

Risk Factors Comparison 2025-02-14 to 2024-02-21 Form: 10-K

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Ownership of the Company's securities involves a number of risks and uncertainties. Potential investors should carefully consider the risks and uncertainties described below and the other information in this Annual Report on Form 10-K before deciding whether to invest in the Company's securities. The Company's business, financial condition or results of operations could be materially adversely affected by any of these risks. The risks described below are not the only ones the Company faces. Additional risks that are currently unknown to the Company or that the Company currently considers immaterial may also impair its business or adversely affect its financial condition or results of operations. **Industry Strategic and Economic Operational** Risks The Company is subject to intense competition in a marketplace dominated by large omni-channel and e-commerce retailers. The Company competes with numerous other manufacturers and distributors of consumer and commercial products, many of which are large and well-established. A proliferation of digitally native brands has further intensified the competitive landscape. The Company's principal customers are large mass merchandisers, discount stores, home centers, warehouse clubs, office superstores, specialty retailers, wholesalers, commercial distributors, direct-to-consumer channels, and e-commerce retailers. The dominant share of the market represented by these large retailers, together with changes in consumer shopping patterns, and the integration of brick and mortar and e-commerce operations at major retailers, has contributed to the formation of dominant multi-category omni-channel and e-commerce retailers that have strong negotiating power with suppliers. These retailers have and may continue to foster high levels of competition among suppliers, reduce inventory levels, demand innovative new products and products tailored to each of their unique specifications, require suppliers to maintain or reduce product prices in response to competitive, economic or other factors, and require product delivery with shorter lead times. Retailers have imported and may continue to import products directly from foreign sources and source and sell products under their own private label brands, typically at lower prices, that compete with the Company's products. The combination of these market influences and retailer consolidation has created an intensely competitive environment in which the Company's principal customers continuously evaluate which product suppliers to use, resulting in downward pricing pressures and the need for consumer-meaningful brands, the ongoing introduction and commercialization of innovative new products, continuing improvements in category management and customer service, and the maintenance of strong relationships with large, high-volume purchasers. The Company also faces the risk of changes in the strategy or structure of its major customers, such as overall store and inventory reductions. The intense competition in the traditional retail and e-commerce sectors may result in a number of customers experiencing financial difficulty or failing in the future. ~~For example, the Company's results in 2023, particularly in the Learning and Development segment, were negatively impacted by the bankruptcy of a large customer.~~ To address these challenges, the Company must be able to respond to competitive factors and the potential loss of customers in the future, and the failure to respond effectively could result in a loss of sales, reduced profitability and a limited ability to recover cost increases through price increases. The Company's customers may further consolidate, which could materially adversely affect the Company's sales and margins. The Company's customers have steadily consolidated over time. The Company expects any customers that consolidate will take actions to harmonize pricing from their suppliers, close retail outlets, reduce inventory, and rationalize their supply chain, which could adversely affect the Company's business and results of operations. There can be no assurance that, following consolidation, the Company's large customers will continue to buy from the Company across different product categories or geographic regions, or at the same levels as prior to consolidation, which could negatively impact the Company's financial results. Further, if the consolidation trend continues, it could result in additional increase in the customers' negotiating power with suppliers, as well as pricing and other competitive pressures that could reduce the Company's sales and profitability. ~~Strategic and Operational Risks~~ The Company's sales are dependent on purchases by several large customers and any significant decline in these purchases or pressure from these customers to reduce prices could have a negative effect on the Company's future financial performance. Although the Company has long-established relationships with many customers, the Company generally does not have any long-term supply or binding contracts or guarantees of minimum purchases with its largest customers. Purchase commitments by these customers are generally made using individual purchase orders. As a result, these customers may cancel their orders, change purchase quantities from forecast volumes, delay purchases for a number of reasons beyond the Company's control or change other terms of the business relationship. Significant or numerous cancellations, reductions, delays in purchases or changes in business practices by customers could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, because many of the Company's costs are fixed, a reduction in customer demand due to decreased sales to end consumers could have an adverse effect on the Company's profitability. The retail landscape in many of the Company's markets continues to be impacted by the rapid growth of e-commerce retailers, changing consumer preferences (including shopping online and through mobile commerce and social applications) and the emergence of alternative retail channels, such as subscription services and direct-to-consumer businesses. The rapid growth in e-commerce and emergence of alternative retail channels may adversely affect the Company's relationships with its key retailers, whereby the number of products it sells will no longer be a reliable indicator of the amount of future business the Company can expect. The Company depends on a continuous flow of new orders from large, high-volume retail customers; however, the Company may be unable to continually meet the needs of these customers. Retailers are increasing their demands on suppliers to: • reduce lead times for product delivery, which may require the Company to increase inventories and could impact the timing of reported sales; • improve customer service; and • adopt new technologies including those related to inventory management such as Radio Frequency

Identification, otherwise known as RFID technology, which may have substantial implementation costs. The Company cannot provide any assurance that it can continue to successfully meet the needs of its customers or that customer demand will remain consistent. A substantial decrease in sales to any of its major customers and an inability to adapt to the emergence of alternative retail channels could have a material adverse effect on the Company's business, results of operations and financial condition. If the Company is unable to innovate and commercialize a continuing stream of new products that create demand, the Company's ability to compete in the marketplace and financial results may be adversely impacted. The Company's strategy includes investment in new product development and a focus on innovation. Its long-term success in the competitive retail environment and the industrial and commercial markets depends on its ability to develop and commercialize a continuing stream of innovative new products and line extensions that create demand. The Company's ability to quickly innovate in order to adapt its products to meet changing consumer demands is essential, especially in light of e-commerce significantly reducing the barriers for even small competitors to quickly introduce new brands and products directly to consumers. New product development and commercialization efforts, including efforts to enter markets or product categories in which the Company has limited or no prior experience, have inherent risks. These risks include the costs involved, such as development and commercialization, product development or launch delays, and the failure of new products and line extensions to achieve anticipated levels of market acceptance or growth in sales or operating income. The Company also faces the risk that its competitors will introduce innovative new products that compete with the Company's products. In addition, sales generated by new products or line extensions could cause a decline in sales of the Company's existing products. If new product development and commercialization efforts are not successful, the Company's financial results could be adversely affected. If the Company does not continue to develop and maintain leading brands or realize the anticipated benefits of advertising and promotion spend over the long term, its operating results may suffer. The Company's ability to compete successfully also depends increasingly on its ability to develop and maintain leading brands so that ~~the Company's retail and other customers will need its products to meet consumer~~ **consumers demand choose and prefer**. Leading brands allow the Company **to compete at desirable price levels and** to realize economies of scale in its operations. The development and maintenance of such brands require significant investment in brand-building and marketing initiatives. Over the long term, these initiatives may not deliver the anticipated results and the results of such initiatives may not cover the costs of the increased investment. Failure to further expand the Company's e-commerce business, despite e-commerce investments, may materially and adversely affect the Company's market position, net sales and financial performance. The retail industry has rapidly evolved, and consumers have embraced shopping online and through mobile commerce and social applications. As a result, the portion of total consumer expenditures with retailers occurring through digital platforms is increasing, and the pace of this increase has accelerated. At the same time, the portion of retail business at traditional "brick and mortar" stores and shopping centers has decreased. The Company's strategy includes investments in e-commerce, omni-channel and technology initiatives. If these investments fail to adequately or effectively allow the Company to further expand its e-commerce business, maintain or grow its overall market position or otherwise benefit the Company, the Company's market position, net sales and financial performance could be adversely affected. In addition, a greater