Risk Factors Comparison 2024-02-28 to 2023-02-28 Form: 10-K

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Investing in our common stock involves a high degree of risk. You should carefully review the following discussion of the risks that may affect our business, results of operations and financial condition, as well as our consolidated financial statements and notes thereto and the other information appearing in this report, for important information regarding risks that affect us. Current global economic events and conditions may amplify many of these risks. These risks are not the only risks that may affect us. Additional risks that we are not aware of or do not believe are material at the time of this filing, may also become important factors that adversely affect our business. Global and Economic Risks Global economic conditions, including inflation and supply chain disruptions, could continue to adversely affect our operations **.** General global economic downturns and macroeconomic trends, including heightened inflation, capital market volatility, interest rate and currency rate fluctuations, and economic slowdown or recession, may result in unfavorable conditions that could negatively affect demand for our products due to customers decreasing their inventories in the near- term or long- term, reduction in sales due to raw material shortages, reduction in research and development efforts, our inability to sufficiently hedge our currency and raw material costs, insolvency of suppliers and customers and exacerbate some of the other risks that affect our business, financial condition and results of operations. Both domestic and international markets experienced significant inflationary pressures in fiscal year ~~2022~~ **2023** and inflation rates in the U. S., as well as in other countries in which we operate, are currently expected to continue at elevated levels for the near- term. We may be adversely affected during periods of high inflation, mainly from raw material and labor costs. Inflation could increase our cost of financing, raw materials and labor and could cause our financial results and profitability to decline. In addition, the Federal Reserve in the U. S. and other central banks in various countries have raised, and may again raise, interest rates in response to concerns about inflation, which, coupled with reduced government spending and volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening these risks. Interest rate increases or other government actions taken to reduce inflation could also result in recessionary pressures in many parts of the world. The impact of public health crises, could have a significant effect on supply and / or demand for our products and services and have a negative impact on our business, financial condition and results of operations. **Global pandemics, such as** COVID- 19 ~~was identified in late 2019~~ **, or other public health crises may adversely affect, among other things, our supply chain** and ~~spread globally~~ **associated costs; demand for our products and services; our operations and sales, marketing and distribution efforts; our research and development capabilities; our engineering, design, and manufacturing processes; and other important business activities. These events could result in significant losses, adversely affect our competitive position, increase our costs, require substantial expenditures and recovery time, make it difficult or impossible to provide services or deliver products to our customers or to receive components from our suppliers, create delays and inefficiencies in our supply chain and result in the need to impose employee travel restrictions** . Our operations ~~expose us to risks associated with~~ **and those of our suppliers and distributors could be adversely affected if manufacturing, logistics, or other operations in key locations, are disrupted for any reason, such as those described above or other economic, business, labor, environmental, public health, regulatory or political reasons. In addition, even if our operations are unaffected or recover quickly, if our customers cannot timely resume their own operations, they may reduce or cancel their orders, or these events could otherwise result in** a **decrease** ~~pandemic, or outbreak of contagious diseases~~ in ~~the human population, including the COVID - 19 pandemic. The COVID- 19 pandemic has negatively impacted the global economy, disrupted consumer spending and global supply chains, disrupted the labor market, created significant volatility and disruption of financial markets and has resulted in governments around the world implementing stringent measures to help control the spread of the virus. These economic uncertainties could adversely affect our business, financial condition,~~ demand for our products ~~, services, and contribute to volatile supply and demand conditions affecting prices and volumes in the markets for our products, services and raw materials~~ . Changes in government and industry regulatory standards pertaining to health and safety could have a material adverse effect on our business, financial condition or results of operations. ~~We are subject to risks associated with public~~ **Public** health crises, such as ~~pandemics and epidemics, including~~ the COVID- 19 pandemic **, and the measures taken in response to such events have in the past negatively impacted, and may again in the future negatively impact, our operations and workforce, as well as those of our partners, customers and suppliers. Additionally, concerns over the economic impact of such events have, from time to time, caused increased volatility in financial and other capital markets** . The **negative impacts** ~~nature and extent~~ of **any such events on business operations and demand for our offerings will depend on** future ~~impacts are~~ **developments and actions taken in response to such events, which may be outside our control,** highly uncertain **,** and **cannot be** ~~unpredictable. While many countries around the world have removed or reduced~~ **predicted** ~~the restrictions taken in response to the COVID- 19 pandemic, the emergence of new variants of the SARS- CoV- 2 virus may result in new governmental lockdowns, quarantine requirements or other restrictions to slow the spread of the virus. Any such measures could also impact the global economy more broadly, for example by leading to further economic slowdowns. The global outlook remains uncertain as case counts fluctuate and vaccination and booster rates remain relatively low in many parts of the world. The scope and duration of any future public health crisis, including the potential emergence of new variants of the SARS- CoV- 2 virus, the pace~~ at **this time** ~~which government restrictions, including, but not limited to, quarantines, " shelter in place " and " stay at home " order, travel restrictions and other similar measures, are imposed and lifted, the scope of additional actions taken to mitigate the spread of disease, global vaccination and booster rates, may significantly impact our production throughout the supply chain and constrict distribution channels. We are unable to~~

