

## Risk Factors Comparison 2024-11-12 to 2023-11-08 Form: 10-K

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In the ordinary course of our business, we face various strategic, operating, compliance, **cybersecurity**, and financial risks. These risks could have an impact on our business, financial condition, operating results, and cash flows. Our most significant risks are set forth below and elsewhere in this Annual Report on Form 10- K. Our Enterprise Risk Management (ERM) process seeks to identify and address significant risks. Our ERM process assesses, manages, and monitors risks consistent with the integrated risk framework in the Enterprise Risk Management- Integrated Framework (2017) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). We believe that risk- taking is an inherent aspect of the pursuit of our strategy. Our goal is to manage risks prudently rather than avoid risks. We can mitigate risks and their impact on the Company only to a limited extent. A team of senior executives prioritizes identified risks and assigns an executive to address each major identified risk area and lead action plans to manage risks. Our Board of Directors provides oversight of the ERM process and reviews significant identified risks. The Audit Committee of the Board of Directors also reviews significant financial risk exposures, and the steps management has taken to monitor and manage them. Our other Board committees also play a role in risk management, as set forth in their respective charters. Our goal is to proactively manage risks using a structured approach in conjunction with strategic planning, with the intent to preserve and enhance shareowner value. However, the risks set forth below and elsewhere in this Annual Report on Form 10- K and other risks and uncertainties could adversely affect us and cause our results to vary materially from recent results or from our anticipated future results. Industry and Economic Risks Adverse changes in macroeconomic or industry conditions may result in decreases in our sales and profitability. We are subject to macroeconomic cycles and when recessions occur, we may experience reduced, canceled or delayed orders, payment delays or defaults, supply chain disruptions, or other adverse events as a result of the economic challenges faced by our customers, prospective customers, and suppliers. As our ~~product lead times are stabilizing, orders may decline as our~~ distributor partners and customers work to **manage lower their** working capital ~~and by reducing~~ inventory levels, **we may experience volatility in orders**. Demand for our hardware and software products, solutions, and services is sensitive to changes in levels of production and the financial performance of major industries that we serve. As economic activity slows, credit markets tighten, or sovereign debt concerns arise, companies tend to reduce their levels of capital spending, which could result in decreased demand for our hardware and software products, solutions, and services. As a global company operating in over 100 countries, we face risks related to foreign currency markets. A strengthening U. S. Dollar (USD) may adversely impact our sales and profitability related to business we do outside the U. S. Economic, political, regulatory, and compliance risks, particularly in emerging markets, can restrict our ability to exchange, transact, or pay dividends with foreign currencies we hold. Oil & Gas is a major industry that we serve, including through our Sensia joint venture. When adverse Oil & Gas industry events arise, companies may reduce their levels of spending, which could result in decreased demand for our hardware and software products, solutions, and services. Demand for our hardware and software products, solutions, and services is sensitive to industry volatility and risks including those related to commodity prices, supply and demand dynamics, production costs, geological and political activities, and environmental regulations including those intended to reduce the impact of climate change. We face the potential harms of natural disasters, including those as a result of climate change, pandemics, acts of war, terrorism, international conflicts, or other disruptions to our operations, the duration and severity of which are highly uncertain and difficult to predict. Our business depends on the movement of people and goods around the world. Natural disasters (including but not limited to those as a result of climate change), pandemics, acts or threats of war or terrorism, international conflicts, power outages, fires, explosions, equipment failures, sabotage, political instability, and the actions taken by governments could cause damage to or disrupt our business operations, **our distribution network**, our suppliers or our customers, and could create economic instability. Disruptions to our information technology (IT) infrastructure from system failures, shutdowns, power outages, telecommunication or utility failures, and other events, including disruptions at third- party IT and other service providers, could also interfere with or disrupt our operations. Although it is not possible to predict such events or their consequences, these events could decrease demand for our hardware and software products, solutions, or services, increase our costs, or make it difficult or impossible for us to deliver products, solutions, or services. Our industry is highly competitive. We face strong competition in all of our market segments in several significant respects. We compete based on breadth and scope of our hardware and software product portfolio and solution and service offerings, technology differentiation, the domain expertise of our employees and partners, product performance, quality of our hardware and software products, solutions, and services, knowledge of integrated systems and applications that address our customers' business challenges, pricing, delivery, and customer service. The relative importance of these factors differs across the geographic markets and product areas that we serve and across our market segments. We seek to maintain competitive pricing levels across and within geographic markets by continually developing advanced technologies for new hardware and software products and product enhancements and offering complete solutions for our customers' business problems. ~~In addition, we continue to drive productivity to reduce our cost structure.