concentration of e-commerce sales could result in a reduction in ~~the amount of~~ sales by the Company's other customers, which could, if not offset by a greater increase in e-commerce sales, materially adversely affect the business of the Company. Furthermore, the cost of certain e-commerce, omni-channel and technology investments may adversely impact the Company's financial performance in the short and long-term. There can be no assurance that investments in e-commerce and omni-channel infrastructure and technology will result in increased sales through e-commerce or otherwise. The Company's plans to execute its turnaround plan and restructuring initiatives, improve productivity, reduce complexity and costs may not be successful, which would materially adversely affect its financial results. The Company is executing a turnaround plan to build a global, next generation consumer products company that can unleash the full potential of its brands in a fast-moving omni-channel environment. The Company is implementing various global initiatives in connection with the turnaround plan to reduce costs and improve cash flows. ~~Project Ovid is a multi-~~ **as further described in Item 1 - Business Strategy** year, customer-centric supply chain initiative to transform the Company's go-to-market capabilities in the U.S., improve customer service levels and drive operational efficiencies. This initiative is expected to reduce the complexity of the organization, improve the Company's cash conversion cycle and increase investment in the Company's most significant growth platforms. It is further designed to reduce costs associated with direct materials, indirect expenses, and distribution and logistics, among other things. Other major productivity, streamlining and divestment programs may also be required in the future to continue the turnaround plan. In January 2023, the Company announced Project Phoenix, an initiative that was intended to strengthen the Company by leveraging its scale to further reduce complexity, streamlining its operating model and driving operational efficiencies. It incorporated a variety of initiatives designed to simplify the organizational structure, streamline the Company's real estate portfolio, centralize its supply chain functions, transition to a unified One Newell go-to-market model in key international geographies, and otherwise reduce overhead costs. The Company expects to realize significant savings when the initiatives are fully implemented, however it resulted in material charges and led to the elimination of approximately 13% of office positions during 2023. Additionally, in May 2023, the Company announced the Network Optimization Project in order to improve the Company's cost structure and operating margins while maintaining focus on customer and consumer fulfillment. The Network Optimization Project incorporates a variety of initiatives, including a reduction in the overall number of distribution centers, an optimization of distribution by location, and completion of select automation investments intended to further streamline the Company's cost structure and to maximize operating performance. In January 2024, the Company announced an organizational realignment which is expected to strengthen the Company's front-end commercial capabilities, such as consumer understanding and brand communication, in support of the "where to play" and "how to win" choices the company unveiled in June of 2023. The Company expects to realize savings when fully implemented, however it will result in material charges and is expected to result in the elimination of approximately 7% of office roles. These

initiatives may not be substantially completed in the expected timeframe, may be more costly to implement than expected, or may not fully achieve the anticipated cost savings. Such initiatives involve a significant amount of capital expenditures, organizational change and execution risk, which could have a negative impact on employee engagement, divert management's attention from other initiatives, and if not properly managed, impact the Company's ability to retain key employees, cause disruptions in the Company's day-to-day operations and have a negative impact on the Company's financial results. In addition, the Company's ongoing review of its operating footprint and non-core brands will likely result in future restructuring charges. Further, the Company has pursued and may continue to pursue acquisitions of brands, businesses, or technologies from third parties. The Company's success depends on its ability to integrate such acquired brands, businesses, or technologies, to continuously improve its manufacturing operations to gain efficiencies, to reduce supply chain costs and to streamline and redeploy nonstrategic selling, general and administrative expenses in order to produce products at a best-cost position and allow the Company to invest in innovation and brand building, including advertising and promotion. Future acquisitions could result in substantial additional debt, exposure to contingent liabilities, such as litigation or earn-out obligations, the potential impairment of goodwill or other intangible assets, or significant integration and transaction costs. The Company's operations are dependent upon third-party vendors and suppliers whose failure to perform adequately could disrupt the Company's business operations. The Company currently sources a significant portion of parts and products from third parties. The Company's ability to select and retain reliable vendors and suppliers who provide timely deliveries of quality parts and products will impact the Company's success in meeting customer demand for timely delivery of quality products. The ability of third-party suppliers to timely deliver finished goods and / or raw materials, and the ability of the Company's own facilities to timely deliver finished goods, may be affected by events beyond their control, such as inability of shippers to timely deliver merchandise due to work stoppages or slowdowns, demand volatility or port congestion, disruption from geopolitical conflicts, unavailability of shipping containers or other equipment, or significant weather and health conditions affecting manufacturers and / or shippers. Any adverse change in the Company's relationships with its third-party suppliers, the financial condition of third-party suppliers, the ability of third-party suppliers to manufacture and deliver outsourced parts or products on a timely basis, or the Company's ability to import products from third-party suppliers or its own facilities could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, the financial condition of the Company's vendors and suppliers may be adversely affected by general economic conditions, such as credit difficulties and the uncertain macroeconomic environment. In some instances, the Company maintains single-source or limited-source sourcing relationships, either because multiple sources are not available or the relationship is advantageous due to performance, quality, support, delivery, capacity or price considerations. For example, the Baby business unit within the Company's Learning and Development L & D segment has a single source of supply for products that comprise a majority of its sales and which owns intellectual property rights in respect to many of those products. Any inability of the Company's vendors and suppliers to timely deliver quality parts and products or any unanticipated change in supply, quality or pricing of products could be disruptive and costly to the Company. The Company may not be able to quickly or effectively replace any of its suppliers if the need arose, and it may be difficult to retrieve tooling and molds possessed by any of its third-party suppliers. The Company's dependence on these few suppliers could also adversely affect its ability to react quickly and effectively to changes in the market for its products. **The Company may use artificial intelligence in its business, and challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and could adversely affect the Company's business. The Company's use of artificial intelligence ("AI") tools in its operations and systems poses inherent risk and could adversely affect the Company's operations and financial conditions. The Company's success may increasingly become dependent on its ability to effectively leverage AI to support its operational efficiencies, such as in supply chain and support functions, and its product development and marketing capabilities. The Company may be outpaced by its competitors in their more successful or earlier adoption of AI solutions, which could negatively affect the Company's commercial competitiveness. Use of AI exposes the Company to risks that such AI solutions may be deficient, produce inaccurate or misleading output, become inoperable or subject the Company to cybersecurity and data privacy breaches, all of which could lead to operational disruptions, flawed decision-making, increased costs, and an inhibited ability to improve product development and marketing through the use of AI, and could impact the Company's operational effectiveness and financial condition. Additionally, the use of certain AI solutions could put the Company's own information and intellectual property rights at risk, or expose the Company to risk of infringing third parties' intellectual property or other rights. The global legal, regulatory, and ethical landscape surrounding AI is rapidly evolving and remains uncertain, which creates continued compliance risk and may incur additional operational costs associated with the Company's use of AI, may limit the Company's ability to fully develop or use AI solutions as intended, and may further cause legal repercussions and brand or reputational harm to the Company.** A cyber-attack or failure of one or more key information technology systems, networks, processes, associated sites or service providers could have a material adverse impact on the Company's business or reputation. The Company relies extensively on information technology ("IT") systems, networks and services, including Internet sites, data hosting and processing facilities and tools and other hardware, software and technical applications and platforms, some of which are managed, hosted, provided and / or used by third parties or their vendors, to assist in conducting business. The various uses of these IT systems, networks and services include, but are not limited to: • ordering and managing materials from suppliers; • converting materials to finished products; • shipping products to customers; • marketing and selling products to consumers; • ~~collecting and storing customer, consumer, employee, investor and other stakeholder information and personal data, including data that may be subject to data privacy laws,~~ including but not limited to the General Data Protection Regulation of the European Union ("GDPR"), the California Consumer Privacy Act ("CCPA"), the California Privacy Rights Act ("CPRA"), the Colorado Privacy Act ("CPA"), Virginia Consumer Data Protection Act ("VCDPA"), the Utah Consumer Protection Act ("UCA") or the General Law for

