

Risk Factors Comparison 2024-11-26 to 2023-11-22 Form: 10-K

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

Increases in the prices of key commodities and other raw materials could adversely affect our ability to manage our cost structure. Market conditions may limit our ability to raise selling prices to offset increases in our raw material costs. Further, sustained price increases may lead to declines in volume as competitors may not adjust their prices or customers and / or consumers may decide not to pay the higher prices, which could lead to sales declines and loss of market share. Our projections may not accurately predict the volume impact of price increases, which could adversely affect our business, financial condition and results of operations. Our proprietary technologies can limit our ability to locate or utilize alternative inputs for certain products. For certain inputs, new sources of supply may have to be qualified under regulatory standards, which can require additional investment and delay bringing a product to market. We utilize hedge agreements periodically to fix the prices of a portion of our urea and fuel needs. The hedge agreements are designed to mitigate the earnings and cash flow fluctuations associated with the costs of urea and fuel. In periods of declining prices, utilizing these hedge agreements may effectively increase our expenditures for these raw materials. Because of the concentration of our sales to a small number of retail customers, the loss of one or more of, or a significant reduction in orders from, any of our top customers, or a material reduction in the inventory of our products that they carry, could adversely affect our financial results. Our top two retail customers, **The Home Depot** and **Lowe's**, together accounted for **47-48%** of our fiscal **2023-2024** net sales and **41-18%** of our outstanding accounts receivable as of September 30, **2023-2024**. The loss of, or reduction in orders from any major customer for any reason (including, for example, changes in a retailer's strategy, reduction in inventories of our products that they maintain, claims or allegations that our products or products we market on behalf of third parties are unsafe, a decline in consumer demand, regulatory, legal or other external pressures or a change in marketing strategy), and customer disputes regarding shipments, fees, merchandise condition or related matters could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our inability to collect accounts receivable from one of our major customers, or a significant deterioration in the financial condition of one of these customers, including a bankruptcy filing or a liquidation, could also have a material adverse effect on our financial condition, results of operations and cash flows. We do not have long-term sales agreements with, or other contractual assurances as to future sales to, any of our major retail customers. In addition, continued consolidation in the retail industry has resulted in an increasingly concentrated retail base, and as a result, we are significantly dependent upon sales to key retailers who have significant bargaining strength. To the extent such concentration continues to occur, our net sales and income from operations may be increasingly sensitive to deterioration in the financial condition of, or other adverse developments involving our relationship with, one or more of our key customers. In addition, our business may be negatively affected by changes in the policies of our retailers, such as inventory reductions, limitations on access to shelf space, price demands and other conditions. We may not successfully develop new product lines and products or improve existing product lines and products. Our future success depends on creating and successfully competing in markets for our products including our ability to improve our existing product lines and products and to develop and manufacture new product lines and products to meet evolving consumer needs. We cannot provide any assurance that we will successfully develop and manufacture new product lines and products or product innovations that satisfy consumer needs or achieve market acceptance, or that we will develop, manufacture and market new product lines and products or product innovations in a timely manner. If we fail to successfully develop and manufacture new product lines and products or product innovations, our ability to maintain or grow our market share may be adversely affected, which could materially adversely affect our business, financial condition and results of operations. In addition, the development and introduction of new product lines and products and product innovations require substantial research and development expenditures, which we may be unable to recoup if such new product lines, products or innovations do not achieve market acceptance. Many of the products we manufacture and market contain active ingredients that are subject to regulatory approval. The need to obtain such approval could delay the launch of new products or product innovations that contain active ingredients or otherwise prevent us from developing and manufacturing certain products and product innovations. Our marketing activities may not be successful. We invest substantial resources in advertising, consumer promotions and other marketing activities to maintain, extend and expand our brand image. Negative publicity about us or our brands, including publicity regarding product safety, quality, efficacy, environmental impacts (including packaging, energy and water use and matters related to climate impact and waste management) and other sustainability or similar issues, whether real or perceived, could occur and could be widely and rapidly disseminated, including through the use of social media sites. There can be no assurances that our marketing strategies will be effective or that the amount we invest in advertising activities will result in a corresponding increase in sales of our products. If our marketing initiatives are unsuccessful, including our ability to leverage ~~new media such as~~ digital media and social networks to reach existing and potential customers or our brands suffer damage to reputation due to real or perceived quality issues (which damage can be quickly multiplied by social media), we will have incurred significant expenses without the benefit of higher revenues. The highly competitive nature of our markets could adversely affect our ability to maintain or grow revenues. Each of our operating segments participates in highly competitive markets. Our products compete against national and regional products and private label products produced by various suppliers. Many of our competitors sell their products at prices lower than ours. Our most price sensitive consumers may trade down to lower priced products during challenging economic times or if current economic conditions worsen. We compete primarily on the basis of product innovation, product quality, product performance, value, brand strength, supply chain competency, field sales support, in-store sales support, the strength of our relationships with major retailers and advertising. Some of our

competitors have significant financial resources. The strong competition that we face in all of our markets may prevent us from achieving our revenue goals, which may have a material adverse effect on our financial condition, results of operations and cash flows. Our manufacturing operations, including our reliance on third- party manufacturers, could harm our business. We may not be able to maintain or develop efficient, low- cost manufacturing capability and processes that will enable us to meet the quality, price, design and product standards or production volumes required to successfully manufacture our products. Even if we successfully maintain and develop our manufacturing capabilities and processes, we may not be able to do so in time to satisfy the **requirements-needs** of our customers. We rely on third parties to manufacture certain products. This reliance generates a number of risks, including decreased control over the production and related processes, which could lead to production delays or interruptions and inferior product quality control. In addition, performance problems at these third- party manufacturers could lead to cost overruns, shortages or other problems, which could increase our costs of production or result in delivery shortages or delays to our customers. In addition, if one or more of our third- party manufacturers becomes insolvent or unwilling to continue to manufacture products of acceptable quality, at acceptable costs and in a timely manner, our ability to deliver products to our retail customers could be significantly impaired. Substitute manufacturers may not be available or, if available, may be unwilling or unable to manufacture the products we need on acceptable terms. Moreover, if customer demand for our products increases, we may be unable to secure sufficient additional capacity from our current third- party manufacturers, or others, on commercially reasonable terms, or at all. Our business is subject to risks associated with sourcing and manufacturing outside of the U. S. and risks from tariffs and / or international trade wars. We import many of our raw materials and finished goods from countries outside of the United States, including but not limited to