~~ If we fail to achieve our objectives, to keep pace with technological changes **including the development of artificial intelligence and machine learning**, or to provide high quality hardware and software products, solutions, and services, we may lose business or experience price erosion and correspondingly lower sales and margins. We expect the level of competition to remain high in the future, which could limit our ability to maintain or increase our market share or profitability. Volatility and disruption of the capital and credit markets may result in increased costs to maintain our capital structure. Our ability to access the credit markets and the costs of borrowing are affected by the strength of our credit rating and current market conditions. If our access to credit,

including the commercial paper market, is adversely affected by a change in market conditions or otherwise, our cost of borrowings may increase or our ability to fund operations may be reduced. Business and Operational Risks We rely on suppliers to provide equipment, components, and services. Our business requires that we buy equipment, components, and services including finished products, electronic components, and commodities. Our reliance on suppliers involves certain risks, including:

- shortages of components, commodities, or other materials, which could adversely affect our manufacturing efficiencies and ability to make timely delivery of our products, solutions, and services;
- changes in the cost of these purchases due to inflation, exchange rate fluctuations, taxes, tariffs, commodity market volatility, or other factors that affect our suppliers;
- poor quality or an insecure supply chain, which could adversely affect the reliability and reputation of our hardware and software products, solutions, and services;
- embargoes, sanctions, and other trade restrictions that may affect our ability to purchase from various suppliers; and
- intellectual property risks such as challenges to ownership of rights or alleged infringement by suppliers.

Any of these uncertainties could adversely affect our profitability and ability to compete. We also maintain several single- source supplier relationships because either alternative sources are not available, or the relationship is advantageous due to performance, quality, support, delivery, capacity, or price considerations. Unavailability of, or delivery delays for, single- source components or products could adversely affect our ability to ship the related products in a timely manner. The effect of unavailability or delivery delays would be more severe if associated with our higher volume and more profitable products. Even where substitute sources of supply are available, qualifying alternative suppliers and establishing reliable supplies could cost more or result in delays and a loss of sales.

**Failures** Our business success depends on attracting, developing, and retaining highly qualified employees. Our success depends on the efforts and abilities of our **or security breaches** leadership team and employees across the Company. The skills, experience, and industry knowledge of our **commercial product offerings (which includes hardware** employees significantly benefit our operations and performance. The market for employees and leaders with certain skills and experiences is very competitive, **software** and difficulty attracting, developing **services**, and **solutions** retaining members of our leadership team and key employees could have a negative effect on our business, **manufacturing** operating results, and financial condition. Maintaining a positive and inclusive culture and work environment, **supply chain** offering attractive compensation, benefits, **or information** and **operational** development opportunities, and effectively implementing processes and technology **systems** that enable our employees to work effectively and efficiently are important to our ability to attract and retain employees. We sell to customers around the world and are subject to the risks of doing business in many countries. We do business in more than 100 countries around the world. In addition, our manufacturing operations, suppliers, and employees are located in many places around the world. Less than half of our total sales in 2023 were to customers outside the U. S. The future success of our business depends on growth in our sales in all global markets. Our global operations are subject to numerous financial, legal, and operating risks, such as political and economic instability; prevalence of corruption in certain countries; enforcement of contract and intellectual property rights; and compliance with existing and future laws, regulations, and policies, including those related to exports, imports, tariffs, embargoes and other trade restrictions (including sanctions placed on Russia); investments, taxation, product content and performance, employment, and repatriation of