Protection of Personal Data (“ LGPD ”) of Brazil; • processing transactions; • summarizing and reporting results of operations; • hosting, processing and sharing confidential and proprietary research, business plans and financial information; • complying with regulatory, legal or tax requirements; • providing data security; and • handling other processes necessary to manage the Company’ s business. Increased IT security threats and cyber- crime, including advanced persistent threats, computer viruses, ransomware, other types of malicious code, hacking, phishing, **use of AI** and social engineering schemes designed to **provide gain unauthorized** access to the Company’ s networks or data, pose a potential risk to the security of the Company’ s IT systems, networks and services, as well as the confidentiality, availability and integrity of the Company’ s data. Cyber threats are becoming more sophisticated, are constantly evolving and are being made by groups and individuals with a wide range of expertise and motives, increasing the difficulty of detecting and successfully defending against them. The Company deploys technical and organizational measures to protect and prevent unauthorized access to or loss of data ~~;~~ however, as techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, the Company may be unable to anticipate these techniques or implement preventive measures. Furthermore, the Company’ s relationships with, and access provided to, third parties and their vendors may create difficulties in anticipating and implementing adequate preventive measures or fully mitigating harms after an attack or breach occurs. The Company cannot guarantee that its security efforts will prevent attacks and resulting breaches or breakdowns of the Company’ s, or its third- party service providers’ databases or systems notwithstanding whether the Company takes reasonable steps to prevent such attacks. The Company’ s operations, especially its retail operations, involve the storage and transmission of employees’ , customers’ and consumers’ personal and sensitive information, such as credit card and bank account numbers. The Company’ s payment services may be subject to credit card and other payment fraud schemes, including unauthorized use of credit cards, debit cards or bank account information, identity theft or merchant fraud. If the IT systems, networks or service providers relied upon fail to function properly, or if the Company suffers a loss or disclosure of customers’ and consumers’ data, business or stakeholder information, due to any number of causes, ranging from catastrophic events to power outages to security breaches, or the inability to effectively address these failures on a timely basis, the Company may suffer interruptions in its ability to manage operations, a risk of government enforcement action, litigation and possible liability, and reputational, competitive and / or business harm, which may adversely impact the Company’ s results of operations and / or financial condition. In addition, if the Company’ s service providers, suppliers or customers experience a breach or unauthorized disclosure or system failure, their businesses could be disrupted or otherwise negatively affected, which may result in a disruption in the Company’ s supply chain or reduced customer orders or other business operations, which ~~would~~ **could** adversely affect the Company. **The Company may face particular data protection and privacy risks in connection with the European Union’ s Global Data Protection Regulation, the California Consumer Privacy Act and other privacy laws and regulations.** The Company is subject to laws of various jurisdictions where it operates or does business related to solicitation, collection, processing, transferring, storing or use of consumer, customer, vendor ~~or~~ **, investor, employee or other stakeholder** information ~~or related and personal~~ data, including ~~but the GDPR which went into effect in May 2018, the CCPA not limited to, which went into effect on January 1, 2020, the~~ **General Data Protection Regulation LGPD which went into effect in August 2020, the CPRA and VCDPA both of which became operative in January 2023, the European Union CPA which went into effect in July 2023, the California Consumer Privacy Act UCPA having gone into effect on December 31, 2023, and various other U. S. state level privacy laws and regulations.** **The Company may be subject to additional regulations, such as the European Union AI Act, that specifically affect the use of personal information in the context of AI systems.** The changes introduced by ~~the these~~ **GDPR, CCPA, LGPD, CPRA, CPA and other U. S. state laws and regulations** increase the complexity of regulations enacted to protect business and personal data, subject the Company to additional costs and have required, and may in the future require, costly changes to the Company’ s security systems, policies, procedures and practices. **These laws and regulations may grant, among other things, individual rights to access and delete personal information, and the right to opt out of the sale of personal information.** These laws and regulations can also impose significant forfeitures and penalties for noncompliance and afford private rights of action to individuals under certain circumstances. **Any failure to manage data privacy in compliance with applicable laws and regulations could result in significant regulatory investigations, fines, and sanctions, consumer and class action litigation, commercial litigation, prolonged negative publicity, data breaches, declining customer confidence, loss of key customers, employee liability, and other unfavorable consequences.** The Company’ s operating results can be adversely affected by inflation, changes in the cost or availability of raw materials, labor, energy, transportation and other necessary supplies and services, as well as the impact of tariffs. The Company’ s success is dependent, in part, on its continued ability to reduce its exposure to or mitigate the impact of increases in the cost of raw materials, finished goods, energy, transportation and other necessary supplies and services through a variety of programs, including periodic purchases, future delivery purchases, long- term contracts, sales price adjustments and certain derivative instruments, while maintaining and improving margins and market share. Significant inflation in the costs of labor, finished goods, raw materials, energy and transportation has negatively impacted, and **may will likely** continue to negatively impact, the Company’ s results of operations. There is no assurance that we will be able to fully offset any such cost increases through cost reduction programs or price increases of our products, especially given the competitive environment. If we generally are not able to sufficiently increase our pricing to offset these increased costs or if increased costs and prolonged inflation were to occur, it could materially and adversely affect our business, operating results and profitability. Sustained price increases may lead to declines in volume as competitors may not adjust their prices or customers may decide not to pay the higher prices, which could lead to sales declines and loss of market share. While we seek to project tradeoffs between price increases and volume, our projections may not accurately predict the volume impact of price increases. Conversely, when raw material prices decline, customer demands for lower prices could result in lower sale prices and, to the extent the Company has existing inventory, lower margins. As a result, fluctuations in raw material prices could have a material adverse effect on the Company’ s business, results of operations and

financial condition. In addition, some of the products the Company manufactures require particular types of glass, metal, paper, plastic, resin, wax, wood or other materials. Supply shortages for a particular type of material can delay production or cause increases in the cost of manufacturing the Company's products. Pricing and availability of finished goods, raw materials, energy, transportation and other necessary supplies and services for use in the Company's businesses can be volatile due to numerous factors beyond its control, including general, domestic and international economic conditions, natural disasters, labor costs, production levels, competition, consumer demand, import duties and tariffs, currency exchange rates, international treaties, and changes in laws, regulations, and related interpretations. Specifically, evolving trade policies could continue to make sourcing products from foreign countries difficult and costly, as the Company sources a significant amount of its products from outside of the United States. **U. S. For example, in early 2025, the current U. S. presidential administration announced significant new tariffs on foreign imports into the U. S., specifically from Mexico and Canada, all of which were subsequently postponed prior to becoming effective, and China, and has proposed additional new tariffs that may be implemented in the future.** Given the Company's reliance upon non-domestic suppliers, any significant changes to the United States' trade policies (and those of other countries in response) **or changes without sufficient notice** may cause a material adverse effect on its ability to source products from other countries or significantly increase the costs of obtaining such products, which could result in a material adverse effect on our financial results. **The extent and duration of increased tariffs and the resulting impact on general economic conditions and on our business are uncertain and depend on various factors, such as negotiations between the U. S. and affected countries, the responses of other countries or regions, exemptions or exclusions that may be granted, availability and cost of alternative sources of supply, and demand for our products in affected markets.