China. Our import operations are subject to complex customs laws, regulations, tax requirements, **forced labor laws** and trade regulations, such as tariffs set by governments, either through mutual agreements or bilateral actions. Tariffs on goods imported into the U. S., particularly goods from China, have increased the cost of the goods we purchase. Additional tariffs **and protectionist duties** could be imposed by the U. S. with relatively short notice to us. These governmental actions could have, and any similar future actions may have, a material adverse effect on our business, financial condition and results of operations. The overall effect of these risks is that our costs may increase or we may experience supply disruptions, which in turn may result in lower profitability if we are unable to offset such increases through higher prices, and / or that we may suffer a decline in sales if our customers do not accept price increases. Our reliance on a limited base of suppliers may result in disruptions to our business and adversely affect our financial results. Although we continue to implement risk mitigation strategies for single- source suppliers, we also rely on a limited number of suppliers for certain of our raw materials, product components and other necessary supplies, including certain active ingredients used in our products. If we are unable to maintain supplier arrangements and relationships, if we are unable to contract with suppliers at the quantity and quality levels needed for our business, or if any of our key suppliers becomes insolvent or experience other financial distress, we could experience disruptions in production, which could have a material adverse effect on our financial condition, results of operations and cash flows. A significant interruption in the operation of our or our suppliers' facilities could impact our capacity to produce products and service our customers, which could adversely affect revenues and earnings. Operations at our and our suppliers' facilities are subject to disruption for a variety of reasons, including fire, flooding or other natural disasters, disease outbreaks or pandemics, acts of war, terrorism, government **shutdowns shut-downs** and work stoppages. A significant interruption in the operation of our or our suppliers' facilities could significantly impact our capacity to produce products and service our customers in a timely manner, which could have a material adverse effect on our revenues, earnings and financial position, particularly with respect to products that we manufacture at a limited number of facilities, such as our fertilizer and liquid products. **In the event of a disaster, our disaster recovery and business continuity plans may fail, which could adversely interrupt our operations. Our operations are dependent on our ability to protect our infrastructure against damage from catastrophe, natural disaster, or severe weather, as well as events resulting from unauthorized security breach, power loss, telecommunications failure, terrorist attack, pandemic, or other events that could have a significant disruptive effect on our operations. We have disaster recovery and business continuity plans in place that are ready to be executed if we encounter a disruptive event. However, we cannot be certain that our plans, or those of third- party service providers we rely on, will be successful in the event of a disaster. If our disaster recovery or business continuity plans are unsuccessful in a disaster recovery scenario, we could potentially experience material adverse impacts including loss of data, damage to important facilities, disruption to our operations, regulatory intervention, reputational harm and loss of customers.** Disruptions to transportation channels that we use to distribute our products may adversely affect our margins and profitability. We may experience disruptions to the transportation channels used to distribute our products, including increased congestion, a lack of transportation capacity, increased fuel expenses, import or export controls or delays, and labor disputes or shortages. Disruptions in our trucking capacity may result in reduced sales or increased costs, including the additional use of more expensive or less efficient alternatives to meet demand. Congestion can affect previously negotiated contracts with shipping companies, resulting in unexpected increases in shipping costs, reduction in our profitability or reduced sales. Climate change and unfavorable weather conditions could adversely impact financial results. Our consumer lawn and garden net sales in any year are susceptible to weather conditions in the markets in which our products are sold. For instance, periods of abnormally wet or dry weather can adversely impact the sale of certain products, while increasing demand for other products **with making** the overall impact on the Company difficult to predict. ~~Climate change continues to receive increasing global attention.~~ The effects of climate change could include changes in rainfall patterns, water shortages, changing storm patterns and intensities, and changing temperature levels. These changes could over time affect, for example, the availability and cost of raw materials, commodities and energy, which in turn may impact our ability to procure goods or services required for the operation of our business at the quantities and levels we require. ~~The increase in climate change attention has resulted in evolving policy, legal and regulatory changes which may impose substantial operational and compliance burdens. Collecting, measuring and analyzing information relating to such matters can be costly,~~

time-consuming, dependent on third-party cooperation and unreliable. Furthermore, methodologies for measuring, tracking and reporting on such matters continue to change over time, which requires our processes and controls for such data to evolve as well. Compliance with any new or more stringent laws or regulations, or stricter interpretations of existing laws, could require additional expenditures by us or our suppliers, in which case, the costs of raw materials and component parts could increase. Consumers and businesses may independently change their behavior because of concerns regarding the impact of climate change and public perceptions. For example, consumers may elect to garden less frequently than historic patterns due to the unpredictability of weather patterns. Those consumers who are less directly impacted by climate change may also engage in less gardening due to discomfort or concerns about perceptions stemming from the direct impact of climate change on others. Current or potential retail customers may pull back from all or parts of the lawn and garden category in response to softening consumer demand. Also, our ability to finance the development of climate resilient product offerings may suffer if consumers become less engaged in lawn and gardening. Our failure to adequately manage the political, legal, regulatory, consumer and retail impacts of climate change could have a material adverse effect on our financial condition, results of operations and cash flows. Our business could be negatively impacted by corporate citizenship and ESG sustainability matters - including climate change- and / or our reporting of such matters. Certain investors, customers, consumers, employees associates, governmental authorities and other stakeholders are increasing their focus on corporate citizenship and sustainability matters (including climate changes). From time to time, we communicate certain initiatives, including goals, regarding environmental matters, responsible sourcing and social investments, including pursuant to our Corporate Responsibility Report. We could fail, or be perceived to fail, to achieve such initiatives or goals, or we could fail to fully and accurately report our progress on such initiatives and goals. In addition, we could be criticized for the scope of such initiatives or goals or perceived as not acting responsibly in connection with these matters. Our business. **Moreover, there are adopted and proposed international accords and treaties, as well as federal, state and local laws and regulations, that would attempt to control or limit the causes of climate change, including the effect of greenhouse gas emissions on the environment. In the event that the U. S. government or foreign governments enact new climate change laws or regulations or make changes to existing laws or regulations, compliance with applicable laws or regulations may result in increased manufacturing costs for our products, such as by requiring investment in new pollution control equipment or changing the ways in which certain of our products are made. Additional compliance burdens could be imposed negatively impacted by laws requiring the collection, measurement and analysis of climate- related data which can be costly, time- consuming, dependent on third-party cooperation and unreliable. Furthermore, methodologies for measuring, tracking and reporting on such matters continue to change over time, which requires our processes and controls for such data to evolve as well. Compliance with any new or more stringent laws or regulations, or stricter interpretations of existing laws, could require additional expenditures by us or our suppliers, in which case, the costs of raw materials and component parts could increase. We may incur some of these costs directly and others may be passed on to us from our third- party suppliers. Any such matters, failure to achieve or our related goals with respect to corporate citizenship and sustainability matters or a perception (whether or not valid) of our failure to act responsibly with respect to the environment or to adequately manage the political, legal and regulatory impacts of corporate citizenship or other sustainability matters could have a material adverse adversely effect affect on our business- financial condition, results of operations, cash flows and reputation.