

Risk Factors Comparison 2025-02-18 to 2024-02-27 Form: 10-K

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The Company's business, operations and financial condition are subject to various risks and uncertainties. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K, including those risks set forth under the heading entitled "Cautionary **Statement Concerning Forward-Looking** Statements ~~Under the Private Securities Litigation Reform Act of 1995~~" in Item 7, and in other documents that the Company files with, **or furnishes to**, the SEC, before making any investment decision with respect to its securities. If any of the risks or uncertainties actually occur or develop, the Company's business, financial condition, results of operations and future growth prospects could change. Under these circumstances, the trading prices of the Company's securities could decline, and you could lose all or part of your investment in the Company's securities. **Strategic Risks** ~~The successful execution of the..... and other benefits will be realized.~~ Business and Operational Risks The Company's business is subject to risks associated with sourcing, manufacturing and maintaining appropriate inventory levels. The Company imports large quantities of finished goods, component parts and raw materials. Lead times for these items vary significantly and may be further impacted by global shortages of critical components. Global **trade and** supply chain constraints in the wake of geopolitical tensions and conflicts have **adversely impacted**, and could ~~again,~~ **adversely impact** ~~again,~~ the availability, **pricing** and lead times for products, component parts and raw materials and thus negatively impact the Company's results of operations. Specifically, the Company sources materials from South Korea, China and Taiwan, and any future tensions or conflicts in such regions could cause material disruptions in the Company's supply chain which could, in turn, cause product shortages, delays in delivery and / or increases in the Company's cost incurred to produce and deliver products to its customers. Other potential consequences arising from the further escalation of conflicts and global geopolitical tensions cannot be predicted. In addition, the Company's ability to import these items in a timely and cost-effective manner may be affected by conditions at ports or issues that otherwise affect transportation and warehousing providers, such as fluctuations in freight costs, port and shipping capacity, labor disputes and shortages, severe weather, ~~including severe weather due to climate change,~~ or increased homeland security requirements in the U. S. and other countries. These issues have delayed, and could delay in the future, importation of products or require the Company to locate alternative ports or warehousing providers to avoid disruption to customers. These alternatives may not be available on short notice or could result in higher transit costs, which could have an adverse impact on the Company's business, **results of operations,** and financial condition. The Company also relies on its ability to maintain inventory levels appropriate to meet consumer and customer demand. The Company is focused on optimizing inventory levels via improved supply chain conditions and strategic inventory management. **Any failure** ~~through the Global Cost Reduction Program implemented in mid-2022, which includes an initiative to reduce~~ **optimize** inventory levels ~~by reducing complexity through SKU rationalization. Any failure to achieve SKU rationalization efforts in an efficient manner or reduce inventory levels in general,~~ or otherwise maintain appropriate inventory levels to meet consumer and customer demand, may expose the Company to risks of excess inventory and less marketable or obsolete inventory and could require the Company to sell excess or obsolete inventory at a discount, which could result in inventory write-offs that would negatively impact the Company's ~~revenues~~ **results of operations.** **The Company also relies on its suppliers to provide high quality products and to comply with applicable laws. The Company's ability to find qualified suppliers who meet its standards, and supply products in a timely, cost-effective and efficient manner is a significant challenge with the increasing demand from customers, especially with respect to goods sourced from non- U. S. suppliers. A supplier's failure to meet the Company's standards, provide products in a timely, cost-effective and efficient manner, or comply with applicable laws is beyond the Company's control. These issues could have a material negative impact on the Company's business and profitability. Poor quality or and- an profit margin insecure supply chain may also adversely affect the reliability and reputation of the Company. For certain products, the Company may rely on one or very few suppliers, which may limit the Company's ability to expeditiously source alternatives. The Company's business is subject to risks associated with the global trade environment, including customs and trade regulations, tariffs, quotas, import taxes and international trade agreements.** Substantially all of the Company's import operations are subject to customs requirements, **trade restrictions and protection measures,** and to tariffs ~~and,~~ **quotas and taxes on imports** set by governments through mutual agreements, bilateral actions or, in some cases unilateral action, **such as tariffs implemented by the U. S. government under Section 301 of the Trade Act of 1974.** In addition, the countries in which the Company's products and materials are manufactured or imported from (including importation into the U. S. of the Company's products manufactured overseas) may from time to time impose additional quotas, duties, tariffs or other restrictions on its imports (including restrictions on manufacturing operations) or adversely modify existing restrictions. **Adverse changes in the Company's import costs and restrictions, or failure by the Company's suppliers to comply with customs regulations or similar laws, could harm the Company's business.** Changes in ~~governmental~~ **U. S.** policy regarding international trade, including import and export regulation, **sanctions,** and international trade agreements, have negatively impacted the Company's business. **Similar U. S. actions involving China, Mexico or other countries, and any corresponding retaliatory efforts, could be adopted or modified with little or no advanced notice, result in disruption to the Company's supply chain and an increase in supply chain costs that the Company may not be able to accurately assess and offset, which could in turn require the Company to increase its prices and, in the event customer demand declines as a result, adversely impact the Company's results of operations.** For example, in 2018 the U. S. imposed tariffs on steel and aluminum as well as on goods imported from China and certain other countries, which

resulted in retaliatory tariffs by China and other countries. **Similar Diplomatic and trade tensions between the U. S. actions and any corresponding retaliatory China remain high. Existing tariffs remain in effect and there is a possibility of further escalation of trade tensions or additional trade restrictions. Certain of the Company's competitors may be better positioned than the Company to withstand or react to these kinds of changes and other restrictions on global trade and as a result the Company could lose market share to such competitors. While the Company may be able to expand or shift sourcing options, such efforts are time consuming and could be difficult or impracticable for many products and may result in an increase in supply chain its manufacturing costs that the Company may not be able to offset or otherwise adversely impact the Company's results of operations.