in results of operations from quarter to quarter, making it difficult to predict our financial performance on a quarterly basis. Further, while we have historically experienced few order cancellations and the amount of order cancellations has not been material compared to our total contract volume, if we were to experience a significant amount of cancellations of or reductions in purchase orders, it would reduce our backlog and, consequently, our future sales and could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our future revenue depends in part on our ability to bid and win new contracts. Our future revenue and overall results of operations require us to successfully bid on new contracts and, in particular, contracts for large greenfield projects, which are frequently subject to competitive bidding processes. Our revenue from major projects depends in part on the level of capital expenditures in some of our principal end markets, including the energy, chemical processing and power generation industries. The number of such projects we win in any year fluctuates, and is dependent upon the number of projects available and our ability to bid successfully for such projects. Contract proposals and negotiations are complex and frequently involve a lengthy bidding and selection process, which is affected by a number of factors, such as competitive position, market conditions, financing arrangements and required governmental approvals. If negative market conditions arise, or if we fail to secure adequate financial arrangements or required governmental approvals, we may not be able to pursue particular projects or win new contracts, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. ~~Our business, financial condition, results of operations and cash flows have been, and may in the future be, adversely affected by epidemics or pandemics such as the COVID-19 pandemic. We may face risks related to health epidemics and pandemics or other outbreaks of communicable diseases. A public health epidemic or pandemic, such as the COVID-19 pandemic, poses the risk that our employees, contractors, suppliers, customers and other business partners may be prevented~~

from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities, or that such epidemic or pandemic may otherwise interrupt or impair business activities. The COVID-19 pandemic continues to cause disruption to the global economy, including in the regions in which we, our suppliers, distributors, business partners, and customers do business. We continue to monitor the COVID-19 pandemic, and while periodic local increases and decreases in COVID-19 cases are likely, generally the restrictions due to and in response to the pandemic continue to relax in most locations. However, the COVID-19 pandemic and efforts to manage it, including those by governmental authorities, have had, and could continue to have, an adverse effect on the global economy and our business in many ways, including global supply chain shortages for materials and component parts used in our products and associated escalating prices. In addition to supply shortages, constrained transportation capacities have led to significant price increases in transportation costs. We expect to continue to be affected by supply chain issues due to factors largely beyond our control, including, a global shortage of components used in our products, a strain on raw materials and cost inflation, all of which could escalate in the future. Although economic conditions have generally improved since the height of the COVID-19 pandemic, the strength of the economic recovery is uncertain and may vary across industries, customers and from country to country. The ultimate extent and robustness of any economic recovery from the impact of the COVID-19 pandemic imposes a significant degree of uncertainty and complexity, and may adversely affect our operations, customer demand and our costs of production. Failure of economic recovery to continue and adverse or weakening economic conditions may also result in deterioration in the collection of customer accounts receivable, as well as a reduction in sales. The foregoing and other impacts of the COVID-19 pandemic could have the effect of heightening many of the other risks described herein and any of these impacts could materially adversely affect our business, financial condition, results of operations and cash flows. We are exposed to political, regulatory, economic and other risks that arise from operating a multinational business. Sales outside of the U. S. for the year ended December 31, 2022-2023 accounted for approximately 37-34 % of our net sales. Further, our business obtains some products, components and raw materials from non- U. S. suppliers. Accordingly, our business is subject to the political, regulatory, economic and other risks that are inherent in operating in numerous countries. These risks include: • the imposition of tariffs, **sanctions, duties,** exchange controls **, currency restrictions** or other trade restrictions; • changes in general economic and political conditions in countries where we operate, particularly in emerging markets; • relatively more severe economic conditions in some international markets than in the U. S.; • the difficulty of enforcing agreements and collecting receivables through non- U. S. legal systems; • the difficulty of communicating and monitoring standards and directives across our global facilities; • **the difficulty of ensuring that our products, services and supply chains meet ever- changing regional regulations and requirements;** • trade protection measures and import or export licensing requirements and restrictions; • the possibility of terrorist action or military conflict affecting us **or,** our operations **, supply chains or end- markets or economies generally**; • the threat of nationalization and expropriation; • difficulty in staffing and managing widespread operations in non- U. S. labor markets; • changes in tax treaties, laws or rulings that could have a material adverse impact on our effective tax rate; • limitations on repatriation of earnings; • the difficulty of protecting intellectual property in non- U. S. countries; and • changes in and required compliance with a variety of non- U. S. laws and regulations. Our success depends in part on our ability to anticipate and effectively manage these and other risks. We cannot assure you that these and other factors will not have a material adverse effect on our international operations or on our business as a whole. Our dependence