** Any new or additional tariffs on ~~Chinese-origin goods~~ **imported to the U. S. from China, Mexico, Canada, or on other certain countries, or** products imported into the United States or European Union **or other non-U. S. markets, such as carbon import taxes** could also increase the cost of some of our products and reduce our margins. Unfavorable shifts in industry-wide demand for the Company's products could result in inventory valuation risk. The Company evaluates its ending inventories for excess quantities, impairment of value, and obsolescence. This evaluation includes analysis of sales levels by product and projections of future demand based upon input received from our customers, sales team, and management. If inventories on hand are in excess of demand or slow moving, appropriate write-downs may be recorded. In addition, the Company writes off inventories that are considered obsolete based upon changes in customer demand, product design changes including those required by new product regulation, that result in existing inventory obsolescence, or new product introductions, which eliminate demand for existing products. Remaining inventory balances are adjusted to approximate net realizable market value. If future demand or market conditions are less favorable than the Company's estimates, including the volatility of customer demand patterns and the impact of retailer inventory rebalancing in response to soft global demand, write-downs may be required. The Company cannot be certain that obsolete or excess inventories, which may result from unanticipated changes in the estimated total demand for its products, will not affect it beyond the inventory charges that have already been recorded. The Company may not be able to attract, retain and develop key talent. The Company's ability to successfully execute its turnaround plan and its future performance depends in significant part upon the continued service of its executive officers and other key leaders. The loss of the services of one or more executive officers or other key employees could have a material adverse effect on the Company's business, prospects, financial condition and results of operations. The Company's success also depends, in part, on its continuing ability to attract, retain and develop highly qualified talent **deeper in** ~~the organization~~ **Company hired a new Chief Financial Officer, Chief Human Resources Officer, President of Brand Management and Innovation and Segment CEO for Outdoor and Recreation.** Global competition for such talent is intense and has increased in the recent past years amidst emerging labor trends, including but not limited to **increased expanded** remote work options. There can be no assurance that the Company can **attract, engage or** retain its key employees or **attract, engage, retain or otherwise develop internally other** highly qualified talent in the future. Damage to the Company's reputation or loss of consumer confidence could have an adverse effect on the Company's business. Maintaining the Company's strong reputation with consumers, customers and suppliers worldwide is critical to the Company's continued success. Adverse publicity about the Company, its brands, corporate practices, or any other issue that may be associated with the Company, whether or not deserved, could jeopardize that reputation. Such adverse publicity could come from traditional sources such as government investigations or public or private litigation, but may also arise from negative comments on social media regarding the Company or its brands. Additionally, due to the scale and scope of our business, we must rely on relationships with third parties, including our suppliers, distributors, contractors, and other external business partners for certain functions. While we have policies and procedures for managing these relationships, they inherently involve less control over business operations, governance, and compliance, thereby potentially increasing our reputational and legal risk. If third parties fail to comply with our policies and procedures or similar compliance requirements set forth by our customers, the Company could potentially suffer significant losses of business and revenue from certain customers. Further, third parties sell counterfeit **or materially altered** versions of some of our products, which are often inferior or may pose safety risks. As a result, consumers of our brands could confuse our products with these counterfeit products, which could cause them to refrain from purchasing our brands in the future and in turn could impair our brand equity. Finally, there has been an increased focus from certain investors, customers, consumers, employees, and other stakeholders concerning corporate citizenship and sustainability matters. From time to time, the Company announces certain initiatives regarding its focus areas, which may include environmental matters, **human capital diversity, inclusion and belonging**, sustainability, packaging, responsible sourcing and social investments. In ~~2023~~ **2024**, the Company published its Corporate Citizenship Report which included updates on many of these focus areas and goals for certain areas. The Company could fail, or be perceived to fail, in its achievement of such initiatives and goals or it could fail in accurately reporting its progress on such initiatives and goals. In addition, the Company could be criticized for the scope of such initiatives or perceived as not acting responsibly in connection with these matters. The Company's reputation and business could be negatively

impacted by such developments or litigation may be filed against the Company resulting in significant expenses or investments to repair such impacts. Damage to the Company's reputation or a loss of consumer confidence in the Company's brands could adversely affect the Company's business, results of operations, cash flows and financial condition as well as require resources to repair the harm. A deterioration in labor relations could adversely impact the Company's global business. At December 31, 2023-2024, the Company had approximately 24-23, 600-700 employees worldwide, a portion of which are covered by collective bargaining agreements or are located in countries that have collective arrangements decreed by statute. The Company periodically negotiates with certain unions and labor representatives and may be subject to work stoppages or may be unable to renew such collective bargaining agreements on the same or similar terms, or at all. Risks related to the strength of global retail, commercial and industrial sectors and changes in foreign, cultural, political and financial market conditions could impair the Company's international operations and financial performance. The Company's business depends on the strength of the retail, commercial and industrial sectors of the economy in various parts of the world, primarily in North America, and to a lesser extent Europe, Latin America and the Asia Pacific region. These sectors of the economy are affected primarily by factors such as consumer demand and the condition of the retail industry, which, in turn, can be affected by specific events or general economic conditions, including worldwide or country-specific economic instability. Continuing challenging global economic conditions, particularly outside of the U. S., and potential volatility in domestic and / or foreign equity markets, may result in considerable pressure on consumer demand, which may have an adverse effect on demand for the Company's products, as well as its financial condition and results of operations. The Company could also be negatively impacted by economic crises in specific countries or regions. Such events could negatively impact the Company's overall liquidity and / or create significant credit risks relative to its local customers and depository institutions. Consumer demand and the condition of these sectors of the economy may also be impacted by other external factors such as war, terrorism, geopolitical uncertainties, public health issues, natural disasters and other business interruptions. The impact of these external factors is difficult to predict, and one or more of these factors could adversely impact the Company's business. Further, some of the Company's operations are conducted or products are sold in countries where economic growth has slowed, or where economies have suffered economic, social and / or political instability or hyperinflation; or where the ability to repatriate funds has been significantly delayed or impaired. Current government economic and fiscal policies in these economies, including stimulus measures and currency exchange rates and controls, may not be sustainable and, as a result, the Company's sales or profits related to those countries may decline. The economies of other foreign countries important to the Company's operations could also suffer slower economic growth or economic, social and / or political instability or hyperinflation in the future. The Company's international operations (and particularly its business in emerging markets), including manufacturing and sourcing operations (and the international operations of the Company's customers), are subject to inherent risks which could adversely affect the Company, including, among other things: • protectionist policies restricting or impairing the manufacturing, sales or import and export of the Company's products, including tariffs and countermeasures; • new restrictions on access to markets; • lack of developed infrastructure; • inflation (including hyperinflation) or recession; • devaluations or fluctuations in the value of currencies; • changes in and the burdens and costs of compliance with a variety of laws and regulations, including the Foreign Corrupt Practices Act, tax laws, accounting standards, trade protection measures and import and export licensing requirements, environmental laws and occupational health and safety laws; • social, political or economic instability; • acts of war and terrorism; • natural disasters or other crises; • reduced protection of intellectual property rights; • restrictions on transfer of funds and / or exchange of currencies; • expropriation of assets or forced relocations of operations; and • other adverse changes in policies, including monetary, tax and / or lending policies, encouraging foreign investment or foreign trade by host countries. In addition, our global operations expose us to risks associated with public health crises, such as pandemics and epidemics, which could harm our business and cause our operational results to suffer. Further, the United Kingdom exited the European Union in 2020 ("Brexit") and entered into a trade and cooperation agreement with the European Union in 2021. The trade agreement offers United Kingdom and European Union businesses preferential access to each other's markets, ensuring imported goods will be free of tariffs and quotas. However, economic relations between the United Kingdom and the European Union are now on more restricted terms than before and there remains uncertainty around the post-Brexit regulatory environment. Brexit may also lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which E. U. laws to replace or replicate, and those laws and regulations may be cumbersome, difficult or costly in terms of compliance. Any of these effects of Brexit, among others, could adversely affect our business, financial condition, operating results and cash flows. Additionally, if a potential devaluation of the local currencies of our international customers relative to the U. S. dollar occurs, it may impair the purchasing power of our international customers and could cause international customers to decrease their volume of orders or cancel orders completely. Should any of these risks occur, the Company's ability to manufacture, source, sell or export its products or repatriate profits could be impaired. In addition, the Company could experience a loss of sales and profitability from its international operations and / or the Company could experience a substantial impairment or loss of assets.

