

Risk Factors Comparison 2025-02-24 to 2024-02-14 Form: 10-K

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In an enterprise as diverse as ours, a wide range of factors could affect future performance. We discuss in this section some of the risk factors that could materially and adversely affect our business, financial condition, value and results of operations. You should not interpret the disclosure of any risk factor to imply that the risk has not already materialized. You should consider these risk factors in connection with evaluating the forward- looking statements contained in this Annual Report on Form 10-K because these risk factors could cause our actual results and financial condition to differ materially from those projected in forward- looking statements. The Company maintains processes that aim to manage enterprise risks through identification and mitigation of those risks. Despite our efforts, we may fail to identify or mitigate certain risks, which could have a material and adverse impact on our business, financial condition, value and results of operations in future periods. **MACROECONOMIC, MARKET AND OPERATIONAL RISKS** Low levels of residential, commercial or industrial construction activity can have a material adverse impact on our business and results of operations. A large portion of our products are used in the markets for residential and commercial construction and repair and remodeling. Demand for certain of our products is affected in part by the level of new residential construction in the United States and elsewhere, although typically not until a number of months after the change in the level of construction. Lower demand in the regions and markets where our products are sold could result in lower revenues and lower profitability. Historically, construction activity has been cyclical and is influenced by prevailing economic conditions, including the level of interest rates and availability of financing, inflation, employment levels, consumer spending habits, consumer confidence and other macroeconomic factors outside our control. Interest rates increased substantially in ~~fiscal the past few~~ **years, remained elevated in 2022-2024 and 2023, and may continue to increase** ~~are currently expected to increase~~ **decrease slightly but stay relatively high in 2025**. The combination of high interest rates and high levels of inflation ~~have reduced~~ **reduces** the affordability of mortgages and other financing options, and ~~increased~~ **increases** the cost of home improvement projects. These trends have likely resulted in reduced levels of repair and remodel as well as new construction activity and demand for our products. **Additionally, market reactions to the new U. S. federal administration's trade policies, deregulation efforts, and stance towards the Federal Reserve could create economic uncertainty, potentially leading to fluctuations in inflation and interest rates. Due to this uncertainty,** ~~we expect these trends may continue for the foreseeable future. We cannot predict if or when interest rates or inflation levels will stabilize or decline or the impact that~~ **this uncertainty** ~~any such decline~~ may have on repair and remodel activity, new construction activity, demand for our products, our business generally, or our financial condition. Residential and commercial construction is also affected by the cost and availability of skilled labor, which could impact both the cost and pace of construction activity, as well as the construction methods used, all of which could adversely affect demand for our products. Some of our products, particularly in our Insulation business, are used in industrial applications, such as piping and storage tanks. Lower levels of industrial production and other macroeconomic factors affecting industrial construction activity could lessen demand for those products and lead to lower revenues or profitability. We may be exposed to cost increases or reduced availability of raw materials or transportation, which could reduce our margins and have a material adverse impact on our business, financial condition and results of operations. Our business relies heavily on certain commodities and raw materials used in our manufacturing processes. Additionally, we spend a significant amount on inputs that are influenced by energy prices, such as asphalt, chemicals, resins, and transportation. Price increases for these inputs could raise costs and reduce our margins if we are not able to offset them by increasing the prices of our products, improving productivity or hedging, where appropriate. Availability of certain of the raw materials we use has occasionally been limited, and our sourcing of some of these raw materials from a limited number of suppliers, and in some cases a sole supplier, increases the risk of unavailability. For example, if one of the raw materials important to our business is sourced from a sole supplier, our production could be interrupted regardless of whether we have a long- term supply contract for the material. Global economic conditions may also result in global or regional supply chain issues that adversely impact our access to raw materials and supplies. Despite our contractual supply agreements with many of our suppliers, and despite any programs we may undertake to mitigate supply risks, it is possible that we could experience a lack of certain raw materials that limits our ability to manufacture our products, thereby materially and adversely impacting our business, financial condition and results of operations. ~~—8—~~ **ITEM 1A. RISK FACTORS (continued)** In addition, **steps taken by the United States government to apply or increase tariffs on certain products and materials could potentially disrupt our existing supply chains and impose additional costs on our business, including costs with respect to raw materials upon which our business depends. The increased costs may negatively impact our margins as we may not be able to pass on the additional costs to customers by increasing the prices of our products. For example, market reactions to the new U. S. federal administration's proposed tariffs and evolving trade policies with countries such as Canada, Mexico and China could disrupt our supply chains, increase our costs for raw materials, and negatively impact our business margins and financial results.** We are **also** dependent on third- party freight carriers to transport some of our raw materials and products. We may be unable to transport our raw materials or products in a timely manner or at economically favorable rates in certain circumstances, particularly in cases of adverse market conditions or disruptions to transportation infrastructure. Supply constraints and increases in the cost of energy could have a material adverse impact on our business or results of operations. The cost of producing our products is sensitive to the price of energy, including its impact on transport costs which is subject to factors outside of our control. Energy prices, in particular oil and natural gas, have fluctuated in recent years. For example, natural gas forms the primary energy source for our European operations and our European operations can be directly affected

by volatility in the cost and availability of natural gas. Natural gas supply shortages could lead to additional price increases, energy supply rationing, or temporary reduction in our European operations, which could have a material adverse impact on our business or results of operations. We are subject to risks and uncertainties associated with our international operations. We sell products and operate plants throughout the world. Our international sales and operations are subject to risks and uncertainties, including:

- difficulties and costs associated with complying with a wide variety of complex and changing laws, including securities laws, climate-related laws, tax laws, employment and pension-related laws, competition laws, U. S. and foreign export and trading laws, and laws governing improper business practices, treaties and regulations;
- limitations on our ability to enforce legal rights and remedies;
- adverse domestic or international economic and political conditions, business interruption, war and civil disturbance;
- changes to tax, currency, or other laws or policies that may adversely impact our ability to repatriate cash from non- United States subsidiaries, make cross- border investments, or engage in other intercompany transactions;
- future tax legislation, regulations, or related guidance or interpretations;
- changes to ~~tariffs or other~~ import or export restrictions, penalties or sanctions, including modification or elimination of international agreements covering trade or investment;
- costs and availability of shipping and transportation;
- nationalization or forced relocation of properties by foreign governments;
- currency exchange rate fluctuations between the United States Dollar and foreign currencies; and
- uncertainty with respect to any potential changes to laws, regulations and policies that could exacerbate the risks described above.