** Imports are also subject to unpredictable foreign currency changes which may increase the Company's cost of goods sold. Adverse changes in these import costs and restrictions, or failure by the Company's suppliers to comply with customs regulations or similar laws, could harm the Company's business. The Company's operations are also subject to the effects of international trade agreements and regulations such as the United States- Mexico- Canada Agreement, and the activities and regulations of the World Trade Organization. Although these trade agreements generally have **, and the Company has benefited from,** positive effects on trade liberalization, sourcing flexibility and cost of goods by reducing or eliminating the duties and / or quotas assessed on products manufactured in a particular country, trade agreements **, however,** can also impose requirements that adversely affect the Company's business, such as setting quotas on products that may be imported from a particular country into key markets including the U. S. or the European Union (" EU"), or making it easier for other companies to compete, by eliminating restrictions on products from countries where the Company's competitors source products. The Company **also relies on its suppliers cannot predict if, and to provide high quality what extent, other countries in which its products are currently manufactured or will be manufactured in the future and to comply with applicable laws. The Company's ability to find qualified suppliers who meet its standards, or countries into which its including a majority of suppliers by spend having carbon emission reduction targets, and supply products are imported in a timely, will be subject cost-effective and efficient manner is a significant challenge with the increasing demand from customers, especially with respect to, goods sourced from outside the U. S. For or implement certain products, additional or increased tariffs, new trade restrictions or other changes to existing international trade agreements, the impact of which the Company may not be able rely on one or very few suppliers. A supplier's failure to accurately assess or meet the Company's standards, provide products in a timely, cost-effective effectively mitigate and any of which efficient manner, or comply with applicable laws is beyond the Company's control. These issues could have a material negative adverse impact on its the Company's business and profitability. Poor quality In addition, efforts to withdraw from, or substantially modify, such agreements or arrangements, in addition to the implementation of more restrictive trade policies, such as more detailed inspections, import or export licensing requirements an and insecure supply chain exchange controls or new barriers to entry, may also could limit the Company's ability to capitalize on current and future growth opportunities in international markets, impair its ability to expand the business by offering new products, and could adversely affect impact its production costs, customer demand and relationships with customers and suppliers. Any of the these consequences could have reliability and reputation of the Company. The effects of extreme weather conditions, including as a material adverse effect result of climate change, could also place capacity constraints on the Company's results supply chain. For example, steel and copper are critical to the design of operations the Company's products and some countries, including Chile financial condition and cash flows Australia from which steel and copper are sourced, have experienced and are expected to continue to experience severe weather. A severe weather event in these countries could cause disruptions in the Company's supply chain which could, in turn, cause product shortages, delays in delivery and / or increases in the Company's cost incurred to produce and deliver products to its customers. Changes in customer or end- user preferences, the inability to maintain mutually beneficial relationships with large customers, inventory reductions by customers, and the inability to penetrate new channels of distribution could adversely affect the Company's business. The Company has certain significant customers, particularly home centers and major retailers. In 2023-2024, the two largest customers comprised approximately 27 28 % of consolidated net sales, with U. S. and international mass merchants and home centers collectively comprising approximately 42-43 % of consolidated net sales. The loss or material reduction of business, the lack of success of sales initiatives, or changes in customer or end- user preferences or loyalties for the Company's products, related to any such significant customer could have a material adverse impact on the Company's results of operations and cash flows. In addition, the Company's major customers are volume purchasers, a few of which are much larger than the Company, and have strong bargaining power with suppliers. This factor limits the ability to recover cost increases through higher selling prices. Furthermore, unanticipated inventory adjustments by these customers can have a negative impact on the Company's net sales. In times of tough economic conditions, the Company has experienced significant distributor inventory corrections reflecting de- stocking of the supply chain associated with difficult credit markets. Such distributor de- stocking exacerbated sales volume declines pertaining to weak end- user demand and the broader economic recession. The Company's results may be adversely impacted in future periods by such customer inventory adjustments. Further, the inability to continue to penetrate new channels of distribution may have a negative impact on the Company's future results. The Company faces active global competition and if it does not compete effectively, its business may suffer. The Company faces active competition and resulting pricing pressures. The Company's products compete on the basis of, among other things, its reputation for product quality, its well- known brands, price, performance, innovation and customer service capabilities. The Company competes with both larger and smaller companies that offer the same or similar products and services or that produce different products appropriate for the same uses. These companies are often located in, especially those with global footprints and low- cost sources of supply, vertically integrated business models and / or highly protected home countries such as China outside the United States, may have lower Taiwan and India where labor and other production costs are substantially lower than in the Company U. S., Canada and Western Europe. Also, certain large customers offer house brands that compete with some of the Company's**

product offerings as a lower- cost alternative. To remain profitable and maintain or grow market share, the Company must maintain a competitive cost structure, develop new products and services, lead product innovation, **successfully execute its platform design innovation efforts**, respond to competitor innovations and enhance its existing products in a timely manner. The Company also competes for labor, particularly in its manufacturing facilities, which can drive higher labor costs and adversely impact its ability to efficiently operate. Any failure to attract and retain employees at the Company' s manufacturing facilities or in other parts of the Company' s operations may adversely affect its business and ability to meet customer demand, which in turn could adversely affect the Company' s liquidity and results of operations. The Company may not be able to compete effectively on all of these fronts and with all of its competitors, and the failure to do so could have a material adverse effect on its sales and profits. Operational Excellence, one element of the supply chain transformation, is a continuous operational improvement process applied to many aspects of the Company' s business such as procurement, quality in manufacturing, maximizing customer fill rates, integrating acquisitions and other key business processes. In the event the Company is not successful in effectively applying the Operational Excellence principles to its key business processes, including those of acquired businesses, its ability to compete and future earnings could be adversely affected. In addition, the Company may have to reduce prices on its products and services, or make other concessions, to stay competitive. Price reductions taken by the Company in response to customer and competitive pressures, as well as price reductions and promotional actions taken to drive demand that may not result in anticipated sales levels, could also negatively impact its business. The Company engages in restructuring actions, sometimes entailing shifts of production to low- cost countries, as part of its efforts to maintain a competitive cost structure. If the Company does not execute restructuring actions well, its ability to meet customer demand may decline, or earnings may otherwise be adversely impacted. Similarly, if such efforts to reform the cost structure are delayed relative to competitors or other market factors, the Company may lose market share and profits. Customer consolidation could have a material adverse effect on the Company' s business. A significant portion of the Company' s products are sold through home centers and mass merchant distribution channels in the U. S. and Europe. A consolidation of retailers in both North America and abroad has occurred over time and the increasing size and importance of individual customers creates risk of exposure to potential volume **or profitability** loss. The loss of certain larger home centers as customers would have a material adverse effect on the Company' s business. Low demand for new products and the inability to develop and introduce new products at favorable margins could adversely impact the Company' s