Risk Factors Comparison 2024-02-14 to 2023-02-10 Form: 10-K

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This report contains statements referring to Whirlpool that are not historical facts and are considered" forward- looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which are intended to take advantage of the" safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, are based on current projections about operations, industry conditions, financial condition and liquidity. Words that identify forward- looking statements include words such as" may,"" could,"" will,"" should,"" possible,"" plan,"" predict,"" forecast,"" potential,"" anticipate,"" **determine,""** estimate,"" expect,"" project,"" intend,"" believe,"" may impact,"" on track **,"" may affect** ," " guarantee ", " seek " and the negative of these words and words and terms of similar substance used in connection with any discussion of future operating or financial performance, an acquisition or merger, or our businesses. In addition, any statements that refer to expectations, projections, or other characterizations of future events or circumstances, including any underlying assumptions, are forward- looking statements. Those statements are not guarantees and are subject to risks, uncertainties, and assumptions that are difficult to predict. Therefore, actual results could differ materially and adversely from these forward- looking statements. We have listed below what we believe to be the most significant strategic, operational, financial, legal and compliance, and general risks relating to our business. STRATEGIC RISKS We face intense competition in the ~~major~~ home appliance industry and failure to successfully compete could ~~negatively~~ **adversely** affect our business and financial performance. Each of our operating segments **, including our newly reorganized small domestic appliance business effective from January 1, 2024,** operates in a highly competitive business environment and faces intense competition from a significant number of competitors, many of which have strong consumer brand equity. Several of these competitors, such as those set forth in the Business section of this ~~annual~~ **Annual** ~~report~~ **Report** on Form 10- K, are large, well- established companies, ranking among the Global Fortune 500. We also face competition that may be able to quickly adapt to changing consumer preferences, particularly in the connected appliance space, or may be able to adapt more quickly to changes brought about by ~~the global pandemic,~~ supply chain constraints, inflationary pressures, currency fluctuations, geopolitical uncertainty **, epidemics or pandemics** , increased interest rates or other factors. Moreover, our customer base includes large, sophisticated trade customers who have many choices and demand competitive products, services and prices, and which have and may in the future merge, consolidate, form alliances or further increase their relative purchasing scale. Competition in the global appliance industry is based on a number of factors including selling price, product features and design, consumer taste, performance, innovation, reputation, energy efficiency, service, quality, cost, distribution, and financial incentives, such as promotional funds, sales incentives, volume rebates and terms. Many of our competitors are increasingly expanding beyond their existing manufacturing footprints. Our competitors, especially global competitors with low- cost sources of supply, vertically integrated business models and / or highly protected home countries outside the United States, have aggressively priced their products and / or introduced new products to increase market share and expand into new geographies. Many of our competitors have established and may expand their presence in the rapidly changing retail environment, including the **continued** ~~shifting~~ --- **shift** of consumer purchasing practices towards e- commerce and other channels, and the increasing global prevalence of direct- to- consumer sales models. In addition, technological innovation is a significant competitive factor for our products, as consumers continually look for new product features that save time, effort, water and energy. **We may further be exposed to competitive risks related to the adoption and application of new technologies by established participants or new entrants, and competitive risks from uncertainty driven by changes to trade laws, regulations and policies, including tariffs, sanctions, and import / export controls.** If we are unable to successfully compete in this highly competitive environment, our business and financial performance could be ~~negatively~~ **adversely** affected. The loss of, or substantial decline in, volume of sales to any of our key trade customers, major buying groups, and / or builders could adversely affect our financial performance. We sell to a sophisticated customer base of large trade customers, including large domestic and international trade customers, that have significant leverage as buyers over their suppliers. Most of our products are not sold through long- term contracts, allowing trade customers to change volume among suppliers like us. As the trade customers continue to become larger through merger, consolidation or organic growth, they ~~may seek and~~ have sought **and may seek** to use their position to improve their profitability by various means, including improved efficiency, lower pricing, and increased promotional programs. As has occurred in the past, if we are unable to meet their demand requirements, our volume growth and financial results could be ~~negatively~~ **adversely** affected. We also continue to pursue direct- to- consumer sales globally, including the launch of direct- to- consumer sales on most of our brand websites in recent years, which may impact our relationships with existing trade customers. The loss or substantial decline in volume of sales to our key trade customers, major buying groups, builders, or any other trade customers to which we sell a significant amount of products, has **adversely affected** and in the future could adversely affect our financial performance. Additionally, the loss of market share or financial difficulties, including bankruptcy and financial restructuring, by these trade customers could have a material adverse effect on our financial statements. Failure to maintain our reputation and brand image could ~~negatively~~ **adversely** impact our business. Our brands have worldwide recognition, and our success depends on our ability to maintain and enhance our brand image and reputation. Maintaining, promoting and growing our brands depends on our marketing efforts, including advertising and consumer campaigns, as well as product innovation. We could be adversely impacted if we fail to achieve any of these objectives or if, whether or not justified, the reputation or image of our company or any of our brands is tarnished or receives negative publicity. In addition, adverse publicity about regulatory or legal action against us, product safety **concerns** , data privacy breaches or quality issues, inability to meet our net zero or other sustainability goals, or negative association with any brand could damage our reputation and brand image, undermine our customers' confidence in us and reduce long- term demand for our products, even if the regulatory or legal action is unfounded or not material to our operations. In addition, our success in maintaining, extending and expanding our brand image depends on our ability to adapt to a rapidly changing media environment, including an ever- increasing reliance on social media and online dissemination of advertising campaigns. Inaccurate or negative posts ~~or~~ **,** comments **or reviews have been and may continue to be made** about us **or our products** on social networking and other websites that **can** spread rapidly through such forums **, which** could seriously damage our reputation and brand image. If we do not protect, maintain, extend and expand our brand image, then our financial statements could be materially **and** adversely affected. An inability to effectively execute and manage our business objectives and global operating platform initiative could adversely affect our financial performance. The highly competitive nature of our industry requires that we effectively execute and manage our business objectives including our global operating platform initiative. Our global operating platform initiative aims to reduce costs, expand margins, drive productivity and quality improvements, accelerate our rate of innovation, generate free cash flow and drive shareholder value. An inability to effectively control costs and drive productivity improvements could adversely affect our profitability. In addition, an inability to provide high- quality, innovative products could adversely affect our ability to maintain or increase our sales, which could negatively affect our revenues and overall financial performance. ~~Our~~ **An** ~~ability~~ **inability** to