Risk Factors Comparison 2024-02-27 to 2023-03-01 Form: 10-K

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Our business, results of operations and financial position are subject to various risks, including those discussed below, which may affect the value of our capital stock. The following risk factors, which we believe represent the most significant factors that may make an investment in our capital stock risky, may cause our actual results to differ materially from those projected in any forward- looking statement. You should carefully consider these factors, as well as the other information contained in this Annual Report on Form 10- K, including the information set forth in " Item 1. Business- Forward- Looking Statements " and " Item 7. Management' s Discussion and Analysis of Results of Operations and Financial Position, " when evaluating an investment in our capital stock. Risks Relating to ~~the COVID- 19 Pandemic The COVID- 19 pandemic and global responsive measures have impacted our business and results of operations and could materially adversely affect our business, results of operations and financial position in future periods. The COVID- 19 pandemic continues to have global impacts and has resulted in governmental authorities implementing numerous responsive measures, such as travel bans and other restrictions, including quarantines, shelter- in- place and stay- home orders, transportation disruptions, closures and shutdowns. We maintain significant manufacturing and administrative operations in the U. S., China, Germany, Belgium, England, South Korea and Hungary, and each of these countries has been significantly affected by the outbreak and taken measures to try to contain it and to distribute vaccines as they are approved. In particular, the recent end to ' zero COVID' policies in China may have unpredictable impacts on our operations, suppliers, and customers. In recent months, a significant percentage of our employees in Suzhou, China were diagnosed with COVID, but to- date we have received no reports of permanent disability or death among our employees. We have also modified our business practices in an effort to ensure business continuity while promoting continued employee health and well- being. Collectively, these measures have impacted and are likely to continue to impact our workforce and operations. In addition, the outbreak and associated responsive measures have resulted in significant disruption of the global economy, including increased volatility in financial markets, supply chains and demand for certain goods and services, as well as significant intervention and stimulus measures by governments. There is considerable uncertainty regarding the effect of COVID- 19 as well as current and future responsive measures on our business, including on our workforce and operations. We may experience sustained demand reductions for our products in certain end markets, be unable to satisfy customer demand and face increased operating costs, asset impairments and cash flow reductions, all of which could have a material adverse effect on our business, results of operations and financial position. Risks Relating to~~ Our Business, Strategy and Operations Failure to capitalize on, volatility within, or other adverse changes with respect to the Company' s growth drivers, including ~~advanced mobility~~ **significant growth markets** and ~~advanced connectivity~~ **high growth markets**, may adversely affect our business. We derived approximately ~~32~~ **22** % and ~~15~~ **31** % of our net sales for the year ended December 31, ~~2022~~ **2023** from sales relating to the **significant** ~~key market~~ growth ~~drivers of advanced mobility and advanced connectivity, respectively. These growth drivers are served by our direct and indirect customers in a variety of~~ markets ~~, including automotive~~ (~~i.~~ e. **g.** , ~~ADAS) and~~ EV / HEV **)** ~~, wireless infrastructure~~ and **high growth markets (e. g., ADAS,** portable electronics **, renewable energy and aerospace and defense), respectively**. These growth drivers, as well as specific market and industry trends within them, may be volatile, cyclical and sensitive to a variety of factors, including general economic conditions (including higher inflation and interest rates), demand disruptions (including third- party component availability at our customers), technology disruptions, consumer preferences and political priorities. Adverse or cyclical changes to and within these growth drivers, such as delays in adoption or implementation of new technologies, has resulted in, and may continue to result in, reduced demand for certain of our products, production overcapacity, increased inventory levels and related risks of obsolescence, as well as price erosion, ultimately leading to a decline in our operating results. Acceleration within these growth drivers and corresponding rapid increases in demand for certain products may also require us to make significant capital investments or acquisitions in facilities and information systems and significantly increase our personnel in order to increase production levels and to maintain customer relationships and market positions. However, we may not be able to increase our production levels with sufficient speed or efficiency to capitalize on such increases in demand . We have extensive international operations,...... our relationships with current and potential customers . We face intense global competition, which could reduce demand for our products or create additional pricing pressure on our products. We operate in a highly competitive global environment and compete with domestic and international companies principally on the basis of the following: • innovation; • historical customer relationships; • product quality, reliability, performance and price; • technical and engineering service and support; • breadth of product line; and • manufacturing capabilities. Our competitors include commodity materials suppliers, which offer product substitutions based mostly on price, and suppliers of alternate solutions, which offer product substitutions or eliminations based mostly on disruptive technology. Certain of these competitors have greater financial and other resources than we have and, in some cases, these competitors are well established in specific product niches. We expect that our competitors will continue to improve the design and performance of their products, which could result in the development of products that offer price or performance features superior to our products. Furthermore, our customers may engage in internal manufacturing of products that may result in reduced demand for our products. If we are unable to maintain our competitive advantage for any reason, demand for our products may be materially reduced, which may adversely affect our business, results of operations and financial position. Moreover, as OEMs, particularly in the electronics and automotive markets, seek cost reductions from their supply chains, our customers may make greater demands on us with regard to pricing and other contractual terms. This may adversely affect our gross margins