performance and prospects for future growth. The Company' s competitive advantage is due in part to its ability to develop and introduce new products in a timely manner at favorable margins. The uncertainties associated with developing and introducing new products, such as market demand, the unavailability of raw materials necessary for production of the Company' s products and costs of development and production, may impede the successful development and introduction of new products on a consistent basis. Introduction of new technology may result in higher costs to the Company than that of the technology replaced. That increase in costs, which may continue indefinitely or until increased demand and greater availability in the sources of the new technology drive down its cost, could adversely affect the Company' s results of operations. Market acceptance of the new products introduced in recent years and scheduled for introduction in future years may not meet sales expectations due to various factors, such as the failure to accurately predict market demand, end- user preferences, evolving industry standards, or the emergence of new or disruptive technologies. Moreover, the ultimate success and profitability of the new products may depend on the Company' s ability to resolve technical and technological challenges in a timely and cost- effective manner, and to achieve manufacturing efficiencies. The Company' s investments in productive capacity and commitments to fund advertising and product promotions in connection with these new products could erode profits if those expectations are not met. The pace of technological change continues to accelerate and the Company' s ability to react effectively to such change may present significant competitive risks. The Company' s future growth rate depends upon a number of factors, including its ability to (i) identify and evolve with emerging technological and broader industry trends in its target end- markets, **including, but not limited to, artificial intelligence and machine learning**; (ii) defend its market share against an ever- expanding number of competitors, including many new and non- traditional competitors; (iii) monitor disruptive technologies and business models; and (iv) attract, develop, and retain individuals with the requisite technical expertise and understanding of customers' needs to develop new technologies and introduce new products. To remain competitive, the Company will need to stay abreast of new technologies, require its employees to continue to learn and adapt to new technologies and be able to integrate them into current and future business models, products, services and processes, **comply with evolving regulatory and operational requirements concerning the use of emerging technologies** and also guard against existing and new competitors disrupting the marketplace using such technologies. For example, changing market trends, such as increased consumer demand for energy efficient products and technologies in response, **in part**, to climate change, require the Company to develop and adopt new innovations focused on electrification. The Company may not adequately meet these demands or develop and adapt to the applicable new technologies focused on electrification, which could adversely affect the Company' s reputation and the consumer and customer demand for the Company' s products. The failure of the Company' s technologies or products to gain market acceptance due to more attractive offerings by its competitors or the failure to address any of the above factors could negatively impact revenues and adversely affect its competitive standing and prospects. The Company has significant operations outside of the U. S., which are subject to political, legal, economic and other risks arising from **international operating operations outside of the U. S.** The Company has significant operations outside of the U. S. Such business operations are subject to political, legal, economic and other risks inherent in operating **internationally in certain countries**, such as: • the difficulty of enforcing agreements and protecting assets through legal systems outside the U. S. including intellectual property rights, which may not be recognized, and which the Company may not be able to protect outside the U. S. to the same extent as under U. S. law; • managing widespread operations and enforcing internal controls, policies and procedures designed to deter prohibited practices under U. S. and foreign anti- bribery, anti- corruption, and anti- money laundering regulations and sanctions, such as the U. S. Foreign

Corrupt Practices Act of 1977 ("FCPA") and the UK Bribery Act of 2010; • ~~trade protection measures and~~ import or export licensing requirements **and controls including those related to the U. S.' s relationship with China** and economic and trade sanctions administered by the Office of Foreign Assets Control; • the application of certain labor regulations outside of the U. S.; • compliance with a wide variety of **complex and evolving non- U. S. laws and regulations , which may conflict with U. S. laws and regulations or those of other countries** ; • instability or changes in the general political and economic conditions in the countries where the Company operates (such as the conflicts between Russia and Ukraine, and **Israel and Hamas in the Middle East** and tensions in South Korea, China and Taiwan); • the threat of nationalization and expropriation; • increased costs and risks of doing business and managing a workforce in a wide variety of jurisdictions; • the increased possibility of cyber threats in certain jurisdictions; • government controls limiting importation of goods; • government controls limiting payments to suppliers for imported goods; • limitations on, or impacts from, the repatriation of foreign earnings; and • exposure to wage, price and capital controls. Changes in the political or economic environments in the countries in which the Company operates or violations or perceived violations of the laws and regulations of such countries could have a material adverse effect on its financial condition, results of operations or cash flows. Additionally, compliance with international and U. S. laws and regulations that apply to the Company' s international operations increases the cost of doing business in foreign jurisdictions. Violations of such laws and regulations may result in severe fines and penalties, criminal sanctions, administrative remedies or restrictions on business conduct, and **any such violations, or perceived violations,** could have a material adverse effect on the Company' s reputation, its ability to attract and retain employees, **and** its business, operating results and financial condition. The Company' s success depends on its ability to improve productivity and streamline operations to control or reduce costs. The Company is committed to continuous productivity improvement and evaluating opportunities to reduce fixed costs, simplify or improve processes, and eliminate excess capacity. The Company has undertaken restructuring and cost- reduction actions, the savings of which may be mitigated by many factors, including economic weakness, inflation, competitive pressures, higher labor costs and decisions to increase costs in areas such as sales promotion or research and development above levels that were otherwise assumed. In mid- 2022, the Company initiated a supply chain transformation designed to return adjusted gross margins to historical 35 % levels by improving fill rates and better matching inventory with customer demand. This transformation has **involved,** and will continue to involve , significant investment from the Company, and the success and anticipated cost savings from this transformation are not assured. Failure to achieve, or delays in achieving, projected levels of efficiencies and cost savings from this transformation and other restructuring or cost reduction actions introduced by the Company, significant increases in the costs related to such actions, or unanticipated inefficiencies resulting from this transformation and other manufacturing and administrative reorganization actions in progress or contemplated, could adversely affect the anticipated cost savings **as well as the Company' s reputation and financial position** . A material disruption of the Company' s operations, particularly at its manufacturing facilities or within its information technology infrastructure, could adversely affect business. The Company' s facilities, supply chains, distribution systems, and information technology systems are subject to catastrophic loss due to natural disasters or other disruptions, including hurricanes and floods, **droughts and water scarcity,** power outages , **energy shortages** , fires, explosions, terrorism or other geopolitical tensions, equipment failures, sabotage, cybersecurity incidents, any