earnings. In addition, we are affected by changes in foreign currency exchange rates, inflation rates, and interest rates. The occurrence or consequences of these risks may make it more difficult to operate our business and may increase our costs, which could decrease our profitability and have an adverse effect on our financial condition. Failures or security breaches of our products, connected services, manufacturing environment, supply chain, or information and operational technology systems could have an adverse effect on our business. We rely heavily on technology in our **commercial** hardware and software products- **product offerings**, solutions, and services for **use in** our customers' manufacturing environment, and in our enterprise infrastructure. Despite the implementation of security measures, our systems are vulnerable to unauthorized access by nation states, hackers, cyber- criminals, malicious insiders, and other actors who may engage in fraud, theft of confidential or proprietary information, or sabotage. Our systems could be compromised by malware (including ransomware), cyber- attacks, and other events, ranging from widespread, non- targeted, global cyber threats to targeted advanced persistent threats. Given that our **commercial** hardware and software products- **product offerings can be**, solutions, and services are used in critical infrastructure **and critical manufacturing**, these threats could indicate increased risk for our **commercial products- product offerings**, services, solutions, manufacturing, and IT infrastructure **effect on our business or financial condition**. Our information security efforts, **under the leadership of our Chief Information Security Officer and Chief Product Security Officer, with the support of the entire management team**, include **major** programs designed to address security governance **and risk**, compliance- **product security**, **identification** risk management, secure development and engineering, data protection **of critical assets**, insider risk, third- party risk, security awareness, access management, incident response, and security- **cyber defense** operations in support of enterprise security and product security. We believe these measures reduce, but cannot eliminate, the risk of a cybersecurity incident **internally or externally**. Any significant security incidents could have an adverse impact on sales, harm our reputation, and cause us to incur legal liability and increased costs to address such events and related security concerns. **Product**. Past global cyber- attacks have also been perpetuated by compromising software updates in widely used software products, **increasing posing** the risk that vulnerabilities or malicious content could be inserted into our products. In some cases, **it is possible that** malware attacks **were could** spread throughout the supply chain, moving from one company to the next via authorized network connections. **We have designed a Secure Development Lifecycle Program that incorporates appropriate security activities into the necessary development and support practices for our commercial product offerings. The Secure Development Lifecycle Program is audited annually by third- party firms.** Our hardware and software products, solutions,..... customer networks. In addition, our Third- Party Risk Program manages risk posed by our suppliers **used in customers' systems depends on how those-- the development** systems are designed, installed, protected, configured, updated, and monitored, and much of this is typically outside our control **commercial product offerings. While we continue to improve the** In addition, both software and hardware supply chains

introduce security vulnerabilities into many attributes of our commercial products -- product across the industry offerings, we can reduce risk, but not eliminate it. **Enterprise Security** Our business uses technology resources on across a dispersed, global basis for a wide variety of functions including development, engineering, manufacturing, sales, accounting and financial reporting, and human resources. Our vendors, partners, employees, and customers have access to, and share, information across multiple locations via various digital technologies. In addition, we rely on partners and vendors, including cloud providers, for a wide range of products and outsourced activities as part of our internal IT infrastructure and our commercial product offerings. Secure connectivity is important to these ongoing operations. Also, our partners and vendors frequently have access to our confidential information as well as confidential information about our customers, employees, and others. We design our security architecture to reduce the risk that a compromise of our partners' infrastructure, for example a cloud platform, could lead to a compromise of our internal systems or customer networks. In addition, **our Third-Party Risk Program manages risk posed by our suppliers** that have access to our confidential information, systems, or network, but this risk cannot be eliminated and vulnerabilities at third parties could result in unknown risk exposure to our business and information. In addition, **cyber security** threats may pose a significant risk to our third-party partners and could have a material adverse impact on their businesses, operations, products, and services that we use in our day-to-day operations. **An inability to successfully execute cost productivity and margin expansion initiatives. Financial results depend on the successful execution of our business operating plans, including current and future cost productivity and margin expansion initiatives. We continuously