on subcontractors and third party suppliers and manufacturers with respect to projects could have a material adverse effect on us. We often rely on third party subcontractors as well as third party suppliers and manufacturers to complete projects. To the extent that we cannot engage subcontractors or acquire supplies or materials from third parties for these projects, our ability to complete a project in a timely fashion or at a profit may be impaired. If the amount we are required to pay for these goods and services exceeds the amount we have estimated in bidding for fixed- price contracts, we could experience losses on these contracts. In addition, if a subcontractor, supplier or manufacturer is unable to deliver its services or materials according to the negotiated contract terms for any reason, including the deterioration of its financial condition or over- commitment of its resources, we may be required to purchase the services or materials from another source at a higher price. This may reduce the profit to be realized or result in a loss on a project for which the services or materials were needed. Intellectual property challenges may hinder our ability to develop, engineer and market our products. Patents, non- compete agreements, proprietary technologies, customer relationships, trademarks, trade names and brand names are important to our business. Intellectual property protection, however, may not preclude competitors from developing products similar to ours or from challenging our names or products. Our pending patent applications, and our pending copyright and trademark registration applications, may not be allowed or competitors may challenge the validity or scope of our patents, copyrights or trademarks. In addition, our patents, copyrights, trademarks and other intellectual property rights may not provide us a significant competitive advantage. Furthermore, participants in our markets may use challenges to intellectual property as a means to compete. Patent and trademark challenges increase our costs to develop, engineer and market our products. We may need to spend significant resources monitoring our intellectual property rights and we may or may not be able to detect infringement by third parties. If we fail to successfully enforce our intellectual property rights or register new patents, our competitive position could suffer, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. We have significant goodwill and intangible assets and future impairment of our goodwill and intangible assets could have a material adverse effect on our results of operations. We test goodwill and other indefinite- lived intangible assets for impairment on at least an annual basis, and more frequently if circumstances warrant, by comparing the estimated fair value of our reporting unit to its respective carrying values on its balance sheets. As of December 31, 2022-2023, our goodwill and intangible assets were \$ 3-4. 2-1 billion and represented 66 % of our total assets. Changes in economic and operating conditions impacting the assumptions used in our impairment tests could result in future goodwill and intangible asset impairment expense. **We may not realize the anticipated benefits of the ECM Industries acquisition and any benefit may take longer to realize than we expect. The ECM Industries acquisition**

involves the integration of ECM Industries' operations with our existing operations, and there are uncertainties inherent in such an integration. We are required to devote significant management attention and resources to integrating ECM Industries' operations. Delays or unexpected difficulties in the integration process could adversely affect our business, financial results and financial condition. Even if we are able to integrate ECM Industries' operations successfully, this integration may not result in the realization of the full benefits of revenue synergies, cost savings and operational efficiencies that we expect, or the achievement of these benefits within a reasonable period of time or at all.

Risks Relating to Legal, Regulatory and Compliance Matters Changes in U. S. and foreign government administrative policy, including changes to existing trade agreements and U. S. government sanctions, could have a material adverse effect on us. As a result of changes to U. S. and foreign government administrative policy, there may be changes to existing trade agreements, greater restrictions on free trade generally, significant increases in tariffs on goods imported into the U. S. particularly tariffs on products manufactured in China, Canada and Mexico, among other possible changes. In addition, from time to time, the U. S. government has imposed sanctions restricting U. S. companies from conducting business with specified non- U. S. individuals and companies. For example, the U. S. government has imposed sanctions through several executive orders and legislation restricting U. S. companies from conducting business with specified Russian and Ukrainian individuals and companies. The sanctions imposed by the U. S. government may be expanded in the future to restrict or further restrict us from engaging with customers or vendors. If we are unable to conduct business with new or existing customers or vendors or pursue business opportunities in Russia or Ukraine, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. Changes in U. S. social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in the territories and countries where we currently manufacture and sell products, and any resulting negative sentiments towards the U. S. as a result of such changes, could have a material adverse effect on our business, financial condition, results of operations and cash flows. Violations of the U. S. Foreign Corrupt Practices Act and similar anti- corruption laws outside the U. S. or international trade compliance regulations could have a material adverse effect on us. The U. S. Foreign Corrupt Practices Act and similar anti- corruption laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials or other persons for the purpose of obtaining or retaining business. We operate in many parts of the world that are recognized as having governmental and commercial corruption and in certain circumstances, strict compliance with anti- bribery laws may conflict with local customs and practices. Because many of our customers and end users are involved in infrastructure construction and energy production, they are often subject to increased scrutiny by regulators. Further, our global operations require