potential effects of climate change and adverse weather conditions, labor disputes, critical supply failure, inaccurate downtime forecast, political disruption, public health crises, like a regional or global pandemic such as COVID- 19, and other reasons, which ~~can~~ **has and could again** result in undesirable consequences, including financial losses and damaged relationships with customers. The Company employs information technology systems and networks to support the business and relies on them to process, transmit and store electronic information, and to manage or support a variety of business processes and activities. Disruptions to ~~its~~ **the Company' s** information technology infrastructure from system failures, shutdowns, power outages, telecommunication or utility failures, cybersecurity incidents, and other events, including disruptions at its cloud computing ,server, systems and other third party IT service providers, could interfere with its operations, interrupt production and shipments, damage customer and business partner relationships, and negatively impact its reputation **Company** were required to write- down all or part of its goodwill, indefinite- lived trade names, or other definite- lived intangible assets, its net income and net worth could be materially adversely affected. As of December ~~28-30, 2024~~ **2023** , the Company has approximately \$ ~~7-8. 9-0~~ **7.8- 9.0** billion of goodwill, approximately \$ ~~2. 3-4~~ **2.3-4** billion of indefinite- lived trade names and approximately \$ ~~1. 4-6~~ **1.4-6** billion of net definite- lived intangible assets. The Company is required to periodically, at least annually, determine if its goodwill or indefinite- lived trade names have become impaired, in which case it would write down the impaired portion of the asset. The definite- lived intangible assets, including customer relationships, are amortized over their estimated useful lives and are evaluated for impairment when appropriate. Impairment of intangible assets may be triggered by developments outside of the Company' s control, such as worsening economic conditions, technological change, intensified competition or other factors, which could have an adverse effect on the Company' s financial condition and results of operations. **If the** ~~During 2024,~~ Industry and Economic Risks The Company' s results of operations could be negatively impacted by inflationary or deflationary economic conditions which could affect the ability to obtain raw materials, component parts, freight, energy, labor and sourced finished goods in a timely and cost- effective manner, as well as lead to changes in interest rate environments which impact its cost of funds, the general strength of the economy and demand for its products in the market. The Company' s products are manufactured using both ferrous and non- ferrous metals including, but not limited to, steel, zinc, copper, brass, aluminum, and nickel. Additionally, the Company uses other commodity- based materials for components and packaging including, but not limited to, plastics, resins, wood and corrugated products. The Company' s cost base also reflects significant elements for freight, energy and labor. The Company also sources certain finished goods directly from vendors. If the Company is unable to mitigate inflationary increases through various customer pricing actions and cost reduction initiatives, its profitability may be adversely affected. Conversely, in the event there is deflation, the Company may experience pressure from its customers to reduce prices, and there can be no assurance that the Company would be able to reduce its cost base

(through negotiations with suppliers or other measures) to offset any such price concessions which could adversely impact results of operations and cash flows. Further, as a result of inflationary or deflationary economic conditions, the Company believes it is possible that a limited number of suppliers may either cease operations or require additional financial assistance from the Company in order to fulfill their obligations. In a limited number of circumstances, the magnitude of the Company's purchases of certain items is of such significance that a change in established relationships with suppliers or increase in the costs of purchased raw materials, component parts or finished goods could result in manufacturing interruptions, delays, inefficiencies or an inability to market products. Changes in value-added tax rebates, currently available to the Company or to its suppliers, could also increase the costs of the Company's manufactured products, as well as purchased products and components, and could adversely affect the Company's results. Uncertainty about the financial stability of economies outside the U. S. could have a significant adverse effect on the Company's business, results of operations and financial condition. The Company generates approximately 38 % of its revenues outside the U. S., including 16 % from Europe and 12-13 % from various emerging market countries. Each of the Company's segments generates sales in these marketplaces. While the Company believes any downturn volatility in the European or emerging marketplaces might be offset to some degree by the relative stability in North America, the Company's future growth, profitability and financial liquidity could be affected, in several ways, including, but not limited to, the following: • depressed consumer and business confidence may decrease demand for products and services; • customers may implement cost reduction initiatives or delay purchases to address inventory levels; • significant declines in foreign currency values in countries where the Company operates could impact both the revenue growth and overall profitability in those geographies; • a devaluation of foreign currencies could have an effect on the creditworthiness creditworthiness (as well as the availability of funds) of customers in those regions impacting the collectability of receivables; • a devaluation of foreign currencies could have an adverse effect on the value of financial assets of the Company in the effected countries; and • the impact of an event or changes to political and economic conditions (individual country default, or break up of the Euro) could have an adverse impact on the global credit markets and global liquidity potentially impacting the Company's ability to access these credit markets and to raise capital or disrupting global energy supply or supply chains. **Negative economic conditions and outlooks in the markets the Company serves may weaken demand for the Company's products. Demand for the Company's products depends, in part, on the general economic conditions affecting the industries and markets in which it does business, including, but not limited to, construction and housing, general industrial, automotive, aerospace and outdoor, and can be significantly reduced in an economic environment characterized by high unemployment, high interest rates, cautious consumer spending, inflation, lower corporate earnings, and lower business investment. From time to time, the Company has been adversely impacted by negative economic conditions within the markets it serves, including labor and raw material shortages, inflation, high interest rates and declines in consumer confidence and housing demand. Any decrease in demand for the Company's products as a result of these and other negative economic factors may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations and its ability to execute capital allocation plans, fund capital expenditures and investments, pay dividends and meet debt obligations and other liabilities.** The Company is exposed to market risk from changes in foreign currency exchange rates which could negatively impact profitability. The Company manufactures and sells its products in many countries throughout the world. As a result, there is exposure to foreign currency risk as the Company enters into transactions and makes investments denominated in multiple currencies. The Company's predominant currency exposures are related to the Euro, Canadian Dollar, British Pound, Australian Dollar, Brazilian Real, Chinese Renminbi ("RMB") and the Taiwan Dollar. In preparing its financial statements, for foreign operations with functional currencies other than the U. S. dollar, asset and liability accounts are translated at current exchange rates, while income and expenses are translated using average exchange rates. With respect to the effects on translated earnings, if the U. S. dollar strengthens relative to local currencies, the Company's earnings could be negatively impacted. Although the Company utilizes risk management tools, including hedging, as it deems appropriate, to mitigate a portion of potential market fluctuations in foreign currencies, there can be no assurance that such measures will result in all market fluctuation exposure being eliminated. The Company generally does not hedge the translation of its non- U. S. dollar earnings in foreign subsidiaries but may choose to do so in certain instances. The Company sources many products from China and other low- cost countries for resale in other regions. **The To the extent the RMB or other currencies appreciate, the Company may experience cost increases on such purchases and increases to its costs of goods sold to the extent the RMB or other currencies appreciate, or other foreign currency changes occur.