understand consumers' preferences and to timely identify, develop, manufacture, market, and sell products that meet customer demand could ~~significantly~~ **adversely** affect our business. Our success is dependent on anticipating and appropriately reacting to changes in consumer preferences, including the shifting of consumer purchasing practices towards e- commerce, direct- to- consumer and other channels, and on successful new product development, including in the eco- efficiency space, the connected appliance space and the digital space ~~(for example, our Yummly recipe app)~~ , and process development and product relaunches in response to such changes **. In addition, the adoption of generative artificial intelligence (" AI") technologies may bring challenges in terms of disruption to both our business model and our existing technology and products. We may further be exposed to competitive risks related to the adoption and application of new technologies by established participants or new entrants, and others. The speed of technological development may prove disruptive if we are unable to maintain the pace of innovation. To compete effectively we must also be responsive to technological change, potential regulatory developments, and public scrutiny** . Our future results and our ability to maintain or improve our competitive position will depend on our capacity to gauge the direction of our key product categories and geographic regions and upon our ability to successfully and timely identify, develop, manufacture, market, and sell new or improved products in these changing environments. Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our products, services and brands. We consider our intellectual property rights, including patents, trademarks, copyrights and trade secrets, and the licenses we hold, to be a significant and valuable aspect of our business. We attempt to protect our 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, as well as agreements and policies with our employees and other parties (including non- compete agreements which may become subject to future regulatory action impacting many companies). Our failure to ~~obtain~~ **secure and maintain** protection for or adequately protect our trademarks, products, new features of our products, or our processes may diminish our competitiveness. We have applied for intellectual property protection in the United States and other **key** jurisdictions with respect to certain innovations and new products, design patents, product features, and processes. We cannot be assured that the U. S. Patent and Trademark Office or any similar authority in other jurisdictions will approve any of our patent applications. Additionally, the patents we own could be challenged or invalidated, others could design around our patents or the patents may not be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Further, the laws of certain foreign countries in which we do business, or contemplate doing business in the future, do not recognize intellectual property rights or protect them to the same extent as United States law. These factors could weaken our competitive advantage with respect to our products, services, and brands in foreign jurisdictions, which could adversely affect our financial performance. Moreover, while we do not believe that any of our products infringe on enforceable intellectual property rights of third parties, others have in the past and may in the future assert intellectual property rights that cover some of our technology, brands, products, or services. Any litigation regarding patents or other intellectual property could be costly and time- consuming and could divert the attention of our management and key personnel from our business operations. Claims of intellectual property infringement might also require us to enter into costly license agreements or modify our products or services. We also may be subject to significant damages, injunctions against the development and sale of certain products or services, or limited in the use of our brands. **In addition, advances in and growing adoption of AI technology may exacerbate intellectual property risks, including the risk that existing intellectual property laws and rights may not provide adequate protection given advances in AI technology. AI may also increase the risk of inadvertent disclosure of Whirlpool' s trade secrets and other confidential information as well as the risk that Whirlpool inadvertently infringes upon others' intellectual property rights.** OPERATIONAL RISKS We face risks associated with our divestitures, acquisitions, other investments and joint ventures. From time to time, we make strategic divestitures, acquisitions, investments and participate in joint ventures. For example, in 2022, we divested our operations in Russia and acquired our InSinkErator business from Emerson Electric Co ~~.~~. During the fourth quarter of 2022, we also classified our European major domestic appliance business as held for sale, and signed an agreement in January 2023 to contribute our European major domestic appliance business to a newly formed entity with Arcelik ~~. In 2021~~ , **which transaction** we **expect to complete by April 2024** ~~divested our majority interest in Whirlpool China (formerly Hefei Sanyo) and sold our manufacturing entity in Turkey~~ . These transactions, and other transactions that we have entered into or which we may enter into in the future, can involve significant challenges and risks, including that the transaction does not advance our business strategy or fails to produce a satisfactory return on our investment. We have encountered and may encounter difficulties in integrating acquisitions with our operations, undertaking post- acquisition restructuring activities, applying our internal control processes to these acquisitions, managing strategic investments, and in overseeing the operations, systems **,** and controls of acquired companies **. We have also experienced and may in the future experience entity governance and management difficulties where we hold only a minority or simple majority equity ownership position** . Integrating acquisitions and carving out divestitures is often costly, may be dilutive to earnings and may require significant attention from management. There might also be differing or inadequate cybersecurity and data protection controls, which could impact our exposure to data security incidents and potentially increase anticipated costs or time to integrate the business. Furthermore, we may not realize the degree, or timing, of benefits we anticipate when we first enter into a transaction. While our evaluation of any potential transaction includes business, legal **, regulatory** and financial due diligence with the goal of identifying and evaluating the material risks involved, our due diligence reviews have not always ~~in the past~~ **or consistently identified** and may not always **or consistently** in the future identify all of the issues necessary to accurately estimate the cost **, time** and potential loss contingencies of a particular transaction, including potential exposure to regulatory sanctions resulting from an acquisition target' s previous activities, costs associated with any quality issues with an acquisition target' s legacy products or difficulties and costs associated with obtaining necessary regulatory approvals. In addition, certain liabilities have in the past and may be **in the future** retained by Whirlpool when closing a facility, divesting an entity or selling physical assets, and certain of these retained liabilities have been in the past and may be in the future material. For example, we agreed to retain certain liabilities relating to Embraco antitrust, tax, environmental, labor and products in connection with the Embraco sale **in 2019** . In addition, the current and proposed changes to the U. S. and foreign regulatory approval process and requirements in connection with an acquisition may cause approvals to take longer than anticipated to obtain, not be forthcoming or contain burdensome conditions, which may jeopardize, delay or reduce the anticipated benefits of the transaction to us and could impede the execution of our business strategy. The ability of our suppliers to deliver parts, components and manufacturing equipment to our manufacturing facilities according to schedule and quality required may impact our ability to manufacture without disruption and could affect product availability and sales. We use a wide range of materials and components in the global production of our products, which come from numerous suppliers around the world. Because not all of our business arrangements provide for guaranteed supply, and our suppliers also are subject to the economic, social and political conditions in the countries in which they operate and, moreover, some key parts may be available only from single- source unaffiliated third- party suppliers or a limited group of suppliers, we are subject to supply chain risk. In addition, certain proprietary component parts used