on certain products or exacerbate competition that we face which could ultimately result in lower potential sales. **Our business is dependent upon our development of innovative products and our customers' incorporation of those products into end user products and systems that achieve commercial success. As a manufacturer and supplier of engineered materials and components, our business depends upon our ability to innovate and sell our materials and components for inclusion in other products that are developed, manufactured and sold by our customers. We strive to differentiate our products and secure long- term demand through our engagement with our customers to design in our materials and components as part of their product development processes. The value of any design- in largely depends upon the decision of our customers to manufacture their products or systems in sufficient production quantities, the commercial success of the end product and the extent to which the design of our customers' products or systems could accommodate substitution of competitor products. A consistent failure to introduce new products in a timely manner, achieve design wins or achieve market acceptance on commercially reasonable terms could materially adversely affect our business, results of operations and financial position. The introduction of new products presents particularly significant business challenges in our business because product development commitments and expenditures must be made well in advance of product sales. Macroeconomic conditions could materially adversely affect our business, financial condition, or results of operations. Macroeconomic conditions, such as high inflationary pressure, changes to monetary policy, high interest rates, volatile currency exchange rates, credit and sovereign debt concerns, decreasing consumer confidence and spending, including capital spending, concerns about the stability and liquidity of certain financial institutions, the introduction of or changes in tariffs or trade barriers, and global or local recessions can adversely impact demand for our products, which could negatively impact our business, financial condition, or results of operations. Recent macroeconomic conditions have been adversely impacted by geopolitical instability and military hostilities in multiple geographies (including the conflict between Ukraine and Russia and the conflict between Israel and Hamas), and monetary and financial uncertainties. The results of these macroeconomic conditions, and the actions taken by governments, central banks, companies, and consumers in response, have resulted in, and may continue to result in, higher inflation in the U. S. and globally, which is likely, in turn, to lead to an increase in costs and may cause changes in fiscal and monetary policy, including additional increases in interest rates. Other adverse impacts of recent macroeconomic conditions have been, and may continue to be, supply chain constraints, logistics challenges, liquidity concerns in the broader financial services industry, and fluctuations in labor availability. Our dependence on sole or limited source suppliers for certain of our raw materials could materially adversely affect our ability to manufacture products and materially increase our costs. We rely on sole and limited source suppliers for certain of the raw materials that are critical to the manufacturing of our products. This reliance subjects us to risks related to our potential inability to obtain an adequate supply of required raw materials, particularly given our use of lean manufacturing and just- in- time inventory techniques, and reduces our control over pricing and timing of delivery of raw materials. Our operating results could be materially adversely affected if we were unable to obtain adequate supplies of these materials in a timely manner or if their cost increased significantly. While we believe we could obtain and qualify alternative sources for most sole and limited source supplier materials if necessary, the transition time could be long, particularly if the change requires us to redesign our systems. Ultimately, we may be unable to redesign our systems, which could further increase delays or prevent us from manufacturing our products at all. Even if a system redesign is feasible, increased costs associated with such a redesign would decrease our profit margins, perhaps materially, if we could not effectively pass such costs along to our customers. Further, it would likely result in production and delivery delays, which could lead to lost sales and damage to our relationships with current and potential customers.** We have engaged in transactions in the past and may in the future acquire or dispose of businesses, or engage in other transactions, which expose us to a variety of risks that could materially adversely affect our business operating results and financial position. From time to time, we have explored and pursued transaction opportunities that we believe complement our core businesses, and we expect to do so again in the future. We have also divested and may again consider divesting businesses or assets that we do not regard as part of our core businesses. These transaction opportunities may come in the form of acquisitions, joint ventures, investments, divestitures or other structures. There are risks associated with such transactions, including, without limitation, general business risk, technology risk, market acceptance risk, litigation risk, environmental risk, regulatory approval risk and risks associated with the failure to complete announced transactions. In the case of acquisitions, we may not be able to discover, during the due diligence process or otherwise, all known and unknown risks associated with the business we are acquiring, including the existence of liabilities. We may spend a significant portion of available cash, incur substantial debt or issue equity securities, which would dilute current shareholders' equity ownership, to pay for the acquisitions. In addition, if we are unsuccessful in integrating any acquired company or business into our operations or if integration is more difficult than anticipated, we may experience disruptions that could harm our business and result in our failure to realize the anticipated benefits of the acquisitions. In the case of divestitures, we may agree to indemnify acquiring parties for known or unknown liabilities arising from the businesses we are divesting. We have incurred, and may in the future incur, significant costs in the pursuit and evaluation of transactions that we do not consummate for a variety of reasons. As a result, these transactions may not ultimately create value for us or our shareholders and may harm our reputation and materially adversely affect our business, results of operations and financial position. ~~The failure to attract~~ **Our business strategy includes plans for organic growth,** and ~~retain~~ **our results of operations and financial position could be adversely affected if we fail to grow or fail to manage our growth effectively. As part of our general growth strategy, we expect to continue to pursue organic growth (including the significant capital expenditures associated therewith), while also continuing to evaluate potential acquisitions and expansion opportunities that we believe provide a strategic or geographic fit with our business. Although we have experienced significant growth in our assets and revenues in the past, we may not be able to sustain our historical growth rate or be able to grow at all. Our growth strategy may divert management from our existing business and may require us to incur additional**