** Product recalls or other product liability claims could materially and adversely affect our business, financial condition and results of operation. Due to the highly regulated nature of our products, which are primarily designed for consumer use, we may be required to stop selling, return or recall products due to a variety of potential concerns including suspected or confirmed product contamination, adulteration, product mislabeling or misbranding, tampering, or other deficiencies. Product recalls or voluntary market withdrawals could result in significant losses due to their costs, the destruction of product inventory, and lost sales due to the unavailability of the product for a period of time. Adverse attention about these types of concerns, whether or not valid, may damage our reputation, discourage consumers from buying our products, or cause production and delivery disruptions that could negatively impact our sales and financial condition. We may also suffer losses if our products or operations violate applicable laws or regulations, or if our products are alleged to cause damage to property, injury, illness, or death. A significant product liability, legal judgment or a related regulatory enforcement action against us, or a significant product recall or voluntary withdrawal, may materially and adversely affect our business, financial condition and results of operation. If the perception of our brands or organizational reputation are damaged, our consumers, distributors and retailers may react negatively, which could materially and adversely affect our business, financial condition and results of operations. We believe we have built our reputation on the efficacy and safety of our brands. Any incident that erodes consumer affinity for our brands or our business operations could significantly reduce our value and damage our business. For example, negative third-party research or media reports on our product safety or efficacy, whether accurate or not, may adversely affect consumer perceptions, which could cause the value of our brands to suffer and adversely affect our business. We may also be adversely affected by news or other negative publicity, regardless of accuracy, regarding other aspects of our business, such as: • public health concerns, illness or safety; • the perception of our environmental stewardship and the effects our business has on the environment; • security breaches of confidential company, customer or employee information; or • employee related claims relating to alleged employment discrimination, health care and benefit issues. As part of our marketing initiatives, we have contracted with certain public figures to market and endorse our products. While we maintain specific selection criteria and are diligent in our efforts to seek out public figures that resonate genuinely and effectively with our consumer audience, the individuals we choose to market and endorse our products may fall into negative favor with the general public. Because our consumers may associate the public figures that market and endorse our products with us, any negative publicity on behalf of such individuals may cause negative publicity about us and our products. This negative publicity could materially and adversely affect our brands and reputation and our revenue and profits. Certain of our products may be purchased for use in new and

emerging industries or segments and / or be subject to varying, inconsistent, and rapidly changing laws, regulations, administrative practices, enforcement approaches, judicial interpretations, and consumer perceptions. We sell products, including hydroponic gardening products, that end users may purchase for use in new and emerging industries or segments, including the growing of cannabis, that may not grow or achieve market acceptance in a manner that we can predict. The demand for these products depends on the uncertain growth of these industries or segments. For example, our Hawthorne segment sales volume has decreased due to an oversupply of cannabis, which has **driven led to a prolonged period of lower** cannabis wholesale prices **down significantly** and **reduced** has resulted in a decrease in indoor and outdoor **cannabis** cultivation. The oversupply has been driven by **the impacts of** increased licensing activity across the U. S. **and** significant capital investment in the cannabis production marketplace over the past several years, **as well as** inconsistent enforcement of regulations **and the market impacts of the COVID-19 pandemic**. In addition, we sell products that end users may purchase for use in industries or segments, including the growing of cannabis, that are subject to varying, inconsistent, and rapidly changing laws, regulations, administrative practices, enforcement approaches, judicial interpretations, and consumer perceptions. For example, certain countries and 38 U. S. states have adopted frameworks that authorize, regulate, and tax the cultivation, processing, sale, and use of cannabis for medicinal and / or non- medicinal use, while the U. S. Controlled Substances Act and the laws of other U. S. states prohibit growing cannabis. If we are unable to effectively execute our e- commerce business, our reputation and operating results may be harmed. We sell certain of our products over the Internet through our online store and our retail customer' s e- commerce retail platforms. As consumers demonstrate greater reliance **on** e- commerce channels, the success of our business depends on our investment in e- commerce platforms, consumer preferences and buying trends relating to e- commerce, and our ability to both maintain the continuous operation of our online store and our fulfillment operations that support both our own and our retail customers' e- commerce platforms. It is essential that these platforms provide a shopping experience that will generate orders and return visits to the respective platforms. We are also vulnerable to certain additional risks and uncertainties associated with our e- commerce business, including: changes in required technology interfaces; website downtime and other technical failures; costs and technical issues associated with website software, systems and technology investments and upgrades; data and system security; system failures, disruptions and breaches and the costs to address and remedy such failures, disruptions or breaches; computer viruses; and changes in and compliance with applicable federal and state regulations. In addition, our efforts to remain competitive with technology trends, including the use of new or improved technology, creative user interfaces and other e- commerce marketing tools such as paid search and mobile applications, among others, may increase our costs and may not increase sales or attract consumers. Our failure to successfully respond to these risks and uncertainties might adversely affect the sales of our e- commerce business, as well as damage our reputation and brands. Additionally, the success of our e- commerce business and the satisfaction of our consumers depend on the timely receipt of our products by our consumers. The efficient delivery of our products to our consumers requires that our distribution centers have adequate capacity to support the current level of e- commerce operations and any anticipated increased levels that may occur as a result of the growth of our e- commerce business. If we encounter difficulties with our distribution centers, or if any distribution centers shut down for any reason, including as a result of pandemics, acts of war, terrorism, government shut downs, work stoppages and fire or other natural disasters, we could face inventory shortages that may result in out of stock conditions in our online store, incur significantly higher costs and longer lead times associated with distributing our products to our consumers and experience dissatisfaction from our consumers. Any of these issues could have a material adverse effect on our business and harm our reputation. Our operations, financial condition or reputation may be impaired if our information **or operational** technology systems fail to perform adequately or if we are the subject of a data breach or cyber- attack. We rely on information **and operational** technology systems to conduct business, including communicating with **employees associates** and our key retail customers, ordering and managing materials from suppliers, shipping products to retail customers and analyzing and reporting results of operations. While we have taken steps to ensure the security of our information and operational technology systems, including those of our customers, vendors, suppliers and other third- party service providers **with on** whom we **rely** have contracted, our systems **, as well the systems utilized by our customers, vendors, suppliers and other third- party service providers,** have, in the past, been and may, in the future, be vulnerable to cyber -threats such as **malware** computer viruses or other malicious codes, security breaches, **unauthorized access,** phishing attacks **and other disruptions from** employee error, unauthorized **uses activity,** system failures, **defects (including Internet outages),** unintentional or malicious actions of **employees or associates,** contractors, **and bad actors (e. g.,** cyber -attacks by hackers, criminal groups, **nation state actors** and social- activist **hacktivist** organizations **).