in some of our products are provided by single- source unaffiliated third-party suppliers. We would be unable to obtain these proprietary components for an indeterminate period of time if these single-source suppliers were to cease or interrupt production or otherwise fail to supply these components to us as agreed, which could adversely affect our product sales and operating results. Our operations and those of our suppliers are subject to disruption for a variety of unexpected reasons, including, but not limited to, ~~COVID- 19- related disruptions,~~ sudden changes in business conditions, supplier plant shutdowns or slowdowns, transportation delays due to port delays or any disruption on the supply chain, work stoppages **, epidemics and pandemics** , labor shortages, labor relations, global geopolitical instability, price inflation, governmental regulatory and enforcement actions, intellectual property claims against suppliers, disputes with suppliers, distributors or transportation providers, financial issues such as supplier bankruptcy, information technology failures, hazards such as fire, earthquakes, flooding, or other natural disasters, including due to climate change, and increased homeland security requirements in the U. S. and other countries. For example, we expect to continue to be impacted by supply chain issues, due to factors largely beyond our control: a global shortage of certain components, such as **select** semiconductors, a strain on raw ~~material~~ **materials** and input cost inflation, all of which began easing towards the end of 2022, but could escalate again in future quarters. These issues have **delayed** and could **in the future** delay importation and increase the cost of products and / or components or require us to locate alternative providers to avoid disruption to customers. These alternatives have not always been and in the future may not be available on short notice and have **in the past** and in the future could result in higher transit costs and stock availability, which could have an adverse impact on our business and financial statements. Additionally, we are subject to our suppliers' capabilities to accurately forecast and manage their production and supply chains and consistently supply us with parts and other raw materials, which can impact our operations given the combination of potential issues including sourcing thousands of parts globally from numerous suppliers in multiple countries. The inability to timely convert our backlog due to supply chain disruptions subjects us to pricing and product availability risks and its conversion into revenue. If our suppliers are unable to effectively recover parts and components and we are unable to effectively manage the impacts of price inflation and timely convert our backlog, our ~~results of operations,~~ financial **statements** ~~condition and cash flows~~ could materially and adversely be affected. The lack of availability of any parts, components or equipment has **resulted** and could **in the future** result in production delays and sales disruptions, as well as our ability to ~~fulfil~~ **fulfill** contractual obligations. Unexpected disruption risks as such **cannot** ~~can not~~ be completely eliminated due to our reliance on suppliers' performance to consistently build and ship products to customers. Our ability to continue to identify and to eliminate single failure points within the supply chain remains one of our priorities in order to reduce risks related to third party suppliers and macroeconomic, environmental, political or social potential unforecastable disruptions. Insurance for certain disruptions may not be available, affordable or adequate. The effects of climate change, including extreme weather events, long- term changes in temperature levels and water availability may exacerbate these risks. Such disruption has in the past and could in the future interrupt our ability to manufacture certain products. Any significant supply chain disruption for the reasons stated above or otherwise could have a material adverse impact on our financial statements. Our financial condition and results of operations have been impacted **by the COVID- 19 pandemic** and may in the future be adversely affected by ~~the~~ **other** ~~ongoing COVID- 19~~ **public health emergencies, epidemics or** ~~pandemic~~ **pandemics** ~~. We continue to closely monitor the impact of the global COVID- 19 pandemic on all aspects of our operations and regions, including its effect on our consumers, operations, employees, trade customers, suppliers and distribution channels~~ . Beginning in 2020, the pandemic created significant business disruption and economic uncertainty which ~~adversely~~ **has** impacted ~~and continues to adversely impact~~ **us in subsequent years. A resurgence** ~~our~~ - **or development** ~~manufacturing operations, supply chain, and distribution channels. While the immediate impacts~~ of ~~the~~ **new strains of** COVID- 19 **, or other public health emergencies, epidemics or** ~~pandemic~~ **pandemics** ~~have been assessed~~ , **could negatively** ~~the long- term magnitude and duration of the disruption, including supply chain disruption, and resulting~~ impact ~~in~~ **our** global **operations** ~~business activity remains uncertain. Many factors that have impacted us and others that may impact us in the future~~ , ~~such as timing and availability of effective treatments and vaccines, as well as vaccination rates among the population in the United States and many of the countries in which we operate, and new variants of COVID- 19 are out of our control. The adverse impact of the pandemic is expected to continue and may materially affect our financial statements in future periods. We have not yet determined with certainty the extent to which our existing insurance will respond to pandemic- related impacts. In addition, we cannot predict the impact that COVID- 19 will have on our~~ trade customers, suppliers, consumers, and each of their financial conditions ~~; however~~ **. The extent to which public health emergencies** , **epidemics or pandemics,** ~~any material effect on these parties~~ could ~~adversely~~ impact ~~us. The impact~~ **our business, results** of ~~COVID- 19~~ **operations, financial condition or liquidity is highly uncertain and may materially affect our financial statements in future periods, and** may also exacerbate other risks discussed elsewhere in Item 1A. Risk Factors in this Annual Report on Form 10- K, any of which could have a material adverse effect on our financial statements. We face risks associated with our presence in emerging markets. Our growth plans include efforts to increase revenue from emerging markets, including through acquisitions. Local business practices in these countries may not comply with U. S. laws, local laws or other laws applicable to us or our compliance policies, and non- compliant practices may result in increased liability risks. For example, we may incur unanticipated costs, expenses or other liabilities as a result of an acquisition target' s violation of applicable laws, such as the U. S. Foreign Corrupt Practices Act (FCPA) **, the U. K. Bribery Act, and /** or similar ~~worldwide~~ anti- bribery **/ anti- corruption** laws in non- U. S. jurisdictions. We may incur unanticipated costs or expenses, including post- closing asset impairment charges, expenses associated with eliminating duplicate facilities, litigation, and other liabilities. For example, we incurred significant impairment and restructuring expenses in the years following our acquisition of Indesit in 2014. In addition, our recent acquisitions have and future acquisitions may increase our exposure to other risks associated with operating internationally, including foreign currency exchange rate fluctuations; political, legal and economic instability; inflation; changes in tax rates and tax laws; and work stoppages and labor relations, in addition to other risks **discussed** elsewhere in Item 1A. Risk Factors in this Annual Report on Form 10- K. Risks associated with our international operations may decrease our revenues and increase our costs. For the year ended December 31, ~~2022~~ **2023** , sales outside our North America region represented approximately ~~42~~ **41** % of our net sales. We expect that international sales will continue to account for a significant percentage of our net sales. Accordingly, we have faced and continue to face numerous risks associated with conducting international operations, any of which could negatively affect our financial performance. These risks include the following: • **Pandemic** ~~COVID- 19~~ - related shutdowns, the timing, availability and effectiveness of treatments and vaccines, and other pandemic- related uncertainties in the countries in which we operate; • Political, legal, and economic instability and uncertainty **, including the ongoing conflict between Russia and Ukraine, Israel and Palestine, the Red Sea conflict and its impact on shipping and logistics and other global conflicts, including