~~We As we continue to expand our business globally, we~~ may have difficulty anticipating and effectively managing these and other risks that our international operations may face, which may adversely impact our business, financial condition and results of operations. In addition, we operate in many parts of the world that have experienced governmental corruption and we could be adversely affected by violations of the Foreign Corrupt Practices Act (“FCPA”) and similar worldwide anti- corruption laws. The FCPA and similar anti- corruption laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. Although we mandate compliance with these anti- corruption laws and maintain an anti- corruption compliance program, these measures may not prevent our employees or agents from violating these laws. If we were found liable for violations of anti- corruption laws, we could be liable for criminal or civil penalties or other sanctions, which could have a material adverse impact on our business, financial condition and results of operations. Our sales may fall rapidly in response to declines in demand **because of customer concentration in certain segments and** ~~because we do not operate under long- term volume agreements to supply our customers and because of customer concentration in certain segments~~. Many of our customer volume commitments are short- term; therefore, we do not have a significant manufacturing backlog. As a result, we do not benefit from the visibility provided by long- term volume contracts against downturns in customer demand and sales. Further, we are not able to immediately adjust our costs in response to declines in sales. Our ability to sell some of the products in our Insulation ~~and~~, Roofing, **and Doors** segments is dependent on a limited number of customers, who account for a significant portion of such sales. In ~~2023-2024~~, we had ~~one-two~~ **customer customers** that represented **13 % and** 11 % of our annual **net** sales. The loss of **one or more of these** key customers for these ~~products~~, a consolidation of key customers or a significant reduction in sales to those customers ~~could~~ significantly reduce our revenues from these products. In addition, if key customers experience financial pressure or ~~9-ITEM 1A. RISK FACTORS (continued)~~ consolidate, they could attempt to demand more favorable contractual terms, which would place additional pressure on our margins and cash flows. Lower demand for our products, loss of key customers and material changes to contractual terms could materially and adversely impact our business, financial condition and results of operations. Furthermore, some of our sales are concentrated in certain geographic areas, and market growth that is skewed to other geographic areas may negatively impact our rate of growth or market share. ~~Worldwide economic~~ **We face significant competition in the markets we serve and we may not be able to compete successfully. All of the markets we serve are highly competitive. We compete with manufacturers and distributors, both within and outside the United States. Some of our competitors may have superior financial, technical, marketing and other resources. In some cases, we face competition from manufacturers in countries able to produce similar products at lower costs. Price competition or overcapacity may limit our ability to raise prices for our products, may force us to reduce prices and may also result in reduced levels of demand for our products and cause us to lose market share. We also face competition from the introduction of new products or technologies, by competitors, that may address our customers’ needs in a better manner, whether based on ~~conditions~~ considerations of pricing, usability, effectiveness, sustainability, quality or other features or benefits. In addition, to effectively compete, we must continue to develop new products that meet changing consumer preferences and ~~credit tightening~~ successfully develop, manufacture and market these new products. If we are not able to successfully commercialize our innovation efforts, we may lose market share. Our inability to effectively compete could result in the loss of customers and reduce the sales of our products, which** could have a material adverse impact on ~~our~~ the Company. The Company’s business may be materially and adversely impacted by changes in United States or global economic conditions, ~~including global industrial production rates, inflation.....~~ demand for our products and on our financial condition and operating results. ~~A deterioration of~~ **operations. Although price is** economic conditions may exacerbate these adverse effects and could result in a wide **significant basis of competition in our industry, we also compete on the basis of on - ranging time delivery** and prolonged impact on general business conditions, thereby negatively impacting our operations, financial results and ~~or~~ **our reputation** liquidity. We are subject to risks relating to our information technology systems (including cybersecurity) risks, and any failure to adequately protect our critical information technology systems could materially affect our operations. We rely on information technology systems across our operations, including for **quality** management, supply chain and **customer** financial information and various other processes and transactions. Our ability to effectively manage our business depends on the security, reliability and capacity of these systems. Our information technology systems, some of which are dependent on services provided by third parties, may be vulnerable to damage, interruption, or shutdown due to any number of causes outside of our control such as catastrophic events, natural disasters, fires, power outages, systems failures, telecommunications failures, employee error or malfeasance,