~~predict the potential future impact that these factors will have on our business, financial condition or results of operations~~ . Risks Related to Our Business and Our Industry Business cycles and uncertainty regarding the housing market, economic conditions, political climate and other factors beyond our control could adversely affect demand for our products and services, and our costs of doing business, any of which may harm our business, financial condition and results of operations ~~. Our North America Segment accounted for approximately 80 % of our net sales for the fiscal year ended December 31, 2022~~ . The primary drivers of our North America segment are residential remodeling, replacement activities and housing starts. Accordingly, our business, financial condition and results of operations depend significantly on the stability of the housing and residential construction and home improvement markets, which are affected by conditions and other factors that are beyond our control. These conditions include, but are not limited to: • uncertainty about the housing and residential construction and home improvement markets; • consumer confidence and spending; • unemployment levels; • foreclosure rates; • interest rates; • raw material, logistics and energy costs; • labor and healthcare costs; • capital availability, or lack thereof, to builders, developers and consumers; • unfavorable weather conditions and natural disasters; and • political or social instability, such as war, or acts of terrorism or other international incidents. These factors could adversely affect demand for our products and services, and our costs of doing business, and our business, financial condition and results of operations may be harmed. Further, many of our customers in the construction industry are small and medium- sized businesses that are more likely to be adversely affected by economic downturns than larger, more established businesses. Uncertainty about current global economic conditions may cause these consumers to postpone or refrain from spending or may cause them to switch to lower- cost alternative products, which could reduce demand for our products and materially and adversely affect our financial condition and results of operations. We have a few large customers, the loss of any one of which could negatively affect our sales and profits. Our largest customers accounted for a significant portion of net sales for the years ended December 31, **2023,** 2022, **and** 2021 ~~, and 2020~~ . A reduction in, or elimination of, our sales to any of these customers would at least temporarily, and possibly on a longer term basis, cause a material reduction in our net sales, income from operations and net income. Such a reduction in or elimination of our sales to any of our largest customers would also increase our relative dependence on our remaining large customers. In addition, our distributor customers and builders have increasingly consolidated over time, which has increased the material adverse effect risk of losing any one of them and may increase their bargaining power in negotiations with us. These trends could negatively affect our sales and profitability. Our growth may depend on our ability to develop new products and services and penetrate new markets, which could reduce our profitability. Our continued growth depends upon our ability to develop additional products, services and technologies that meet our customers' expectations of our brand and quality and that allow us to enter into new markets. Expansion into new markets and the development of new products and services may involve considerable costs and may not generate sufficient revenue to be profitable or cover the costs of development. We might not be able to penetrate these product markets and any market penetration that occurs might not be timely or profitable. We may be unable to recoup part or all of the investments we make in attempting to develop new products and technologies and penetrate new markets. Any of these events could reduce our profitability. We face significant competition in the markets we serve and we may not be able to compete successfully. In order to compete effectively we must continue to develop enhancements to our existing products, new products and services on a timely basis that meet changing consumer preferences and successfully develop, manufacture and market these new products, product enhancements and services. There can be no assurance that we will be successful in developing and marketing new products, product enhancements, additional technologies and services. Many of our competitors are dedicating increasing resources to competing with us, especially as our products and services become more affected by technological advances and software innovations. Our inability to effectively compete could reduce the sales of our products and services, which could have a material adverse impact on our business, financial condition and results of operations. Additionally, our ability to compete effectively **in North America** depends, to a significant extent, on the specification or approval of our products by architects, engineers, building inspectors, building code officials and customers and their acceptance of our premium brand. If a significant portion of those communities were to decide that the design, materials, manufacturing, testing or quality control of our products is inferior to that of any of our competitors or the cost differences between our products and any competitors are not justifiable, our sales and profits could be materially reduced. Increases in prices of raw materials and energy could negatively affect our sales and profits. Steel is the principal raw material used in the manufacture of many of our products. The price of steel has historically fluctuated on a cyclical basis and has often depended on a variety of factors over which we have no control including ~~general~~ **geopolitical and** ~~economic~~ **macroeconomic** conditions and currency exchange rates. Import tariffs and / or other mandates also could significantly increase the prices on raw materials that are critical to our business, such as steel. The cost of producing our products is also sensitive to the price of energy. The selling prices of our products have not always increased in response to raw material, energy or other cost increases, and we are unable to determine to what extent, if any, we will be able to pass future cost increases through to our customers. Increases in prices of raw materials and energy, our inability or unwillingness to pass increased costs through to our customers could materially and adversely affect our financial condition or results of operations. We depend on third parties for transportation services and the lack of availability of transportation and / or increases in cost could materially and adversely affect our business and operations. Our business depends on the transportation of both our products to our customers and distributors and the transportation of raw materials to us. We rely on third parties for transportation services of these items, which services are occasionally in high demand (especially at the end of calendar quarters) and / or subject to price fluctuations. Damage or disruption to our supply chain, including transportation and distribution capabilities, could impair our ability to manufacture or sell our products. Failure to take adequate steps to mitigate the likelihood or potential impact of disruptions, or to effectively manage such events if they occur could adversely affect our business or financial results. If the required supply of transportation services is unavailable when needed, our manufacturing processes may be interrupted if we are not able to receive raw materials or we may be unable to sell our products at full value, or at all. This could harm our reputation, negatively impact our customer relationships and have a material adverse effect on our financial condition and results of operations. In addition, a material increase in transportation rates or fuel surcharges could have a material adverse effect on our profitability. Expectations relating to environmental, social and governance considerations expose the Company to potential liabilities, increased costs, reputational harm and other adverse effects on the Company' s