tensions between China and the United States** ; • Foreign currency exchange rate fluctuations; • Changes in foreign tax rules, regulations and other requirements, such as changes in tax rates and statutory and judicial interpretations of tax laws; • Changes in diplomatic and trade relationships, including sanctions and related regulations resulting from the current political situation in countries in which we do business; • Inflation and / or deflation, and changes in interest rates; • Changes in foreign country regulatory requirements, including data privacy laws; • Various import / export restrictions and disruptions and the availability of required import / export licenses; • Imposition of tariffs and other trade barriers; • Managing widespread operations and enforcing internal policies and procedures such as compliance with U. S. and foreign anti- bribery, anti- corruption regulations **,** and anti- money laundering regulations, such as the FCPA **, U. K. Bribery Act** , and antitrust laws; • Labor disputes **, labor shortages** and work stoppages at our operations and suppliers; • Government price controls; • Trade customer insolvency and the inability to collect accounts receivable; ~~and~~ • Limitations on the repatriation or movement of earnings and cash ~~As a~~ **; and • Various** U. S. ~~corporation~~ **and non- U. S. laws and regulations specific to and / or focused on requirements to ensure the non- use of forced labor and child labor within our supply chain** , ~~we~~ **as well as compliance with various applicable human rights laws and regulations. We** are subject to the FCPA **, U. K. Bribery Act, and other similar non- U. S. laws and regulations** , which may place us at a competitive disadvantage to foreign companies that are not subject to similar regulations. Additionally, any suspicion or determination that we have violated the FCPA **, U. K. Bribery Act,** or other **anti- bribery and / or** anti- corruption laws could have a material adverse effect on us. On August 31, 2022, we completed the sale of our Russian business to Arcelik and recorded a loss on disposal. We continue to closely monitor the impact of the ongoing conflict ~~in~~ **between Russia and** Ukraine on all aspects of our operations, including most importantly, the safety and security of our employees in the region. The impact of the conflict ~~in~~ **between Russia and** Ukraine and resulting sanctions and export controls, include, but are not limited to, macro financial impacts resulting from the exclusion of Russian financial institutions from the global banking system; operational risks, including potential logistics, sales, distribution, and energy related challenges; and reductions in consumer and trade customer demand **. We cannot guarantee that a violation of sanctions or export controls will not occur in the future, and we may experience potential additional impacts in the future** . Sanctions and export control laws may also have an indirect adverse effect on our business. Sanctions against Russia have contributed to adverse changes in the global price and availability of certain raw materials, which has and could reduce our sales and earnings or otherwise have an adverse effect on our operations, and any future additional export controls or sanctions imposed by the United States, United Kingdom, the European Union, or other countries could further exacerbate these effects. We may also experience potential additional impacts in the future. We have not determined the extent to which ~~our existing insurance coverage will respond to these impacts, or the extent to which~~

any of the United States, European Union or other government actions may mitigate these impacts, if at all **. Moreover, our insurance coverage may not respond to many of these impacts** . Risks associated with unanticipated social, political and / or economic events may materially and adversely impact our business. Terrorist attacks, cyber events, armed conflicts (including the war in Ukraine discussed elsewhere in Risk Factors **and other global conflicts**) **, bank failures** , civil unrest, espionage, natural disasters, governmental actions, epidemics and pandemics (including the impacts of COVID- 19 discussed elsewhere in Risk Factors) have and could affect our domestic and international sales, disrupt our supply chain, and impair our ability to produce and deliver our products. Many of such events have impacted and could directly impact our physical facilities or those of our suppliers or customers. We have been and may be subject to information technology system failures, network disruptions, cybersecurity attacks and breaches in data security, which may materially adversely affect our operations, financial condition and operating results. We depend on information technology to improve the effectiveness of our operations, to interface with our customers, consumers and employees, to maintain the continuity of our manufacturing operations, and to maintain financial accuracy and efficiency. In addition, we collect, store, and process confidential or sensitive data, including proprietary business information, personal data or other information that is subject to privacy and security laws, regulations and / or customer- imposed controls. Our business processes and data sharing across suppliers and vendors is dependent on technology system availability. Our systems may depend, directly or indirectly, on software developed by third parties (such as open source libraries or vendor software) and we may have limited visibility into the robustness of the security practices followed during design, development, or remediation of this third party software. The failure of any such systems, whether internal or third- party, could disrupt our operations by causing transaction errors, processing inefficiencies, delays or cancellation of customer orders, the loss of customers, impediments to the manufacture or shipment of products, other financial and business disruptions, employee relations issues, the loss of or damage to intellectual property and the unauthorized disclosure or compromise of personal data of consumers and employees or of commercially sensitive information. In addition, we have outsourced certain technology services and administrative functions to third- party service providers and may outsource additional functions in the future. If these service providers do not perform effectively or experience failures, we may experience similar issues depending on the function involved. In addition, we may not achieve expected cost savings of outsourcing and may incur additional costs to correct errors made by such service providers. Our information systems, or those of our third- party service providers, have been in the past and could be in the future impacted by malicious activity of threat actors intent on extracting or corrupting information or disrupting business processes, or by unintentional data- compromising activities by our employees or service providers. ~~Such~~ **The use of generative AI technologies could lead to the** unauthorized **disclosure of sensitive, proprietary, or confidential information, inadvertent infringement of intellectual property owned by third parties, and could lead to new potential cyberattack methods for third parties. Unauthorized** access has in the past and could in the future disrupt our business ~~and~~ **,** result in the loss of assets **, expose the company to potential litigation and / or regulatory liability, and adversely affect our reputation** . Cyber attacks are becoming more sophisticated and include ransomware attacks, attempts to gain unauthorized access to data, social engineering and other security breaches that have in the past and could in the future lead to disruptions in availability of critical systems, unauthorized release of confidential or otherwise protected information, and corruption of data. Our growth in the areas of direct- to- consumer sales and connected appliances (the" Internet of Things"), and increasingly advanced data processing capabilities, accompanied by increasing handling of consumer information, and our reliance on remote work arrangements, has increased these risks. These events have in the past and could in the future impact our customers, consumers, employees, third ~~-~~parties and reputation and **have in the past and could in the future** lead to financial losses from remediation actions, loss of business or potential litigation or regulatory liability or an increase in expenses. While we have not yet experienced any material impacts from a cyber attack, any one or more future cyber attacks could have a material adverse effect on our financial statements. Further, market dynamics are increasingly driving heightened cybersecurity protections and mandating cybersecurity standards in our products, and we may incur additional costs to address these increased risks and to comply with such demands. Product- related liability or product recall costs could adversely affect our business and financial performance. We have been and may in the