security breaches, computer viruses or other malicious codes, ransomware, unauthorized access attempts, denial of service attacks, phishing, hacking, and other cyberattacks. **If we fail** to maintain cybersecurity attacks or our current standards, other problems. Any such damage, interruption, or **for** shutdown could cause delays **product quality, the scope of or our** cancellation of **distribution capabilities or our** customer **relationships** orders or impede the manufacture or shipment of products, processing of transactions or reporting of financial results. An attack or other problem with our systems could also result in the disclosure of proprietary information about our business or confidential information concerning our customers or employees, which could result in significant damage to our business and our reputation. We have established a range of security measures that are designed to protect against the unauthorized access to and misappropriation of our information, **corruption of data, intentional or unintentional.....** business strategy, results of operations or financial condition. Additionally, **results of** we regularly move data across national borders to conduct our operations and **cash flows could be adversely affected**; consequently, are subject to a variety of laws and regulations in the United States and other jurisdictions regarding privacy, data protection, and data security, including those related to the collection, storage, handling, use, disclosure, transfer, and security of personal data, including the European Union General Data Protection Regulation. Our efforts to comply with privacy and data protection laws may impose significant costs and challenges that are likely to increase over time. Our efforts in acquiring and integrating other businesses, establishing joint ventures, expanding our production capacity or divesting assets are subject to a number of risks. Some of the ways we have historically grown or restructured our business have been through acquisitions, **including our 2024 acquisition of Masonite,** joint ventures, the expansion of our production capacity and divestitures, **including the divestiture of our GR business**. Our ability to grow or restructure our business depends upon our ability to identify, negotiate and finance suitable arrangements. If we cannot successfully execute on such arrangements or receive any required regulatory approvals on a timely basis, we may be unable to generate desired returns, and our expectations of future results of operations, including cost savings and synergies, may not be achieved. Acquisitions, joint ventures, production capacity expansions and divestitures involve substantial risks, including: • unforeseen difficulties in operations, technologies, products, services, accounting and personnel; • increased cybersecurity threats or incidents; • diversion of financial and management resources from existing operations; • unforeseen difficulties related to entering geographic regions, markets or product lines where we do not have prior experience; • risks relating to obtaining sufficient financing; • difficulty in integrating the acquired business' standards, processes, procedures and controls with our existing operations; • potential loss of key employees; • unanticipated competitive responses; • potential loss of customers or suppliers; and • undisclosed or undiscovered liabilities or claims, or retention of unpredictable future liabilities. Our failure to address these risks or other problems encountered in connection with our past or future acquisitions, including the ~~planned~~ acquisition of Masonite, investments and divestitures, **including the divestiture of our GR business,** could cause us to fail to realize the anticipated benefits of such transactions, incur unanticipated liabilities, and harm our business generally. **On February 13, 2025, the Company entered into a definitive agreement for the sale of our GR business (see "Item 1- Business- Overview"). There can be no assurance that we will obtain the required regulatory or third- party approvals and consents to the sale, or that we will close the sale within the anticipated time period, or at all.** Future acquisitions and investments could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, or amortization expenses, or write- offs of goodwill, any of which could have a material adverse impact on our business, financial condition and results of operations. Also, the anticipated benefits of our investments may not materialize. We recently announced **may not realize the growth opportunities and cost synergies** that we have decided **are anticipated from the acquisition of Masonite. The benefits that are expected to result from the acquisition of Masonite will depend** review strategic alternatives for our global glass reinforcements business, **in part,** consistent with our strategy to expand our building materials offering and focus on products **our ability to realize the anticipated growth opportunities and cost synergies as** applications where we can build market- leading positions. While a **result** range of options are under consideration, including a potential sale, spin- off **of or other -- the strategic option, acquisition. Our success in realizing** there **these growth opportunities and cost synergies, and the timing of this realization, depends on the successful integration of Masonite. There** can be no assurance that ~~we~~ the strategic review **will successfully or cost- effectively integrate Masonite. The failure to do so could have a material adverse effect on our business, financial condition, and results of operations. Even if we are able to integrate Masonite successfully, this integration may not result in any** transaction or other **-- the** outcome, or **realization of the full benefits of the growth opportunities and cost synergies** that we **currently expect from this integration, and we cannot guarantee that these benefits will be achieved** realize our strategic and other objectives in connection with **within** any **anticipated time frames or at all. While it is anticipated that certain expenses will be incurred to achieve cost synergies, such expenses are difficult to estimate accurately, transaction or** outcome. We face significant competition in the markets we serve and we may **not exceed current estimates. Accordingly, the benefits from the acquisition may be offset by** able to compete successfully. All of the markets we serve are highly competitive. We compete with manufacturers and distributors, both within and outside the United States. Some of our competitors may have superior financial, technical, marketing and other resources. In some cases, we face competition from manufacturers in countries able to produce similar products at lower costs **incurred to,** **Price competition or overcapacity may limit our- or delays** ability to raise prices for our products, may force us to reduce prices and may also result in reduced levels of demand for our products and cause us to lose market share. We also face competition from the introduction by competitors of new products or technologies that may address our customers' needs in a better manner, **integrating** whether based on considerations of pricing, usability, effectiveness, sustainability, quality or other **-- the businesses** features or benefits. **Worldwide economic conditions** In addition, to effectively **11 ITEM 1A. RISK FACTORS (continued)** compete, we must continue to develop new products that meet changing consumer preferences and **credit tightening** successfully develop, manufacture and market these new products. If we are not able to successfully commercialize our innovation efforts, we may

lose market share. Our inability to effectively compete could result in the loss of customers and reduce the sales of our products, which could have a material adverse impact on our the Company. The Company's business may be materially and adversely impacted by changes in United States or global economic conditions, including inflation, deflation, interest rates, availability of capital, consumer spending rates, energy availability and commodity prices, trade laws, and the effects of governmental initiatives to manage economic conditions. Changes in and / or new laws, regulations and policies that may be enacted in the United States or elsewhere could also materially impact economic conditions and the Company's business and results of operations. These changes and conditions could materially and adversely impact the Company's operations, financial results and / or liquidity, including:

- the financial stability of our customers or suppliers may be compromised, which could result in reduced demand for our products, additional bad debts for the Company or non-performance by suppliers;
- one or more of the financial institutions associated with our credit facilities could cease to fulfill their funding obligations, or the amount of eligible receivables under our receivables securitization facility could decrease, which could materially and adversely impact our liquidity;
- it may become more expensive or difficult to obtain financing or refinance the Company's debt in the future;
- the value of the Company's assets held in pension plans may decline; and
- the Company's assets may be impaired or subject to write-down or write-off.