** Our information and operational technology systems and our third- party providers' systems, have been, and will likely continue to be, subject to cyber- threats. We have experienced and may continue to experience an increase in the number of such **cyber attacks or threats as a substantial number of our employees work remotely and access our technology infrastructure remotely.** In addition, while we maintain cyber- security insurance, costs related to a cyber- attack may exceed the amount of insurance coverage or be excluded under the terms of our cyber- security insurance policy. As cyber- attacks increase in frequency and magnitude, we may be unable to obtain cyber- security insurance in amounts and on terms we view as appropriate for our operations. If our information **or operational** technology systems are damaged or cease to function properly for an extended period of time, whether as a result of a significant cyber- incident or **otherwise any other adverse event,** our ability to **operate or** communicate internally as well as with our retail customers, vendors, suppliers and other parties critical to our business, could be significantly impaired, which may adversely impact our business. Additionally, in the normal course of our business, we collect, store and transmit proprietary and confidential information regarding our customers, **employees consumers, associates,** suppliers and others, including personally identifiable information. **We are required to comply with increasingly complex and changing data privacy and security laws and regulations, that apply to the collection, storage, use, transmission and protection of personal information and other consumer and employee data, including particularly the transfer of personal data between or among countries. High- profile security**

breaches of the information systems of a number of U. S. companies and / or government agencies may result in increased regulations and new security laws. An operational failure or breach of security from increasingly sophisticated cyber- threats could lead to loss, misuse or unauthorized disclosure of this information about our **employees associates** or consumers, which may result in regulatory or other legal proceedings, and have a material adverse effect on our business and reputation. We ~~also~~ may not have the resources or technical sophistication to anticipate or prevent rapidly- evolving types of cyber- attacks. Any such attacks or precautionary measures taken to prevent anticipated attacks may result in increasing costs, including costs for additional technologies, training and third - party consultants. The losses incurred from a **breach of data security cybersecurity and operational failures - related event** as well as the precautionary measures required to address this evolving risk may adversely impact our financial condition, results of operations, cash flows and reputation. Our insurance coverage may not be sufficient to avoid **or effectively mitigate the** material impact on our financial position or results of operations resulting from claims or liabilities against us, and we may not be able to obtain **appropriate** insurance coverage in the future. We maintain insurance coverage to manage **our** exposure to future claims and liabilities that may adversely impact our financial position or results of operations. The extent of our insurance program is under continuous review and coverages are modified as we deem necessary **to mitigate current or emerging risks**. Despite our program, it is possible that claims or liabilities against us may have a material adverse impact on our financial position or results of operations. In addition, we may not be able to obtain ~~adequate sufficient~~ insurance coverage, when our existing insurance policies expire. We maintain ~~commercial~~ **an insurance program that includes coverage to de- risk against claims associated with property damage, management liability and operations focused insurance coverage including property, management, cargo liability, cyber threats, workers compensation and general liability losses**. While we expect to be able to continue our insurance coverages, there can be no assurance **that** we will be able to **procure** ~~continue such~~ insurance coverage, or that such policy limits will be adequate to cover any liability we may incur, or that our insurance premiums will continue to be available at a cost similar to our cost today. The volatility of the insurance and reinsurance markets are **also** subject to macroeconomic conditions and events that are outside of our control. Additionally, it is possible one or more of our insurers could **specifically** exclude from our policy certain chemicals ~~or compounds~~ used in our products. Consequently, we may have to ~~stop using~~ **cease use of** those chemicals ~~or compounds~~ **and /** or be forced to substitute less effective or more expensive alternatives to continue manufacturing and / or distributing such goods. A substantial increase in liability exposure or the loss of customers or product **lines offerings** could each have a material adverse effect on our results of operations and financial condition. Our international operations make us susceptible to the costs and risks associated with operating internationally. We operate manufacturing, sales and service facilities outside of the United States, particularly in Canada, the Netherlands, Mexico and China. Accordingly, we are subject to risks associated with operating in foreign countries, including: • fluctuations in currency exchange rates; • limitations on the remittance of dividends and other payments by foreign subsidiaries; • additional costs of compliance with local regulations; • historically, in certain countries, higher rates of inflation than in the United States; • changes in the economic conditions or consumer preferences or demand for our products in these markets; • restrictive actions by multinational governing bodies, foreign governments or subdivisions thereof; • changes in foreign labor laws and regulations affecting our ability to hire and retain **employees associates**; • changes in U. S. and foreign laws regarding trade and investment, including the impact of tariffs; • less robust protection of our intellectual property under foreign laws; and • difficulty in obtaining distribution and support for our products, including the impact of shipping port delays. In addition, our operations outside the United States are subject to the risk of new and different legal and regulatory requirements in local jurisdictions, potential difficulties in staffing and managing local operations and potentially adverse tax consequences. The costs associated with operating our continuing international business could adversely affect our results of operations, financial condition and cash flows in the future. In the event the Third Restated Agreement for Monsanto's consumer Roundup® products terminates or Monsanto's consumer Roundup® business materially declines, we would lose a substantial source of future earnings and overhead expense absorption. If we (i) become insolvent, (ii) commit a material breach, material fraud or material willful misconduct under the Third Restated Agreement, (iii) experience a change of control (subject to certain exceptions), or (iv) impermissibly assign our rights or delegate our obligations under the Third Restated Agreement, Monsanto may terminate the Third Restated Agreement without paying a termination fee to the Company, subject to certain terms and conditions as set forth therein. In addition, if Program EBIT (as defined in the Third Restated Agreement) falls below \$ 50. 0 million in any program year, Monsanto may terminate the Third Restated Agreement without paying a termination fee to the Company, subject to certain terms and conditions as set forth therein. Monsanto may also terminate the Third Restated Agreement in the event of (a) a change of control of Monsanto or a sale of the Roundup® business effective at the end of the fifth full year after providing notice of termination, subject to certain terms and conditions as set forth in the applicable agreements, or (b) Monsanto's decision to decommission the permits, licenses and registrations needed for, and the trademarks, trade names, packages, copyrights and designs used in, the sale of the Roundup® products in the lawn and garden market (a " Brand Decommissioning Event "), but, in each case, Monsanto would have to pay a termination fee to the Company. If circumstances exist or otherwise develop that result in a material decline in Monsanto's consumer Roundup® business, or in the event of Monsanto's insolvency or bankruptcy, we would seek to mitigate the impact on us by exercising various rights and remedies under the Third Restated Agreement and applicable law. We cannot, however, provide any assurance that our exercise of such rights or remedies would produce the desired outcomes or that a material decline in Monsanto's consumer Roundup® business would not have a material adverse effect on our business, financial condition or results of operations. In the event that the Third Restated Agreement terminates or Monsanto's consumer Roundup® business materially declines, we would lose all, or a substantial portion, of the significant source of earnings and overhead expense absorption the Third Restated Agreement provides. For additional information regarding the Third Restated Agreement including certain of our rights and remedies under the Third Restated Agreement, see " NOTE 7-6. MARKETING AGREEMENT " of the Notes to Consolidated Financial Statements included in