future be exposed to product- related liabilities, which in some instances may result in product redesigns, product recalls, or other corrective action. In addition, any claim, product recall or other corrective action that results in significant adverse publicity, particularly if those claims or recalls cause customers to question the safety or reliability of our products, may ~~negatively~~ **adversely** affect our financial statements ~~. For example, we have undertaken corrective action initiatives in EMEA related to certain legacy Indesit- designed washer and Indesit- produced dryers~~ . We maintain product liability insurance, but it may not be adequate to cover losses related to product liability claims brought against us. Product liability insurance could become more expensive and difficult to maintain ~~and~~ **or** may not be available on commercially reasonable terms, if at all. We **are now and** may **in the future** be involved in class action litigation ~~or~~ **and may be involved in** product recalls for which we generally have not purchased insurance, and may be involved in other litigation or events for which insurance products may have limitations. We regularly engage in investigations of potential quality and safety issues as part of our ongoing effort to deliver quality products to our customers. We are currently investigating certain potential quality and safety issues globally, and as appropriate, we undertake to effect repair or replacement of appliances in the event that an investigation leads to the conclusion that such action is warranted. Actual costs of these and any future issues depend upon several factors, including the number of consumers who respond to a particular recall, repair and administrative costs, whether the cost of any corrective action is borne by us or the supplier, and, if borne by us, whether we will be successful in recovering our costs from the supplier. The actual costs incurred as a result of these issues and any future issues could have a material adverse effect on our financial statements. Our ability to attract, develop and retain executives and other qualified employees is crucial to our results of operations and future growth. We depend upon the continued services and performance of our key executives, senior management and skilled personnel, particularly professionals with experience in our business, operations, engineering, technology and the home appliance industry. While we strive to attract, develop and retain these individuals through execution of our human capital strategy ~~(see " Human Capital Management " in Item 1)~~ , we cannot be sure that any of these individuals will continue to be employed by us. In the case of talent losses, significant time is required to hire, develop and train skilled replacement personnel. **For additional information about our human capital strategy, see" Human Capital Management" in Item 1 of this Annual Report on Form 10- K.** We must also attract, develop, and retain individuals with the requisite engineering and technical expertise to develop new technologies and introduce new products and services ~~, particularly as we increase investment in our digital and " Internet of Things " capabilities~~ . Like many other companies, we are subject to fluctuations in the availability of qualified labor in certain key positions. As an example, in today' s labor market, it is challenging to attract and retain qualified talent for key roles within the company, which could lead to increased wage inflation or impede our ability to execute certain key strategic initiatives as we respond to this labor shortage. A shortage of key employees can jeopardize **our** ~~the Company' s~~ ability to implement ~~its~~ **our** business objectives, and changes in key executives can result in loss of continuity, loss of accumulated knowledge, departures of other key employees, disruptions to our operations and ~~inefficiency~~ **inefficiencies** during transition periods. In addition, if we are unable to enforce certain non- compete covenants and confidentiality provisions when key employees leave for a competitor, we may lose a competitive advantage arising from confidential and proprietary company information known to such former employees. An inability to hire, develop, transfer retained knowledge, engage and retain a sufficient number of qualified employees could materially hinder our business by, for example, delaying our ability to bring new products and services to market or impairing the success of our operations, which could adversely affect our results of operations. A deterioration in labor relations could adversely impact our global business. As of December 31, ~~2022~~ **2023** , we had approximately ~~61~~ **59** , 000 employees globally. We are subject to separate collective bargaining agreements with certain labor unions, as well as various other commitments regarding our workforce. We periodically negotiate with certain unions representing our employees and may be subject to work stoppages or may be unable to renew collective bargaining agreements on the same or similar terms, or at all. In addition, our global restructuring activities have in the past and may in the future be received negatively by governments and unions and attract negative media attention, which may delay the implementation of such plans. A deterioration in labor relations may have a material adverse effect on our financial statements. FINANCIAL RISKS Fluctuations and volatility in the cost and availability of raw materials and purchased components could adversely affect our ~~operating~~ results **of operation** . The sources and prices of the primary materials (such as steel, resins, and base metals) used to manufacture our products and components containing those materials are susceptible to significant global and regional price fluctuations or availability due to inflation, supply and demand trends, the COVID- 19 pandemic, transportation and fuel costs, port and shipping capacity, labor costs or disputes, government regulations, including increased homeland security requirements, and tariffs, changes in currency exchange rates and interest rates, price controls, the economic climate, severe weather, climate change and other unforeseen circumstances. For example, we experienced significant raw material inflation in 2021 and 2022, respectively, in addition to many other cost increases throughout our business. In addition, we engage in contract negotiations and enter into commodity swap contracts to manage risk associated with certain commodities purchases, and we have in the past and may in the future experience losses based on commodity price changes. Significant increases in materials cost and availability and other costs now and in the future could have a material adverse effect on our financial statements. As an example, in recent years the company has experienced and ~~expects to continue to~~ **may in the future** experience significant levels of commodity, logistics and wage inflation across our businesses. We have responded to these inflationary factors with strong cost reduction initiatives and cost- based price increases. An inability to respond to inflationary pressures effectively could have a material adverse effect on our financial statements. Foreign currency fluctuations may affect our financial performance. We generate a significant portion of our revenue and incur a significant portion of our expenses in foreign currencies. Changes in the exchange rates of functional currencies of those operations affect the U. S. dollar value of our revenue and earnings from our foreign operations. We use currency forwards, net investment hedges, and options to manage our foreign currency transaction exposures. We cannot completely eliminate our exposure to foreign currency fluctuations, which have and may adversely affect our financial performance. In addition, because our consolidated financial results are reported in U. S. dollars, as we generate sales or earnings in other currencies, the translation of those results into U. S. dollars can result in a significant increase or decrease in the amount of those sales or earnings. Finally, the amount of legal contingencies related to foreign operations may fluctuate significantly based upon changes in exchange rates and usually cannot be managed with currency forwards, options or other arrangements. Such fluctuations in exchange rates can significantly increase or decrease the amount of any legal contingency related to our foreign operations and make it difficult to assess and manage the potential exposure. Goodwill and indefinite- lived intangible asset impairment charges have in the past and may in the future adversely affect our operating results. We have a substantial amount of goodwill and indefinite- lived intangible assets, primarily trademarks, on our balance sheet. We test the goodwill and intangible assets for impairment on an annual basis and when events occur or circumstances change that indicate that the fair value of the reporting unit or intangible asset may be