Financial Risks The Company has substantial indebtedness, which could materially and adversely affect the Company and its financial position, including decreasing its business flexibility, impacting its ratings and increasing its borrowing costs. At December 31, 2023-2024, the Company had \$ 4.9-6 billion in outstanding debt, reflecting a decrease of approximately \$ 500 300 million versus December 31, 2022-2023. The Company's substantial indebtedness has, and could continue to have, important consequences for the Company, including: • requiring the Company to dedicate a substantial portion of its cash flow from operations to payments on its indebtedness, which reduces the availability of its cash flow to fund working capital requirements, capital expenditures, future acquisitions, dividends, repurchases of the Company's common stock and other general corporate purposes; • limiting the Company's flexibility in planning for, or reacting to, adverse business and economic conditions or changes in the Company's business and the industries in which it operates; • placing the Company at a competitive disadvantage compared to its competitors that have less debt; • limiting its ability to borrow additional funds; and •

requiring the Company to comply with financial and non-financial covenants in its debt documents that may place restrictions on business activities and, if breached, subject the Company to cross-default and acceleration provisions. In addition, if the Company is unable to timely reduce its level of indebtedness, the Company will be subject to increased demands on its cash resources, which could **decrease its collateral coverage ratios**, increase its **total debt to capitalization ratios**, decrease its **interest coverage leverage ratios**, lower its credit ratings, result in a breach of covenants or otherwise adversely affect the business and financial results of the Company going forward. ~~An increase in interest rates could have a material adverse effect on the Company's business.~~ While the majority of the Company's debt is fixed, fluctuations in interest rates can increase borrowing costs on the portion that is variable, and interest rate increases on this portion of the Company's debt could have a material adverse effect on the Company's business. Increases in interest rates would raise the cost of servicing our debt and could reduce our profitability and cash flows. ~~In response to the last global economic recession, extraordinary monetary policy actions of the U. S. Federal Reserve and other central banking institutions, including the utilization of quantitative easing, were taken to create and maintain a low interest rate environment. During 2023, the U. S. Federal Reserve raised the targeted federal funds rate four times for a total of 100 basis points resulting in a target range of 5.25 % to 5.50 %. The policy statements, decisions and actions of the U. S. Federal Reserve are uncertain and subject to change depending on economic conditions. Any change in the fiscal policies or stated target interest rates of the U. S. Federal Reserve or other central banking institutions, or market expectations of such change, are difficult to predict and may result in significantly higher long-term interest rates. Such a transition may be abrupt and may, among other things, reduce the availability and / or increase the costs of issuing new Senior Notes~~ **notes**, obtaining new debt and refinancing existing indebtedness. Reductions in the Company's credit ratings could materially and adversely affect its business, availability of future borrowings, financial condition and results of operations. The Company's credit ratings impact the cost and availability of future borrowings and, accordingly, the Company's cost of capital. The Company's credit ratings reflect each rating organization's opinion of its financial strength, operating performance and ability to meet its debt obligations. The credit ratings assigned to the Company also impact the interest rates paid on short- and long-term financing. **For example** On August 21, **the Company's credit ratings were downgraded in both 2024 and 2023**, **by each of** Moody's Corporation ("Moody's") downgraded the Company's debt ratings to "Ba2". As a result of Moody's downgrade, certain of the Company's outstanding senior notes currently aggregating to approximately \$ 3.1 billion (the "Coupon-Step Notes") are subject to an **and** interest rate adjustment of 25 basis points. The change to the interest rate due to the downgrade will increase the Company's interest expense by approximately \$ 8 million on an annualized basis (approximately \$ 2 million in 2023). On February 9, 2024, Moody's downgraded the Company's senior unsecured debt rating to "Ba3", subjecting the Coupon-Step Notes to an additional interest rate adjustment of 25 basis points. The change to the interest rate due to the downgrade will further increase the Company's interest expense by approximately \$ 8 million on an annualized basis (approximately \$ 6 million in 2024). On August 3, 2023, S & P Global Inc. ("S & P") downgraded **which resulted in a coupon step-up of certain of** the Company's **outstanding senior notes. In addition, credit ratings can also affect the terms of** debt ratings agreements to "BB". In March 2023, S & P had also downgraded **include more restrictive covenants which may further restrict our business operations or limit our ability to raise additional capital due to our covenant restrictions** ~~the then in effect.~~ For example, in November 2024, the ~~Company's~~ **issued \$ 750 million of aggregate principal amount of 6.375 % senior notes due 2030 and \$ 500 million of aggregate principal amount of 6.625 % senior notes due 2032, and such notes contain covenants that are more restrictive than the senior notes that the Company has historically issued. There is no guarantee that** debt **or equity financings** ratings to "BB". As a result of the S & P downgrades, the Company's Coupon-Step Notes are subject to an aggregated interest rate adjustment of 50 basis points. The change to the interest rate due to the downgrade ~~will increase~~ **be available in** the Company's interest **future to fund future acquisitions, developments, or general operating** expense expenses by approximately \$ 15 million on an annualized basis (approximately \$ 8 million in 2023). Furthermore, **or that such financing will be available** as a result of the March S & P downgrade, the Company's ability to borrow from the commercial paper market on terms **consistent with** it deems acceptable ~~or our historical agreements or expectations~~ favorable was eliminated. On February 14, 2024, S & P downgraded the Company's debt ratings to "BB-", subjecting the Company's Coupon-Step Notes to an additional interest rate adjustment of 25 basis points, which will increase interest expense by approximately \$ 8 million on an annualized basis (approximately \$ 6 million in 2024). On February 14, 2023, Fitch Ratings downgraded the Company's Long-Term Issuer Default Rating to "BB", then to "B" on November 1, 2023. These downgrades did not impact the interest rates on any of the Company's senior notes. See Liquidity and Capital Resources in Item 7 **and Footnote 9 of the Notes**. ~~The ratings from credit agencies are not recommendations to buy, sell~~ **the Consolidated Financial Statements or for further discussion** hold the Company's securities, and each rating should be evaluated independently of any other rating. Failure to remediate the material weaknesses ~~in our internal control over financial reporting or our inability to maintain effective internal control over financial reporting~~ ; could result in material misstatements in our financial statements, and our failure to meet our reporting and financial obligations, which in turn could have a negative impact on our financial condition. The Company is required by the SEC to establish and maintain effective internal control over financial reporting that provides reasonable assurance regarding the reliability of its financial reporting and the preparation of financial statements in accordance with U. S. GAAP. Our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. The Company ~~did not~~ **has experienced, and in the future may experience again, material weaknesses along with potential problems implementing and maintaining adequate internal controls. Failure to** maintain effective internal controls ~~over the reviews of significant assumptions used in the impairment assessment of goodwill, including any failure to implement required new or improved indefinite-lived trademarks and long-lived assets. Specifically, the control~~ **controls** activities related to the reviews of the