importing and exporting goods and technology across international borders on a regular basis. Certain of the products we manufacture are " dual use " products, which are products that may have both civil and military applications, or may otherwise be involved in weapons proliferation, and are often subject to more stringent export controls. From time to time, we may obtain or receive information alleging improper activity in connection with imports or exports. Our policies mandate strict compliance with applicable laws and regulations, including those pertaining to anti- corruption, anti- bribery and trade. However, even when we are in strict compliance with law and our policies, we may suffer reputational damage if certain of our products are sold through various intermediaries to entities operating in sanctioned countries. We cannot assure that our internal control policies and procedures will always protect us from reckless or criminal acts committed by our employees or third- party intermediaries. In the event that we believe or have reason to believe that our employees or agents have or may have violated applicable laws, we may be required to investigate or have outside counsel investigate the relevant facts and circumstances, which can be expensive and require significant time and attention from senior management. Violations of these laws may require self- disclosure to governmental agencies and result in criminal or civil sanctions, which could disrupt our business, cause denial of import or export privileges, and result in a material adverse effect on our reputation, business, financial condition, results of operations and cash flows. We are exposed to potential environmental laws, liabilities and litigation. We are subject to U. S. federal, state, local and non- U. S. laws and regulations governing our environmental practices, public and worker health and safety, and the indoor and outdoor environment. Compliance with these environmental, health and safety regulations could require us to satisfy environmental liabilities, increase the cost of manufacturing our products or otherwise have a material adverse effect on our business, financial condition, results of operations and cash flows. Any violations of these laws by us could cause us to incur unanticipated liabilities. We are also required to comply with various environmental laws and maintain permits, some of which are subject to renewal from time to time, for many of our businesses and we could suffer if we are unable to renew existing permits or to obtain any additional permits that we may require. Compliance with environmental requirements also could require significant operating or capital expenditures or result in significant operational restrictions. We cannot assure you that we have been or will be at all times in compliance with environmental and health and safety laws. If we violate these laws, we could be fined, criminally charged or otherwise sanctioned by regulators. We have been named as defendant, target or a potentially responsible party (" PRP") in a number of environmental cleanups relating to our current or former ~~business-businesses units~~. We may be named as a PRP at other sites in the future for existing ~~business-businesses units~~, as well as both divested and acquired businesses. In addition to clean- up actions brought by governmental authorities, private parties could bring personal injury or other claims due to the presence of, or exposure to, hazardous substances. Certain environmental laws impose liability on current or previous owners or operators of real property for the cost of removal or remediation of hazardous substances at their properties or at properties at which they have disposed of hazardous substances. The cost of clean- up and other environmental liabilities can be difficult to accurately predict. In addition, environmental requirements change and tend to become more stringent over time. Our eventual environmental clean- up costs and liabilities could exceed the amount of our current reserves. We may incur significant costs in our efforts to successfully avoid, manage, defend and litigate intellectual property matters. From time to time, we receive notices from third parties alleging intellectual property infringement. Any dispute or litigation involving intellectual property could be costly and time- consuming due to the

complexity and the uncertainty of intellectual property litigation. Our intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license, in response to a claim of infringement or misappropriation. In addition, as a result of such claims, we may lose our rights to utilize critical technology, may be required to pay substantial damages or license fees with respect to the infringed rights or may be required to redesign our products at a substantial cost, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows. We are exposed to certain regulatory and financial risks related to climate change and other sustainability matters. Climate change is receiving ever increasing attention worldwide. Many scientists, legislators and others attribute global warming to increased levels of greenhouse gases, which has led to significant legislative and regulatory efforts to limit greenhouse gas emissions. The U. S. Environmental Protection Agency ("EPA") has published findings that emissions of carbon dioxide, methane, and other greenhouse gases ("GHGs") present an endangerment to public health and the environment because emissions of such gases are, according to the EPA, contributing to the warming of the earth's atmosphere and other climate changes. Based on these findings, the EPA has implemented regulations that require reporting of GHG emissions, or that limit emissions of GHGs from certain mobile or stationary sources. In addition, **various** the U. S. Congress and federal and, state **and international** regulatory agencies have considered other legislation and regulatory proposals to reduce emissions of GHGs, and many **states** have already taken legal measures to reduce emissions of GHGs, primarily through the development of **carbon tax**, GHG inventories, GHG permitting and / or regional GHG cap- and- trade programs. It is uncertain whether, when and in what form a federal mandatory carbon dioxide emissions reduction program, or other state **or international** programs, may be adopted. ~~Similarly, certain countries have adopted the Kyoto Protocol and in February 2021 the U. S. rejoined the Paris Accord, and these and other existing international initiatives or those under consideration could affect our international operations.