this Form 10- K. We may not be able to adequately protect our intellectual property and other proprietary rights that are material to our business. Our ability to compete effectively depends in part on our rights to service marks, trademarks, trade names and other intellectual property rights we own or license, particularly our registered brand names and issued patents. Although we have a robust portfolio of registered trademarks, we have not sought to register each of our marks either in the United States or in every country in which such mark is used. Furthermore, because of the differences in foreign trademark, patent and other intellectual property or proprietary rights laws, we may not receive the same protection in other countries as we would in the United States with respect to the registered brand names and issued patents we hold. If we are unable to protect our intellectual property, proprietary information and / or brand names, we could suffer a material adverse effect on our business, financial condition and results of operations. Litigation may be necessary to enforce our intellectual property rights and protect our proprietary information, or to defend against claims by third parties that our products or services infringe their intellectual property rights. Any litigation or claims brought by or against us could result in substantial costs and diversion of our resources. A successful claim of trademark, patent or other intellectual property infringement against us, or any other successful challenge to the use of our intellectual property, could subject us to damages or prevent us from providing certain products or services, or using certain of our recognized brand names, which could have a material adverse effect on our business, financial condition and results of operations. Our success depends upon the retention and availability of key personnel and the effective succession of senior management. Our success largely depends on the performance of our management team and other key personnel. Our future operations could be harmed if we are unable to attract and retain talented, highly qualified senior executives and other key personnel. ~~During In fiscal 2023 and fiscal 2024 through the filing of this report,~~ we experienced management transitions involving our Chief Financial Officer, Chief Operating Officer, Chief Human Resources Officer and General Counsel. **In addition, our current Chief Financial Officer will be departing the Company effective December 31, 2024. For additional information regarding this departure, see “ ITEM 9B. OTHER INFORMATION ” of this Form 10- K.** If we are unable to effectively provide for the succession of senior management, including our chief executive officer, our business, prospects, results of operations, financial condition and cash flows may be materially adversely affected. Our workforce reductions may cause undesirable consequences and **adversely affect our business and** results of operations ~~may be harmed~~. During fiscal **2024, fiscal** 2023 and fiscal 2022, we undertook ~~a strategic reduction~~ **reductions** in our workforce as part of an on- going series of organizational changes and initiatives intended to create operational and management- level efficiencies. This workforce reduction may yield unintended consequences, such as attrition beyond our intended reduction in workforce and reduced employee morale, which may cause our ~~employees~~ **associates** who were not affected by the reduction in workforce to seek alternate employment. ~~Employees~~ **Associates** whose positions were eliminated or those who determine to seek alternate employment may seek employment with our competitors. We cannot provide assurance that we will not undertake additional workforce reductions or that we will be able to realize the cost savings and other anticipated benefits from our previous or any future workforce reduction plans. In addition, if we continue to reduce our workforce, it may adversely impact our ability to respond rapidly to any new product, growth or revenue opportunities and to execute ~~on~~ our business plans. Additionally, reductions in workforce may make it more difficult to recruit and retain ~~new employees~~ **associates if they perceive uncertainty in employment**. If we need to increase the size of our workforce in the future, we may encounter a competitive hiring market due to labor shortages, increased employee turnover, changes in the availability of workers and increased wage costs. We are involved in a number of legal proceedings and, while we cannot predict the outcomes of such proceedings and other contingencies with certainty, some of these outcomes could adversely affect our business, financial condition, results of operations and cash flows. We are involved in legal proceedings and are subject to investigations, inspections, audits, inquiries and similar actions by governmental authorities, arising in the course of our business (see the discussion in “ ITEM 3. LEGAL PROCEEDINGS ” of this Form 10- K). Legal proceedings, in general, can be expensive and disruptive. Some of these suits may purport or may be determined to be class actions and / or involve parties seeking large and / or indeterminate amounts of damages, including punitive or exemplary damages, and may remain unresolved for several years. For example, product liability claims challenging the safety of our products or products we market on behalf of third parties may also result in a decline in sales for a particular product and could damage the reputation or the value of related brands, involve us in litigation and have a material adverse effect on our business. From time to time, we are also involved in legal proceedings ~~as a plaintiff~~ involving contract, intellectual property and other matters ~~– We may also become~~ **including, for example,** the subject of securities litigation ~~or and~~ shareholder derivative suits **discussed in “ ITEM 3. LEGAL PROCEEDINGS ” of this Form 10- K.** We cannot predict with certainty the outcomes of these legal proceedings and other contingencies, and the costs incurred in litigation can be substantial, regardless of the outcome. Substantial unanticipated verdicts, fines and rulings do sometimes occur. As a result, we could from time to time incur judgments, enter into settlements or revise our expectations regarding the outcome of certain matters, and such developments could have a material adverse effect on our results of operations in the period in which the amounts are accrued and / or our cash flows in the period in which the amounts are paid. The outcome of some of these legal proceedings and other contingencies could require us to take, or refrain from taking, actions which could negatively affect our operations and, depending on the nature of the allegations, could negatively impact our reputation or the reputation of products we market on behalf of third parties. Additionally, defending against these legal proceedings may involve significant expense and diversion of management’ s attention and resources. Risks Related to Our M & A, Lending and Financing Activities Our indebtedness could limit our flexibility and adversely affect our financial condition. As of September 30, ~~2023~~ **2024**, we had \$ ~~2, 630 242 . 68~~ million of debt and \$ ~~1, 156 167 . 70~~ million in available borrowings under our credit facility. Our inability to meet restrictive financial and non- financial covenants associated with that debt, or to generate sufficient cash flow to repay maturing debt, could adversely affect our financial condition. For example, our debt level could: • make it more difficult for us to satisfy our obligations with respect to our indebtedness; • make us more vulnerable to general adverse economic and industry conditions; • require us to dedicate a substantial portion of cash flows from operating activities to payments on our indebtedness,