expenditures to expand our administrative and operational infrastructure and, if we are unable to effectively manage our growth, including to the satisfaction of our regulators, we could be materially and adversely affected. Consequently, continued organic growth, if achieved, may place a strain on our administrative and operational infrastructure, which could have a material adverse effect on our financial condition and results of operations. We rely on highly specialized technical **personnel** and management ~~personnel~~ **, and the failure to attract and retain these individuals** could impair our expected growth and future success. We depend upon the continued services and performance of key executives, senior management and skilled technical personnel, particularly our sales engineers and other professionals with significant experience in the key industries we serve **. Our ability to compete effectively and our future success depend on our continuing to identify, hire, develop, motivate, and retain highly skilled personnel for all areas of our organization** . Competition for these personnel from other companies, academic institutions and government entities is intense **. In addition** , ~~and~~ our ~~expected growth and future~~ **compensation arrangements, such as our equity award programs, may not always be** ~~success~~ **successful** ~~will depend,~~ in **attracting new employees and retaining and motivating our existing employees. Outside the U. S., it is increasingly important that we** ~~large~~ -- **are also able** ~~part, upon our ability~~ to attract and retain **personnel with relevant local qualifications and experience. We may not be able to continue to attract and retain** ~~these~~ -- **the** ~~individuals~~ **qualified personnel necessary to continue to advance our business and achieve our strategic objectives** . In addition, we have recently appointed ~~a~~ **several** new **senior executives, including our new Senior Vice President and General Manager of AES; Senior Vice President and General Manager of EMS; Senior Vice President, Global Operations and Supply Chain; Vice President, General Counsel and Corporate Secretary; Vice President and** Chief ~~Executive~~ **Technology** Officer **;** and **Senior Vice President and Chief Administrative Officer** ~~have undergone other management changes as we execute on our growth strategy as a standalone company~~ . Our continued performance will depend in part on the success of our new leadership. If we suffer loss or disruption to our facilities, supply chains, distribution systems or information technology systems due to catastrophe or other events, our business could be seriously harmed. Our facilities, supply chains, distribution systems and information technology systems are subject to catastrophic loss or disruption due to fire, flood, earthquake, hurricane, public health crisis, war, terrorism or other natural or man- made disasters or events. If any of these facilities, supply chains or systems were to experience a catastrophic loss or disruption, it could disrupt our operations, delay production and shipments, result in defective products or services, damage customer relationships and our reputation and result in legal exposure and large repair or replacement expenses ~~. For instance, the COVID- 19 pandemic and related quarantines and work and travel restrictions have disrupted, and may continue to disrupt, production of and demand for certain of our products~~ . Additionally, there was a fire at our UTIS manufacturing facility in Ansan, South Korea in early February 2021, which resulted in extensive damage to the manufacturing site. Commercial operations resumed in late 2021, with the launch of a replacement production line at one of our Suzhou, China facilities, and commercial production at our new location in Siheung, South Korea commenced in late- January **2023. Disruptions to our South Korean operations and certain customer relationships in South Korea directly resulting from the closure of the UTIS facility continued to be experienced through** 2023. The extent to which these events will continue to affect our results of operations and financial position remains uncertain. The third- party insurance coverage that we maintain will vary from time to time in both type and amount depending on cost, availability and our decisions regarding risk retention, and may be unavailable or insufficient to protect us against losses or disruptions. **We have extensive international operations,and events and circumstances that have general international consequence or specific impact in the countries in which we operate may materially adversely affect our business.For the year ended December 31,2023,approximately 74 %** of our net sales resulted from sales in foreign markets,with approximately 40 % and ~~27~~ **31** % of such net sales occurring in Asia and Europe,respectively.We expect our net sales in foreign markets to continue to represent a substantial majority of our consolidated net sales.We maintain significant manufacturing and administrative operations in China,Germany,Belgium,England,South Korea and Hungary,and approximately ~~63~~ **64** % of our employees were located outside the U.S.as of December 31, ~~2022~~ **2023** .Risks related to our extensive international operations include the following:• foreign currency fluctuations,particularly in the value of the euro,the Chinese renminbi,the South Korean won,the British pound,the Japanese yen and the Hungarian forint against the U.S.dollar;• economic and political instability due to regional or country- specific events or changes in relations between the U.S.and the countries in which we operate;• accounts receivable practices across countries,including longer payment cycles;• export control or customs matters,including tariffs and trade restrictions;• changes in multilateral and bilateral trade relations **;** • complications in complying,and failure to comply,with a variety of laws and regulations applicable to our foreign operations,including due to unexpected changes in the laws or regulations of the countries in which we operate;• failure to comply with the Foreign Corrupt Practices Act or other applicable anti- corruption laws;• greater difficulty protecting our intellectual property; **and** • compliance with foreign employment regulations,as well as work stoppages and labor and union disputes.The foregoing risks may be particularly acute in emerging markets such as China,where our operations are subject to greater uncertainty due to increased volatility associated with the developing nature of the economic,legal and governmental systems