business. Many governments, regulators, investors, employees, customers and other stakeholders are increasingly focused on environmental, social and governance considerations relating to businesses, including climate change and greenhouse gas emissions, human capital and diversity, equity and inclusion. We make statements about our environmental, social and governance goals and initiatives through information provided on our website, press statements and other communications, including through our Environmental, Social and Governance Report. Responding to these environmental, social and governance considerations and implementation of these goals and initiatives involves risks and uncertainties, including those described under " Forward- Looking Statements, " requires investments and are impacted by factors that may be outside our control. In addition, some stakeholders may disagree with our goals and initiatives and the focus of stakeholders may change and evolve over time. Stakeholders also may have very different views on where environmental, social and governance focus should be placed, including differing views of regulators in various jurisdictions in which we operate. Any failure, or perceived failure, by us to achieve our goals, further our initiatives, adhere to our public statements, comply with federal, state or international environmental, social and governance laws and regulations, or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against us and materially adversely affect our business, reputation, results of operations, financial condition and stock price. Risks Related to ~~Seasonality~~ **Our Intellectual Property** and ~~Weather Conditions Seasonality~~ **Information Technology We have experienced** and ~~weather~~ **may in the future experience delays, outages, cyber** - ~~related conditions may~~ **based attacks or security breaches in relation to our information systems and computer networks, which** have **disrupted** ~~a significant impact on our financial condition from period to period. The demand for our products~~ and **may** ~~services is heavily correlated to both seasonal changes, with operating results varying from quarter to quarter, and unpredictable weather patterns. Our sales and income have historically been lower~~ in the **future disrupt** ~~first and fourth quarters than in the second and third quarters, as customers tend to purchase construction materials in the late spring and summer months for the construction season. In addition, weather conditions, such as unseasonably warm, cold or~~ **our** ~~wet weather, which affect, and sometimes delay or accelerate installation of some of our products, may significantly affect our results of~~ operations ~~. Sales that we anticipate in one quarter may occur in another quarter, affecting both quarters' results~~ and **may** potentially our stock price. In addition...... based on those expectations. This could result in **data corruption** ~~a material decline in our stock price. Climate change, drought, weather conditions and storm activity could have a material adverse impact on our results of operations. In North America, weather conditions and the level of severe storms can have a significant impact on the markets for residential construction and home improvement~~ . As a result, **our profitability, financial** ~~climate change that results in altered weather conditions~~ - **condition** ~~or~~ **and reputation could be negatively affected. In addition, data privacy statements and laws could subject us to liability. We depend on information technology networks and systems, including the Internet, to process, transmit and** ~~storm~~ **store** ~~activity could~~ electronic information.We depend on our information technology infrastructure for electronic communications among our locations around the world and between our personnel and our subsidiaries,customers and suppliers.We collect and retain large volumes of internal and customer,vendor and supplier data,including some personally identifiable information,for business purposes.We also maintain personally identifiable information about our employees.The integrity and protection of our customer,vendor,supplier,employee and other Company data is critical to our business.The regulatory environment governing information,security and privacy laws is increasingly demanding and continues to evolve.Maintaining compliance with applicable security and privacy regulations may increase our operating costs or adversely affect our business operations.Despite the security and maintenance measures we have **in place,** ~~a significant impact on~~ our **facilities and systems, and those of the retailers, dealers, licensees and other third- parties with which we do** business ~~by: • depressing or reversing economic development; • reducing the demand~~ **, we remain vulnerable to security breaches, cyber- attacks, acts of vandalism, computer viruses, malware, data corruption, delays, disruptions, programming and /** ~~for~~ - **or human errors or** ~~construction; • increasing the~~ **other** ~~cost and reducing~~ **similar events, such as** ~~the~~ **those accomplished through fraud, trickery or** ~~availability of wood products used in construction; • increasing the~~ **other** ~~cost and reducing~~ **forms of deceiving our employees, contractors or** ~~the~~ **other agents or representatives** ~~availability of raw materials~~ and ~~energy; • increasing the~~ **those due to system updates,** ~~cost and reducing the availability of insurance covering damage from~~ natural disasters ~~; and • lead to new laws and regulations that increase our expenses and reduce our sales. Generally~~ , **malicious attacks, accidents,** ~~any weather conditions that slow or limit residential or construction activity can adversely impact demand for our products and services. Lower~~ **power** ~~demand~~ **disruptions, telecommunications failures, acts of terrorism** ~~for~~ - **or war, computer viruses, physical** ~~our~~ - **or electronic break-** ~~products or services as a result of this scenario could adversely impact our business, financial condition and results of operations. Additionally, severely low temperatures may lead to significant and immediate spikes in~~ **ins** ~~costs of natural gas, electricity and other commodities that could negatively affect our~~ - **or similar events** ~~results of operation~~ . ~~Natural disasters~~ **Such incidents have occurred, continue to occur, and may occur in the future. Security breaches of** ~~or~~ **our infrastructure** ~~other catastrophes~~ could ~~decrease~~ **create system disruptions, shutdowns** ~~our~~ - **or** ~~manufacturing capacity~~ **unauthorized disclosures of confidential information. Despite the security measures we have in place,** ~~or~~ **our** ~~harm our business and financial condition. Some of our manufacturing~~ facilities **and systems** ~~are located in geographic regions that have experienced~~ , **and** ~~or may experience in the~~ **those** ~~future, major natural disasters and other catastrophes, such as fires, earthquakes, floods and hurricanes. Our disaster recovery plan may not be adequate or effective to respond in such events. Further, although we maintain various form and levels~~ of insurance to protect us against potential loss...... safety of the structures in which they - **the retailers** ~~are used and we have on occasion found flaws and deficiencies in the design~~ , ~~manufacturing~~ **dealers** , **licensees** assembling, labeling, product formulations,...... of contracts with our customers, suppliers and other third parties **with which we do business, we may be vulnerable to security**