below its carrying amount. Fair value determinations require considerable judgment and are sensitive to inherent uncertainties and changes in estimates and assumptions regarding revenue growth rates, EBIT margins, capital expenditures, working capital requirements, tax rates, terminal growth rates, discount rates, royalty rates, benefits associated with a taxable transaction and synergies available to market participants. Declines in market conditions, a trend of weaker than anticipated financial performance for our reporting units or declines in projected revenue for our trademarks, a decline in our share price for a sustained period of time, an increase in the market- based weighted average cost of capital or a decrease in royalty rates, among other factors, are indicators that the carrying value of our goodwill or indefinite- lived intangible assets may not be recoverable. We recorded a goodwill impairment charge for our EMEA reporting unit of $ 278 million and recorded an impairment charge of $ 106 million for certain other intangible assets, each during the second quarter of 2022. In the fourth quarter of 2022, and in connection with the planned divestiture of our European major domestic appliance business, the remaining carrying value of $ 255 million for the EMEA trademarks was classified as held for sale. ~~We did not record any impairment charges for the year~~

~~ended December 31, 2021.~~ During the fourth quarter of 2022, we completed the acquisition of the InSinkErator business and as a result recorded an increase in goodwill of $ 1. 1 billion and an increase of intangible assets of $ 1. 6 billion. We may in the future be required to record a goodwill or intangible asset impairment charge that, if incurred, could have a material adverse effect on our financial statements. Impairment of long- lived assets may adversely affect our operating results. Our long- lived asset groups are subject to an impairment assessment when certain triggering events or circumstances indicate that their carrying value may be impaired. If the carrying value exceeds our estimate of future undiscounted cash flows of the operations related to the asset group, an impairment is recorded for the difference between the carrying amount and the fair value of the asset group. The results of these tests for potential impairment **have in the past and** may **in the future** be adversely affected by unfavorable market conditions, our financial performance trends, or an increase in interest rates, among other factors. If as a result of the impairment test we determine that the fair value of any of our long- lived asset groups is less than its carrying amount, we may incur an impairment charge that could have a material adverse effect on our financial statements. We face inventory valuation risk. We write down product and component inventories that have become obsolete or do not meet anticipated demand or net realizable value. No assurance can be given that, given the unpredictable pace of product obsolescence and business conditions with trade customers and in general, we will not incur additional inventory related charges. Such charges could ~~negatively~~ **adversely** affect our financial statements. Significant differences between actual results and estimates of the amount of future funding for our pension plans and postretirement health care benefit programs, and significant changes in funding assumptions or significant increases in funding obligations due to regulatory changes, could adversely affect our financial results. We have both funded and unfunded defined benefit pension plans that cover certain employees around the world. We also have unfunded postretirement health care benefit plans for eligible retired employees. The Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code, as amended, govern the funding obligations for our U. S. pension plans, which are our principal pension plans. Our U. S. defined benefit plans were frozen on or before December 31, 2006 for substantially all participants. Since 2007, U. S. employees have been eligible for an enhanced employer contribution under **our** ~~Whirlpool' s~~ defined contribution (401 (k)) plan. As of December 31, ~~2022~~ **2023** , our projected benefit obligations under our pension plans and postretirement health and welfare benefit programs exceeded the fair value of plan assets by an aggregate of approximately $ 0. ~~4~~ **3** billion, including $ 0. ~~3~~ **2** billion of which was attributable to pension plans and $ 0. 1 billion of which was attributable to postretirement health care benefits. Estimates for the amount and timing of the future funding obligations of these pension plans and postretirement health and welfare benefit plans are based on various assumptions, including discount rates, expected long- term rate of return on plan assets, life expectancies and health care cost trend rates. These assumptions are subject to change based on changes in interest rates on high quality bonds, stock and bond market returns, health care cost trend rates and regulatory changes, all of which are largely outside our control. Significant differences in results or significant changes in assumptions may materially affect our postretirement obligations and related future contributions and expenses. LEGAL & COMPLIANCE RISKS Unfavorable results of legal and regulatory proceedings could materially adversely affect our business and financial condition and performance. We are or may in the future become subject to a variety of litigation and legal compliance risks relating to, among other things: products; intellectual property rights; income and indirect taxes; environmental matters (including matters related to climate change); corporate matters; commercial matters; credit matters; competition laws; distribution, marketing and trade practice matters; customs and duties; occupational health and safety (including matters related to the COVID- 19 pandemic), industrial accidents, anti – bribery and anti – corruption regulations; energy regulations; data privacy **and cybersecurity** regulations; financial and securities regulations; and employment and benefit matters. For example, we are currently disputing certain income and indirect tax related assessments issued by the Brazilian authorities ~~(see Note 8 and Note 15)~~ ; and we are disputing certain income and indirect tax assessments in various legal proceedings in Italy, India and other jurisdictions globally **. For additional information about certain income and indirect tax related assessments issued by the Brazilian authorities, see Note 7 to the Consolidated Financial Statements** . Unfavorable outcomes regarding these assessments could have a material adverse effect on our financial statements in any particular reporting period. Results of legal and regulatory proceedings cannot be predicted with certainty and for some matters, such as class actions, no insurance is cost- effectively available. Regardless of merit, legal and regulatory proceedings may be both time- consuming and disruptive to our operations and could divert the attention of our management and key personnel from our business operations. Such proceedings could also generate significant ~~adverse~~ **negative** publicity and have a negative impact on our reputation and brand image, regardless of the existence or amount of liability. We estimate loss contingencies and establish accruals as required by GAAP, based on our assessment of contingencies where liability is deemed probable and reasonably estimable, in light of the facts and circumstances known to us at a particular point in time. Subsequent developments in legal proceedings, volatility in foreign currency exchange rates and other factors may affect our assessment and estimates of the loss contingency recorded and could result in an adverse effect on our results of operations in the period in which a liability would be recognized or cash flows for the period in which amounts would be paid. Actual results may significantly vary from our reserves. We are subject to, and could be further subject to, governmental investigations or actions by other third parties. We are subject to various federal, foreign and state laws, including antitrust and product- related laws and regulations, violations of which can involve civil or criminal sanctions. Responding to governmental investigations or other actions may be both time- consuming and disruptive to our operations and could divert the attention of our management and key personnel from our business operations. For example, the second part of a French Competition Authority investigation, which is ~~expected to focus~~ **focused** primarily on manufacturer interactions with retailers, is ~~ongoing~~ **currently expected to be completed in the first half of 2024 (see Note 7 to the Consolidated Financial Statements)** . The impact of these and other investigations and lawsuits could have a material adverse effect on our financial statements and harm our reputation. Changes in the legal and regulatory environment, including data privacy and