of these countries,changes in bilateral and multilateral arrangements with the U.S.and other governments,and challenges that some multinational customers that are headquartered in emerging markets may have complying fully with U.S.and other developed market extraterritorial regulations.In addition,our business has been,and may continue to be,adversely affected by the lack of development,or disruptions,of transportation or other critical infrastructure,including wireless infrastructure,in emerging markets.If we are unable to successfully manage the risks associated with expanding our global business,or to adequately manage operational fluctuations,it may materially adversely affect our business,results of operations and financial position.Deteriorating trade relations between the U.S.and China,other trade conflicts and barriers,economic sanctions,and Chinese policies to decrease dependence on foreign suppliers could limit or prevent certain existing or potential customers from doing business with us and materially adversely affect our business.The increased trade conflicts between the U.S.and its major trading partners,evidenced by trade restrictions such as tariffs,taxes,export controls,economic sanctions,and enhanced policies designed to protect national security,could adversely impact our business.In particular,we have experienced **in the past** and expect that we may in the future experience impacts on our business due to the increase in trade conflicts between the U.S.and China. ~~The May 2019 U.S.Department of Commerce addition of Huawei Technologies Co.,Ltd.(Huawei) to its " entity list," and subsequently implemented Foreign Direct Products Rules,limited the ability of U.S.and foreign companies to export~~ **Export** ~~products and license technologies to Huawei.Such export~~ controls,as well as retaliatory controls and tariffs that China has imposed and which remain in place to a certain extent under the Phase 1 agreement reached between the U.S.and China on January 15,2020,could continue to restrict our ability to do business with Chinese customers.Further U.S.government actions to protect domestic economic and security interests could lead to further restrictions.China continues to be a fast- developing market and an area of potential growth for us.Sales to customers located in China and the Asia Pacific region have typically accounted for nearly half of our total sales and a substantial majority of our overall sales to customers located outside the U.S.In addition,certain of the end products created in China that incorporate our products are ultimately sold outside of the Asia Pacific region.We expect that revenue from these sales generally,and sales to China and the Asia Pacific region specifically,will continue to be a material component of our total revenue.Therefore,any financial crisis,trade war or dispute or other major event causing business disruption in international jurisdictions generally,and China and the Asia Pacific region in particular,could negatively affect our business,results of operations and financial position.China' s stated policy of reducing its dependence on foreign manufacturers and technology companies has resulted and may continue to result in reduced demand for our products in China.These trends ~~,combined with supply chain disruptions caused by COVID- 19,~~ may lead to increased decoupling of the supply chains for U.S.and Chinese economies,thereby leading to reduced market opportunities and disrupted supply chains for U.S.companies with sales and operations in China.Increased geopolitical tensions between the U.S.and China would likely accelerate these trends.Both countries could pursue policies to reduce their dependence on foreign goods.Such policies could have a material adverse impact on our business,results of operations and financial position.In addition,as a consequence of such policies,there are risks that the Chinese government may,among other things,require the use of local suppliers,compel companies that do business in China to partner with local companies to conduct business,or provide incentives to government- backed local customers to buy from local suppliers rather **than companies like ours,all of which could adversely impact our business,results of operations and financial position.** A significant disruption in, or breach in security of, our information technology systems or violations of data protection laws could materially adversely affect our business and reputation. In the ordinary course of business, we collect and store confidential information, including proprietary business information belonging to us, our customers, suppliers, business partners and other third parties and personally identifiable information of our employees. We rely on information technology systems to protect this information and to keep financial records, process orders, manage inventory, coordinate shipments to customers, and operate other critical functions. Our information technology systems are susceptible to damage, disruptions or shutdowns due to power outages, hardware failures, telecommunication failures, systems upgrades (including the planned implementation of a new enterprise resource planning system) and user errors. If we experience a disruption in our information technology systems, it could result in the loss of sales and customers and significant incremental costs, which could materially adversely affect our business. We are also subject to security breaches caused by computer viruses, illegal break- ins or hacking, sabotage, or acts of vandalism by disgruntled employees or third parties. The risk of a security breach or disruption, particularly through cyberattack or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased, in part because of evolving technologies, the ubiquitous use of the Internet and telecommunications technologies (including mobile devices) to conduct business transactions. Our information technology network and systems have been and, we believe, continue to be under constant attack. Accordingly, despite our security measures or those of our third- party service providers, we have experienced and may in the future experience security breaches, including breaches that we may not be able to detect. Security breaches of our information technology systems, including through mobile devices, could result in the misappropriation or unauthorized disclosure of confidential information belonging to us or to our customers, suppliers, business partners, employees or other third parties, which could result in our suffering significant financial and reputational damage. If we are unable to protect sensitive information, our customers or governmental authorities could question the adequacy of our security processes and procedures and our compliance with applicable laws and regulations, including evolving government cyber security requirements for government contractors. In addition, the processing and storage of certain information is increasingly subject to privacy and data security regulations, and many such regulations are country- specific. The interpretation and application of data protection laws in the U. S., Europe, and