breaches, cyber- attacks, acts of vandalism, computer viruses, misplaced or lost data, programming and / or human errors or other similar events. Such incidents may involve misappropriation, loss or other unauthorized disclosure of confidential data, materials or information , including ~~in connection~~ **those concerning our customers, employees or suppliers, whether by us or by the retailers, dealers, licensees and other third- party distributors** with **which we do business, disrupt** our ~~expansion into new markets~~ **operations, result in losses, damage our reputation,** and **expose us to** ~~new product lines. Under some of these~~ -- **the** ~~contracts, our overall~~ **risks of litigation and** liability **(including regulatory** ~~may not be limited to a specified maximum amount or we may have significant potential exposure to price or expense increases. If we receive claims under these contracts or experience significant price increases or comparable expense increases, we may incur liabilities~~ **liability); and may** ~~significantly in excess of the revenues associated with such contracts, which could~~ have a material adverse effect on our **business,** results of operations ~~. Some of our technology offerings provide planning~~ and ~~design functions to customers, and we are involved both in product sales and engineering services. Any software errors or deficiencies or failures in our engineering services could have material adverse effects on our business, reputation,~~ financial condition ~~, results of operations and cash flows~~ . Our planning / design software applications facilitate...... to Our Intellectual Property and Information Technology Our recent efforts to increase our technology offerings and integrate new software and application offerings may prove unsuccessful and may affect our future prospects. In North America the residential construction industry has experienced increased complexity in some home design and builders are more aggressively trying to reduce their costs. One of our responses has been to develop and market sophisticated software and applications to facilitate the specification, selection and use of our product systems. We have continued to commit substantial resources to our software development endeavors in recent years and expect that trend to continue. We may not be able to create and further develop commercially successful software and applications. Even if we are able to create and develop initially successful ideas, the technology industry is subject to rapid changes. We may not be able to adapt quickly enough to keep up with changing demands, and our software may become obsolete. While we see having a software interface with the construction industry as a potential growth area, we also face competition from other companies that are focused solely or primarily on the development of software and applications. These companies may have significantly greater expertise and resources to devote to software development, and we may be unable to compete with them in that space. If we cannot protect our intellectual property, we will not be able to compete effectively. We monitor and protect against activities that might infringe, dilute, or otherwise harm our patents, trademarks and other intellectual property and rely on the patent, trademark and other laws of the U. S. and other countries. However, we may be unable to prevent third parties from using our intellectual property without our authorization. To the extent we cannot protect our intellectual property, unauthorized use and misuse of our intellectual property could harm our competitive position and have a material adverse impact on our business, financial condition and results of operations. In addition, the laws of some non- U. S. jurisdictions provide less protection for our proprietary rights than the laws of the U. S. and we therefore may not be able to effectively enforce our intellectual property rights in these jurisdictions. If we are unable to maintain certain exclusive licenses, our brand recognition and sales could be adversely impacted. Current employees, contractors and suppliers have, and former employees, contractors and suppliers may have, access to trade secrets and confidential information regarding our operations which could be disclosed improperly and in breach of contract to our competitors or otherwise used to harm us. Third parties may also claim that we are infringing upon their intellectual property rights. If we are unable to successfully defend or license such alleged infringing intellectual property or if we are required to substitute similar technology from another source, our operations could be adversely affected. Even if we believe that such intellectual property claims are without merit, defending such claims can be costly, time consuming and require significant resources. Claims of intellectual property infringement also might require us to redesign affected products, pay costly damage awards, or face injunctions prohibiting us from manufacturing, importing, marketing or selling certain of our products. Even if we have agreements to indemnify us, indemnifying parties may be unable or unwilling to do so. We are subject to cyber security risks and may incur increasing costs in efforts to minimize those risks and to comply with regulatory standards. We employ information technology systems and operate websites which allow for the secure storage and transmission of proprietary or confidential information regarding our customers, employees and others. We make significant efforts to secure our computer network to mitigate the risk of possible cyber- attacks, including, but not limited to, data breaches, and are continuously working to upgrade our existing information technology systems to ensure that we are protected, to the greatest extent possible, against cyber risks and security breaches. Despite these efforts security of our computer networks could be compromised which could impact operations and confidential information could be misappropriated, which could lead to negative publicity, loss of sales and profits or cause us to incur significant costs to reimburse third- parties for damages, which could adversely impact profits. We strive to comply with all applicable laws, policies, legal obligations and industry codes of conduct relating to privacy and data protection, to the extent possible. However, we continue to see increasingly complex, rigorous and more stringent state and national regulatory standards enacted to protect businesses and personal data, including the General Data Protection Regulation (“ GDPR ”) and the California Consumer Privacy Act of 2018 (" CCPA"). GDPR is a comprehensive European Union privacy and data protection reform, effective in 2018, which applies to companies that are organized in the European Union or otherwise provide services to consumers who reside in the European Union, and imposes strict standards regarding the sharing, storage, use, disclosure and protection of end user data and significant penalties (monetary and otherwise) for non- compliance. The CCPA, which became effective in ~~2022~~ **2023** established a new privacy framework for covered businesses by, among other things, creating an expanded definition of personal information, establishing new data privacy rights for consumers in the State of California and creating a new and potentially severe statutory damages framework for violations of the CCPA and for businesses that fail to implement reasonable security procedures and practices to prevent data breaches. More recently, on November 3, 2020, California enacted the California Privacy Rights Act (the “ CPRA ”). The CPRA, which went into effect on January 1, 2023, expands upon the protections provided by the CCPA, including new limitations on the sale or sharing of consumers' personal