** The Company may not be successful at implementing customer pricing or other actions in an effort to mitigate the related cost increases and thus its profitability may be adversely impacted. **Financing Risks** The Company has incurred, and may incur in the future, significant indebtedness, and may in the future issue additional equity or debt securities, including in connection with mergers or acquisitions, which may impact the manner in which it conducts business or the Company's access to external sources of liquidity. The potential issuance of such securities may limit the Company's ability to implement elements of its business strategy and may have a dilutive effect on earnings. As described in Note H-G, Long- Term Debt and Financing Arrangements, of the Notes to Consolidated Financial Statements in Item 8, the Company has a five- year \$ 2. 5-25 billion committed credit facility and a \$ 1. 5-25 billion syndicated 364- Day-day Credit credit Agreement-agreement. No amounts were outstanding against any of these facilities on December 30-28, 2023-2024. As of December 30-28, 2023-2024, the Company had \$ 7. 3 billion of indebtedness, including \$ 6. 2 billion of principal amount and \$ 1. 1 billion of indebtedness commercial paper borrowings. The instruments and agreements governing certain of the Company's current indebtedness contain requirements or restrictive covenants that include, among other things: • a limitation on creating liens on certain property of the Company and its subsidiaries; • a restriction on entering into certain sale- leaseback transactions; • customary events of default, including repayment of all amounts outstanding in the event of the occurrence and continuance of an event of default; and • maintenance of a specified financial ratio. The Company has an interest coverage covenant in each of

its 364-day credit agreement and five-year credit agreement that must be maintained to permit continued access to its committed credit facilities. The interest coverage ratio tested for covenant compliance compares adjusted Earnings Before Interest, Taxes, Depreciation and Amortization to adjusted net Interest Expense (" Adjusted EBITDA" /" Adjusted Net Interest Expense") ; such adjustments to interest or EBITDA include, but are not limited to, removal of non-cash interest expense and stock-based compensation expense. Subject to certain adjustments **The Company must maintain, for portions each period of four consecutive** the 2023 and 2024 fiscal quarters of year periods as detailed below, the **Company, an** interest coverage ratio **must of not be less than 3.5 times and 50 to 1.00, provided that the Company** is computed **only required to maintain an interest coverage ratio of not less than (i) 1.50 to 1.00 for any four fiscal quarterly -- quarter -- period ending** on a rolling twelve months or before the end of the Company's second fiscal quarter of 2024, and **(ii last twelve months) basis 2**. In February **50 to 1.00 for any four fiscal quarter period ending after the Company's second fiscal quarter of 2023-2024 ;** **through and including** the Company entered into amendments to its' s second fiscal quarter of 2025. For purposes of calculating the Company's compliance with the interest coverage ratio, as defined in each credit agreement, facilities described above to: (a) amend the definition of Adjusted **Company is permitted to increase** EBITDA to allow for additional adjustment addbacks **incurred prior to the end of the Company's second fiscal quarter of 2025 . provided that (A) the sum of the applicable adjustment addbacks incurred through and including the Company's second fiscal quarter of 2024 may not to exceed \$ 500 million in the aggregate, and (B) the sum of the applicable adjustment addbacks incurred from the Company's third fiscal quarter of 2024 through and including the Company's second fiscal quarter of 2025 may not exceed \$ 250 million in the aggregate; provided, further, that the sum of the applicable adjustment addbacks for any amounts incurred during each four consecutive** fiscal quarter period **may** beginning with the period ending in the third quarter of 2023 through the period ending in the second quarter of 2024, and (b) amend the minimum interest coverage ratio to **not exceed \$ 500 million in** less than 1.5 to 1.0 times computed quarterly, on a rolling twelve months (last twelve months) basis, for the **aggregate period from and including the third quarter of 2023 through the second quarter of 2024. The minimum interest coverage ratio will revert back to 3.5 times for periods after the second quarter of 2024. The Company was compliant with its debt covenant requirements during its** in each of the 2023-2024 fiscal year quarterly measurement periods. Management does not believe it is reasonably likely the Company will breach this covenant. Failure to maintain these ratios could adversely affect further access to liquidity. Future instruments and agreements governing indebtedness may impose other restrictive conditions or covenants. Such covenants could restrict the Company in the manner in which it conducts business and operations as well as in the pursuit of its business strategy. The Company is exposed to counterparty risk in its hedging arrangements. From time to time, the Company enters into arrangements with financial institutions to hedge exposure to fluctuations in currency and interest rates, including forward contracts, options and swap agreements. The Company may incur significant losses from hedging activities due to factors such as demand volatility. The failure of one or more counterparties to the Company's hedging arrangements to fulfill their obligations could adversely affect the Company's results of operations. Tight capital and credit markets or the failure to maintain credit ratings could adversely affect the Company by limiting the Company's ability to borrow or otherwise access liquidity. The Company's long-term growth plans are dependent on, among other things, the availability of funding to support corporate initiatives and the ability to increase sales of existing product lines. While the Company has not encountered financing difficulties to date, the capital and credit markets have experienced extreme volatility and disruption in the past and may again in the future. Market conditions could make it more difficult for the Company to borrow or otherwise obtain the cash required for significant new corporate initiatives . **Additionally, the Company's business could be adversely affected if its customers, suppliers or financial institutions experience difficulty accessing capital markets in order to fulfill their commitments to the Company** . Furthermore, there could be a number of follow-on effects from a credit crisis on the Company's businesses, including insolvency of key suppliers resulting in product delays ; inability of customers to obtain credit to finance purchases of the Company's products and services and / or customer insolvencies. In addition, the major rating agencies regularly evaluate the Company for purposes of assigning credit ratings. The Company's ability to access the credit markets, and the cost of these borrowings, is affected by the strength of its credit ratings and current market conditions. Failure to maintain credit ratings that are acceptable to investors may adversely affect the cost and other terms upon which the Company is able to obtain financing, as well as its access to the capital markets. The Company is exposed to credit risk on its accounts receivable. The Company's outstanding trade receivables are not generally covered by collateral or credit insurance. While the Company has procedures to monitor and limit exposure to credit risk on its trade and non-trade receivables, there can be no assurance such procedures will effectively limit its credit risk and avoid losses, which could have an adverse effect on the Company's financial condition and operating results. If the **Company were required to write-down..... and results of operations. If the** investments in employee benefit plans do not perform as expected, the Company may have to contribute additional amounts to these plans, which would otherwise be available to cover operating expenses or other business purposes. The Company sponsors pension and other post-retirement defined benefit plans. The Company's defined benefit plan assets are currently invested in equity securities, government and corporate bonds and other fixed income securities, money market instruments and insurance contracts. The Company's funding policy is generally to contribute amounts determined annually on an actuarial basis to provide for current and future benefits in accordance with applicable law which require, among other things, that the Company make cash contributions to under-funded pension plans. During **2023-2024** , the Company made cash contributions to its defined benefit plans of approximately \$ **42-41** million and expects to contribute **approximately \$ 35-30** million to its **defined-pension and other post-retirement** benefit plans in **2024-2025** . There can be no assurance that the value of the defined benefit plan assets, or the investment returns on those plan assets, will be sufficient in the future. It is therefore possible that the Company may be required to make higher cash contributions to the plans in future years which would reduce the cash available for other business purposes, and that the Company will have to recognize a significant pension liability adjustment which would decrease the net assets of the Company and result in higher expense in future years. The fair value of