significant assumptions utilized in the impairment assessments were not executed, as designed, at the appropriate level of precision to prevent or detect a material misstatement. These control deficiencies resulted in management adjustments to the impairment loss and the other intangible assets, net accounts, prior to the issuance of the Company's financial statements. These control deficiencies could result in a material misstatement of the goodwill, indefinite-lived tradenames, long-lived assets and the related accounts and disclosures in the annual or interim consolidated financial statements. Accordingly, our management **inability to conclude that the Company** has determined that these control deficiencies constitute material weaknesses. The Company's management, with the oversight of the Audit Committee of the Board, is updating our internal processes and controls to strengthen their effectiveness and has developed a remediation plan, which includes the following actions: • Identifying additional resources to assist in the preparation and reviews of significant assumptions used in the impairment assessments; and • Improving the development of sufficient supporting documentation related to reviews over significant assumptions associated with the Company's impairment assessments. The material weaknesses will not be considered remediated until management designs and implements effective controls that operate for a sufficient period of time and management has concluded, through testing, that these controls are effective. The Company will monitor the effectiveness of its remediation plan and will refine its remediation plan, as needed. We can give no assurance that the measures we take will remediate the material weaknesses or that additional material weaknesses will not arise in the future. Any failure to remediate the material weaknesses, or the identification of new material weaknesses in our internal control over financial reporting **. If the Company cannot meet its**, could result in material misstatements in our financial statements that may continue undetected **reporting obligations in a timely and reliable manner**, negatively impact **or prevent fraud**, the public perception of the Company and our securities **may be** and cause us to fail to meet our reporting and financial obligations or incur significant additional costs to remediate the material weakness, each of which could harm **harmed** our ability, **and it may be unable** to raise capital on favorable terms in the future or otherwise, **which could** have a negative impact on **our the Company's** financial condition. Continued declines in the future expected cash flows for the Company's businesses or changes to underlying assumptions used to calculate fair value could result in additional impairment charges which could have a material adverse effect on the Company's financial results of operations. The Company is required under U. S. GAAP to review its long-lived assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable, and **are is** also required to conduct impairment tests on goodwill and other indefinite-lived intangible assets annually or more frequently, if circumstances indicate that the carrying value may not be recoverable or that an other-than-temporary impairment exists. During the years ended December 31, **2024, 2023, and 2022 and 2021**, the Company recorded non-cash impairment charges related to goodwill and indefinite-lived intangibles of **\$ 345 million, \$ 339 million, and \$ 474 million and \$ 60-million**, respectively. Future events or factors may occur that **would could** adversely affect the fair value of the Company's assets and require impairment charges, including, but not limited to, divestitures of certain businesses or product lines, strategic decisions made in response to changes in economic and competitive conditions, the impact of the economic environment on the Company's sales and customer base, a material adverse change in the Company's relationship with significant customers or business partners, or a sustained decline in the Company's stock price. In the event any such impairment indicators become known or are present, the Company may be required to perform impairment tests based on changes in the economic environment and other factors, and these tests could result in impairment charges in the future. As there is minimal difference between the estimated fair values and the carrying values of some of the Company's intangible assets as a result of recent impairment charges, future impairment charges may occur. See Critical Accounting Estimates in Item 7 and Footnotes 1 and 7 of **the** Notes to Consolidated Financial Statements **for further discussion**. The Company is exposed to both foreign currency translation and transaction risks that may materially adversely affect the Company's operating results, financial condition and liquidity. The reporting currency for the Company's financial statements is the U. S. dollar and it has substantial assets, liabilities, revenues and costs denominated in currencies other than U. S. dollars. The preparation of the Company's Consolidated Financial Statements requires translation of those assets, liabilities, revenues and expenses into U. S. dollars at then-applicable exchange rates. Consequently, increases and decreases in the value of the U. S. dollar versus other currencies will affect the amount of these items in the Company's Consolidated Financial Statements, even if their value has not changed in their original currency. These translations could result in significant changes to the Company's results of operations from period to period. Although the Company may employ, at times, a variety of techniques to mitigate the impact of exchange rate fluctuations, including foreign currency hedging activities, it cannot guarantee that such risk management strategies will be effective, and its financial condition or results of operations could be adversely impacted. In addition, foreign currency transaction risk arises when the Company and its subsidiaries enter into transactions where the settlement occurs in a currency other than its functional currency. The Company continues to recognize foreign exchange losses related to the currency devaluation in Argentina and its designation as a hyperinflationary economy. Exchange differences (gains and losses) arising on the settlement of monetary items or on translation of monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the Consolidated **Statement Statements** of Operations in the period in which they arise. Although the Company may employ, at times, a variety of techniques to mitigate the impact of foreign currency transaction risk, including the hedging of forecasted cash inflows and outflows, it cannot guarantee that such risk management strategies will be effective, and its financial condition or results of operations could be adversely impacted. See Management's Discussion and Analysis of Financial Condition and Results of Operations and Footnote 10 of the Notes to Consolidated Financial Statements for further information. Circumstances associated with divestitures and brand or product line exits could adversely affect the Company's results of operations and financial condition. The Company may decide to sell or discontinue or exit certain brands, businesses or product lines in the future based on an evaluation of performance and strategic fit. Divestitures or discontinuations of businesses or products may result in asset impairments, including those related to goodwill and other intangible assets, and losses upon disposition, both of which could

have an adverse effect on the Company's results of operations and financial condition. In addition, the Company may encounter difficulty in finding buyers or executing alternative exit strategies at acceptable prices and terms and in a timely manner, and prospective buyers may have difficulty obtaining financing. Past and future divestitures and business discontinuations also involve additional risks, including the following: • difficulties in the separation of operations, services, products and personnel; • the retention of certain current or future liabilities in order to induce a buyer to complete a divestiture; • the disruption of the Company's business; • the potential loss of key employees; and • disputes or litigation with the buyers. The Company may not be successful in managing these or any other significant risks that it may encounter in divesting, discontinuing or exiting a brand, business or product line, which could have a material adverse effect on its business. Legal, Tax and Regulatory Risks

Governmental investigations or actions by other third parties could have a material adverse effect on management and the Company's business operations. The Company is subject to various federal, state and foreign laws and regulations. As further described in Footnote 18 of the Notes to the Consolidated Financial Statements, the Company is also subject to third party litigation. The potential outcomes of third-party litigation, if insured, could exceed policy limits, resulting in significant costs and expenses. The Company could be responsible for any settlement or judgment over the amount of available insurance coverage or for the entire settlement or judgment, if not insured. ~~The~~ In the ordinary course of business, the Company is also subject to formal and informal regulatory and governmental examinations, subpoenas, requests for documents, testimony or information, inquiries, investigations, threatened legal actions and proceedings. **For example** ~~The Company previously disclosed that it had received a subpoena and related informal document requests from the SEC primarily relating to its sales practices and certain accounting matters for the time period beginning from January 1, in 2016. On September 29, 2023, the Company entered into a settlement with the SEC, which concluded the an investigation of primarily relating to the Company's sales practices and certain accounting matters between the third quarter of fiscal year 2016 and second quarter of fiscal year 2017. Under the terms of the settlement, the Company neither admitted nor denied the SEC's findings and paid agreed to pay a civil penalty of approximately \$ 13 million, which did not have a material effect on the Company's Consolidated Financial Statements.