~~ To the extent our customers, particularly our energy and industrial customers, are subject to any of these or other similar proposed or newly enacted laws and regulations, we are exposed to risks that the additional costs incurred by customers to comply with such laws and regulations could impact their ability or desire to continue to operate at similar levels in certain jurisdictions as historically seen or as currently anticipated, which could negatively impact their demand for our products and services. These actions could also increase costs associated with our operations, including costs for raw materials and transportation. Because it is uncertain what laws will be enacted, we cannot predict the potential impact of such laws on our future financial condition, results of operations and cash flows. **Further, we are subject to additional federal, state, international and national European and U. S. regulations relating to climate and environmental risk, which are continually evolving. Regulators in Europe and the U. S. have focused efforts on increased disclosure related to climate change and mitigation efforts. The European Union recently adopted the European Sustainability Reporting Standards and the Corporate Sustainability Reporting Directive ("CSRD") that will impose disclosure of the risks and opportunities arising from social and environmental issues, and on the impact of companies' activities on people and the environment. Similarly, the State of California recently passed the Climate Corporate Data Accountability Act and the Climate- Related Financial Risk Act that will impose broad climate- related disclosure obligations on certain companies doing business in California, including us, starting in 2026. The SEC has included in its regulatory agenda potential rulemaking on climate change disclosures. We will likely need to be prepared to contend with overlapping, yet distinct, climate- related disclosure requirements in multiple jurisdictions. Compliance may significantly increase compliance burdens and associated regulatory costs and complexity, and the failure to comply with such legislation and regulations could result in fines to us, and could affect our business, financial condition, results of operations and cash flows.** In addition, as part of our strategy regarding climate change and sustainability matters, we have set and may set additional targets aimed at reducing our impact on the environment and climate change and / or targets relating to other sustainability matters. Actions we take to achieve our targets or strategy could result in increased costs to our operations. We may not be able to achieve such targets or our desired impact, and any future investments we make in furtherance of achieving such targets and strategy may not meet investor expectations or standards regarding sustainability performance. Moreover, we may determine that it is in the best interest of our company and our shareholders to prioritize other business, social, governance or sustainable investments over the achievement of our current targets based on economic, regulatory and social factors, business strategy or pressure from investors or other stakeholders. **As** ~~In addition,~~ investors and other stakeholders are increasingly focused on ESG matters, and as stakeholder ESG expectations and standards are evolving, we may not be able to sufficiently respond to these evolving standards and expectations. Furthermore, we could be criticized for the accuracy or completeness of the disclosure of our ESG initiatives. If we are unable to meet our targets or successfully implement our strategy, or our ESG reporting is inaccurate or incomplete, then we could suffer from reputational damage and incur adverse reaction from investors and other stakeholders, which could adversely impact the perception of our brands and our products and services by current and potential investors and customers, which could in turn adversely impact our business, results of operations or financial condition. Increased cybersecurity threats and computer crime pose a risk to our systems, networks, products and services, which expose us to potential regulatory, financial and reputational risks. We rely upon information technology systems and networks in connection with a variety of business activities, some of which are managed by third parties. As our business increasingly interfaces with employees, customers, distributors and suppliers using information technology systems and networks, we are subject to an increased risk to the secure operation of these systems and networks. Our evolution into smart products and Internet of Things subjects us to increased cyber and technology risks. The secure operation of these information technology systems and networks is critical to our business operations and strategy. Cybersecurity threats from user error to attacks designed to gain unauthorized access to our systems, networks and data are increasing in frequency and sophistication. These threats pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of the data we process and maintain and pose a risk of theft to our assets. Establishing systems and processes to address these threats and changes in legal requirements relating to data collection and storage may increase our costs. We have experienced ~~cyber security~~ **cybersecurity** incidents, and, although we have

determined such cybersecurity incidents to be immaterial and such incidents have not had a material adverse effect on our **business strategy**, financial condition, results of operations or cash flows, there can be no assurance of similar results in the future. Should future attacks succeed, it could expose us and our employees, customers, distributors and suppliers to the theft of assets, misuse of information or systems, the compromising of confidential information, manipulation and destruction of data, product failures, production downtimes and operations disruptions. The occurrence of any of these events could have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows. In addition, such cybersecurity incidents could result in litigation, regulatory action and potential liability and the costs and operational consequences of implementing further cybersecurity measures. Changes in data privacy laws and our ability to comply with them could have a material adverse effect on us. We collect and store data that is sensitive to us and our employees, customers, dealers and suppliers. A variety of state, national, foreign and international laws and regulations apply to the collection, use, retention, protection, security, disclosure, transfer and other processing of personal and other data. Many foreign data privacy regulations, including the General Data Protection Regulation (the "GDPR") in the European Union and the **United Kingdom U. K.