the defined benefit plan assets on December 30, 2023, 2023-2024 was approximately \$ 1.87 billion. Legal, Tax, Regulatory and Compliance Risks The Company's brands are important assets of its businesses and violation of its trademark rights by imitators, or the failure of its licensees or vendors to comply with the Company's product quality, manufacturing requirements, marketing standards, and other requirements could negatively impact revenues and brand reputation. Any inability to protect the Company's other intellectual property rights could also reduce the value of its products and services or diminish its competitiveness. The Company considers its intellectual property rights, including patents, trademarks, copyrights and trade secrets, and licenses held, to be a significant part and valuable aspect of its business. The Company attempts to protect its intellectual property rights through a combination of patent, trademark, copyright and trade secret laws, as well as licensing agreements and third-party nondisclosure and assignment agreements; however, there can be no assurances that these resources will adequately protect the Company's intellectual property rights and deter misappropriation or improper use of its technology. The Company's trademarks have a reputation for quality and value and are important to the Company's success and competitive position. Unauthorized use of the Company's trademark rights may not only erode sales of the Company's products, but may also cause significant damage to its brand name and reputation, interfere with its ability to effectively represent the Company to its customers, contractors, suppliers, and / or licensees, and increase litigation costs. Similarly, failure by licensees or vendors to adhere to the Company's standards of quality and other contractual requirements could result in loss of revenue, increased litigation, and / or damage to the Company's reputation and business. There can be no assurance that the Company's ongoing efforts to protect its brand and trademark rights and ensure compliance with its licensing and vendor agreements will prevent all violations. In addition, the Company's ability to compete could be negatively impacted by its failure to obtain and adequately protect its intellectual property and preserve its associated intellectual property rights, including patents, copyrights, trade secrets, and licenses, as well as its products and any new features of its products or processes. The Company's patent applications may not be approved and any patents owned could be challenged, invalidated or designed around by third parties. In addition, the Company's patents may not be of sufficient scope or strength to provide meaningful protection or commercial advantage. Cybersecurity incidents could disrupt business operations, result in the loss of critical and confidential information, and adversely impact the Company's reputation, operating results, and financial condition. The Company's information systems and data may be vulnerable to cybersecurity threats and incidents which can include uncoordinated individual attempts to gain unauthorized access to information technology ("IT") systems, sophisticated and targeted measures known as advanced persistent threats, breaches due to human error, malfeasance, or other cybersecurity incidents directed at the Company, its products, services and technologies, including those leveraging "Internet of Things" or generative artificial intelligence capabilities, its customers and / or its third-party service providers, including cloud providers. New vulnerabilities may be introduced as cybersecurity threats continue to evolve and if the Company or its third-party vendors increase their use of, or reliance on, emerging technologies, such as generative artificial intelligence and machine learning. The Company deploys measures which it believes leverage industry accepted frameworks to deter, prevent, detect, respond to, and mitigate these cybersecurity threats. The Company has invested and continues to invest in risk management and information security and data privacy measures in order it believes are appropriate to protect its systems and data, including employee and critical service provider training, organizational investments, incident response plans, tabletop exercises, technical defenses and defensive product software designs. The cost and operational consequences of implementing, maintaining and enhancing these measures could increase significantly to overcome increasingly intense, complex, and sophisticated cybersecurity threats. Despite these efforts, cybersecurity incidents (against the Company or parties with whom the Company contracts), depending on their nature and scope, could potentially result in the misappropriation, disclosure, destruction, corruption or unavailability of critical data and confidential or proprietary information (the Company's or that of third parties) and the disruption of business operations. Additionally, it is possible for security vulnerabilities or a cybersecurity threat to remain undetected for an extended time period, and the prioritization of decisions with respect to security measures and remediation of known vulnerabilities undertaken by the Company, and the vendors and other third parties upon which it relies, may be inadequate to protect against or fully mitigate cybersecurity threats. The potential consequences of a material cybersecurity incident and its effects include financial loss, reputational damage, litigation with third parties, theft of intellectual property, fines levied by the Federal Trade Commission or other both U. S. and international government agencies, diminution in the value of the Company's investment in research, development and engineering, and increased cybersecurity protection and remediation costs due to the increasing sophistication and proliferation of threats, which in turn could adversely affect the Company's competitiveness and results of operations. Any of the foregoing can be exacerbated by a delay or failure to detect a cybersecurity incident or the full extent of such incident. In addition, cybersecurity laws and regulations continue to evolve, and are increasingly demanding, both in the U. S. and globally, which adds compliance complexity and may increase costs of compliance and expose the Company to reputational damage or litigation, monetary damages, regulatory enforcement actions, penalties, or fines in one or more jurisdictions. While the Company carries cyber insurance, it cannot be certain that coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to the Company on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The report, rumor, assumption, or perception of a potential or suspected cybersecurity incident may have similar results, even if no such incident has been attempted or occurred. Any of the foregoing may have a material adverse effect on the Company's reputation, operating results and financial condition. The Company is exposed to risks related to compliance with data privacy and governance laws. To conduct its operations, the Company regularly moves, collects, stores, and processes data across national borders, and consequently is subject to a variety of continuously evolving and developing laws and regulations in the U. S. and abroad regarding privacy, data protection, governance and data security. The scope of the laws that may be applicable to the Company is often uncertain and may be conflicting, particularly with respect to foreign laws. For example, lawmaking bodies within the EU, United Kingdom, China and India have increased their jurisdictional reach and added a broad array of requirements for