elsewhere, including the EU General Data Protection Regulation and the California Consumer Privacy Act, are uncertain, evolving and may be inconsistent among jurisdictions. Compliance with these various laws may be onerous and require us to incur substantial costs or to change our business practices in a manner that adversely affects our business, while failure to comply with such laws may subject us to substantial penalties. Employee benefit cost increases could reduce our profitability. Our profitability is affected by employee benefit costs, particularly medical and other employee benefits. In recent years, employee medical costs have increased due to factors such as the increase in health care costs in the U. S. These factors will continue to put pressure on our business and financial performance, as employee benefit costs continue to escalate. We may not succeed in limiting future cost increases. Continued employee benefit cost increases could have an adverse effect on our results of operations, cash flows and financial position. **Changes in accounting guidance may cause us to experience greater volatility in our financial results. If we are unsuccessful in adapting to and interpreting the requirements of new guidance, or in clearly explaining to shareholders how the new guidance affects reporting of our results of operations, our share price may decline. We prepare our consolidated financial statements to conform to U. S. GAAP. These accounting principles are subject to interpretation by the SEC, FASB, and various bodies formed to interpret and create accounting rules and regulations. Accounting standards, or the guidance relating to**

interpretation and adoption of standards, could have a significant effect on our financial results and could affect our business. Additionally, the FASB and the SEC are focused on the integrity of financial reporting, and our accounting policies are subject to scrutiny by regulators and the public. We cannot predict the impact of future changes to accounting principles or our related accounting policies on our financial statements going forward. In addition, were we to change our accounting estimates, including those related to the timing of revenue recognition and those used to allocate revenue between various performance obligations, our reported revenue and results of operations could be significantly impacted. If we are unsuccessful in adapting to the requirements of any new standard, then we may experience greater volatility in our quarterly and annual results, which may cause our stock price to decline. We may experience difficulties in implementing our new enterprise resource planning system. We are in the midst of a multi- year design and implementation of a new enterprise resource planning system (ERP), which will replace our existing financial and operating systems. The implementation of this ERP requires an investment of significant personnel and financial resources, including substantial expenditures for outside consultants, system hardware and software in addition to other expenses in connection with the transformation of our organizational structure and financial and operating processes. As we work to complete the implementation phase of this ERP, and even after the implementation phase, we may experience additional delays, increased costs and other difficulties, including potential design defects, miscalculations, testing requirements, re- work due to changes in business plans or reporting standards, and the diversion of management' s attention from day- to- day business operations. Additional extended delays could also introduce operational risk, including cybersecurity risks, and other complications. If we are unable to implement this ERP as planned, the effectiveness of our internal control over financial reporting could be adversely affected, our ability to assess those controls adequately could be delayed, and our business, results of operations, cash flows and financial position could be negatively impacted. Legal, Compliance and Regulatory Risks **We are subject to many environmental laws and regulations as well as potential environmental liabilities that could adversely affect our business. We are subject to a variety of federal, state, local and foreign laws, rules and regulations related to the use, storage, handling, discharge or disposal of certain toxic, volatile or otherwise hazardous chemicals, gases and other substances used in manufacturing our products. Some of these laws in the U. S. include the Federal Clean Water Act, Clean Air Act, Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation, and Liability Act, Toxic Substances Control Act, and similar state statutes and regulations. In the EU, we are subject to the EU regulations (and their related national implementing legislation) including the Registration, Evaluation, Authorization and Restriction of Chemicals, the Regulation on the Classification, Labelling and Packaging of Substances and Mixtures and the Industrial Emissions Directive. Compliance with these laws and regulations could require us to incur substantial expenses, including in connection with the acquisition of new equipment. Any failure to comply with present or future environmental laws, rules and regulations could result in criminal and civil liabilities, fines, suspension of production or cessation of certain operations, any of which could have a material adverse effect on our business, results of operations and financial position. By way of example, but not limitation, governmental authorities in the U. S. and in other jurisdictions are increasingly focused on potential contamination resulting from the use of so- called " forever chemicals, " most notable at present are per- and polyfluoroalkyl, substances (PFAS). Products containing PFAS have been used in manufacturing, industrial, and consumer applications over many decades, including in some of our engineered materials and components, and are virtually ubiquitous in parts of the environment. Until recently, these substances were largely unregulated. Nevertheless, over the last few years, PFAS regulation has been evolving rapidly. In 2023, the U. S. Environmental Protection Agency issued a new rule under the Toxic Substances Control Act, requiring manufacturers and importers of PFAS to submit additional reporting information about production volumes, industrial uses, byproducts, worker exposure, and disposal. In 2023, certain EU member states submitted a proposal to the European Chemicals Agency calling for the phase out of the manufacture, import, sale, and use of PFAS substances beginning in late 2025. While PFAS regulation continues to advance at the federal level and in many states, the full scope of such regulation is still being developed. In some cases, PFAS compounds are regulated at, or even below, the ability of current technology to detect their presence, making remediation difficult and complex. We may therefore incur costs in connection with any obligations to transition away from the usage of PFAS- containing products, to dispose of PFAS- containing waste or to remediate any PFAS contamination, which could have a negative