protection, **corporate governance and securities disclosure,** and changes ~~in~~ **to** ~~taxes~~ -- **tax** and ~~tariffs~~ **foreign trade laws, regulations and policy** , could limit our business activities, increase our operating costs, reduce demand for our products or result in litigation or regulatory action. The conduct of our businesses, and the production, distribution, sale, advertising, labeling, safety, transportation and use of many of our products, are subject to various laws and regulations administered by federal, state and local governmental agencies in the United States, as well as to foreign laws and regulations administered by government entities and agencies in countries in which we operate. Compliance with these regulations may ~~be~~ require us to, among other things, change our manufacturing processes or product offerings, or undertake other costly activities. In addition, we operate in an environment in which there are different and potentially conflicting data privacy and data protection laws in effect in the various U. S. states and foreign jurisdictions in which we operate and we must understand and comply with each law and standard in each of these jurisdictions. For example, the European Union' s General Data Protection Regulation, the California Consumer Privacy Act and the Brazilian General Data Protection Law, and various other privacy and data protection laws that have been passed or are pending in other **states and** countries collectively impose or will impose new regulatory data privacy and protection standards ~~for~~ **with** which we must comply. These expanding privacy and data protection laws may affect our collection, processing, and cross- border transfer of consumer information and other personal data, such as in connection with our growth in the areas of direct- to- consumer sales, Internet of Things, and the digital space. Some of the laws allow for significant fines, reaching several percentage points of global corporate revenues or more. These laws and regulations may change, sometimes dramatically, as a result of political, economic or social events. Changes in laws, regulations or governmental policy and the related interpretations may alter the environment in which we do business and may impact our results or increase our costs or liabilities. Additionally, we could be subjected to future liabilities, fines or penalties or the suspension of ~~product~~ production for failing to comply, or being alleged as failing to comply, with various laws and regulations, including environmental regulations **. In addition, some jurisdictions are considering regulatory frameworks for generative artificial intelligence that implicate data protection laws. Certain reforms and proposed reforms to U. S. federal corporate governance and securities laws may relate to or impact our business and may cause us to incur additional obligations and compliance costs. For example, new SEC rules regarding cybersecurity require disclosure on Form 8- K of the nature, scope and timing of any material cybersecurity incident and the reasonably likely impact of such incident** . Additionally, as a global company headquartered in the United States, we are exposed to the impact of U. S. and global tax changes, especially those that affect ~~the~~ **our** effective corporate income tax rate **and various** ~~. In August 2022, the United States enacted the Inflation Reduction Act of 2022 (" the Act "), which, among other provisions, created a 1 % excise tax on~~ **non -** ~~share repurchases and a new corporate minimum tax for certain corporations with regular corporate~~ income ~~tax~~ **taxes that** ~~liabilities below, in general, 15 % of their consolidated GAAP pre- tax income. We do not expect the Act to have a material~~ impact ~~on~~ our **business operations. It** ~~effective tax rate; however, it~~ is possible that the U. S. or another jurisdiction could enact tax legislation in the future that could have a material impact on our tax rate **, our operations or both** . The Organization for Economic Co- operation and Development (the " OECD ") **continues to design** ~~is~~ **its** ~~currently working on the~~ base erosion and profit shifting **initiatives** ~~2. 0 project~~ (the " BEPS ~~Project~~ "), which is intended to modernize the international tax system by, among other measures, ensuring that large multinational enterprises pay a minimum level of tax in each of the jurisdictions in which they operate ~~(such~~ **. The** minimum tax ~~proposal~~ **aspects of BEPS** , **referred to as** " Pillar Two " ~~)~~ **, is scheduled to become effective in 2024** . Pillar Two addresses the risk of profit shifting to entities in low tax jurisdictions by introducing a global minimum tax rate of 15 %. **While** ~~In December 2021, the OECD released model rules in respect of~~ Pillar Two **is not expected to have a material impact** ~~(the " GloBE Rules "). If implemented in their current form by the members of the OECD / G20 Inclusive Framework~~ on ~~BEPS, the GloBE rules would impose a top- up tax on profits arising in a jurisdiction whenever the effective tax rate of a large multinational enterprise, determined on a jurisdictional basis, is below the 15 % minimum rate. In December 2022, the European Union member states formally adopted the European Commission' s proposal for a Directive ensuring a 15 % minimum effective tax rate for large multinational groups (the " Pillar Two Directive "). The Pillar Two Directive is expected to be implemented in the national law of the European Union member states by December 31, 2023. If Pillar Two (including the GloBE rules) and the Pillar Two Directive are implemented in the domestic laws of any jurisdictions in which we operate, or~~ **our** ~~via international treaties entered into between such jurisdictions, we expect they would apply to our subsidiaries and could impact our consolidated effective~~ corporate income tax rate ~~as well as~~ **, it is expected to** increase our ~~tax compliance~~ costs incurred to track ~~and~~ **,** collect **, and report** such taxes ~~. Until the OECD' s proposals on Pillar Two (including the GloBE Rules), and the Pillar Two Directive for the EU member states, have been implemented under domestic laws and / or international treaties, the extent of any impact on our tax liabilities and operations cannot be determined accurately and remains uncertain~~ . In addition, the current domestic and international political environment, including government shutdowns and changes to ~~U. S.~~ **trade laws, regulations and** policies **, including** ~~related to global trade and~~ tariffs **, sanctions, and import / export controls** , has resulted in uncertainty surrounding the future state of the global economy. Many of our most significant competitors are global companies, and in an escalating global trade conflict or the imposition of tariffs, **sanctions or other trade restrictions** their respective governments may impose regulations **or policies** that are favorable to our competitors. The U. S. federal government may propose additional changes to international trade agreements, tariffs, taxes, and other government rules and regulations. These regulatory **or policy** changes could significantly impact our business and financial performance. For additional information about our consolidated tax provision, see Note ~~15~~ **13** to the Consolidated Financial Statements. The impact of climate change and climate change or other environmental regulation may adversely impact our business. The effects of climate change, whether involving physical risks **(such as extreme weather events, long- term changes in temperature levels, water availability and risk sea levels)** or transition risks, could have an impact on our business and have in the past and could in the future **impact our business and** cause us to incur capital and other expenditures to comply with various laws and regulations, especially relating to the protection of the environment, human health and safety, and water and energy efficiency, and may also exacerbate other risks discussed elsewhere in Item 1A. Risk Factors in this Annual Report on Form 10- K, which could have an adverse effect on our business. Climate change regulations at the federal, state or local level, or in international jurisdictions, or customer or consumer preferences or expectations, could require us to limit emissions, change our manufacturing processes or product offerings, or undertake other costly activities. ~~For example~~ **Globally, a lack of harmonization in relation to ESG legal and regulatory reform across the jurisdictions in which we operate may affect our future implementation of, and compliance with, rapidly developing ESG standards and requirements, such as the European Union' s Corporate Sustainable Reporting Directive. In addition** , various municipal, state, and federal regulators have discussed, proposed, or enacted new regulations or bans on appliances that utilize natural gas citing climate change and other ~~regulatory~~ concerns, which would impose transition costs and impact our product mix and product offerings, among other impacts. We recognize that making changes to our supply chain, manufacturing processes and product offerings can and does introduce transition risks. Among these are the risk that our more efficient product offerings are not competitive in terms of price or consumer perception; the risk that our upstream suppliers are unable to deliver lower emissions sources of supply that are cost and quality- competitive; the risk that we fail to continually innovate to develop products and manufacturing processes with a lower carbon footprint; and, specific to our recycled plastics initiative (a pledge in ~~our~~ EMEA ~~region~~ to use an average ~~18~~ **30** % recycled plastic content by 2025), the risk that we fail to develop solutions to incorporate reformulated plastics materials that meet our rigorous quality and safety standards. **The entire major home appliance industry, including Whirlpool, must contend with the adoption of stricter government energy and related standards for selected major appliances, including recent issued U. S. Department of Energy appliance efficiency standards. Compliance with these various standards, as they become effective, is expected to increase costs or require some product redesign.