With the volatility in the current global economic climate, inflation and geopolitical events around the world, including the Russian invasion of Ukraine and the Israel-Hamas conflict, it is difficult for us to predict the complete future impact of the foregoing matters on our business and results of operations. Uncertainty about global economic conditions may also cause consumers of our products to reduce or postpone spending or purchase alternative products in response to tighter credit, negative financial news and / or declines in income or asset values. This could have a material adverse impact on the demand for our products and on our financial condition and operating results. A deterioration of economic conditions may exacerbate these adverse effects and could result in a wide-ranging and prolonged impact on general business conditions, thereby negatively impacting our operations.

corruption of data, intentional or unintentional disclosure of confidential information, or disruption of operations. However, advanced cybersecurity threats, such as malware, ransomware, and phishing attacks, attempts to access information, and other security breaches, are persistent and continue to evolve, making them increasingly difficult to identify and prevent. Protecting against these threats may requires significant resources, and is expected to continue to require significant resources, and we may not be able to implement measures that will protect against all of the significant risks to our information technology systems. In addition, we rely on a number of third-party business partners service providers to execute certain business processes and maintain certain information technology systems and infrastructure, evaluate defenses and implement recommendations and any breach of security on their part could impair our ability to effectively operate. Although we experience

10- ITEM 1A.RISK FACTORS (continued) Any breach of our cybersecurity security incidents from time to time as measures, or those of our third-party service providers, could result in unauthorized access to and misappropriation of our information, corruption of data our or disruption of operations or transactions, we any of which could have not identified any risks from cybersecurity threats, including as a result of previous cybersecurity incidents, that have had or are reasonable likely to have, a material impact adverse effect on our business strategy, results of systems operations or

Emerging issues related to our development, integration and use of artificial intelligence ("AI") could give rise to legal or regulatory action, damage our reputation or otherwise materially harm our business. Our development, integration and use of AI technology in our operations remains in the early phases. We have started to assess the use of AI technology to drive productivity and data analytics. While we aim to develop, integrate and use AI responsibly, we may ultimately be unsuccessful in identifying or resolving issues, such as accuracy issues, cybersecurity risks, unintended biases, and discriminatory outputs, before they arise. AI is a new and emerging technology in early stages of commercial use and presents a number of risks inherent in its use by us, our customers, suppliers and other business partners and third-party providers, or through the use of third-party hardware and software. These risks including include, but are not limited to, ethical considerations, public perception, intellectual property protection, regulatory compliance, privacy concerns and data security, all of which could have a material adverse effect on our business, results of operations and financial position. As a result, we cannot predict future developments in AI and related impacts to our business and our industry. If we are unable to successfully and accurately develop, integrate and use AI technology, as well as address the risks and challenges associated with AI, our business, results of operations and financial position could be negatively impacted. Additionally, if the content, analyses, or recommendations that AI applications assist in producing are or are alleged to be deficient, inaccurate, or biased, our reputation, business, financial condition, and results of operations may be materially adversely affected. Climate change, weather conditions and storm activity could have a material adverse impact on our business, financial condition and results of operations. Climate change could have an impact on several aspects of our business, financial condition and results of operations. Weather phenomena associated with climate change, such as flooding or altered storm activity, may impact our ability to operate our manufacturing facilities and corporate offices in some locations. For example, our Doors headquarters is located in Tampa, Florida, a coastal area that is susceptible to hurricanes and tropical storms.

In addition, customer preferences for lower-carbon and more environmentally friendly solutions could impact demand for our products. Although we believe that some of our product categories, such as insulation and composites, could experience increased demand due to environmental benefits, such as energy efficiency and renewable energy, the timing and impact of such increased demand is uncertain. Weather conditions and the level of severe storms can have a significant impact on the markets for residential and commercial construction, repair and improvement projects. These factors could impact our business as follows:

- generally, any weather conditions that slow or limit residential or commercial construction activity can adversely impact demand for our products; and
- a portion of our annual product demand is attributable to the repair of damage caused by severe storms. In periods with below average levels of severe storms, demand for such products could be reduced. Lower demand for our products as a result of either of these weather-related scenarios could have a material adverse impact on our business, financial condition and results of operations. Additionally, severely low or high temperatures may lead to significant