effect on our financial position, results of operations and cash flows. New and evolving laws, regulations and rule makings globally are expected to impose different and more restrictive standards and require greater disclosures. They could also require capital investments, incremental personnel resources, could adversely impact our ongoing operations, and could require changes on a more accelerated time frame. Our suppliers are expected to face similar challenges and incur additional compliance costs that may be passed on to us. These direct and indirect costs may adversely impact our results of operations and financial condition, and, if we are unable to comply with legislative and regulatory requirements or meet our sustainability objectives, our reputation and ability to do business could be negatively impacted. In addition, our customers' requirements, priorities and ways of doing business with respect to environmental matters, and climate change specifically, also may have an impact on our business, operations and financial success. For example, in 2022, the SEC issued proposed rule- makings on climate change. The proposed rules, depending on how they are finally adopted, as well as other changes the government might implement, could impose significant new burdens on the company and our suppliers, with significant potential costs and operational impacts, and adversely impact our ability to win business and operate successfully. Environmental matters may significantly impact our business and operations and present evolving risks and challenges. Environmental impacts, including climate change specifically, create short and long- term financial risks to our business globally. Increased worldwide focus on climate change has led to legislative and regulatory**

efforts to combat both potential causes and adverse impacts of climate change, including regulation of greenhouse gas emissions. New or more stringent laws and regulations related to greenhouse gas emissions and other climate change related concerns have affected and will likely continue to affect us, our suppliers and our customers. There can be no assurance the company will meet the evolving sustainability expectations and standards of our investors and other external stakeholders. In addition, some environmental laws impose liability, sometimes without fault, for investigating and / or cleaning up contamination on, or emanating from, properties currently or formerly owned, leased or operated by us, as well as for damages to property or natural resources and for personal injury arising out of such contamination. Such liability may be joint and several, meaning that we could be held responsible for more than our share of the liability involved, or even the entire liability. For additional information regarding our material legal proceedings, refer to " Note 10 – Commitments and Contingencies " to " Item 8. Financial Statements and Supplementary Data. " Our business may be materially adversely affected if we cannot protect our proprietary technology or if we infringe the proprietary rights of others. Our proprietary technology supports our ability to compete effectively with other companies, and we seek to protect our intellectual property rights by obtaining domestic and foreign patents, trademarks and copyrights, and maintaining trade secrets ~~for our manufacturing processes~~ . It is possible, however, that our efforts to obtain such protection in the U. S. and abroad will be unsuccessful or that the protection afforded will not be sufficiently broad to protect our technology. Even if domestic and foreign laws do grant initial protection to our technology, our competitors or other third parties may subsequently obtain and unlawfully copy, use or disclose our technologies, products, and processes. We believe that the risk of piracy of our technology is particularly acute in the foreign countries in which we operate. In circumstances in which we conclude that our proprietary technology has been infringed, we have pursued, and may again pursue, litigation to enforce our rights. The defense and prosecution of intellectual property infringement suits are both costly and time consuming, even if the outcome is favorable to us. If we are not successful in protecting our proprietary technology or if the protection afforded to us is not sufficiently broad, our competitors may be able to manufacture and offer products substantially similar to our own, thereby reducing demand for our products and adversely affecting our results of operations and financial position. We may also be adversely affected by, and subject to increased competition as a result of, the normal expiration of our issued patents. Our competitors or other third parties may also assert infringement or invalidity claims against us in the future. In addition to the significant costs associated with such suits, as noted above, an adverse outcome could subject us to significant liabilities to third parties and require us to license rights from third parties or cease selling our products. Any of these events may have a material adverse effect on our business, results of operations and financial position. As a multinational corporation doing business in the U. S. and various foreign jurisdictions, changes in tax laws or exposures to additional tax liability could negatively impact our operating results. As a result of the variability and uncertainty in global taxation, we are subject to a wide variety of tax- related risks, any of which could provoke changes in our global structure, international operations or intercompany agreements, which could materially reduce our net income in future periods or result in restructuring costs, increased effective tax rates and other expenses. Given the global nature of our business, a number of factors may increase our effective tax rates or otherwise subject us to additional tax liability, including: • decisions to redeploy foreign earnings outside of their country of origin for which we have not previously provided for income taxes; • increased scrutiny of our transactions by taxing authorities; • changes in the geographic mix of our profits among jurisdictions with differing statutory income tax rates; • ability to utilize, or changes in the valuation of, deferred tax assets; and • changes in tax laws, regulations and interpretations thereof or issuance of new interpretations of laws or regulations applicable to us. For instance, many foreign jurisdictions are actively considering **, and some have enacted,** changes to existing tax laws as a result of the base erosion and profit shifting project undertaken by the ~~Organization for Economic Co- operation and Development (~~ OECD ~~)~~ . ~~If~~ **As** these changes are enacted, our tax obligations could increase in countries where we do business or sell our products. The terms of our credit agreement subject us to risks, including potential acceleration of our outstanding indebtedness if we fail to satisfy financial ratios and comply with numerous covenants. Our credit agreement **with JPMorgan Chase** contains, and any future debt agreements into which we enter may contain, certain