**, are more stringent than federal regulations in the United States. Within the United States, many states are considering adopting, or have already adopted privacy regulations, including, for example, the California **Consumer Privacy Rights**-Act. These laws and regulations are rapidly evolving and changing, and could have an adverse effect on our operations. Companies' obligations and requirements under these laws and regulations are subject to uncertainty in how they may be interpreted by courts and governmental authorities. The costs of compliance with, and the other burdens imposed by, these and other laws or regulatory actions may increase our operational costs, and / or result in interruptions or delays in the availability of systems. In the case of non-compliance with these laws, including the GDPR, regulators have the authority to levy significant fines. In addition, if there is a breach of privacy, we may be required to make notifications under data privacy laws or regulations, or could become subject to litigation. The occurrence of any of these events could have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows. We may be negatively impacted by litigation, including product liability claims. We are currently, and may in the future become, subject to litigation and other claims. We have been made parties to a number of actions filed or have been given notice of potential claims relating to the conduct of our business, including those pertaining to commercial disputes, product liability, asbestos, environmental, safety and health, patent infringement and employment matters. The outcome of such legal proceedings cannot be predicted with certainty and some may be disposed of unfavorably to us. Our business exposes us to potential litigation, such as product liability claims relating to the design, manufacture and sale of our products. While we currently maintain what we believe to be suitable product liability insurance, we may not be able to maintain this insurance on acceptable terms and this insurance may not provide adequate protection against potential or previously existing liabilities. In addition, we self-insure a portion of product liability claims. Successful claims against us for significant amounts could have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows. **Risks Relating to Financial Markets and Our Debt and Liquidity** **Increased leverage may harm our financial condition and results of operations. As of December 31, 2023, we had \$ 1.8 billion of total debt on a consolidated basis. Our indebtedness increased materially in connection with the ECM Industries acquisition. We funded the ECM Industries acquisition with borrowings under the 2023 Term Loan Facility and net proceeds from the issuance of the 2033 Notes (described more fully in ITEM 8, Note 9 of the Notes to Consolidated Financial Statements), together with cash on hand and borrowings under our revolving credit facility, for an aggregate amount of approximately \$ 900.0 million of new indebtedness in connection with the ECM Industries acquisition. We and our subsidiaries may incur additional indebtedness in the future, subject to limitations in our debt agreements. This increase and any future increases in our level of indebtedness will have several important effects on our future operations, including, without limitation:**

- we will have additional cash requirements to support the payment of interest on our outstanding indebtedness;
- increases in our outstanding indebtedness and leverage may increase our vulnerability to adverse changes in general economic and industry conditions, as well as to competitive pressure;
- our ability to obtain additional financing for working capital, capital expenditures, general corporate and other purposes may be reduced;
- our flexibility in planning for, or reacting to, changes in our business and our industry may be reduced; and
- our flexibility to make acquisitions and develop technology may be limited.

Our ability to make payments of principal and interest on our indebtedness depends upon our future performance, which will be subject to general economic conditions and financial, business and other factors affecting our consolidated operations, many of which are beyond our control. If we are unable to generate sufficient cash flow from operations in the future to service our debt and meet our other cash requirements, we may be required, among other things:

- to seek additional financing in the debt or equity markets;
- to refinance or restructure all or a portion of our indebtedness;
- to sell selected assets or businesses; or
- to reduce or delay planned capital or operating expenditures.

Such measures might not be sufficient to enable us to service our debt and meet our other cash requirements. In addition, any such financing, refinancing or sale of assets might not be available at all or on economically favorable terms. Volatility in currency exchange rates could have a material adverse effect on our financial condition, results of operations and cash flows. Sales outside of the U. S. for the year ended December 31, **2022-2023** accounted for approximately **37-34%** of our net sales. Our financial statements reflect translation of items denominated in non-U. S. currencies to U. S. dollars. Therefore, if the U. S. dollar strengthens in relation to the principal non-U. S. currencies from which we derive revenue as compared to a prior period, our U. S. dollar-reported revenue and income will effectively be decreased to the extent of the change in currency valuations and vice-versa. For the year ended December 31, **2022-2023**, foreign currency translations **did not have an** had a **4% negative** impact on our net sales. Fluctuations in foreign currency exchange rates, most notably the strengthening of the U. S. dollar against the euro, could have a material adverse effect on our reported revenue and income in future periods. Disruptions in the financial markets could adversely affect us, our customers and our suppliers by increasing funding costs or reducing availability of credit. In the normal