information, and the creation of a new state agency to enforce the CPRA' s protections. Any failure to comply with GDPR, the CCPA, the CPRA, or other state or regulatory standards, could subject the Company to legal and reputational risks. Misuse of or failure to secure personal information could also result in violation of data privacy laws and regulations, proceedings against us by governmental entities or others, damage to our reputation and credibility, and could have a material adverse effect on our business and results of operations. We publicly post our privacy policies and practices concerning our processing, use, and disclosure of personally identifiable information on our websites. If we fail to adhere to our privacy policy and other published statements or applicable laws concerning our processing, use, transmission and disclosure of protected information, or if our statements or practices are found to be deceptive or misrepresentative, we could face regulatory actions, fines and other liability. We rely on complex software systems and hosted applications to operate our business, and our business may be disrupted if we are unable to successfully and efficiently update these systems or convert to new systems. We are increasingly dependent on technology systems to operate our business, reduce costs, and enhance customer service. These systems include complex software systems and hosted applications that are provided by third parties such as financial management and human capital management platforms from SAP America, Inc. and Workday, Inc. Software systems need to be updated on a regular basis with patches, bug fixes and other modifications. Hosted applications are subject to service availability and reliability of hosting environments. We also migrate from legacy systems to new systems from time to time. Maintaining existing software systems, implementing upgrades and converting to new systems are costly and require a significant allocation of personnel and other resources. The implementation of these systems upgrades and conversions is a complex and time- consuming project involving substantial expenditures for implementation activities, consultants, system hardware and software, often requires transforming our current business and financial processes to conform to new systems, and therefore, may take longer, be more disruptive, and cost more than forecast and may not be successful. If the implementation is delayed or otherwise is not successful, it may hinder our business operations and negatively affect our financial condition and results of operations. There are many factors that may materially and adversely affect the schedule, cost, and execution of the implementation process, including, without limitation, problems during the design and testing phases of new systems; system delays and malfunctions; the deviation by suppliers and contractors from the required performance under their contracts with us; the diversion of management attention from our daily operations to the implementation project; reworks due to unanticipated changes in business processes; difficulty in training employees in the operation of new systems and maintaining internal control while converting from legacy systems to new systems; and integration with our existing systems. Some of such factors may not be reasonably anticipated or may be beyond our control. We have experienced and may in the...... results of operations and financial condition. Some of our agreements for software and software- as- services products have limited terms, and we may be unable to renew such agreements and may lose access to such products. We have various agreements with a number of third parties that provide software and software- as- a- service products to us. These agreements often require reoccurring payments for online access to the products and have limited terms. In the future, we will be required to renegotiate the terms of these agreements, and may be unable to renew such agreements on favorable terms. If any such agreement cannot be renewed or can only be renewed on terms that are materially worse for us, we may be unable to access the applicable software, and our business and operating results may be adversely affected. ~~Regulatory Risks Failure to comply with industry regulations could result in reduced sales and increased costs. We are subject to environmental laws and regulations governing emissions into the air, discharges into water, and generation, handling, storage, transportation, treatment and disposal of waste materials. We are also subject to other federal and state laws and regulations regarding health and safety matters. Our manufacturing operations involve the use of solvents, chemicals, oils and other materials that are regarded as hazardous or toxic. We also use complex and heavy machinery and equipment that can pose severe safety hazards, especially if not properly and carefully used. Some of our products also incorporate materials that are hazardous or toxic in some forms, such as: • zinc and lead used in some steel galvanizing processes; • chemicals used in our acrylic and epoxy anchoring products, our concrete repair, strengthening and protecting products; and • gun powder used in our powder- actuated tools, which is explosive. We have in the past, and may in the future, need to take steps to remedy our failure to properly label, store, transport, use and manufacture such toxic and hazardous materials. If we do not obtain all material licenses and permits required by environmental, health and safety laws and regulations, or otherwise fail to comply with applicable laws and regulations, we may be subject to regulatory action by governmental authorities. If our policies and procedures are flawed, or our employees fail or neglect to follow our policies and procedures in all respects, we might incur liability. Relevant laws and regulations could change or new ones could be adopted that require us to incur substantial expense to comply. Complying or failing to comply with conflict minerals regulations could materially and adversely affect our supply chain, our relationships with customers and suppliers and our financial results. We are currently subject to conflict mineral disclosure regulations in the U. S. and may be affected by new regulations concerning conflict and similar minerals adopted by other jurisdictions where we operate. While we have been successful to date in adapting to such regulations, we have and will continue to incur added costs to comply with the disclosure requirements, including costs related to determining the source of such minerals used in our products. We may not be able to ascertain the origins of such minerals that we use and may not be able to satisfy requests from customers to certify that our products are free of conflict minerals. These requirements also could constrain the pool of suppliers from which we source such minerals. We may be unable to obtain conflict- free minerals at competitive prices. Such consequences will increase costs and may materially and adversely affect our manufacturing operations and profitability. When we provide engineering services we are subject to various local, state and federal rules and regulations which can increase our potential liability. As part of our product offerings, we may provide engineering and design- related services to our clients. Some of these services require us to stamp drawings or otherwise be involved in the engineering process. While we generally attempt to limit our liability through our internal processes and through our legal agreements with third parties to which we provide such services, under various local, state and federal rules and regulations these limitations may not be effective and we may be held liable for engineering failures. Any such liability could materially and adversely affect our~~

