



**Newell Brands Inc.  
2022 Annual Report:  
Annual Report on Form 10-K and  
Selected Shareholder Information**



Unless the context indicates otherwise, the terms “Newell Brands,” “Company,” “we” and “our” in this 2022 Annual Report refer to Newell Brands and its subsidiaries. References to a particular year mean the Company’s year commencing on January 1 and ending on December 31 of that year.

## Table of Contents

ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

EXECUTIVE OFFICERS	22
PERFORMANCE GRAPH	25
BOARD OF DIRECTORS	96



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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 10-K**

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**ANNUAL REPORT PURSUANT TO  
SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**FOR THE FISCAL YEAR ENDED  
December 31, 2022**

**COMMISSION FILE NUMBER  
1-9608**

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**NEWELL BRANDS INC.**

**(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)**

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**Delaware**

**36-3514169**

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

**6655 Peachtree Dunwoody Road,  
Atlanta, Georgia**

**30328**  
(Zip Code)

(Address of principal executive offices)

Registrant's telephone number, including area code: (770) 418-7000

Securities registered pursuant to Section 12(b) of the Act:

<u>TITLE OF EACH CLASS</u>	<u>TRADING SYMBOL</u>	<u>NAME OF EACH EXCHANGE ON WHICH REGISTERED</u>
Common Stock, \$1 par value per share	NWL	Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes  No

There were 413.6 million shares of the Registrant’s Common Stock outstanding (net of treasury shares) at February 6, 2023. The aggregate market value of the shares of Common Stock on June 30, 2022 (based upon the share count and closing price on the Nasdaq Stock Exchange on such date) beneficially owned by non-affiliates of the Registrant was approximately \$7.8 billion. For purposes of the foregoing calculation only, which is required by Form 10-K, the Registrant has included in the shares owned by affiliates those shares owned by directors and officers of the Registrant, and such inclusion shall not be construed as an admission that any such person is an affiliate for any purpose.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the Registrant’s Definitive Proxy Statement for its Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

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## TABLE OF CONTENTS

<b>PART I</b>	1
ITEM 1. BUSINESS	1
ITEM 1A. RISK FACTORS	7
ITEM 1B. UNRESOLVED STAFF COMMENTS	21
ITEM 2. PROPERTIES	21
ITEM 3. LEGAL PROCEEDINGS	21
ITEM 4. MINE SAFETY DISCLOSURES	21
SUPPLEMENTARY ITEM — EXECUTIVE OFFICERS OF THE REGISTRANT	22
<b>PART II</b>	25
ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	25
ITEM 6. SELECTED FINANCIAL DATA	26
ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	26
ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	46
ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	48
ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	95
ITEM 9A. CONTROLS AND PROCEDURES	95
ITEM 9B. OTHER INFORMATION	96
ITEM 9C. DISCLOSURES REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS	96
<b>PART III</b>	96
ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE	96
ITEM 11. EXECUTIVE COMPENSATION	96
ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	96
ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	97
ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES	97
<b>PART IV</b>	98
ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES	98
ITEM 16. FORM 10-K SUMMARY	105
SIGNATURES	

**PART I**  
**ITEM 1. BUSINESS**

“Newell Brands” or the “Company” refers to Newell Brands Inc. alone or with its wholly owned subsidiaries, as the context requires. When this report uses the words “we,” “us” or “our,” it refers to the Company and its subsidiaries unless the context otherwise requires. The Company was founded in Ogdensburg, New York in 1903 and is incorporated in Delaware.

*Website Access to Securities and Exchange Commission Reports*

The Company makes available free of charge on or through its website its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the “Exchange Act”) as soon as practicable after the Company files them with, or furnishes them to, the U.S. Securities and Exchange Commission (“SEC”). The Company’s website can be found at [www.newellbrands.com](http://www.newellbrands.com). The information on the Company’s website is not incorporated by reference into this Annual report on Form 10-K.

**GENERAL**

Newell Brands is a leading global consumer goods company with a strong portfolio of well-known brands, including Rubbermaid, FoodSaver, Calphalon, Sistema, Sharpie, Paper Mate, Dymo, EXPO, Elmer’s, Yankee Candle, Graco, NUK, Rubbermaid Commercial Products, Spontex, Coleman, Campingaz, Contigo, Oster, Sunbeam and Mr. Coffee. Newell Brands' beloved brands enhance and brighten consumers lives at home and outside by creating moments of joy, building confidence and providing peace of mind. The Company sells its products in nearly 200 countries around the world and has operations on the ground in over 40 of these countries, excluding third-party distributors.

**BUSINESS STRATEGY**

The Company continues to execute on its turnaround strategy of building a global, next generation consumer products company that can unleash the full potential of its brands in a fast-moving omni-channel environment. The strategy, developed in 2019, is designed to:

- Drive sustainable top line growth by focusing on innovation, sharpening brand positioning, strengthening the international businesses, enhancing digital marketing and omni-channel capabilities, and building customer relationships;
- Improve operating margins by driving productivity and overhead savings, while reinvesting in the business;
- Accelerate the cash conversion cycle by focusing on cash efficiency and improving key working capital metrics;
- Strengthen the portfolio by investing in attractive categories that are aligned with its capabilities and strategy and optimizing product mix; and
- Strengthen organizational capabilities and employee engagement by building a winning team and focusing the best people on the right things.