** We are also subject to global regulations related to chemical substances and materials in our products (such as the U. S. Toxic Substances Control Act), which may require us to modify the materials used in our products or undertake activities which may have a cost impact. There is also increased focus by governmental and non- governmental entities on sustainability matters. In addition, a number of governmental bodies have finalized, proposed or are contemplating additional legislative and regulatory changes in response to the potential effects of climate change. In particular, cleanup obligations that might arise at any of our manufacturing sites or the imposition of more stringent environmental laws in the future could adversely affect our business. We have set rigorous ~~science-based~~ targets for greenhouse gas reductions and related sustainability goals, including a net zero emissions target in our plants and operations that was announced in 2021. ~~Any~~ **These targets could prove more costly or difficult to achieve than we expect, and we may be unable to achieve these targets or any other sustainability goal or commitment at acceptable cost or at all. Whether as a result of cost, operational or technological limitations, or if such targets or our progress against them are not perceived to be sufficiently robust, any** failure to achieve our sustainability goals or reduce our impact on the environment, any changes in the scientific or governmental metrics utilized to objectively measure success, or the perception that we have failed to act responsibly regarding climate change could result in negative publicity and adversely affect our reputation as well as our relationships with customers, investors and other stakeholders, which could in turn adversely affect our business operations, reputation, including a reduction in customer and consumer sentiment and negatively impact our financial condition, including our access to capital and cost of debt. In addition, not all of our competitors may seek to establish climate or other ESG targets and goals, or at a comparable level to ours, which could result in our competitors achieving competitive advantages through lower supply chain or operating costs, which could adversely affect our business, results of operations, financial condition and prospects. **Increasingly, different stakeholder groups have divergent views on sustainability and ESG matters, which increases the risk that any action or lack thereof with respect to sustainability or ESG matters will be perceived negatively by at least some stakeholders and adversely impact our reputation and business. Anti- ESG sentiment has gained some momentum across the United States, with several states having enacted or proposed" anti-ESG" policies or legislation. If we do not successfully manage ESG- related expectations across stakeholders, it could erode stakeholder trust, impact our reputation and adversely affect our business.** Additionally, any failure in our procedures to monitor climate **-** related regulatory and policy changes in the jurisdictions in which we operate or in our processes and tools to track our greenhouse gas emissions and assess both operational and financial impacts of climate- related regulations, and any failure to comply with any such regulations and policies, could subject us to additional costs and penalties and harm to our reputation. Violations of environmental, health and safety laws are subject to civil, and, in some cases, criminal sanctions. As a result of these various uncertainties, we may incur unexpected interruptions to operations, fines, penalties or other reductions in income which could adversely affect our business, financial condition and results of operations, and harm our reputation. GENERAL RISKS We are exposed to risks associated with the uncertain global economy. The current domestic and international political and economic environment are posing challenges to the industry in which we operate. A number of economic factors, including the impact of ~~the COVID- 19 pandemic,~~ gross domestic product, availability of consumer credit, interest rates, consumer sentiment and debt levels, retail trends, housing starts, sales of existing homes, the level of mortgage refinancing and defaults, fiscal and credit market uncertainty, and foreign currency exchange rates, currency controls, inflation and deflation, generally affect demand for our products in the U. S. and other countries which we operate. Economic uncertainty and related factors, including a potential recession ~~or recession~~ , may exacerbate negative trends in business and consumer spending and has caused **in the past** and may cause **in the future** certain customers to push out, cancel, or refrain from placing orders for our products. Uncertain market conditions **, inflation, increases in interest rates** , difficulties in obtaining capital, or reduced profitability has caused and may cause some customers to scale back operations, exit markets, merge with other retailers, or file for bankruptcy protection and potentially cease operations, which can also result in lower sales and / or additional inventory. These conditions have affected and may similarly affect key suppliers, which could impair their ability to deliver parts and result in delays for our products or added costs. A decline in economic activity and conditions in certain areas in which we operate have had an adverse effect on our financial condition and results of operations in recent years, and future declines and adverse conditions could have a similar adverse effect. Regional, political and economic instability in countries in which we do business may adversely affect business conditions, disrupt our operations, and have an adverse effect on our financial condition and results of operations. In addition, we expect to continue to be impacted by the global supply chain issues discussed elsewhere in Item 1A. Risk Factors in this Annual Report on Form 10- K. Uncertainty about future economic and industry conditions also makes it more challenging for us to forecast our operating results, make business decisions, and identify and prioritize the risks that may **adversely** affect our businesses, sources and uses of cash, financial condition and results of operations. We may be required to implement additional cost reduction efforts, including restructuring activities, which may adversely affect our ability to capitalize on opportunities in a market recovery. In addition, our operations are subject to general credit, liquidity, foreign exchange, market and interest rate risks. Our ability to access liquidity or borrow to invest in our businesses, fund strategic acquisitions and refinance maturing debt obligations depends in part on access to the capital markets. For example, the United States Federal Reserve began raising its benchmark rate in March 2022, increasing the rate by a total of ~~3~~ **5** . ~~75~~ **25** % since the start of 2022. Such increases and any future increases may, among other things, reduce the availability and increase the costs of obtaining new variable rate debt and refinancing existing indebtedness, and adversely affect our financial condition and results of operations. If inflation increases costs beyond our ability to control, we may not be able to adjust prices or use our portfolio strategy to sufficiently offset the effect without negatively impacting consumer demand or our gross margin. If we do not timely and appropriately adapt to changes resulting from the uncertain macroeconomic environment and industry conditions, or to difficulties in the financial markets, or if we are unable to continue to access the capital markets, our financial statements may be materially and adversely affected.