handling personal **data and product** data, including the public disclosure of significant data breaches. Similarly, in the U. S., state- specific privacy regulations have created and continue to create new industry requirements, consumer privacy rights and enforcement mechanisms. The Company's reputation and brand and its ability to attract new customers could also be adversely impacted if the Company fails, or is perceived to have failed, to properly respond to breaches **or other privacy concerns (even if unfounded)** resulting from its management of consumer data or of its ~~or~~ third party's information technology systems. Such failure to properly respond could also result in similar exposure to liability. Additionally, other countries have enacted or are enacting data localization laws that require data to stay within their borders. In many cases, these laws and regulations apply not only to transfers between unrelated third parties but also to transfers between the Company and its subsidiaries. All of these evolving compliance and operational requirements impose significant costs that are likely to increase over time. Privacy laws that may be implemented in the future, ~~including~~ laws regarding **product** data and generative artificial intelligence, and court decisions impacting activities across borders, ~~may will continue to~~ require changes to certain business practices, thereby increasing costs **and operational complexity**, or may result in negative publicity, require significant management time and attention, and may subject the Company to remedies that may harm its business, including fines or demands or orders that the Company modify or cease existing business practices. Significant judgment and certain estimates are required in determining the Company's worldwide provision for income taxes. Future tax law changes and audit results may materially increase the Company's prospective income tax expense. The Company is subject to income taxation in the U. S. as well as numerous foreign jurisdictions. Significant judgment is required in determining the Company's worldwide income tax provision and accordingly there are many transactions and computations for which the final income tax determination is uncertain. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments, and which may not accurately anticipate actual outcomes. The Company periodically assesses its liabilities and contingencies for all tax years still subject to audit based on the most currently available information, which involves inherent uncertainty. The Company is routinely audited by income tax authorities in many tax jurisdictions. Although management believes the recorded tax estimates are reasonable, the ultimate outcome of any audit (or related litigation) could differ materially from amounts reflected in the Company's income tax accruals. Additionally, the global income tax provision can be materially impacted due to foreign currency fluctuations against the U. S. dollar since a significant amount of the Company's earnings are generated outside the U. S. Lastly, it is possible that future income tax legislation ~~, or~~ **changes to existing legislation** may be enacted that could have a material impact on the Company's worldwide income tax provision, cash tax liability, and effective tax rate beginning with the period that such legislation becomes enacted. For instance, the Organization for Economic Cooperation and Development has enacted model rules for a new global minimum tax framework applicable to multi- national corporations, and various governments have enacted, or are in the process of enacting, legislation implementing all or part of these rules. **Environmental** ~~Climate change~~ legislation or regulations and changing market trends in response to climate change **and other environmental related concerns** may adversely affect the Company's business. There continues to be a lack of consistent **environmental and** climate **related** legislation **and regulation**, which creates economic and regulatory uncertainty. Increased international, regional, state and / or federal **requirements or other stakeholder expectations has mandated, and could mandate in the future, more restrictive or expansive standards or more prescriptive and expansive reporting of environmental, social and governance metrics than the voluntary commitments and reporting the Company adopted. In addition, any such** requirements or other stakeholder expectations could ~~mandate more restrictive or expansive standards, more prescriptive reporting of environmental, social and governance metrics than the voluntary commitments the Company adopted, or~~ require ~~related~~ changes **to be implemented** on a more accelerated time frame than the Company anticipates **or could result in changes to the Company's business operations, supply chain and manufacturing processes**. A number of governmental bodies have finalized, proposed or are contemplating legislative and regulatory changes in response to the potential effect of climate change **, protection of the environment, human health and safety, and water and energy efficiency**. Such legislation or regulation **has increased, and may continue to increase, the Company's compliance burdens and associated costs, including potential increased costs passed along from its suppliers. Additionally, such legislation** has and potentially could include provisions for a " cap and trade " system of allowances and credits or a carbon tax or require increased measurement of metrics and disclosure, among other provisions. ~~The Company currently purchases renewable energy certificates (" RECs ") to reduce Scope 2 emissions and is also assessing expanding its use of solar panels as an alternative energy source.~~ If carbon tax legislation is changed or adopted, the Company may not be able to mitigate the future impact of carbon tax through **its emissions reduction initiatives** ~~the purchase of RECs and the use of solar panels~~ or other measures ~~. The Company may also face reputational risks and risks to the Company's investor confidence and market share if the Company is unable to make progress on the Company's voluntary environmental goals or is unable to keep pace with the progress made by the Company's peers.~~ If environmental laws or regulations are either changed or adopted and impose significant operational restrictions and compliance requirements on the Company, they may have a material adverse effect on the Company's business, access to credit, capital expenditures, operating results and financial condition. The Company also faces risks related to the transition to a lower- carbon economy, such as its ability to successfully adopt new technology, meet market- driven demands for low carbon, carbon neutral and renewable energy technology, or to comply with more stringent and increasingly complex environmental regulations or requirements for the Company's manufacturing facilities and business operations, increased prices related to freight and shipping costs and other permitting requirements. In addition, many of the Company's products incorporate battery technology. As the world moves towards a lower- carbon economy and as other industries begin to adopt similar battery technology for use in their products or increase their current consumption of battery technology, the increased demand could place capacity constraints on the Company's supply chain. **Furthermore** ~~In addition,~~ increased demand for battery technology may also increase the costs to the Company for both the battery cells as well as the underlying raw materials such as cobalt and lithium, among others. If the Company is unable to mitigate any possible supply