which would reduce the cash flows available to fund working capital, capital expenditures, advertising, research and development efforts, pay dividends, repurchase our Common Shares and other general corporate activities; • limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; • limit our ability to borrow additional funds; • expose us to risks inherent in interest rate fluctuations because some of our borrowings are at variable rates of interest, which could result in higher interest expense in the event of increases in interest rates; and • place us at a competitive disadvantage compared to our competitors that have less debt. Our ability to make payments on or to refinance our indebtedness, fund planned capital expenditures and acquisitions, pay dividends and ~~make repurchases~~ **repurchase** of our Common Shares will depend on our ability to generate cash in the future which, to some extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot provide any assurance that our business will generate sufficient cash flow from operating activities or that future borrowings will be available to us in amounts sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. Our credit facility and the indentures governing our 5.250 % Senior Notes due 2026 (the “ 5.250 % Senior Notes ”), our 4.500 % Senior Notes due 2029 (the “ 4.500 % Senior Notes ”), our 4.000 % Senior Notes due 2031 (the “ 4.000 % Senior Notes ”) and our 4.375 % Senior Notes due 2032 (the “ 4.375 % Senior Notes ” and, collectively with the 5.250 % Senior Notes, the 4.500 % Senior Notes and the 4.000 % Senior Notes, the “ Senior Notes ”) contain restrictive covenants and cross- default provisions. For example, under our credit facility the maximum permitted leverage ratio is (i) ~~7-6 . 75-00~~ for the fourth quarter of fiscal ~~2023-2024~~, (ii) ~~8-5 . 25-50~~ for the first quarter of fiscal ~~2024-2025~~, (iii) ~~7-5 . 75-25~~ for the second quarter of fiscal ~~2024-2025~~, (iv) ~~6-5 . 50-00~~ for the third quarter of fiscal ~~2024-2025~~, (v) ~~6-4 . 00-75~~ for the fourth quarter of fiscal ~~2024-2025~~, **and** (vi) ~~5-50~~ for the first quarter of fiscal ~~2025~~; (vii) ~~5-25~~ for the second quarter of fiscal ~~2025~~; (viii) ~~5-00~~ for the third quarter of fiscal ~~2025~~; (ix) ~~4-75~~ for the fourth quarter of fiscal ~~2025~~ **and** (x) ~~4-50~~ for the first quarter of fiscal 2026 and thereafter. Our leverage ratio was ~~6-4 . 57-86~~ at September 30, ~~2023-2024~~. In addition, our credit facility contains a fixed charge coverage ratio covenant which sets the minimum permitted fixed charge coverage ratio at (i) ~~0-75~~ for the fourth quarter of fiscal ~~2023~~ through the third quarter of fiscal ~~2024~~ **and** (ii) ~~1-00~~ for the fourth quarter of fiscal ~~2024~~ and thereafter. Our fixed charge coverage ratio was ~~1-56-27~~ for the twelve months ended September 30, ~~2023-2024~~. The Senior Notes contain an interest coverage ratio covenant which sets the minimum permitted interest coverage ratio at 2.00. Our interest coverage ratio was ~~2-3 . 81-57~~ for the twelve months ended September 30, ~~2023-2024~~. A breach of any of these financial ratio covenants or other covenants could result in a default and / or a cross default under the credit facility and Senior Notes, as applicable. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, and could cease making further loans and institute foreclosure proceedings against our assets. We cannot provide any assurance that the holders of such indebtedness would waive a default or that we ~~could~~ **would have the resources to** pay the accelerated indebtedness in full. Subject to compliance with certain covenants under our credit facility and the indentures governing the Senior Notes, we may incur additional debt in the future. If we incur additional debt, the risks described above could intensify. Significant or prolonged periods of higher interest rates may have an adverse effect on our results of operations, financial condition and cash flows. Interest rates have a direct impact on our business due to the amount of variable **rate** debt the Company utilizes in its operations. Prolonged periods of higher interest rates may have a negative impact on the Company’ s results of operations, financial condition and cash flows. All of our debt under the **sixth amended and restated credit agreement (the “ Sixth A & R Credit Agreement ”)** bears interest at variable rates primarily derived from, as defined therein, the (i) the Alternate Base Rate, (ii) the Adjusted Term SOFR Rate or (iii) the Swingline Rate. In a rising interest rate environment, debt financing will become more expensive and may have higher transactional and servicing costs. For example, **the our interest expense in fiscal 2023 increased significantly compared to fiscal 2022 driven by an increase in our weighted average interest rate primarily due to higher borrowing rates on average borrowings under the Sixth A & R Credit Agreement , excluding the impact of interest rate swaps, were 9.1 %, 7.6 % and 2.8 % for fiscal 2024, fiscal 2023 and fiscal 2022, respectively**. Although the Company has taken steps to reduce our exposure to variable rate debt instruments, if interest rates remain relatively high or increase in the future, we could see increases in our borrowing costs which could have a material adverse effect on our results of operations, financial condition and cash flows. **Global economic and capital market conditions may limit our access to capital and / or increase the costs of such capital. In the future, we may need new or additional financing to provide liquidity to conduct our operations, expand our business or refinance existing indebtedness. Any sustained weakness in general economic conditions and / or U. S. or global capital markets could adversely affect our ability to raise capital on favorable terms or at all. From time to time we have relied, and we may also rely in the future, on access to financial markets as a source of liquidity for working capital requirements, acquisitions and general corporate purposes. Our access to funds under our credit facility depends on the ability of the lenders that are parties to that facility to meet their funding commitments. Moreover, the obligations of the lenders under our credit facility are several and not joint and, as a result, a funding default by one lender does not need to be made up by the others. Longer term volatility in the capital and credit markets as a result of uncertainty, changing or increased regulation of financial institutions or reduced alternatives could adversely affect our access to the liquidity needed for our businesses in the longer term. Such disruptions could require us to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for our business needs can be arranged.** Acquisitions, other strategic alliances and investments could result in operating difficulties, dilution, and other harmful consequences that may adversely impact our business and results of operations. Acquisitions, strategic alliances and investments are an important element of our ~~overall~~ long- term corporate strategy and use of capital, and these transactions could be material to our financial condition and results of operations. We expect to continue to evaluate and enter into discussions regarding a wide array of potential strategic transactions. The process of integrating an acquired company, business, or product has created, and will continue to create, unforeseen operating difficulties and expenditures. The areas where we face risks include: •

Assumptions implicit to our acquisition strategy or valuations are not realized. • Diversion of management time and focus from operating our business to acquisition integration challenges. • Failure to successfully further develop the acquired business or product lines. • Implementation or remediation of controls, procedures and policies at the acquired company. • Integration of the acquired company's accounting, human resources and other administrative systems, and coordination of product, engineering and sales and marketing functions. • Transition of operations, users and customers onto our existing platforms. • Reliance on the expertise of our strategic partners with respect to market development, sales, local regulatory compliance and other operational matters. • Failure to obtain required approvals on a timely basis, if at all, from governmental authorities, or conditions placed upon approval, under competition and antitrust laws which could, among other things, delay or prevent us from completing a transaction, or otherwise restrict our ability to realize the expected financial or strategic goals of an acquisition. • In the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries. • Cultural challenges associated with integrating ~~employees-associates~~ from the acquired company into our organization, and retention of ~~employees-associates~~ from the businesses we acquire. • **Strategic investments in which we have a minority ownership stake and that we do not control may from time to time have economic, business, or legal interests or goals that are inconsistent with our goals. As a result, business decisions or other actions or omissions of controlling owners, management, or other persons or entities who control companies in which we invest may adversely affect the value of our investment, result in litigation or regulatory action against us, or otherwise damage our reputation.