financial ratios and certain restrictive covenants that, among other things, limit our ability to incur indebtedness or liens, acquire other businesses, dispose of assets, or make investments. Our ability to make scheduled payments on these borrowings and to satisfy financial ratios may be adversely affected by changes in economic or business conditions beyond our control, while the restrictive covenants to which we are subject may limit our ability to take advantage of potential business opportunities as they arise. Failure to satisfy these financial ratios or to comply with the covenants in our credit agreement would constitute a default. An uncured default with respect to one or more of our covenants could result in outstanding borrowings thereunder being declared immediately due and payable, which may also trigger an obligation to repay other outstanding indebtedness. Any such acceleration of our indebtedness would have a material adverse effect on our cash flows, financial position and results of operations ~~. Our credit agreement historically permitted us to borrow euro- currency loans that bear interest based on the London interbank offered rate (LIBOR), plus a specified spread. As announced in March 2021 by the United Kingdom' s Financial Conduct Authority (FCA) and LIBOR' s administrator, the publication of the one- week and two- month USD LIBOR maturities and non- USD LIBOR maturities ceased immediately after December 31, 2021, with the remaining USD LIBOR maturities ceasing immediately after June 30, 2023. Certain LIBOR borrowings may now be unavailable. Rogers Corporation and JPMorgan Chase Bank, N. A. entered into an amendment to our credit agreement that provides for a new benchmark interest rate to replace the discontinued LIBOR reference rates as necessary. There is a risk that this new reference rate may be higher than our projected future LIBOR interest rates, thereby causing the cost of our borrowings to increase~~ . We may be adversely affected by litigation stemming from product liability and other claims. Our products may contain defects that we do not detect before sale, which may lead to warranty or damage claims against us or product recalls. We are involved in various unresolved legal matters that arise in the ordinary course of our operations or otherwise, including asbestos- related product liability claims related to our operations before the 1990s. For additional information, refer to " Item 3. Legal Proceedings " and " Note ~~12~~ **10** – Commitments and

Contingencies " to " Item 8. Financial Statements and Supplementary Data. " We maintain insurance coverage with respect to certain claims, but the policy coverage limits may not be adequate or cover a particular loss. Costs associated with, among other things, the defense of, or settlements or judgments relating to, claims against us that are not covered by insurance or that result in settlements in excess of insurance coverage may adversely affect our business, results of operations and financial position. Irrespective of insurance coverage, claims against us could divert the attention of our senior management and / or result in reputational damage, thereby adversely affecting our business. Our projections on the potential exposure and expected insurance coverage relating to our asbestos- related product liability claims are based on a number of assumptions, including the number of new claims to be filed each year, the average cost of disposing of such claims, the length of time it takes to dispose of such claims, coverage issues among insurers and the continuing solvency of various insurance companies, as well as the numerous uncertainties surrounding asbestos litigation in the U. S. **The full extent of our financial exposure to asbestos- related litigation remains very difficult to estimate and could include both compensatory and punitive damage awards.** To the extent such assumptions are inaccurate, the net liabilities that we have recorded in our financial statements may fail to approximate the losses we could suffer in connection with such claims. We **may incur substantial costs to comply with climate change legislation and related regulatory initiatives. There has been a broad range of proposed or promulgated international, national and state laws and / or regulations focusing on greenhouse gas (GHG) emission reduction and global climate change. These proposed or promulgated laws and / or regulations apply or could apply in countries where we have interests or may have interests in the future. Laws and regulations in this field continue to evolve and, while they are likely to be increasingly widespread and stringent, at this stage it is not possible to accurately estimate either a timetable for implementation or our future compliance costs relating to implementation. Under the 2015 Paris Agreement, parties to the United Nations Framework Convention on Climate Change agreed to undertake ambitious efforts to reduce GHG emissions and strengthen adaptation to the effects of climate change. Jurisdictions in which we operate, including, in particular, the EU, are preparing national legislation and protection plans to implement their emission reduction commitments under the Paris Agreement. In June 2021, the European Climate Law set legally binding targets of net zero GHG emissions by 2050, and a 55 % reduction in GHG emissions by 2030. In December 2022, the EU announced forthcoming regulations to support the 2030 climate target, including a revision of the EU Emissions Trading System (ETS), and the introduction of a Carbon Border Adjustment Mechanism. Our operations in Europe participate in the ETS and we meet our obligations through a combination of free and purchased emission allowances. We anticipate the forthcoming regulations will result in an accelerated reduction of our free allowances and higher market prices for purchased allowances. These and other future regulations could result in increased costs, additional capital expenditures, and / or restrictions on operations. In the U. S., addressing climate change is a stated priority of the current presidential administration, and in February 2021, the U. S. recommitted to the Paris Agreement after having withdrawn in August 2017. The U. S. Environmental Protection Agency, in addition to several state governments, promulgated regulations directed at GHG emissions reductions from certain types of facilities. Additional regulations could be forthcoming at the U. S. federal or state level that could result in increased operating costs for compliance, required acquisition or trading of emission allowances, or compliance costs associated with additional regulatory frameworks for a range of potential carbon reduction projects, including carbon capture, use, and sequestration projects. Additionally, demand for the products we produce may be reduced. Failure to meet environmental, social and governance (ESG) expectations or standards or achieve our ESG goals could adversely affect our business, results of operations, financial condition, or stock price. There has been an increased focus from regulators and stakeholders on ESG matters. Given our commitment