pursue alignment of costs with business and economic conditions. Productivity projects include savings in the areas of product cost, indirect cost, administrative costs, purchased services, logistics, manufacturing workflows, make or buy decisions in manufacturing, product portfolio and price optimization. Our ongoing productivity initiatives target both cost reduction and improved asset utilization. Charges for workforce reduction and facility rationalization may be required in order to efficiently execute our productivity programs. There is a risk that these initiatives will not result in the projected savings that we anticipate and could negatively impact our business and financial results. Our business success depends on attracting, developing, and retaining highly qualified employees. Our success depends on the efforts and abilities of our leadership team and employees across the Company. The current cyber threat skills, experience, and industry knowledge of our employees significantly benefit our operations and performance. The market for employees and leaders with certain skills and experiences is very competitive, and difficulty attracting, developing, and retaining members of our leadership team and key employees could have a negative effect on our business, operating results, and financial condition. Maintaining a positive and inclusive culture and work environment indicates increased, offering attractive compensation, benefits, and development opportunities, and effectively implementing processes and technology that enable our employees to work effectively and efficiently are important to our ability to attract and retain employees. We sell to customers around the world and are subject to the risk risks for of doing business in many countries. We do business in more than 100 countries around the world. In addition, our manufacturing operations, suppliers, and employees are located in many places around the world. The future success of our business depends on growth in our sales in all companies global markets. Our global operations are subject to numerous financial, legal, and operating risks, such as political and economic instability; prevalence of corruption in certain countries; enforcement of contract and intellectual property rights; and compliance with existing and future laws, regulations, and policies**, including those in industrial automation related to exports, imports, tariffs, embargoes and information technology. Like other global companies trade restrictions, investments, taxation, product content and performance, employment, and repatriation of earnings. In addition, we are affected by changes in foreign currency exchange rates, inflation rates, and interest rates. The occurrence or consequences of these risks may make it more difficult to operate our business and may increase our costs, which could decrease our profitability and have experienced cyber threats and -- an incidents, although none have been material or had a material adverse effect on our business or financial condition. **Our information security efforts, under..... address such events and related security concerns**. An inability to respond to changes in customer preferences could result in decreased demand for our products. Our success depends in part on our ability to anticipate and offer hardware and software products and services that appeal to the changing needs and preferences of our customers in the various markets we serve. Developing new hardware and software products and service offerings requires high levels of innovation, and the development process is often lengthy and costly. If we are not able to anticipate, identify, develop, and market products that respond to changes in customer preferences and emerging technological and broader industry trends, **including the development of artificial intelligence and machine learning**, demand for our products could decline. There are inherent risks in our solutions and services businesses. Risks inherent in the sale of solutions and services include assuming greater responsibility for successfully delivering projects that meet a particular customer specification, including defining and controlling contract scope, efficiently executing projects, and managing the performance and quality of our subcontractors and suppliers. If we are unable to manage and mitigate these risks, we could incur cost overruns, liabilities, and other losses that would adversely affect our results of operations. We rely on our distribution channel for a substantial portion of our sales. In North America, a large percentage of our sales are through distributors. In certain other countries, the majority of our sales are also through a limited number of distributors. We depend on the capabilities and competencies of our distributors to sell our hardware and software products, solutions, and services and deliver value to our customers. Disruptions to our existing distribution channel or the failure of distributors to maintain and develop the appropriate capabilities to sell our hardware and software products, solutions, and services could adversely affect our sales. A disruption could result from the sale of a distributor to a competitor, financial instability of a distributor, or other events. Intellectual property infringement claims of others and the inability to protect our intellectual property rights could harm our business and our customers. Others may assert intellectual property infringement claims against us or our customers. We frequently provide a limited intellectual property indemnity in connection with our terms and conditions of sale to our customers and in other types of contracts with third parties.