~~ Responding to governmental investigations, voluntary document requests, subpoenas or actions by regulatory bodies ~~is~~ may be time-consuming, expensive and disruptive to the Company's operations and could divert the attention of management and key personnel from the Company's business operations. The Company's businesses and operations are subject to regulation in the U. S. and abroad. Changes in laws, regulations and related interpretations may alter the environment in which the Company does business. This includes changes in environmental, data privacy, competitive and product-related laws, as well as changes in accounting standards, taxation and other regulations. Accordingly, the Company's ability to manage regulatory, tax and legal matters (including environmental, human resource, product liability, patent and other intellectual property matters), and to resolve pending legal and environmental matters without significant liability could require the Company to record significant reserves in excess of amounts accrued to date or pay significant fines during a reporting period, which could materially impact the Company's results. In addition, new regulations may be enacted in the U. S. or abroad that may require the Company to incur additional personnel-related, environmental or other costs on an ongoing basis, significantly restrict the Company's ability to sell certain products, or incur fines or penalties for noncompliance, any of which could adversely affect the Company's results of operations. As a U. S.-based multinational company, the Company is also subject to tax regulations in the U. S. and multiple foreign jurisdictions, some of which are interdependent. For example, certain income that is earned and taxed in countries outside the U. S. may not be taxed in the U. S. until those earnings are actually repatriated or deemed repatriated. If these or other tax regulations should change, the Company's financial results could be impacted. Furthermore, the Organization for Economic Co-operation and Development (the "OECD") ~~has~~ introduced a framework to implement implementing a global minimum corporate tax of 15 %, referred to as Pillar Two. ~~Much~~ Many aspects of Pillar Two ~~are~~ **was enacted in countries outside the U. S.** effective as of January 1, 2024, with certain remaining aspects to be effective beginning January 1, 2025 or later. **In January 2025, the U. S. issued an executive order announcing opposition to aspects of these rules.** While it is ~~uncertain whether~~ **unlikely that** the U. S. will enact legislation to adopt Pillar Two, ~~certain~~ **many** countries in which we operate have adopted the legislation, and other countries are in the process of introducing legislation to implement Pillar Two. ~~While we do not~~ **The Company's currently -- current** expect income tax impact of Pillar Two ~~to have a material impact on our effective tax rate, our analysis is ongoing as the OECD immaterial, however we will continue to release guidance monitor both U. S. and international countries implement legislative developments to assess for any potential impacts.~~ On June 18, 2019, the U. S. Treasury and the Internal Revenue Service ("IRS") released temporary regulations under IRC Section 245A ("Section 245A") as enacted by the 2017 U. S. Tax Reform Legislation ("2017 Tax Reform") and IRC Section 954 (c) (6) (the "Temporary Regulations") to apply retroactively to the date the 2017 Tax Reform was enacted. On August 21, 2020, the U. S. Treasury and IRS released finalized versions of the Temporary Regulations (collectively with the Temporary Regulations, the "Regulations"). The Regulations seek to limit the 100 % dividends received deduction permitted by Section 245A for certain dividends received from controlled foreign corporations and to limit the applicability of the look-through exception to foreign personal holding company income for certain dividends received from controlled foreign corporations. Before the retroactive application of the Regulations, the Company benefited in 2018 from both the 100 % dividends received deduction and the look-through exception to foreign personal holding company income. The Company analyzed the Regulations and concluded the relevant Regulations were not validly issued. Therefore, the Company has not accounted for the effects of the Regulations in its Consolidated Financial Statements for the ~~period~~ **periods presented** ending December 31, 2023. The Company believes it has strong arguments in favor of its position and believes it has met the more likely than not recognition threshold that its position will be sustained. However, due to the inherent uncertainty involved in challenging the validity of regulations as well as a potential litigation process, there can be no assurances that the relevant Regulations will be invalidated or that a court of law will rule in favor of the Company. If the Company's position on the Regulations is not sustained, the Company would be required to recognize an

income tax expense of approximately \$ 180 million to \$ 220 million related to an income tax benefit from fiscal year 2018 that was recorded based on regulations in existence at the time. In addition, the Company may be required to pay any applicable interest and penalties. The Company believes it has strong arguments in favor of its position and believes it has met the more likely than not recognition threshold that its position will be sustained. However, due to the inherent uncertainty involved in challenging the validity of regulations as well as a potential litigation process, there can be no assurances that the relevant Regulations will be invalidated or that a court of law will rule in favor of the Company. The resolution of the Company's tax contingencies may result in additional tax liabilities, which could adversely impact the Company's cash flows and results of operations. The Company is subject to income tax in the U. S. and numerous jurisdictions internationally. Significant estimation and judgment are required in determining the Company's worldwide provision for income taxes. In the ordinary course of the Company's business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Company is regularly under audit by various worldwide tax authorities. Although the Company believes its tax estimates are reasonable, the final outcome of tax audits and related litigation could be materially different than that reflected in its historical income tax provisions and accruals. There can be no assurance that the resolution of any audits or litigation will not have an adverse effect on future operating results. **. See Footnote 12 of the Notes to the Consolidated Financial Statements for further information**. The Company may incur significant costs in order to comply with environmental remediation obligations. In addition to operational standards, environmental laws also impose obligations on various entities to investigate and / or clean up contaminated properties or to pay for the cost of such activities, often upon parties that did not actually cause the contamination. Accordingly, the Company may be liable, either contractually or by operation of law, for investigation and / or remediation costs even if the contaminated property is not presently owned or operated by the Company, is a landfill or other location where it has disposed of wastes, or if the contamination was caused by third parties during or prior to the Company's ownership or operation of the property. Given the nature of the past industrial operations conducted by the Company and others at these properties, there can be no assurance that all potential instances of soil or groundwater contamination have been identified, even for those properties where an environmental site assessment has been conducted. The Company does not believe that any of the Company's existing obligations, including at third- party sites where it has been named a potentially responsible party, will have a material adverse effect upon its business, results of operations or financial condition. However, future events, such as changes in existing laws or policies or their enforcement, or the discovery of currently unknown contamination, may give rise to additional remediation liabilities that may be material. See Footnote 18 of the Notes to Consolidated Financial Statements for a further discussion of these and other environmental- related matters. The Company's business involves the potential for product recalls, product liability and other claims against it, which could affect its earnings and financial condition. As a manufacturer and distributor of consumer products, the Company is subject to the U. S. Consumer Products Safety Act of 1972, as amended by the Consumer Product Safety Improvement Act of 2008, which empowers the U. S. Consumer Products Safety Commission to exclude from the market products that are found to be unsafe or hazardous, and similar laws under foreign jurisdictions. Under certain circumstances, the Consumer Products Safety Commission or a comparable foreign agency could require the Company to repurchase or recall one or more of its products. Additionally, other laws and agencies, such as the National Highway Traffic Safety Administration, regulate certain consumer products sold by the Company in the **United States U. S.