** • Liability for or reputational harm from activities of the acquired company before the acquisition or from our strategic partners, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities. • Litigation or other claims in connection with the acquired company, including claims from terminated ~~employees-associates~~, customers, former shareholders or other third parties. Our failure to address these risks or other problems encountered in connection with our past or future acquisitions and investments or strategic alliances could cause us to fail to realize the anticipated benefits of such acquisitions, investments or alliances, incur unanticipated liabilities, and harm our business generally. Our acquisitions, strategic alliances and investments could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses, or impairment of goodwill and purchased long-lived assets, and restructuring charges, any of which could harm our financial condition or results of operations and cash flows. Also, the anticipated benefits of many of our acquisitions may not materialize. Changes in credit ratings issued by nationally recognized statistical rating organizations (NRSROs) could adversely affect our cost of financing and the market price of our Senior Notes. NRSROs rate the Senior Notes and the Company based on factors that include our operating results, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. Actions taken by the NRSROs can include maintaining, upgrading or downgrading the current rating or placing us on a watch list for possible future downgrading. Downgrading the credit rating of the Senior Notes or placing us on a watch list for possible future downgrading could increase our cost of financing, limit our access to the capital markets and have an adverse effect on the market price of the Senior Notes. In August 2023, S & P Global Ratings lowered our issuer credit rating to B from BB- and lowered its rating on our Senior Notes to B- from B. Also in August 2023, Moody's Investors Service lowered our (i) ~~our~~ Corporate Family Rating to B1 from Ba3, ~~and our~~ (ii) ~~our~~ Probability of Default Rating to B1- PD from Ba3- PD and (iii) ~~its~~ rating on the Senior Notes to B2 from B1. A failure to dispose of assets or businesses in a timely manner may cause the results of the Company to suffer. We evaluate as necessary the potential disposition of assets and businesses that may no longer help meet our objectives. When we decide to sell assets or a business, we may encounter difficulty in finding buyers or alternative exit strategies on acceptable terms in a timely manner, which could delay the achievement of our strategic objectives. Alternatively, we may dispose of a business at a price or on terms that are less than we had anticipated. After reaching an agreement with a buyer for the disposition of a business, the pre-closing conditions must also be satisfied or waived, which may prevent us from completing the transaction. Dispositions may also involve continued financial involvement in the divested business, such as through continuing equity ownership, guarantees, indemnities or other financial obligations. Under these arrangements, performance by the divested businesses or other conditions outside our control could affect our future financial results. Our lending activities may adversely impact our business and results of operations. As part of our strategic initiatives, we have provided financing to certain strategic partners. Our exposure to credit losses on these financing balances and strategic investments will depend on the financial condition of these counterparties as well as legal, regulatory and macroeconomic factors beyond our control, such as deteriorating conditions in the world economy or in the industries served by the borrowers and federal legalization of the U. S. cannabis market. While we monitor our exposure, there can be no guarantee we will be able to successfully mitigate all of these risks. **For example, during fiscal 2024 and fiscal 2023, the Company recorded non-cash, pre-tax other-than-temporary impairment charges related to its convertible debt investments of \$ 64.6 million and \$ 101.3 million, respectively. These or other Credit-credit** losses, if significant, could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our hedging arrangements expose us to certain counterparty risks. In addition to commodity hedge agreements, we utilize interest rate swap agreements to manage the net interest rate risk inherent in our sources of borrowing as well as foreign currency forward contracts to manage the exchange rate risk associated with certain intercompany loans with foreign subsidiaries and other approved transactional currency exposures. Utilizing these hedge agreements exposes us to certain counterparty risks. The failure of one or more of the counterparties to fulfill their obligations under the hedge agreements, whether as a result of weakening financial stability or otherwise, could adversely affect our financial condition, results of operations or cash flows. Our postretirement-related costs and funding requirements could increase as a result of volatility in the financial markets, changes in interest rates and actuarial assumptions. We sponsor a number of defined benefit pension plans associated with our U. S. and former international businesses, as well as a postretirement medical plan in the United States for certain retired associates and their dependents. The performance of the financial markets and changes in interest rates impact the

funded status of these plans and **may** cause volatility in our postretirement- related costs and future funding requirements. If the financial markets do not provide the expected long- term returns on invested assets, we could be required to make significant pension contributions. Additionally, changes in interest rates and legislation enacted by governmental authorities can impact the timing and amounts of contribution requirements. We utilize third- party actuaries to evaluate assumptions used in determining projected benefit obligations and the fair value of plan assets for our pension and other postretirement benefit plans. In the event we determine that our assumptions should be revised, such as the discount rate or expected return on assets, our future pension and postretirement benefit expenses could increase or decrease. The assumptions we use may differ from actual results, which could have a significant impact on our pension and postretirement liabilities and related costs and funding requirements. Risks Related to Regulation of Our Company Compliance with environmental and other public health regulations or changes in such regulations or regulatory enforcement priorities could increase our costs of doing business or limit our ability to market all of our products. Laws and regulations relating to environmental matters affect us in several ways. All pesticide products sold in the United States must comply with FIFRA and most must be registered with the U. S. EPA and similar state agencies. Our inability to obtain or maintain such registrations, or the cancellation of any such registration of our products, could have an adverse effect on our business, the severity of which would depend on a variety of factors, including the product (s) involved, whether another product could be substituted and whether our competitors were similarly affected. We attempt to anticipate regulatory developments and maintain registrations of, and access to, substitute active ingredients, but there can be no assurance that we will be able to avoid ~~or reduce~~ these risks. **For example, there are indications that federal agencies in the U. S. may take more restrictive positions on pesticides.** In addition, several provinces in Canada have adopted ~~regulation~~ **regulations** that substantially restrict our ability to market and sell certain ~~of our~~ consumer pesticide products. Under the Food Quality Protection Act, enacted by the U. S. Congress in 1996, food- use pesticides are evaluated to determine whether there is reasonable certainty that no harm will result from the cumulative effects of pesticide exposures. Under this Act, the U. S. EPA is evaluating the cumulative and aggregate risks from dietary and non- dietary exposures to pesticides. The pesticides in our products, certain of which may be also used on crops processed into various food products, are manufactured by independent third parties and continue to be evaluated by the U. S. EPA as part of this exposure risk assessment. The U. S. EPA or the third- party registrant may decide that a pesticide we use in our products will be limited or made unavailable to us. We cannot predict the outcome or the severity of the effect of these continuing evaluations. In addition, the use of certain fertilizer and pesticide products (including pesticide products that contain glyphosate) is regulated by various environmental and public health agencies. These regulations may, among other things, **limit or** ban the use of certain ingredients contained in such products or require (i) that only certified or professional users apply the product, (ii) that certain products be used only on certain types of locations, (iii) users to post notices on properties to which products have been or will be applied, and / or (iv) notification to individuals in the vicinity that products will be applied in the future. Even if we are able to comply with all such regulations and obtain all necessary registrations and licenses, we cannot provide assurance that our products, particularly pesticide products, will not cause or be alleged to cause injury to the environment or to people under all circumstances, particularly when used improperly or contrary to instructions. The costs of compliance, remediation or products liability have adversely affected operating results in the past and could materially adversely affect future quarterly or annual operating results. Our products and operations may be subject to increased regulatory and