~~profitability. Capital Expenditures, Expansions, Acquisitions and Divestitures Risks The integration of ETANCO may not result in anticipated improvements in market position or the realization of anticipated operating synergies or may take longer to realize than expected. Although we believe that our acquisition of ETANCO will improve our market position and realize positive operating results, including operating synergies, we cannot be assured that these improvements will be obtained or the timing of such improvements. The management and acquisition of businesses involves substantial risks, any of which may result in a material adverse effect on our business and results of operations, including: • the uncertainty that an acquired business will achieve anticipated operating results; • significant expenses to integrate; • diversion of management' s attention from business operations to integration matters; • departure of key personnel from the acquired business; • effectively managing entrepreneurial spirit and decision- making; • integration of different information systems; • unanticipated costs and exposure to unforeseen liabilities; and • impairment of assets. Our acquisition activities from time to time present unique risks for our business, and any acquisition could materially and adversely affect our business and operating results. We may consider and evaluate acquisitions and compete for acquisitions with other potential acquirers, some of which may have greater financial or operational resources than we do. Any acquisitions we undertake involve numerous risks, including: • unforeseen difficulties in integrating operations, products, technologies, services, accounting and employees; • diversion of financial and management resources attention from existing operations; • unforeseen difficulties integrating geographic regions where we do not have prior experience; • the potential loss of key employees of acquired businesses; • unforeseen liabilities associated with businesses acquired; and • inability to generate sufficient revenue or realize sufficient cost savings to offset acquisition or investment costs. As a result, if we fail to evaluate and execute acquisitions properly, we might not achieve the anticipated benefits of such acquisitions and we may incur costs in excess of what we anticipate. These risks would likely be greater in the case of larger acquisitions. In addition, future acquisitions may involve issuance of additional equity securities that dilute the value of our existing equity securities, increase our debt, cause impairment related to goodwill and cause impairment of, and amortization expenses related to, other intangible assets, which could materially and adversely affect our profitability. Our capital expenditures may not be adequate to maintain our competitive position and may not be implemented in a timely or cost-effective manner. Our capital expenditures are limited by our liquidity and capital resources and the amount we have available for capital spending is limited by the need to pay our other expenses and to maintain adequate cash reserves and borrowing capacity to meet unexpected demands that may arise. Productivity improvements through process re- engineering, design efficiency and manufacturing cost improvements may be required to offset potential increases in labor and raw material costs and competitive price pressures. If we are unable to make sufficient capital expenditures, or to maximize the efficiency of the capital expenditures we do make, our competitive position may be harmed and we may be unable to manufacture the products necessary to compete successfully in our targeted market segments. Additional financing, if needed, to fund our working capital, growth or other business requirements may not be available on reasonable terms, or at all. If the cash needed for working capital or to fund our growth or other business requirements increases to a level that exceeds the amount of cash that we generate from operations and have available through our current credit arrangements, we will need to seek additional financing. Additional or new borrowings may not be available on reasonable terms, or at all. Our ability to raise money by issuing and selling shares of our common or preferred stock depends on general market conditions and the demand for our stock. If we sell stock, our existing stockholders could experience substantial dilution. Our inability to secure additional financing could prevent the expansion of our business, internally and through acquisitions. Risks Related to Human Capital We depend on executives and other key employees, the loss of whom could harm our business. We depend, in part, on the efforts and skills of our executives and other key employees, including members of our sales force. Our executives and key employees are experienced and highly qualified. The loss of any of our executive officers or other key employees could harm the business and the Company' s ability to timely achieve its strategic initiatives. Our success also depends on our ability to identify, attract, hire and retain our key personnel. We face strong competition for such personnel and may not be able to attract or retain such personnel. In addition, when we experience periods with little or no profits, a decrease in compensation based on our profits may make it difficult to attract and retain highly qualified personnel. We may not be able to attract and retain key personnel or may incur significant costs to do so. Our work force could become increasingly unionized in the future and our unionized or union- free work force could strike, which could adversely affect the stability of our production and reduce our profitability. A significant number of our employees are represented by labor unions and covered by collective bargaining agreements that will expire between 2023 and 2026. Generally, collective bargaining agreements that expire may be terminated after notice by the union. After termination, the union may authorize a strike similar to the strike which was initiated at our Stockton facility in the third quarter of 2019. Although we believe that our relations with our employees are generally good, no assurance can be given that we will be able to successfully extend or renegotiate our collective bargaining agreements as they expire. If we fail to extend or renegotiate our collective bargaining agreements, if disputes with our unions arise, or if the workers covered by one or more of the collective bargaining agreements engage in a strike, lockout, or other work stoppage, we could have a material adverse effect on production at one or more of our facilities, incur higher labor costs, and, depending upon the length of such dispute or work stoppage, on our business, results of operations, financial position and liquidity.~~ Risks Related to Our International Operations International operations and our financial results in those markets may be affected by legal, regulatory, political, currency exchange and other economic risks. During ~~2022~~ **2023** , revenue from sales outside of the U. S. was $ ~~500~~ **583** . 