and immediate spikes in costs of natural gas, electricity and other commodities that could negatively affect our results of operations. We ~~will~~ **may** not be insured against all potential **material manufacturing losses or disruptions** and could be seriously harmed by natural disasters, catastrophes, pandemics, theft or sabotage. Many of our business activities globally involve substantial investments in manufacturing facilities and many products are produced at a limited number of locations. These facilities could be materially damaged by natural disasters such as floods, tornados, hurricanes, fires, earthquakes, pandemics or by theft or sabotage. We could incur uninsured losses and liabilities arising from such events, including damage to our reputation, and / or suffer material losses in operational capacity, which could have a material adverse impact on our business, financial condition and results of operations. LEGAL, REGULATORY AND COMPLIANCE RISKS We could face potential product liability and warranty claims, we may not accurately estimate costs related to such claims, and we may not have sufficient insurance coverage available to cover such claims. Our products are used and have been used in a wide variety of residential, commercial and industrial applications. We face an inherent business risk of exposure to product liability or other claims in the event our products are alleged to be defective or that ~~—12— ITEM 1A. RISK FACTORS (continued)~~ the use of our products is alleged to have resulted in harm to others or to property. We may, in the future, incur liability if product liability lawsuits against us are successful. Moreover, any such lawsuits, whether or not successful, could result in adverse publicity to us, which could cause our sales to decline. We maintain insurance coverage to protect us against product liability claims, but that coverage may not be adequate to cover all claims that may arise or we may not be able to maintain adequate insurance coverage in the future at an acceptable cost. Any liability not covered by insurance or that exceeds our established reserves could materially and adversely impact our business, financial condition and results of operations. For example, during the second quarter of 2023, the Company’ s subsidiary, Paroc Group OY (“ Paroc ”), **which was acquired in 2018**, notified the appropriate European maritime regulatory authorities that specific insulation products in its marine insulation product line may not meet certain fire safety requirements in accordance with their certifications. Paroc voluntarily withdrew these specific products from the market, issued recalls, and suspended distribution and sales of these products. Paroc is cooperating with the applicable regulatory and government authorities, and continues to work with its customers and end- users to assist with remediation. Although we established an estimated liability for expected future costs related to this matter, it is reasonably possible that additional product recall costs could be incurred that exceed the estimated liability by amounts that could be material to our consolidated financial statements. **Due to these nonconformances, the Company reviewed the Paroc insulation product portfolio. The review has concluded. In addition to addressing the recalled marine products, the Company continues to assess potential nonconformances related to certain ventilation duct and steel beam insulation products.** These ~~actions-matters~~ may also result in harm to our reputation and results of operations. In addition, consistent with industry practice, we provide warranties on many of our products. We may experience costs of warranty claims when the product is not performing to the satisfaction of the claimant even though it has not caused harm to others or property. We estimate our future warranty costs based on historical trends and product sales, but we may fail to accurately estimate those costs and thereby fail to establish adequate warranty reserves for them. Warranty claims are not insurable. We may be subject to liability under and may make substantial future expenditures to comply with environmental and emerging product- based laws and regulations. Our manufacturing facilities are subject to numerous foreign, federal, state and local laws and regulations relating to the presence of hazardous materials, pollution and the protection of the environment, including those governing emissions to air, discharges to water, use, storage and transport of hazardous materials, storage, treatment and disposal of waste, remediation of contaminated sites and protection of worker health and safety. We are also subject to laws, rules and regulations relating to certain raw materials used in our business or in our products. Liability under these laws involves inherent uncertainties. Environmental liability estimates may be affected by changing determinations of what constitutes an environmental exposure or an acceptable level of cleanup. For example, remediation activities generally involve a potential range of activities and costs related to soil and groundwater contamination. This can include pre- cleanup activities, such as fact finding and investigation, risk assessment, feasibility studies, remedial action design and implementation (where actions may range from monitoring to removal of contaminants, to installation of longer- term remediation systems). Please see “ Item 1- Business- Environmental Control ” for information on costs and accruals related to environmental remediation. To the extent that the required remediation procedures or timing of those procedures change, additional contamination is identified, or the financial condition of other potentially responsible parties is adversely affected, the estimate of our environmental liabilities may change. Change in required remediation procedures or timing of those procedures at existing legacy sites, or discovery of contamination at additional sites, could result in increases to our environmental obligations. Violations of environmental, health and safety laws are subject to civil, and, in some cases, criminal sanctions. As a result of these uncertainties, we may incur unexpected interruptions to operations, fines, penalties or other reductions in income which could adversely impact our business, financial condition and results of operations. It is possible that new laws and regulations will specifically address climate change, toxic air emissions, ozone forming emissions and fine particulate matter. New environmental and chemical regulations could impact our ability to expand production or construct new facilities in every geographic region in which we operate. Continued and increased government and public emphasis on environmental issues is expected to result in increased future investments for environmental controls at ongoing operations, which will be charged against income from future operations. Present and future environmental laws and regulations applicable to our operations, and changes in their interpretation, may require substantial capital expenditures or may require or cause us to modify or curtail our operations, which may have a material adverse impact on our business, financial condition and results of operations. Although emerging in nature, an increasing number of laws and regulations focused on product and chemical hazards, including regulations concerning the impact of product manufacturing and use on climate change, and resulting preferential product selection could also impact our ability to manufacture and sell certain products or require significant research and development investment and capital expenditures to meet regulatory requirements. ~~—13— ITEM 1A. RISK FACTORS (continued)~~ Proposed or future laws or

regulations aimed at addressing climate change, including, but not limited to, local building codes, Environmental Protection Agency regulations on greenhouse gas emissions (“GHG”), laws or regulations impacting energy supply, and ~~other laws or regulations~~ **climate-related disclosure requirements**, may materially impact demand for our products or our cost of doing business. We believe ~~it is likely that the ongoing~~ scientific and political **focus on** ~~attention to issues concerning the extent and causes of climate change~~ **may lead to** ~~will continue, with~~ new and more restrictive **environmental** laws and regulations ~~focusing on environmental~~ **in certain jurisdictions**, **which may impact** ~~social and governance (“ESG”) initiatives that could affect~~ our financial condition, results of operations, and cash flows. Foreign, federal, state and local regulatory and legislative bodies have enacted or proposed various legislative and regulatory measures relating to increased transparency and standardization of reporting matters that may include climate change, regulating GHG emissions, water usage, **deforestation**, recycling of plastic materials, and energy policies, including waste tax, and other governmental charges and mandates. As a result, we expect to be subject to overlapping, yet distinct, climate-related disclosure requirements in multiple jurisdictions. Compliance with foreign, federal, state and local legislation and regulations concerning climate-related disclosures, including compliance with the European Commission’s Corporate Sustainability Reporting Directive and ~~the SEC’s proposed~~ climate disclosure requirements **that may be implemented by the SEC**, may result in additional costs and capital expenditures, 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, judicial decisions or executive actions limiting the authority of regulatory agencies, or decisions impacting current regulations and policies implemented by such agencies, could create uncertainty regarding the regulatory landscape and impact the Company’s ability to plan for future investments.** We could also face increased costs related to defending and resolving legal claims and other litigation related to climate change and the alleged impact of our operations on climate change. In addition, energy prices could increase as a result of climate change legislation or other environmental mandates, which could have an adverse effect on our results of operations. In addition, from time to time, we establish targets, strategies and expectations related to climate change and other environmental matters. Our ability to achieve any such targets, strategies or expectations is subject to risks and uncertainties, many of which are outside of our control. These risks and uncertainties include, but are not limited to, our ability to execute our strategies and achieve our goals within the currently projected costs and expected timeframes, availability, use and success of on and off-site renewable energy, evolving regulatory and other standards, processes, and assumptions, the pace of scientific and technological developments, increased costs and availability of requisite financing, market trends that may alter business opportunities, the conduct of third-party manufacturers and suppliers, constraints or disruptions to our supply chain, and changes in carbon markets. There are no assurances that we will be able to successfully execute our strategies and achieve our targets. Failures or delays (whether actual or perceived) to achieve our targets or strategies related to climate change and other environmental matters could damage our reputation, customer and investor relationships, adversely affect our business, operations and increase risk of litigation. Our intellectual property rights may not provide meaningful commercial protection for our products or brands and third parties may assert that we violate their intellectual property rights, which could have a material adverse impact on our business, financial condition and results of operations. We rely on our intellectual property, including numerous patents, trademarks, trade secrets, confidential information, as well as our licensed intellectual property, to differentiate our products and brands in the marketplace. We monitor and protect against activities that might infringe, dilute, or otherwise harm our intellectual property and rely on the laws of the United States and other countries to protect our rights. However, in some instances, we may be unaware of unauthorized use of our intellectual property. To the extent we cannot protect our innovations or are unable to enforce our intellectual property rights, unauthorized use and misuse of our intellectual property or innovations could harm our competitive position and have a material adverse impact on our business, financial condition and results of operations. In addition, the laws of some foreign jurisdictions provide less protection for our proprietary rights than the laws of the United States and we therefore may not be able to effectively enforce our intellectual property rights in these jurisdictions. If we are unable to maintain certain exclusive licenses, our brand recognition and sales could be adversely impacted. Current employees, contractors and suppliers have, and former employees, contractors and suppliers may have, access to trade secrets and confidential information regarding our operations that could be disclosed improperly and in breach of contract to our competitors or otherwise used to harm us. Third parties may also claim that we are infringing upon their intellectual property rights. If we are unable to successfully defend or license such alleged infringing intellectual property or if we are required to substitute similar technology from another source, our operations could be adversely affected. Even if we believe that such intellectual property claims are without merit, defending such claims can be costly, time consuming and require significant resources. Claims of intellectual property infringement also may require us to redesign affected products, pay costly damage awards, or face injunctions prohibiting us from manufacturing, importing, marketing or selling certain of our products. Even if we have agreements to indemnify us, indemnifying parties may be unable or unwilling to do so. ~~–14– ITEM 1A. RISK FACTORS (continued)~~ We are subject to various legal and regulatory proceedings, including litigation in the ordinary course of business, and uninsured judgments or a rise in insurance premiums may have a material adverse impact on our business, financial condition and results of operations. In the ordinary course of business, we are subject to various legal and regulatory proceedings, which may include but are not limited to those involving antitrust, tax, trade, environmental, intellectual property, data privacy and other matters, including general commercial litigation. Any claims raised in legal and regulatory proceedings, whether with or without merit, could be time consuming and expensive to defend and could divert management’s attention and resources. Additionally, the outcome of legal and regulatory proceedings may differ from our expectations because the outcomes of these proceedings are often difficult to predict reliably. Various factors and developments can lead to changes in our estimates of liabilities and related insurance receivables, where applicable, or may require us to make additional estimates, including new or modified estimates, that may be appropriate due to a judicial ruling or judgment, a settlement, regulatory developments or changes in applicable law. A future adverse ruling, settlement or unfavorable development could result in