constraints or related increased costs or drive alternative technology through innovation, its ~~profitably~~ **profitability** and financial results could be negatively impacted. The Company's failure to continue to successfully avoid, manage, defend, litigate and accrue for claims and litigation could negatively impact its results of operations or cash flows. The Company is exposed to and becomes involved in various legal proceedings, claims, disputes and investigations arising out of the conduct of its business, including the matters described in Item 3. Legal Proceedings in Part I of this Annual Report on Form 10-K and other, actual or threatened proceedings, claims, disputes or investigations relating to such items as securities laws, anti-trust laws, commercial transactions, product liability, workers compensation, employee benefits plans, arrangements between the Company and its distributors, franchisees or vendors, intellectual property claims and regulatory actions. **Any legal proceedings, claims, disputes or investigations, whether with or without merit, can be time consuming and expensive to defend and can divert management's attention and resources**. In addition, the Company is subject to environmental laws in each jurisdiction in which business is conducted. Some of the Company's products incorporate substances that are regulated in some jurisdictions in which it conducts manufacturing operations. The Company has been, and could be in the future, subject to liability if it does not comply with these regulations. In addition, the Company is currently being, and may in the future be, held responsible for remedial investigations and clean-up costs resulting from the discharge of hazardous substances into the environment, including sites that have never been owned or operated by the Company but at which it has been identified as a potentially responsible party under federal and state environmental laws and regulations. Changes in environmental and other laws and regulations in both domestic and foreign jurisdictions could adversely affect the Company's operations due to increased costs of compliance and potential liability for non-compliance. The Company manufactures products and performs various services that create exposure to product and professional liability claims and litigation. The failure of the Company's products and services to be properly manufactured, configured, installed, designed or delivered, resulting in personal injuries, property damage or business interruption could subject the Company to claims for damages. The Company has **defended**, and is currently defending, product liability claims, some of which have resulted in settlements or monetary judgments against the Company. The costs associated with defending ongoing or future product liability claims and payment of damages could be substantial. The Company's reputation could also be adversely affected by such claims, whether or not successful. There can be no assurance that the Company will be able to continue to successfully avoid, manage and defend such matters. In addition, given the inherent uncertainties in evaluating certain exposures, actual costs to be incurred in future periods may vary from the Company's estimates for such contingent liabilities. Refer to Note **S-R**, Contingencies, of the Notes to Consolidated Financial Statements in Item 8 for further information about legal proceedings and other loss contingencies. The Company's products could be recalled. The Company maintains an awareness of and responsibility for the potential health and safety impacts on its customers and end users. The Company's product development processes include tollgates for product safety review, and extensive testing is conducted on product safety. Safety reviews are performed at various product development milestones, including a review of product labeling and marking to ~~ensure~~ **identify** safety and operational hazards ~~are identified~~ for the customer and end user. Despite safety and quality reviews, the Consumer Product Safety Commission or other applicable regulatory bodies may require, or the Company **has voluntarily instituted and may in the future** voluntarily institute, the recall, repair or replacement of the Company's products if those products are found not to be in compliance with applicable standards or regulations. **The Company has also been, and may in the future be, subject to regulatory requirements and penalties concerning the Company's products. Any recall, repair, replacement or other corrective action** could increase the Company's costs and adversely impact its reputation. **Refer to Item 3. Legal Proceedings in Part I of this Annual Report on Form 10-K for further information about legal proceedings involving recalled products**. The Company's sales to government customers exposes it to business volatility and risks, including government budgeting cycles and appropriations, procurement regulations, governmental policy shifts, early termination of contracts, audits, investigations, sanctions and penalties. The Company derives a portion of its revenues from contracts with the U. S. government, state and local governments and foreign governments. Government contractors must comply with specific procurement regulations and other requirements. These requirements, although customary in government contracts, could impact the Company's performance and compliance costs, including limiting or delaying the Company's ability to share information with its business partners, customers and investors, which may negatively impact the Company's business and reputation. The U. S. government may demand contract terms that are less favorable than standard arrangements with private sector customers and may have statutory, contractual or other legal rights to terminate contracts with the Company. For example, the U. S. government may have contract clauses that permit it to terminate any of the Company's government contracts and subcontracts at its convenience, and procurement regulations permit termination for default based on the Company's performance. In addition, changes in U. S. government budgetary priorities could lead to changes in the procurement environment, affecting availability of government contracting or funding opportunities. Changes in government procurement policy, priorities, regulations, technology initiatives and requirements, and/or contract award criteria may negatively impact the Company's potential for growth in the government sector. Changes in government cybersecurity and system requirements could negatively impact the Company's eligibility for the award of future contracts, negatively impacting the Company's business and reputation. Government contracts laws and regulations impose certain risks, and government contracts are generally subject to audits, investigations and approval of policies, procedures and internal controls for compliance with procurement regulations and applicable law. If violations of law are found, they could result in civil and criminal penalties and administrative sanctions, including termination of contracts, refund of a portion of fees received, forfeiture of profits, suspension of payments, fines and suspensions or debarment from future government business. Each of these factors could negatively impact the Company's business, results of operations, financial condition, and reputation. Other Risks The Company's results of operations and earnings may not meet guidance, **planning assumptions** or expectations. The Company's results of operations and earnings may not meet guidance, **planning assumptions** or expectations. The Company may provide public **planning assumptions or** guidance on expected results of operations for future

periods. ~~This guidance is~~ **Such statements are** comprised of forward- looking statements subject to risks and uncertainties, including the risks and uncertainties described in this Annual Report on Form 10- K and in the Company' s other public filings and public statements, and ~~is~~ **are** based necessarily on assumptions the Company makes at the time it provides such **statements, and guidance.** ~~The Company' s guidance~~ may not always be accurate. The Company may also choose to withdraw **planning assumptions or** guidance, as it did in response to the uncertainty of the COVID- 19 pandemic in 2020, or lower **planning assumptions or** guidance in future periods. If, in the future, the Company' s results of operations for a particular period do not meet its **planning assumptions or** guidance or the expectations of investment analysts, the Company reduces its **planning assumptions or** guidance for future periods, or the Company withdraws **planning assumptions or** guidance, the market price of the Company' s common stock could decline significantly. **The Company' s failure to maintain its reputation and the image of its brands could adversely impact its business. The Company' s brands and reputation are important assets, which contribute to its business success. Maintaining, promoting and growing the Company' s brands and reputation depends upon maintaining positive customer and other stakeholder perception of the Company' s business. Negative claims or publicity, whether on social media platforms or otherwise, involving the Company, its products or services, its culture and values, its progress against its sustainability and other related goals, its stance on environmental, social, and governance topics, customer data and privacy, or any of its key employees or suppliers, regardless of whether such claims are accurate, could damage its reputation and brand image and adversely impact the Company' s ability to attract new and maintain existing customers, employees, suppliers, and business relationships. Any failure, or perceived failure, by the Company to manage diverging stakeholder expectations with respect to any such matters could adversely affect the Company' s reputation, its brands and its relationships with customers, investors and employees and other stakeholders.**