Indemnification payments and legal expenses to defend claims could be costly. In addition, we own the rights to many patents, trademarks, brand names, and trade names that are important to our business. The inability to **secure or** enforce our intellectual property rights ~~(including as a result of counterfeit products and sales made by unauthorized resellers)~~ may have an adverse effect on our results of operations. ~~Expenses related to enforcing~~ **Unauthorized resellers and counterfeiters of Company-branded products of inferior quality or that may otherwise** intellectual property rights could be **significant materially different from genuine goods sold by the Company and its authorized distributors may harm the goodwill and reputation of the Company and could adversely affect our results of operations**. Increasing employee benefit costs and funding requirements could have a negative effect on our operating results and financial condition. One important aspect of attracting and retaining qualified personnel is continuing to offer competitive employee retirement and health care benefits. The expenses we record for our pension and other postretirement benefit plans depend on factors such as changes in market interest rates, the value **and investment performance** of plan assets, mortality assumptions, and healthcare trend rates. Significant unfavorable changes in these factors would increase our expenses and funding requirements. Expenses and funding requirements related to employer-funded healthcare benefits depend on laws and regulations, which could change, as well as healthcare cost inflation. An inability to control costs and funding requirements related to employee and retiree benefits could negatively impact our operating results and financial condition. Strategic Transactions and Investments Risks Failure to identify, manage, complete, and integrate strategic transactions may adversely affect our business or we may not achieve the expected benefits of these transactions. As part of our strategy, we pursue strategic transactions, including acquisitions, joint ventures, investments, and other business opportunities and purchases of technology from third parties. In order to be successful, we must identify attractive transaction opportunities, effectively complete the transaction, and manage post-closing matters, such as integration of the acquired business or technology (including related personnel) and cooperation with our joint venture and other strategic partners. We may not be able to identify, or complete beneficial transaction opportunities given the intense competition for them. Completing these transactions requires favorable environments and we may encounter difficulties in obtaining the necessary regulatory approvals in both domestic and foreign jurisdictions. Even if we successfully identify and complete such transactions, we may not achieve the expected benefits of such transactions and we may not be able to successfully address risks and uncertainties inherent in such transactions, including: • difficulties in integrating the purchased or new operations, technologies, products or services, retaining customers, and achieving the expected benefits of the transaction, such as sales increases, access to technologies, cost savings, and increases in geographic or product presence, in the desired time frames; • loss of key employees or difficulties integrating personnel; • legal and compliance issues; • unknown or undisclosed and unmitigated ~~cyber-~~**cybersecurity** risks to purchased systems, products, and services; • difficulties implementing and maintaining consistent standards, financial systems, internal and other controls, procedures, policies, and information systems; • difficulties maintaining relationships with our joint venture and other strategic partners (including as a result of such joint venture and other strategic partners having differing business objectives) and managing disputes with such joint venture and other strategic partners that may arise in connection with our relationships with them; and • difficulties in yielding the desired strategic or financial benefit from venture capital investments, including as a result of being a minority investor or macroeconomic conditions. Strategic transactions and technology investments could result in debt, dilution, liabilities, increased interest expense, restructuring charges, and impairment and amortization expenses related to goodwill and identifiable intangible assets. Legal, Tax, and Regulatory Risks New legislative and regulatory actions could adversely affect our business. Legislative and regulatory action, including those related to corporate income taxes, the environment, materials, products, certification, and labeling, privacy, cybersecurity, or climate change, may be taken in the jurisdictions where we operate that may affect our business activities or may otherwise increase our costs to do business. In October 2021, the Organization for Economic Cooperation and Development (OECD) and G20 Finance Ministers reached an agreement, known as Base Erosion and Profit Shifting (BEPS) Pillar Two, that, among other things, ensures that income earned in each jurisdiction that ~~a-qualifying multinational enterprise~~ **enterprises operate** ~~operate~~ in is subject to a minimum corporate income tax rate of at least 15%. Discussions related to the formal implementation **and enactment** of this agreement, including within the tax law of each member jurisdiction including the United States, are ongoing. **Certain countries have enacted the Pillar Two framework, including Singapore, which is expected to result in the greatest impact to the Company.