charges that could have a material adverse effect on our results of operations in any particular period. In accordance with customary practice, we maintain insurance against some, but not all, of these potential claims. In the future, we may not be able to maintain insurance at commercially acceptable premium levels. In addition, the levels of insurance we maintain may not be adequate to fully cover any and all losses or liabilities. If any significant judgment or claim is not fully insured or indemnified against, it could have a material adverse impact on our business, financial condition and results of operations.

FINANCIAL RISKS Our level of indebtedness could adversely impact our business, financial condition or results of operations. **In connection with our acquisition of Masonite, we significantly increased our outstanding indebtedness, including the issuance of \$ 2. 0 billion of senior notes.** At December 31, ~~2023~~ **2024**, we had total debt of approximately \$ ~~3. 5~~ **0. 1** billion. **As On February 8, 2024, we entered into a result** definitive agreement to acquire Masonite International Corporation ("Masonite"), subject to the satisfaction or **our** waiver of specified conditions. We expect to incur approximately \$ 3. 0 billion of debt **service obligations** to pay a substantial portion of the purchase price for **2025 and beyond have increased from prior amounts** the acquisition of Masonite, as well as assume up to \$ 875 million of Masonite's senior unsecured notes. Our debt level and degree of leverage, particularly if we complete the Masonite acquisition, could have important consequences, including the following:

- our ability to obtain additional debt or equity financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes may be limited;
- a substantial portion of our cash flow could be required for the payment of principal and interest on our indebtedness, and may not be available for other business purposes;
- certain of our available borrowings are at variable rates of interest, exposing us to the risk of increased interest rates to borrow in the future;
- if due to liquidity needs we must replace any indebtedness upon maturity, we would be exposed to the risk that we may not be able to refinance such indebtedness;
- our ability to adjust to changing market conditions may be limited and place us at a competitive disadvantage compared to our competitors if they have less debt; and
- we may be vulnerable in a downturn in general economic conditions or in our business, or we may be unable to carry out important capital spending.