course of our business, we may access credit markets for general corporate purposes, which may include repayment of indebtedness, acquisitions, additions to working capital, repurchase of shares, capital expenditures and investments in our subsidiaries. Although we expect to have sufficient liquidity to meet our foreseeable needs, our access to and the cost of capital could be negatively impacted by disruptions in the credit markets, which have occurred in the past and made financing terms for borrowers unattractive or unavailable. These factors may make it more difficult or expensive for us to access credit markets if the need arises. In addition, these factors may make it more difficult for our suppliers to meet demand for their products or for prospective customers to commence new projects, as customers and suppliers may experience increased costs of debt financing or difficulties in obtaining debt financing. Disruptions in the financial markets in the past have had adverse effects on other areas of the economy and have led to a slowdown in general economic activity that may adversely affect our businesses. One or more of these factors could adversely affect our business, financial condition, results of operations and cash flows. Covenants in our debt instruments may adversely affect us. Our credit agreements and indentures contain customary financial covenants, including those that limit the amount of our debt, which may restrict the operations of our business and our ability to incur additional debt to finance acquisitions. Our ability to meet the financial covenants can be affected by events beyond our control, and we cannot provide assurance that we will meet those tests. A breach of any of these covenants could result in a default under our credit agreements or indentures. Upon the occurrence of an event of default under any of our credit facilities or indentures, the lenders or trustees could elect to declare all amounts outstanding thereunder to be immediately due and payable and, in the case of credit facility lenders, terminate all commitments to extend further credit. If the lenders or trustees accelerate the repayment of borrowings, we cannot provide assurance that we will have sufficient assets to repay our credit facilities and our other indebtedness. Furthermore, acceleration of any obligation under any of our material debt instruments will permit the holders of our other material debt to accelerate their obligations, which could have a material adverse effect on our financial condition. **We may** ~~Our indebtedness, and any future increase in our debt or raise raising of~~ **additional capital, our credit ratings may be downgraded in the future, or our interest rates may increase, each of which** could affect our financial condition, and may decrease our profitability. ~~We~~ **As of December 31, 2022, we had \$ 1.1 billion of total debt outstanding. If we are not able to repay or refinance our debt as it becomes due, we may be forced to sell assets or take other disadvantageous actions, including (i) reducing financing in the future for working capital, capital expenditures and general corporate purposes or (ii) dedicating an unsustainable level of our cash flow from operations to the payment of principal and interest on our indebtedness. The lenders who hold such debt could also accelerate amounts due, which could potentially trigger a default or acceleration of any of our other debt. Further, we may increase our debt or raise additional capital in the future, subject to restrictions in our debt agreements. If our cash flow from operations is less than we anticipate, if our cash requirements are more than we expect, or if we intend to finance acquisitions, we may require more financing. However, debt or equity financing may not be available to us on acceptable terms, if at all. If we incur additional debt or raise equity through the issuance of additional capital shares, the terms of the debt or capital shares issued may give the holders rights, preferences and privileges senior to those of holders of our ordinary shares, particularly in the event of liquidation. The terms of the debt may also impose additional and more stringent restrictions on our operations than we currently have. If we raise funds through the issuance of additional equity, the percentage ownership of existing shareholders in our company would decline. If we are unable to raise additional capital when needed, our financial condition could be adversely affected. Unfavorable changes in the ratings that rating agencies assign to our debt may ultimately negatively impact our access to the debt capital markets and increase the costs we incur to borrow funds. If ratings for our debt are downgraded, our access to the debt capital markets may become restricted. Additionally, our credit agreements generally include an increase in interest rates if the ratings for our debt are downgraded . To the extent that our interest rates increase, our interest expense will increase, which could adversely affect our financial condition, results of operations and cash flows** . Risks Relating to Our Jurisdiction of Incorporation in Ireland and Tax Residency in the U. K. We are subject to changes in law and other factors that may not allow us to maintain a worldwide effective corporate tax rate that is competitive in our industry. While we believe that we should be able to maintain a worldwide effective corporate tax rate that is competitive in our industry, we cannot give any assurance as to what our effective tax rate will be in the future, because of, among other things, uncertainty regarding the tax policies of the jurisdictions where we operate. Our actual effective tax rate may vary from our expectation and that variance may be material. Also, the tax laws of the U. S. (~~in particular with respect to full realization of the Inflation Reduction Act of 2022~~), the U. K., Ireland and other jurisdictions could change in the future, and such changes could cause a material change in our worldwide effective corporate tax rate. **For example, several countries in which we operate, including the U. K., have begun to enact legislation to implement the Organization for Economic Cooperation and Development's international tax framework, including the Pillar II Model Rules for a global 15.0 % minimum tax regime with effect from January 1, 2024 or later. We expect the Pillar II global minimum tax regime will negatively impact our effective tax rate and results of operations beginning in 2024. In particular addition** , legislative **or administrative** action could be taken by the U. S., the U. K., Ireland