to ESG, we actively manage these issues and have established and publicly announced certain goals, commitments, and targets which we may refine or even expand further in the future. These goals, commitments, and targets reflect our current plans and aspirations and are based on available data and estimates. However, these are not guaranteed outcomes and** are subject to **numerous factors, both within and outside of our control. Initiatives to address such ESG issues** ~~many~~ **may** ~~environmental~~ **be costly and may not have the desired effect. Evolving stakeholder expectations and our efforts and ability to manage these issues and accomplish our goals, commitments, and targets present numerous operational, regulatory, reputational, financial, legal, and other risks, any of which may be outside of our control or could have adverse impacts on our business, including on our stock price. Our failure or perceived failure to achieve some or all of our ESG goals or maintain ESG practices that meet evolving stakeholder expectations or regulatory requirements could harm our reputation, adversely impact our ability to attract and retain employees or customers and expose us to increased scrutiny from the investment community, regulatory authorities and others or subject us to liability. Further, there is uncertainty around the accounting standards and climate- related disclosures associated with emerging** laws and **reporting requirements and the related costs to comply with the emerging** regulations **. Our failure, or even the perceived failure, to achieve our ESG goals or maintain ESG practices that meet evolving stakeholder expectations or regulatory requirements could harm our reputation. This could adversely impact our ability to attract and retain customers and talent, and expose us to increased scrutiny from the investment community and enforcement authorities. Furthermore, perceptions about our action or inaction on certain ESG- related issues could also harm our reputation, particularly if stakeholders disagree with our goals and initiatives. Damage to our reputation and loss of brand equity may reduce demand for our products and services, adversely affecting our future financial performance and stock price,** as well as ~~potential environmental liabilities that~~ **require additional resources to rebuild our reputation. Our business** could ~~adversely~~ **be negatively** ~~affect~~ **affected as** ~~our business. We are subject to~~ a ~~variety~~ **result** of ~~federal~~ **actions of activist shareholders** , ~~state, local~~ and **such activism could impact** ~~foreign laws, rules and regulations related to~~ the **trading value of** ~~use, storage, handling, discharge or~~ **our** ~~disposal~~ **securities. In recent years, shareholder activists have become involved in numerous public companies. While we strive to maintain constructive**

communications with our shareholders, activist shareholders have engaged and may, from time to time, engage in proxy solicitations or shareholder proposals, or otherwise attempt to effect changes and assert influence on our board of **directors and management. For example, as previously reported, in February 2023, after an activist shareholder provided notice of its intention to conduct a proxy contest to seek to elect several director candidates to our board of directors, we entered into a settlement agreement with the shareholder and** certain ~~toxic~~ **of its affiliates regarding** , **among** ~~volatile or otherwise hazardous chemicals, gases and~~ other **things, changes to** ~~substances used in manufacturing our products. Some of these~~ -- **the** ~~laws in the U. S.~~ **composition of our board of directors,** ~~include~~ **including** the ~~Federal Clean Water Act, Clean Air Act, Resource Conservation~~ **appointment of two new independent directors. Responding to actions by activist shareholders can be costly** and ~~Recovery Act~~ **time- consuming** , **disrupting our operations** ~~Comprehensive Environmental Response, Compensation,~~ and **diverting the attention of management and our employees. Such activities could interfere with our** ~~Liability~~ -- **ability to execute our strategic plan** ~~Act, Toxic Substances Control Act, and similar state statutes and regulations~~ . In **addition** ~~the European Union (EU)~~ , **a proxy contest for** ~~we are subject to the EU regulations (and their~~ -- **the election** ~~related national implementing legislation) including the Registration, Evaluation, Authorization and Restriction~~ of **directors at our annual meeting** ~~Chemicals, the Regulation on the Classification, Labelling and Packaging~~ of **shareholders** ~~Substances and Mixtures and the Industrial Emissions Directive. Compliance with these laws and regulations could~~ **would** require us to incur ~~substantial~~ **significant legal fees and proxy solicitation** expenses **and require significant time and attention by management and** ~~, including in connection with the acquisition of new equipment. Any failure to comply with present or~~ **our board of directors. The perceived uncertainties as to our** future **direction also** ~~environmental laws, rules and regulations~~ could ~~result in criminal and civil liabilities, fines, suspension of production or cessation of certain operations, any of which could have a material adverse effect~~ **affect** ~~on our business, results of operations and financial position. For example, governmental authorities in the U. S. and in other~~ -- **the market price** ~~jurisdictions are increasingly focused on potential contamination resulting from the use of so- called “ forever chemicals, ” most notably per-~~ and **volatility** ~~polyfluoroalkyl, substances (PFAS). Products containing PFAS have been used in manufacturing, industrial, and consumer applications over many decades, including in some~~ of ~~our engineered materials and components. In 2021, the Biden Administration announced a multi- agency plan to address PFAS contamination and the U. S. Environmental Protection Agency released its PFAS Strategic Roadmap, which identified a comprehensive approach to addressing PFAS. We may incur costs in connection with any obligations to transition away from the usage of PFAS- containing products, to dispose of PFAS- containing waste or~~ **our securities** ~~to remediate any PFAS contamination, which could have a negative effect on our financial position, results of operations and cash flows~~ . ~~In addition, some environmental laws impose liability, sometimes without fault, for investigating and / or cleaning up contamination on, or emanating from, properties currently or formerly owned, leased or operated by us, as well as for damages to property or natural resources and for personal injury arising out of such contamination. Such liability may be joint and several, meaning that we could be held responsible for more than our share of the liability involved, or even the entire liability. For additional information regarding our material legal proceedings, refer to “ Note 12 – Commitments and Contingencies ” to “ Item 8. Financial Statements and Supplementary Data. ”~~