The credit agreement governing our senior revolving credit facility, the indentures governing our senior notes, and the receivables purchase agreement governing our receivables securitization facility contain various covenants that impose operating and financial restrictions on us and our subsidiaries. Additionally, instruments and agreements governing our future indebtedness may impose other restrictive conditions or covenants that could restrict our ability to conduct our business operations or pursue growth strategies. Downgrades of our credit ratings could adversely impact us. Our credit ratings are important to our cost of capital. The major debt rating agencies routinely evaluate our debt based on a number of factors, which include financial strength and business risk as well as transparency with rating agencies and timeliness of financial reporting. A downgrade in our debt rating could result in increased interest on our existing variable ~~15~~ **ITEM 1A. RISK FACTORS** ~~(continued)~~ interest rate debt, increased interest and other expenses for future borrowings, and reduced ability for our suppliers to utilize supply chain financing programs. Downgrades in our debt rating could also restrict our access to capital markets and affect the value and marketability of our outstanding senior notes. Our operations require substantial capital, leading to high levels of fixed costs that will be incurred regardless of our level of business activity. Our businesses are capital intensive, and regularly require capital expenditures to expand operations, maintain equipment, increase operating efficiency and comply with applicable laws and regulations, leading to high fixed costs, including depreciation expense. Increased regulatory requirements for our operations could lead to additional or higher fixed costs in the future. We are limited in our ability to reduce fixed costs quickly in response to reduced demand for our products and these fixed costs may not be fully absorbed, resulting in higher average unit costs and lower gross margins if we are not able to offset this higher unit cost with price increases. Alternatively, we may be limited in our ability to quickly respond to unanticipated increased demand for our products, which could result in an inability to satisfy demand for our products and loss of market share. Our ongoing efforts to increase productivity and reduce costs may not result in anticipated savings in operating costs. Our cost reduction and productivity efforts, including those related to our existing operations, production capacity expansions, new manufacturing platforms, or other capital expenditures, may not produce anticipated results. Our ability to achieve cost savings and other benefits within expected time frames is subject to many estimates and assumptions. These estimates and assumptions are subject to significant economic, competitive, legal and other uncertainties, some of which are beyond our control. If these estimates and assumptions are incorrect, if we experience delays, or if other unforeseen events occur, our business, financial condition and results of operations could be adversely impacted. Our results of operations in a given period may be impacted by price volatility in certain renewable- generated energy markets. In connection with our sustainability goals to reduce GHG and toxic air emissions, we entered into contracts pursuant to which we have agreed to purchase renewable- generated electricity from third parties. Under these contracts, we do not take physical delivery of renewable- generated electricity. The generated electricity is instead sold by our counterparties to local grid operators at the prevailing market price and we obtain the associated non- tax renewable energy credits. The prevailing market pricing for renewable- generated electricity can be affected by factors beyond our control and is subject to significant period over period volatility. For example, renewable- generated energy output fluctuates due to climactic and other factors beyond our control and can be constrained by available transmission capacity, thereby significantly impacting pricing. Due to this potential volatility, it is possible that these contracts, or similar contracts we execute in the future, could have an impact on our results of operations in a given reporting period. Our hedging activities to address energy price fluctuations may not be successful in offsetting increases in those costs or may reduce or eliminate the benefits of any decreases in those costs. To mitigate short- term variation in our operating results due to commodity price fluctuations in certain geographic markets, we may hedge a portion of our near- term exposure to the cost of energy. The results of our hedging practices could be positive, neutral or negative in any period depending on price changes of the hedged exposures. Our hedging activities are not designed to mitigate long- term commodity price fluctuations and, therefore, would not protect us from long- term commodity price increases. In addition, in the future, our hedging positions may not correlate to our actual energy costs, which would cause acceleration in the recognition of unrealized gains and losses on our hedging positions in our operating results. If we were required to write down all or part of our

goodwill or other indefinite-lived intangible assets, our results of operations or financial condition could be materially adversely affected in a particular period. Declines in our business may result in an impairment of our tangible and intangible assets, which could result in a material non-cash charge. A significant or prolonged decrease in our market capitalization, including a decline in stock price, a negative long-term performance outlook, or an increase in discount rates could result in an impairment of our tangible and intangible assets which results when the carrying value of the Company's assets exceed their fair value. At least annually, we assess our goodwill and intangible assets for impairment. When we utilize a discounted cash flow methodology to calculate the fair value of our reporting units, weak demand for a specific product line or business could result

16-ITEM 1A- RISK FACTORS (continued) in an impairment. As a result of the acquisition of Masonite in 2024, we acquired \$ 1. 5 billion in goodwill and \$ 1. 4 billion in intangible assets. The Company has not yet finalized the valuation of these acquired assets as of December 31, 2024. Additional adjustments may be recorded to the fair value of goodwill and intangible assets during the measurement period, a period not to exceed 12 months from the acquisition date.

Accordingly, any determination requiring the write-off of a significant portion of goodwill or intangible assets could negatively impact our results of operations. HUMAN CAPITAL RISKS We depend on our senior management team and other skilled and experienced personnel to operate our business effectively, and the loss of any of these individuals or the failure to attract additional qualified personnel could adversely impact our business, financial condition and results of operations. We are highly dependent on the skills and experience of our senior management team and other skilled and experienced personnel. These individuals possess sales, marketing, manufacturing, logistical, financial, business strategy and administrative skills that are important to the operation of our business. We cannot assure that we will be able to retain all of our existing senior management personnel and skilled and experienced personnel. The loss of any of these individuals or an inability to attract additional qualified personnel could prevent us from implementing our business strategy and could adversely impact our business and our future financial condition or results of operations. The current and future labor markets may impact our ability to retain these individuals. Labor shortages and increased turnover rates, increased employee-related costs, and labor disputes could have a material adverse impact on our operations, results of operations, liquidity and cash flows. Our operations depend on the availability and relative costs of labor and maintaining good relations with our personnel and the labor unions. Several factors have had and may continue to have adverse effects on the labor force available to us, including general economic uncertainty, government regulations, laws and regulations related to workers' health and safety, inflation, wage and hour practices and immigration. Labor shortages and increased turnover rates within our personnel have led to and could in the future lead to increased costs, such as increased costs associated with training new employees and increased wage rates to attract and retain employees. An overall or prolonged labor shortage, lack of skilled labor, increased turnover or labor inflation could have a material adverse impact on our operations, results of operations, liquidity and cash flows. We are also subject to the risk that labor strikes or other types of conflicts with personnel may arise or that we may become the subject of union organizing activity at additional facilities. Renewal of collective bargaining agreements typically involves negotiation, with the potential for work stoppages or increased costs at affected facilities.

We may incur rationalization costs and there can be no assurance that our efforts to reduce costs will be successful. We continually review our manufacturing operations to address market conditions and have reorganized portions of our operations from time to time. We expect to continue to implement initiatives necessary or desirable to improve our business portfolio, address underperforming assets, improve our cost structure, and generate additional cash. The optimization of our manufacturing operations and cost savings programs involve substantial planning and may require additional capital investment, consolidation, integration and upgrading of facilities, functions and systems. These actions could result in a decrease in our short-term earnings as a result of restructuring charges and related impairments and other expenses, including severance costs. While we expect these initiatives to result in profit opportunities and savings throughout our organization, our estimated profits and savings are based on assumptions that may prove to be inaccurate, and as a result, there can be no assurance that we will realize profits and cost savings or that, if realized, these profits and cost savings will be sustained. Failure to achieve or delays in achieving projected levels of efficiencies and cost savings from such measures, or unanticipated inefficiencies resulting from in-process or contemplated manufacturing and administrative reorganization actions, could adversely affect our business, financial condition, results of operations and cash flows.