** and abroad, and more restrictive laws and regulations may be adopted in the future. From time to time, the Company has announced voluntary recalls of its products where it has identified potential product safety concerns. When the Company is required to remove, or voluntarily removes, its products from the market, the Company might have large quantities of finished products that it is unable to sell. The Company also faces exposure to product liability claims if one of its products is alleged to have resulted in property damage, bodily injury or other adverse effects. In addition to the risk of substantial monetary judgments or fines or penalties that may result from any governmental investigations, product liability claims or regulatory actions could result in negative publicity that could harm the Company's reputation in the marketplace, adversely impact the value of its end- user brands, or result in an increase in the cost of producing the Company's products. Similar to product liability claims, the Company faces exposure to class action lawsuits related to the performance, safety or advertising of its products. Such class action suits could result in substantial monetary judgments and, injunctions related to the sale of products and could potentially tarnish the Company's reputation. Although the Company maintains product liability insurance in amounts that it believes are reasonable, that insurance is, in most cases, subject to significant self- insured retentions for which the Company is responsible, and the Company cannot assure you that it will be able to maintain such insurance on acceptable terms, if at all, in the future or that product liability claims will not exceed the amount of insurance coverage. The Company does not maintain insurance against many types of claims involving alleged product defects other than personal injury or property damage. Additionally, the Company does not maintain product recall insurance and may not have insurance coverage for claims asserted in consumer class action lawsuits that seek monetary compensation unrelated to personal injury and / or property damage, such as claims related to the marketing or warranty of the product. The Company spends substantial resources ensuring compliance with governmental and other applicable standards. However, compliance with these standards does not necessarily prevent individual or class action lawsuits, which can entail significant cost and risk. As a result, these types of claims could have a material adverse effect on the Company's business, results of operations and financial condition. The Company's product liability insurance program is an occurrence- based program based on its current and historical claims experience and the availability and cost of insurance. The Company currently either self- insures or administers a high retention insurance program for most product liability risks. ~~Historically, product liability awards have rarely exceeded the Company's individual per occurrence self- insured retention.~~ The Company cannot give assurance, however, that its future product liability experience will be consistent with its past experience or that claims and awards subject to self- insured retention will not be material. See Footnote 18 of the Notes to Consolidated Financial Statements for a further discussion of these and other regulatory and litigation- related matters. If the Company fails to adequately protect its intellectual property rights, competitors

may manufacture and market the same or similar products, which could adversely affect the Company's market share and results of operations. The Company's success with its proprietary products depends, in part, on its ability to protect its current and future technologies and products and to defend its intellectual property rights, including its patent, trade secret, **copyright** and trademark rights. If the Company fails to adequately protect its intellectual property rights, competitors may manufacture and market the same or similar products, or the incidence of counterfeit products may increase. The Company holds numerous design and utility patents covering a wide variety of products. The Company cannot be sure that it will receive patents for any of its innovations or that any existing or future patents that it receives or licenses **from others** will provide competitive advantages for its products. The Company also cannot be sure that competitors will not challenge and potentially invalidate any existing or future patents that the Company receives or licenses. In addition, patent rights may not prevent competitors from developing, using or selling products that are similar or functionally equivalent to the Company's products. If the Company is found to have infringed the intellectual property rights of others or cannot obtain necessary intellectual property rights from others, its competitiveness could be negatively impaired. If the Company is found to have violated the trademark, trade secret, copyright, patent or other intellectual property rights of others, directly or indirectly, such a finding could result in the need to cease use of such intellectual property in the Company's business, as well as the obligation to pay for past infringement. If rights holders are willing to permit the Company to continue to use such intellectual property rights, they could require a payment of a substantial amount for such continued use. Either ceasing use or paying such amounts could cause the Company to become less competitive and could have a material adverse effect on the Company's business, financial condition, and results of operations. Even if the Company is not found to infringe a third party's intellectual property rights, claims of infringement could adversely affect the Company's business. The Company could incur significant legal costs and related expenses to defend against such claims, and the Company could incur significant costs associated with discontinuing to use, provide, or manufacture certain products, or services even if it is ultimately found not to have infringed such rights. Climate change and increased focus by governmental and non-governmental organizations and customers on sustainability issues, including those related to climate change, may adversely affect our business and financial results. **Rising temperatures and increasing concentrations of greenhouse gases in the Earth's atmosphere may produce changes in the climate that could have significant physical effects, such as increased frequency and severity of storms, droughts, floods, wildfires and other climatic events. Increased frequency of extreme weather resulting from climate change could cause increased incidence of disruption to the production and distribution of our products at these locations. Increasing natural disasters and could subject the Company to increased operating costs and capital expenses in connection with response thereto. The consequences of climate change could also be a direct threat to our third-party vendors, service providers or other stakeholders, including increased costs of supplies and disruptions of supply chains or IT information technology or other necessary services for our Company.** Federal, state, and local governments, as well as some of our customers, are beginning to respond to climate change issues. This increased focus on sustainability is resulting in new ~~legislations~~ **legislation**, regulations and customer requirements that could negatively affect us, as we may incur additional costs or be required to make changes to our operations in order to comply with any new regulations or customer requirements. Legislation or regulations that potentially impose restrictions, caps, taxes, or other controls on emissions of greenhouse gases such as carbon dioxide, a by-product of burning fossil fuels such as those used in the Company's supply chain, could adversely affect our operations and financial results. More specifically, legislative or regulatory actions related to climate change could adversely impact the Company by increasing our energy costs and reducing fuel efficiency and could result in the creation of substantial additional capital expenditures and operating costs in the form of taxes, emissions allowances, or required equipment upgrades. Any of these factors could impair our operating efficiency and productivity and result in higher operating costs. In addition, revenues could decrease if we are unable to meet regulatory or customer sustainability requirements. These additional costs, changes in operations, or loss of revenues could have a material adverse effect on our business, financial condition, and results of operations. **Likewise, a failure to comply with any current or future sustainability-related reporting requirements, as established by regulators in the U. S., Europe and beyond, may result in loss of business, regulatory penalties, litigation, and / or reputational damage. Expectations relating to environmental, social and governance considerations expose the Company to potential liabilities, increased costs, reputational harm and other adverse effects on the Company's business. Many governments, regulators, investors, employees, customers and other stakeholders are increasingly focused on environmental, social and governance and sustainability considerations relating to businesses, including climate change and greenhouse gas emissions, data privacy, AI and human capital. The Company makes statements about its environmental, social and governance targets, goals and initiatives that require investments and are impacted by factors that may be outside the Company's control. In addition, some stakeholders may disagree with the Company's goals and initiatives and the focus of stakeholders may change and evolve over time. The Company may also amend, abandon or replace its targets, goals and initiatives due to a change in strategy, reduced relevance of such targets, goals and initiatives or changing market conditions, and the Company may take certain actions that stakeholders or regulators view as contrary to such targets, goals and initiatives. Stakeholders also may have very different views on where the Company's focus on environmental, social and governance and sustainability issues should be placed, including differing views of regulators in various jurisdictions in which we operate. Any failure, or perceived failure, by the Company to achieve its targets or goals, further its initiatives, adhere to its public statements, comply with federal, state or international environmental, social and governance laws and regulations, or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against the Company and materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.**