or the European Union which could override tax treaties or modify tax statutes or regulations upon which we expect to rely , **limit the availability of tax benefits or deductions we currently claim or otherwise affect the taxes imposed on our worldwide operations** and **materially** adversely affect our effective tax rate. We cannot predict the outcome of any specific legislative proposals. If proposals were enacted that had the effect of disregarding our incorporation in Ireland or limiting our ability as an Irish company to maintain tax residency in the U. K. and take advantage of the tax treaties among the U. S., the U. K. and Ireland, we could be subject to increased taxation, which could materially adversely affect our financial condition, results of operations, cash flows or our effective tax rate in future reporting periods. A change in our tax residency could have a negative effect on our future profitability, and may trigger taxes on dividends or exit charges. We are incorporated in Ireland and we are an Irish tax resident under Irish domestic law unless we are regarded as being resident elsewhere (and not Ireland) under the terms of a double tax treaty. Under domestic U. K. law, a company that is centrally managed and controlled in the U. K. is regarded as resident in the

U. K. for taxation purposes unless it is treated as resident in another jurisdiction pursuant to any appropriate double tax treaty with the U. K. Other jurisdictions may also seek to assert taxing jurisdiction over us. Effective for tax periods beginning on or after November 1, 2019, where a company is treated as tax resident under the domestic laws of both the U. K. and Ireland, the Double Tax Convention between the U. K. and Ireland (the “ Convention ”) signed on June 2, 1976, and as modified by paragraph 1 of Article 4 of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the “ Multilateral Instrument ” or “ MLI ”) provides that the residence of a dual- resident entity should be determined by way of mutual agreement between the Irish Revenue Commissioners and His Majesty’ s Revenue Commissioners. The tie- breaker test provides that, in cases of dual residence, the competent authorities of the two states shall determine by mutual agreement the territory of which the person shall be deemed to be resident for purposes of the Convention. Our application under the Mutual Agreement Procedure provided for in Article 24 of the Convention (as amended pursuant to the MLI) seeking confirmation that we will continue to be tax resident solely in the U. K. was approved by the competent authorities of the U. K. and Ireland effective December 31, 2019. It is possible that in the future, whether as a result of a change in law or the practice of any relevant tax authority or as a result of any change in the conduct of our affairs, we could become, or be regarded as having become, resident in a jurisdiction other than the U. K. If we cease to be resident in the U. K. and become resident in another jurisdiction, we may be subject to U. K. exit charges, and could become liable for additional tax charges in the other jurisdiction (including dividend withholding taxes or corporate income tax charges). If we were to be treated as resident in more than one jurisdiction, we could be subject to taxation in multiple jurisdictions. If, for example, we were considered to be a tax resident of Ireland, we could become liable for Irish corporation tax and any dividends paid by us could be subject to Irish dividend withholding tax. ~~Legislative action in the U. S. could materially adversely affect us. Legislative or administrative action may be taken by the U. S. Congress or U. S. Treasury which, if ultimately enacted or finalized, could limit the availability of tax benefits or deductions that we currently claim, override tax treaties upon which we rely, or otherwise affect the taxes that the U. S. imposes on our worldwide operations. Such changes could materially adversely affect our effective tax rate and / or require us to take further action, at potentially significant expense, to seek to preserve our effective tax rate.~~ Irish law differs from the laws in effect in the U. S. and may afford less protection to holders of our securities. It may not be possible to enforce court judgments obtained in the U. S. against us in Ireland based on the civil liability provisions of the U. S. federal or state securities laws. In addition, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U. S. courts obtained against us or our directors or officers based on the civil liabilities provisions of the U. S. federal or state securities laws or hear actions against us or those persons based on those laws. We have been advised that the U. S. currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any U. S. federal or state court based on civil liability, whether or not based solely on U. S. federal or state securities laws, would not automatically be enforceable in Ireland. As an Irish company, we are governed by the Companies Act 2014, which differs in some material respects from laws generally applicable to U. S. corporations and shareholders, including, among others, differences relating to interested director and officer transactions and shareholder lawsuits. Likewise, the duties of directors and officers of an Irish company generally are owed to the company only. Shareholders of Irish companies generally do not have a personal right of action against directors or officers of the company and may exercise such rights of action on behalf of the company only in limited circumstances. Accordingly, holders of our securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in a jurisdiction of the U. S. In addition, our articles of association provide that the Irish courts have exclusive jurisdiction to determine any and all derivative actions in which a holder of nVent ordinary shares asserts a claim in the name of nVent, actions asserting a claim of breach of a fiduciary duty of any of the directors of nVent and actions asserting a claim arising pursuant to any provision of Irish law or our articles of association. Under Irish law, the proper claimant for wrongs committed against nVent, including by our directors, is considered to be nVent itself. Irish law permits a shareholder to initiate a lawsuit on behalf of a company such as nVent only in limited circumstances and requires court permission to do so. **Irish law differs from the laws in effect in the U. S., which may negatively impact our ability to issue ordinary shares. Under Irish law, we must have authority from our shareholders to issue any ordinary shares, including shares that are part of our authorized but unissued share capital. In addition, unless authorized by its shareholders, when an Irish company issues shares for cash to new shareholders, it is required first to offer those shares on the same or more favorable terms to existing shareholders on a pro- rata basis. If we are unable to obtain these authorizations from our shareholders, or are otherwise limited by the terms of our authorizations, our ability to issue ordinary shares under our equity compensation plans and, if applicable, to facilitate funding acquisitions or otherwise raise capital could be adversely affected.