Significant changes in the factors and assumptions used to measure our defined benefit plan obligations, actual investment returns on pension assets and other factors could have a negative impact on our financial condition or liquidity. We have certain defined benefit pension plans and other post-employment benefit ("OPEB") plans. Our future funding requirements for defined benefit pension and OPEB plans depend upon a number of factors and assumptions, including our actual experience against assumptions with regard to interest rates used to determine funding levels, return on plan assets, benefit levels, participant experience (e. g., mortality and retirement rates), health care cost trends, and applicable regulatory changes. To the extent actual results are less favorable than our assumptions, there could be a material adverse impact on our financial condition and results of operations. Additional risks exist due to the nature and magnitude of our investments, including the implementation of or changes to the investment policy, insufficient market capacity to absorb a particular investment strategy or high-volume transactions, and the inability to quickly rebalance illiquid and long-term investments. If our cash flows and capital resources are insufficient to fund our pension or OPEB obligations, we could be forced to reduce or delay investments and capital expenditures, seek additional capital, or restructure or refinance our indebtedness. RISKS RELATED TO OUR PLANNED ACQUISITION OF MASONITE Our planned acquisition of Masonite may not occur at all or may not occur in the expected time frame, which may negatively affect the trading prices of our stock and our future business and financial results. Completion of the planned acquisition of Masonite is subject to the satisfaction or waiver of customary and other closing conditions. The acquisition is not assured and is subject to risks and uncertainties, including the risk that the necessary regulatory approvals or shareholder approval will not be obtained or that other closing conditions will not be satisfied. We cannot predict whether and when such approvals will be received, or such

conditions will be satisfied. ~~17~~ **ITEM 1A. RISK FACTORS (continued)** Our obligation to complete the planned acquisition of Masonite is not subject to a financing condition. Our obligation to complete the planned acquisition of Masonite is not subject to a financing condition. We have obtained committed financing for \$3.0 billion to pay a substantial portion of the purchase price for the acquisition of Masonite. If any of the banks in the committed financing facility are unable to perform their commitments, we may be required to finance a portion of the purchase price of the planned acquisition at interest rates higher than currently expected. We may not realize the growth opportunities and cost synergies that are anticipated from the planned acquisition of Masonite. The benefits that are expected to result from the planned acquisition of Masonite will depend, in part, on our ability to realize the anticipated growth opportunities and cost synergies as a result of the planned acquisition. Our success in realizing these growth opportunities and cost synergies, and the timing of this realization, depends on the successful integration of Masonite. There can be no assurance that we will successfully or cost-effectively integrate Masonite. The failure to do so could have a material adverse effect on our business, financial condition, and results of operations. Even if we are able to integrate Masonite successfully, this integration may not result in the realization of the full benefits of the growth opportunities and cost synergies that we currently expect from this integration, and we cannot guarantee that these benefits will be achieved within anticipated time frames or at all. For example, we may not be able to eliminate duplicative costs. Additionally, we may incur substantial expenses in connection with the integration of Masonite. While it is anticipated that certain expenses will be incurred to achieve cost synergies, such expenses are difficult to estimate accurately, and may exceed current estimates. Accordingly, the benefits from the planned acquisition may be offset by costs incurred to, or delays in, integrating the businesses. **RISKS RELATED TO OWNERSHIP OF OUR COMMON STOCK** The market price of our common stock is subject to volatility. The market price of our common stock could be subject to wide fluctuations in response to numerous factors, many of which are beyond our control. These factors include actual or anticipated variations in our operational results and cash flow, our earnings relative to our competition, changes in financial estimates by securities analysts, trading volume, sales by holders of large amounts of our common stock, short selling, market conditions within the industries in which we operate, seasonality of our business operations, the general state of the securities markets and the market for stocks of companies in our industry, governmental legislation or regulation and currency and exchange rate fluctuations, as well as general economic and market conditions, such as recessions. We are a holding company with no operations of our own and depend on our subsidiaries for cash. As a holding company, most of our assets are held by our direct and indirect subsidiaries and we will primarily rely on dividends and other payments or distributions from our subsidiaries to meet our debt service and other obligations and to enable us to pay dividends. The ability of our subsidiaries to pay dividends or make other payments or distributions to us will depend on their respective operating results and may be restricted by, among other things, the laws of their jurisdiction of organization (which may limit the amount of funds available for the payment of dividends or other payments), agreements of those subsidiaries, agreements with any co-investors in non-wholly-owned subsidiaries, the terms of our credit and receivables facilities and senior notes and the covenants of any future indebtedness we or our subsidiaries may incur. Provisions in our amended and restated certificate of incorporation and bylaws or Delaware law may discourage, delay or prevent a change in control of the Company or changes in our management and therefore depress the trading price of our common stock. Our amended and restated certificate of incorporation and bylaws contain provisions that could depress the trading price of our common stock through provisions that may discourage, delay or prevent a change in control of the Company or changes in our management that our stockholders may deem advantageous. Additionally, we are subject to Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any “interested” stockholder for a period of three years following the date on which the stockholder became an “interested” stockholder and which may discourage, delay or prevent a change in control of our company. ~~18~~ **ITEM 1A. RISK FACTORS (continued)** Dividend payments on our common stock are not guaranteed and are declared at the discretion of our Board of Directors. Since February 2014, our Board of Directors has declared a quarterly dividend on our common stock. The payment of any future cash dividends to our stockholders is not guaranteed and will depend on decisions that will be made by our Board of Directors and will depend on then-existing conditions, including our operating results, financial conditions, contractual restrictions, corporate law restrictions, capital agreements, applicable laws of the State of Delaware and business prospects.