4 million, representing approximately ~~23~~ **26** . ~~6~~ **4** % of consolidated sales. In addition, a significant amount of our manufacturing and production operations are located outside the U. S. As a result, our business is subject to risks and uncertainties associated with international operations, including: • difficulties and costs associated with complying with a wide variety of complex and changing laws, including securities laws, tax laws, employment and pension- related laws, competition laws, U. S. and foreign export and trading laws, and laws governing improper business practices, treaties and regulations; • limitations on our ability to enforce legal rights and remedies; • adverse domestic or international economic and political conditions, business interruption, war and civil disturbance; • changes to tax, currency, or other laws or policies that may adversely impact our ability to repatriate cash from non- U. S. subsidiaries, make cross- border investments, or engage in other intercompany transactions; • future regulatory guidance and interpretations of the tax legislation commonly known as the U. S. Tax Cuts and Jobs Act of 2017 (the" Tax Act"), as well as assumptions that the Company makes related to the Tax Act; • changes to tariffs or other import or export restrictions, penalties or sanctions, including modification or elimination of international agreements covering trade or investment; • costs and availability of shipping and transportation; • nationalization or forced relocation of properties by foreign governments; • currency exchange rate fluctuations between the U. S. dollar and foreign currencies; and • uncertainty with respect to any potential changes to laws, regulations and policies that could exacerbate the risks described above. All of these factors could result in increased costs or decreased revenues and could materially and adversely affect our sales, financial condition and results of operations. Additionally, international construction standards, techniques and methods differ from those in the U. S. and as a result, we may need to redesign our products, or design new products, to compete effectively and profitably in international markets. In addition, we operate in many parts of the world that have experienced governmental corruption and we could be adversely affected by violations of the Foreign Corrupt Practices Act (" FCPA") and similar worldwide anti- corruption laws. The FCPA and similar anti- corruption laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. Although we mandate compliance with these anti- corruption laws, we cannot provide assurance that these measures will necessarily prevent violations of these laws by our employees or agents. If we were found to be liable for violations of anti- corruption laws, we could be liable for criminal or civil penalties or other sanctions, which could have a material adverse impact on our business, financial condition and results of operations. Failure to comply with export, import, and sanctions laws and regulations could materially and adversely affect us. We are subject to a number of export, import and economic sanction regulations, including the International Traffic in Arms Regulations (“ ITAR ”), the Export Administration Regulations (“ EAR ”) and U. S. sanction regulations administered by the U. S. Department of Treasury, Office of Foreign Assets (“ OFAC ”). Foreign governments where we have operations also implement export, import and sanction laws and regulations, some of which may be inconsistent or conflict with ITAR and EAR. Where we face such inconsistencies, it may be impossible for us to comply with all applicable regulations. If we do not obtain all necessary import and export licenses required by applicable export and import regulations, including ITAR and EAR, or do business with sanctioned countries or individuals, we may be subject to fines, penalties and other regulatory action by governmental authorities, including, among other things, having our export or import privileges suspended. Even if our policies and procedures for exports, imports and sanction regulations comply, but our employees fail or neglect to follow them in all respects, we might incur similar liability. Any changes in applicable export, import or sanction laws or regulations or any legal or regulatory violations could materially and adversely affect our business and financial condition. Our manufacturing facilities in China complicate our supply and inventory management. We maintain manufacturing capability in various parts of the world, including Jiangsu, China, in part to allow us to serve our customers with prompt delivery of needed products. In recent years, we have significantly expanded our manufacturing capabilities in China. Substantially all of our manufacturing output in China was and is currently intended for export to other parts of the world. Any halting or disruption to our operations at or near our Jiangsu, China manufacturing facility could substantially interfere with our general commercial activity related to our supply chain and customer base, which could have a material adverse effect on our financial condition, results of operations, business or prospects. In such event, we may need to seek alternative sources of supply for products for our customers, which may increase the costs to manufacture and deliver our products. If significant tariffs or other restrictions are placed on our imports or any related counter- measures are taken by other countries, our costs of doing business, revenue and results of operations may be negatively impacted. If significant tariffs or other restrictions are placed on Chinese or other imports or any related countermeasures are taken by China or other countries, our costs of doing business, revenue and results of operations may be materially harmed. If duties are imposed on our imports, we may be required to raise our prices, which may result in the loss of customers and harm our operating performance. Alternatively, we may seek to shift production outside of China, resulting in diversion of management' s attention, significant costs and disruption to our operations as we would need to pursue the time- consuming processes of establishing a new supply chain, identifying substitute components and establishing new manufacturing locations. We are subject to U. S. and international tax laws that could affect our financial results. We generally conduct international operations through our wholly- owned subsidiaries. Our income tax liabilities in the different countries where we operate depend in part on internal settlement prices and administrative charges among us and our subsidiaries. These arrangements require us to make judgments with which tax authorities may disagree. Tax authorities may impose additional tariffs, duties, taxes, penalties and interest on us. Transactions that we have arranged in light of current tax rules could have material and adverse consequences if tax rules change, and changes in tax rules or imposition of any new or increased tariffs, duties and taxes could materially and adversely affect our sales, profits and financial condition. Tax laws are dynamic and subject to change as new laws are passed and new interpretations are issued or applied. If the U. S. or other foreign tax authorities change applicable tax laws, our overall taxes could increase, and our business, financial condition or results of operations may be adversely impacted. Significant judgment and certain estimates are required in determining our worldwide provision for income taxes. Future tax law changes may materially increase the Company’ s prospective income tax expense. We are subject to income taxation in the U. S. as well as numerous foreign jurisdictions. Significant judgment is required in determining our worldwide income tax provision and, there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our financial statements and may materially affect our financial results in the period or periods for which such determination is made. **Increases in income tax rates, changes in income tax laws or disagreements with tax authorities could adversely affect our financial performance. Increases in income tax rates or other changes in tax laws, including changes in how existing tax laws are interpreted or enforced, could adversely affect our financial performance.**