** Enactment of this regulation in its current form would **generally apply to the Company beginning in fiscal year 2026, resulting in an increase in our effective tax rate as well as in** the amount of global corporate income tax paid ~~by the Company~~. We are increasingly required to comply with various environmental and other material, product, certification, and labeling laws and regulations (including the emerging European Union Eco-design for Sustainable Products Regulation). Our customers may also be required to comply with such legislative and regulatory requirements. These requirements could increase our costs and could potentially have an adverse effect on our ability to do business in certain jurisdictions. Changes in these requirements could impact demand for our hardware and software products, solutions, and services. The growing focus on environmental, social, and governance (ESG) factors by investors and other stakeholders and evolving compliance requirements by regulators may impact our business. Failure to comply with ESG reporting requirements, including inaccurate or incomplete disclosures, may lead to regulatory penalties, litigation, and reputational damage. While the Company has adopted certain voluntary targets, environmental laws, regulations, or standards may be changed, accelerated, or adopted and impose significant operational restrictions and compliance requirements upon the Company, its products, or customers, which could negatively impact the Company's business, capital expenditures, results of operations, and financial condition. Compliance with privacy and cybersecurity **laws and regulations (including the emerging European Union Cyber Resiliency Act)** could increase our operating costs **in managing product compliance and** as part of our efforts to protect and safeguard our sensitive data, personal information, and IT infrastructure. **These requirements could potentially have an adverse effect on our ability to do business in certain jurisdictions. Changes in these requirements could impact demand for our hardware and software products, solutions, and services.**

Failure to maintain information privacy **and security** could result in legal liability or reputational harm. Claims from taxing authorities could have an adverse effect on our income tax expense and financial condition. We conduct business in many countries, which requires us to interpret and comply with the income tax laws and rulings in each of those taxing jurisdictions. Due to the ambiguity of tax laws among those jurisdictions as well as the uncertainty of how underlying facts may be construed, our estimates of income tax liabilities may differ from actual payments or assessments. We must successfully defend any claims from taxing authorities to avoid an adverse effect on our operating results and financial condition. Potential liabilities and costs from litigation (including asbestos claims and environmental remediation) could reduce our profitability. Various lawsuits, claims, and proceedings have been or may be asserted against us relating to the conduct of our business or of our divested businesses, including those pertaining to the safety and security of the hardware and software products, solutions, and services we sell, employment, contract matters, and environmental remediation. We have been named as a defendant in lawsuits alleging personal injury as a result of exposure to asbestos that was used in certain of our products many years ago. **We estimate the future asbestos litigation- related costs that we expect to incur over the next several years. This process is not exact because it relies on a variety of assumptions and specific factors that could potentially change over time and therefore increase or decrease our future projected asbestos liabilities**. Our products may also be used in hazardous industrial activities, which could result in product liability claims. The uncertainties of litigation (including asbestos claims) and the uncertainties related to the collection of insurance proceeds make it difficult to predict the ultimate resolution of these lawsuits. Our operations are subject to various environmental regulations concerning human health, the limitation and control of emissions and discharges into the air, ground, and water, the quality of air and bodies of water, and the handling, use, and disposal of specified substances. Our financial responsibility to clean up contaminated property or for natural resource damages may extend to previously owned or used properties, waterways and properties owned by unrelated companies or individuals, as well as properties that we currently own and use, regardless of whether the contamination is attributable to prior owners. We have been named as a potentially responsible party at cleanup sites and may be so named in the future, and the costs associated with these current and future sites may be significant. We have, from time to time, divested certain ~~of our~~ businesses. In connection with these divestitures, certain lawsuits, claims, and proceedings may be instituted or asserted against us related to the period that we owned the businesses, either because we agreed to retain certain liabilities related to these periods or because such liabilities fall upon us by operation of law. In some instances, the divested business has assumed the liabilities; however, it is possible that we might be responsible for satisfying those liabilities if the divested business is unable to do so. **11**