** Transfers of nVent ordinary shares may be subject to Irish stamp duty. Transfers of nVent ordinary shares effected by means of the transfer of book entry interests in the Depository Trust Company (“ DTC”) will not be subject to Irish stamp duty. However, if you hold your nVent ordinary shares directly, rather than beneficially through DTC, any transfer of your nVent ordinary shares could be subject to Irish stamp duty (currently at the rate of 1 percent of the higher of the price paid or the market value of the shares acquired). Payment of Irish stamp duty is generally a legal obligation of the transferee. We currently intend to pay (or cause one of our affiliates to pay) stamp duty in connection with share transfers made in the ordinary course of trading by a seller who holds shares directly to a buyer who holds the acquired shares beneficially. In other cases we may, in our absolute discretion, pay (or cause one of our affiliates to pay) any stamp duty. Our constitution provides that, in the event of any such payment, we (i) may seek reimbursement from the buyer, (ii) will have a lien against the shares acquired by such buyer and any dividends paid on such shares and (iii) may set- off the amount of the stamp duty against future dividends on such shares. Parties to a share transfer may assume that any stamp duty arising in respect of a transaction in nVent ordinary shares has been paid unless one or both of such parties is otherwise notified by us. nVent ordinary shares, received by means of a gift or inheritance, could be subject to Irish capital acquisitions tax. Irish capital acquisitions tax (“ CAT ”) could apply to a

gift or inheritance of nVent ordinary shares irrespective of the place of residence, ordinary residence or domicile of the parties. This is because nVent ordinary shares will be regarded as property situated in Ireland. The person who receives the gift or inheritance has primary liability for CAT. Gifts and inheritances passing between spouses are exempt from CAT. Children have a tax-free threshold which Irish Revenue typically updates annually in respect of taxable gifts or inheritances received from their parents.

General Risk Factors Our share price may fluctuate significantly. We cannot predict the prices at which nVent ordinary shares may trade. The market price of nVent ordinary shares may fluctuate widely, depending on many factors, some of which may be beyond our control, including:

- actual or anticipated fluctuations in our results of operations due to factors related to our business;
- success or failure of our business strategy;
- our quarterly or annual earnings, or those of other companies in our industry;
- our ability to obtain third-party financing as needed;
- announcements by us or our competitors of significant acquisitions or dispositions;
- changes in accounting standards, policies, guidance, interpretations or principles;
- changes in earnings estimates by us or securities analysts or our ability to meet those estimates;
- the operating and share price performance of other comparable companies;
- investors' perceptions of us;
- natural or other environmental disasters that investors believe may affect us;
- overall market fluctuations;
- results from any material litigation, including government investigations or environmental liabilities;
- changes in laws and regulations affecting our business; and
- general economic conditions and other external factors.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations could have a material adverse effect on our share price. Our success depends on attracting and retaining qualified personnel. Our ability to sustain and grow our business requires us to hire, retain and develop a highly skilled and diverse management team and workforce. Failure to ensure that we have the depth and breadth of personnel with the necessary skill set and experience, or the loss of key employees, could impede our ability to deliver our growth objectives and execute our strategy. Catastrophic and other events beyond our control may disrupt operations at our manufacturing facilities and those of our suppliers, which could cause us to be unable to meet customer demands or increase our costs or reduce customer spending. If operations at any of our manufacturing facilities or those of our suppliers were to be disrupted as a result of significant equipment failures, natural disasters, earthquakes, power outages, fires, explosions, terrorism, military conflicts, cybersecurity **attacks-incidents**, adverse weather conditions, labor disputes, public health epidemics or other catastrophic events or events outside of our control, we may be unable to fill customer orders and otherwise meet customer demand for our products. In addition, these types of events may negatively impact consumer, commercial and industrial spending in impacted regions or, depending on the severity, globally. As a result, any of such events could have a material adverse effect **on** our business, financial condition, results of operations and cash flows. Interruptions in production, in particular at our manufacturing facilities, could increase our costs and reduce our sales. Any interruption in production capability could require us to make substantial capital expenditures to fill customer orders. We maintain property damage insurance that we believe to be adequate to provide for reconstruction of facilities and equipment, as well as business interruption insurance to mitigate losses resulting from any production interruption or shutdown caused by an insured loss. However, any recovery under our insurance policies may not offset the lost sales or increased costs that may be experienced during the disruption of operations, which could have a material adverse effect **on** our business, financial condition, results of operations and cash flows.