For example, economic and political conditions in countries where we are subject to taxes, including the United States, have in the past and could continue to result in significant changes in tax legislation or regulation. For example, numerous countries have agreed to a statement in support of the Organization for Economic Co- operation and Development model (OECD) rules that propose a partial global profit reallocation and a global minimum tax rate of 15 %. Certain countries, including European Union member states, have enacted or are expected to enact legislation incorporating the global minimum tax with effect as early as 2024 and widespread implementation of a global minimum tax is expected by 2025. As the legislation becomes effective in countries in which we do business, our taxes could increase and negatively impact our provision for income taxes. This increasingly complex global tax environment could increase tax uncertainty, which could in turn result in higher compliance costs and adverse effects on our financial performance. We are also subject to regular reviews, examinations and audits by numerous taxing authorities with respect to income and non- income based taxes. Economic and political pressures to increase tax revenues in jurisdictions in which we operate, or the adoption of new or reformed tax legislation or regulation, also could make resolving any tax disputes more difficult and the final resolution of any tax audits could have an adverse effect on our financial performance. We are a global company with significant revenues and earnings generated internationally, which exposes us to the impact of foreign currency fluctuations, as well as political and economic risks. A significant portion of our net sales and earnings are generated internationally. Sales outside of the U. S. accounted for ~~23~~ **26** . ~~6~~ **4** % of our consolidated net sales in ~~2022~~ **2023** and we anticipate that sales from international operations will continue to represent a significant portion of our net sales in the future. In addition, many of our manufacturing facilities and suppliers are located outside of the U. S. Our foreign operations subject us to certain commercial, political and financial risks. Our business in these foreign markets is subject to general political conditions, including any political instability (such as those resulting from war, terrorism and insurrections) and general economic conditions in these markets, such as inflation, deflation, interest rate volatility and credit availability. Additionally, a number of factors, including U. S. relations with the governments of the foreign countries in which we operate, changes to international trade agreements and treaties, increases in trade protectionism, or the weakening or loss of certain intellectual property protection rights in some countries, may affect our business, financial condition and results of operations. Foreign regulatory requirements, including those related to the testing, authorization, and labeling of products and import or export licensing requirements, could affect the availability of our products in these markets. In addition to risks associated with general political conditions, our international operations are subject to fluctuations in foreign currency exchange rates The functional currency for most of our foreign operations is the applicable local currency. As a result, fluctuations in foreign currency exchange rates affect the results of our operations and the value of our foreign assets and liabilities, which in turn may adversely affect results of operations and cash flows and the comparability of period- to- period results of operations. Foreign governmental policies and actions regarding currency valuation could result in actions by the United States and other countries to offset the effects of such fluctuations. Given the unpredictability and volatility of foreign currency exchange rates, ongoing or unusual volatility may adversely impact our business and financial conditions. ~~and cash flows.~~ Our planning / design software applications facilitate the creation by customers of complex construction and building designs and is extremely complex.If our software applications contain defects or errors,our engineers prepare,approve or seal drawings that contain defects or we are otherwise involved in any design or construction that contains flaws,regardless of whether we caused such flaws,we may be required to correct deficiencies and may become involved in litigation.Further,if any damage or injury is not covered by our insurance and we are held to be liable,we could be required to correct such damage and to compensate persons who might have suffered injury,and our business,reputation,financial condition,results of operations and cash flows could be materially and adversely affected.Risks Related to ~~Human Capital~~ **Our Intellectual Property and Information Technology** General Risk Factors Any issuance of preferred stock may dilute your investment and reduce funds available for dividends. Our Board of Directors is authorized by our certificate of incorporation to determine the terms of one or more series of preferred stock and to authorize the issuance of shares of any such series on such terms as our Board of Directors may approve. Any such issuance could be used to impede an acquisition of our business that our Board of Directors does not approve, further dilute the equity investments of holders of our common stock and reduce funds available for the payment of dividends to holders of our common stock. Provisions in our amended and restated certificate of incorporation and bylaws or Delaware law might discourage, delay or prevent a change in control of our company or changes in our management. Our amended and restated certificate of incorporation and bylaws contain provisions that may discourage, delay or prevent a change in control of our Company or changes in our management that our stockholders may deem advantageous. For example, under our charter documents, our stockholders cannot call special meetings and cannot take action by written consent. Additionally, we are subject to Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any " interested " stockholder for a period of three years following the date on which the stockholder became an " interested " stockholder and which may discourage, delay or prevent a change in control of our company. Delaware law and our corporate governance documents could deter takeover attempts that might otherwise be beneficial to our stockholders. If we were required to write down all or part of our goodwill or other indefinite- lived intangible assets, our results of operations or financial condition could be materially adversely affected in a particular period. Declines in the Company' s business may result in an impairment of the Company' s tangible and intangible assets which could result in a material non- cash charge. At least annually, or at other times when events occur that could affect the value of such assets, we perform impairment tests on our goodwill, indefinite- lived intangible assets and definite- lived intangible assets. To determine whether an impairment has occurred, we compare fair value of each of our reporting units with its carrying value. In the past, these tests have led us to incur significant impairment charges. Significant and unanticipated changes in circumstances, such as significant adverse changes in business climate, adverse actions by regulatory authorities, unanticipated competition, loss of key customers or changes in technology or markets, can require a charge for impairment that can negatively impact our results of operations.