environmental scrutiny in jurisdictions in which we do business. For example, we are subject to regulations relating to our harvesting of peat for our growing media business which has come under increasing regulatory and environmental scrutiny. In the United States, state regulations frequently require us to limit our harvesting and to restore the property to an agreed- upon condition. In some locations, we have been required to create water retention ponds to control the sediment content of discharged water. In Canada, our peat extraction efforts are also the subject of regulation. In addition to the laws and regulations already described, various governmental agencies regulate the disposal, transport, handling and storage of waste, the remediation of contaminated sites, air and water discharges from our facilities, and workplace health and safety. Under certain environmental laws and regulations, we may be liable for the costs of investigation and remediation of the presence of certain regulated materials ~~or~~ **as well as related costs of investigation and remediation of** damage to natural resources, at various properties, including ~~our~~ **we have owned or operated,** as well as offsite waste handling or disposal sites that we have used. Liability may be imposed upon us without regard to whether we knew of or caused the presence of such materials and, under certain circumstances, on a joint and several basis. There can be no assurances that the presence of such regulated materials at any such locations, or locations that we may acquire in the future, will not result in liability to us under such laws or regulations or expose us to third- party actions such as tort suits based on alleged conduct or environmental conditions. In 2021, the Biden Administration announced a multi- agency plan to address PFAS contamination. Various federal agencies, including the U. S. EPA, ~~will~~ **have and are expected to continue to** take actions to prevent the release of PFAS into the air, drinking systems, and food supply and to expand cleanup efforts to remediate the impacts of PFAS pollution. As part of this announcement, the U. S. EPA released its PFAS Strategic Roadmap: EPA' s Commitments to Action 2021- 2024, which identifies timelines by which the U. S. EPA plans to take specific actions during the ~~first term of the~~ **first term of the** Biden Administration ~~. It is possible that some of these actions may have an impact— direct or indirect— on our business.~~ For example, in August 2022, the U. S. EPA proposed to designate PFAS chemicals, PFOA and PFOS, as hazardous substances under CERCLA, which could have wide- ranging impact on companies across various industries. Until further detail is provided, including whether the rule is enacted as proposed, we cannot predict the outcome or the severity of the impact of these proposed actions. Further, many states have taken action to address PFAS concerns with actions ranging from appropriation legislation to fund scientific research, bans on certain categories of consumer products containing PFAS and / or broad prohibitions on PFAS across all products. Complicating this patchwork of state regulation is that jurisdictions may differ as to what they consider PFAS. It is possible, therefore, that some of these actions will have an impact ~~— direct or indirect—~~ on our business. Many states are increasingly scrutinizing packaging, including seeking to reduce single use plastics and

establish extended producer responsibility programs, which are designed to bolster the recycling industry by transferring the cost of packaging disposal to the manufacturers. Extended producer responsibility programs typically include targets and reporting responsibilities for **, among other things,** post-consumer recycling usage, compostable packaging, material reduction ~~and~~ refill strategies ~~, etc.~~. The adequacy of our current non-FIFRA compliance-related environmental accruals and future provisions depends upon our operating in substantial compliance with applicable environmental and public health laws and regulations, as well as the assumptions that we have both identified ~~all of~~ the significant sites that must be remediated and that there are no significant conditions of potential contamination that are unknown to us. A significant change in the facts and circumstances underlying these assumptions or in current enforcement policies or requirements, or a finding that we are not in substantial compliance with applicable environmental and public health laws and regulations, could have a material adverse effect on future environmental capital expenditures and other environmental expenses, as well as our financial condition, results of operations and cash flows. Unanticipated changes in our tax provisions, the adoption of new tax legislation or exposure to additional tax liabilities could affect our profitability and cash flows. We are subject to income and other taxes in the United States federal jurisdiction and various local, state and foreign jurisdictions. Our effective tax rate in the future could be adversely affected by changes to our operating structure, changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets (such as net operating losses and tax credits) and liabilities, changes in tax laws and the discovery of new information in the course of our tax return preparation process. In particular, the carrying value of deferred tax assets, which are predominantly related to our operations in the United States, is dependent on our ability to generate future taxable income of the appropriate character in the relevant jurisdiction. From time to time, tax proposals are introduced or considered by the U. S. Congress or the legislative bodies in local, state and foreign jurisdictions that could also affect our tax rate, the carrying value of our deferred tax assets, or our tax liabilities. Our tax liabilities are also affected by the amounts we charge for inventory, services, licenses, funding and other items in intercompany transactions. We are subject to ongoing tax audits in various jurisdictions. In connection with these audits (or future audits), tax authorities may disagree with our intercompany charges, cross-jurisdictional transfer pricing or other matters and assess additional taxes. We regularly assess the likely outcomes of our audits in order to determine the appropriateness of our tax provision. As a result, the ultimate resolution of our tax audits, changes in tax laws or tax rates, and the ability to utilize our deferred tax assets could materially affect our tax provision, net income and cash flows in future periods.

Risks Related to Our Common Shares The Company's decision to maintain, reduce or discontinue paying cash dividends to our shareholders or repurchasing our Common Shares could cause the market price for our Common Shares to decline. Our payment of quarterly cash dividends on and repurchase of our Common Shares pursuant to a stock repurchase program are subject to, among other things, our financial position and results of operations, available cash and cash flow, capital requirements, credit facility provisions and other factors. Prior to fiscal 2022, we generally increased the cash dividends on our Common Shares as well as engaged in share repurchase activity. Since fiscal 2022, we have not changed the dividend amount nor have we engaged in share repurchase activity outside of our compensation programs. As of September 30, ~~2023~~ **2024**, we do not have a board authorized share repurchase program. We may maintain, or increase or decrease (including eliminating) the amount of cash dividends on, and increase or decrease the amount of repurchases of, our Common Shares in the future. Any decision by us regarding the payment of quarterly cash dividends or repurchases of our Common Shares could cause the market price of our Common Shares to decline. A failure to pay dividends, an inability to resume increases of our cash dividends or an inability to begin repurchasing Common Shares at historical levels could result in a lower market valuation of our Common Shares.

Hagedorn Partnership, L. P. beneficially owns approximately ~~23-24~~ **23-24**% of our Common Shares and can significantly influence decisions that require the approval of shareholders. Hagedorn Partnership, L. P. beneficially owned approximately ~~23-24~~ **23-24**% of our outstanding Common Shares ~~on a fully diluted basis~~ as of November ~~17-18~~ **2023-2024**. As a result, it has sufficient voting power to significantly influence the election of directors and the approval of other actions requiring the approval of our shareholders, including entering into certain business combination transactions. In addition, because of the percentage of ownership and voting concentration in Hagedorn Partnership, L. P., elections of our ~~board~~ **Board** of ~~directors~~ **Directors** will generally be within the control of Hagedorn Partnership, L. P. While all of our shareholders are entitled to vote on matters submitted to our shareholders for approval, the concentration of our Common Shares and voting control presently lies with Hagedorn Partnership, L. P. As such, it would be difficult for shareholders to propose and have approved proposals not supported by Hagedorn Partnership, L. P. Hagedorn Partnership, L. P.'s interests could differ from, or conflict with, the interests of other shareholders.