The Company is implementing this strategy while addressing key challenges such as shifting consumer preferences and behaviors; a highly competitive operating environment; a rapidly changing retail landscape; continued macroeconomic and geopolitical volatility; a softening macro backdrop; significant inflationary and supply chain pressures, and an evolving regulatory landscape.

Continued execution of these strategic imperatives, in combination with new initiatives aimed to build operational excellence, will better position the Company for long-term sustainable growth. One such initiative is Project Ovid, a multi-year, customer centric supply chain initiative to transform the Company's go-to-market capabilities in the U.S., improve customer service levels and drive operational efficiencies. This initiative, which commenced its first phase go-live during the third quarter of 2022 and its second phase go-live in February 2023, is expected to leverage technology to further simplify the organization by harmonizing and automating processes. Project Ovid is designed to optimize the Company’s distribution network by creating a single integrated supply chain from 23 business-unit-centric supply chains. The initiative is intended to reduce administrative complexity, improve inventory and invoicing workflow for our customers and enhance product availability for consumers through omni-channel enablement. This new operating model is also expected to drive efficiencies by better utilizing the Company's transportation and distribution network.

*Current Macroeconomic Conditions*

The Company, which has been impacted in recent years by inflationary and supply chain pressures, labor shortages, and logistical challenges across its businesses, and more recently by the indirect macroeconomic impact of the Russia-Ukraine conflict, is also experiencing additional headwinds due to softening global demand and an increased focus by retailers to rebalance inventory levels in light of continued inflationary pressures on consumers. While all of the Company's segments have been negatively impacted to



varying degrees by the softening global demand, the Home Appliances and Home Solutions segments have been the most impacted. These collective macroeconomic trends, the duration and severity of which are highly uncertain, are rapidly changing the retail landscape and have impacted the Company's operating results, cash flows and financial condition in 2022 and are expected to persist into 2023.

To help mitigate the negative impact of these conditions on the operating performance of its businesses, the Company has secured selective pricing increases, accelerated productivity initiatives, optimized advertising and promotion expenses, deployed overhead cost containment efforts, adjusted demand forecasts and supply plans and taken actions designed to improve working capital. The Company will continue to evaluate other opportunities to improve its financial performance both in the short and long term.

Although management has made its best estimates and assumptions based upon current information, actual results could materially differ given the uncertainty of these factors and may require future changes to such estimates and assumptions, including reserves, which may result in future expense or impairment charges.

#### *Russia-Ukraine Conflict*

The global economy has been negatively impacted by the military conflict between Russia and Ukraine. While the Company does not expect the conflict to have a material impact on its results of operations, it has experienced shortages in raw materials and increased costs for transportation, energy, and commodities due in part to the negative impact of the Russia-Ukraine military conflict on the global economy. Further escalation of geopolitical tensions related to the conflict, including increased trade barriers and restrictions on global trade, could result in, among other things, supply disruptions, lower consumer demand, and changes to foreign exchange rates and financial markets, any of which may adversely affect our business and supply chain. Additionally, if the military conflict escalates beyond its current scope, the Company could be negatively impacted by an economic recession in certain neighboring European countries or globally.

See *Recent Developments, Liquidity and Capital Resources* and *Critical Accounting Estimates* in *Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations* and *Footnote 1 of the Notes to Consolidated Financial Statements* for further information.

#### *Project Phoenix*

In January 2023, the Company announced a restructuring and savings initiative ("Project Phoenix") that aims to strengthen the Company by leveraging its scale to further reduce complexity by streamlining its operating model and driving operational efficiencies. Project Phoenix is expected to be substantially completed by the end of 2023. It incorporates a variety of initiatives designed to simplify the organizational structure, streamline the company's real estate, centralize its supply chain functions, which include manufacturing, distribution, transportation and customer service, transition to a unified One Newell go-to-market model in key international geographies, and otherwise reduce overhead costs.

See *Recent Developments* in *Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations* and *Footnote 4 of the Notes to Consolidated Financial Statements* for further information.

#### *Sale of Connected Home & Security Business*

On March 31, 2022, the Company sold its Connected Home & Security ("CH&S") business unit to Resideo Technologies, Inc., for approximately \$593 million, subject to customary working capital and other post-closing adjustments.

See *Recent Developments and Liquidity and Capital Resources* in *Item 7, Management's Discussion and Analysis of Financial Condition* and *Footnotes 1, 2 and 17 of the Notes to Consolidated Financial Statements* for further information.

## Organizational Structure

The Company's five primary operating segments are as follows:

<b>Segment</b>	<b>Key Brands</b>	<b>Description of Primary Products</b>
<b>Commercial Solutions</b>	Mapa, Quickie, Rubbermaid, Rubbermaid Commercial Products, and Spontex	Commercial cleaning and maintenance solutions; closet and garage organization; hygiene systems and material handling solutions
<b>Home Appliances</b>	Calphalon, Crockpot, Mr. Coffee, Oster and Sunbeam	Household products, including kitchen appliances
<b>Home Solutions</b>	Ball <sup>(1)</sup> , Calphalon, Chesapeake Bay Candle, FoodSaver, Rubbermaid, Sistema, WoodWick and Yankee Candle	Food and home storage products; fresh preserving products; vacuum sealing products; gourmet cookware, bakeware and cutlery and home fragrance products
<b>Learning and Development</b>	Aprica, Baby Jogger, Dymo, Elmer's, EXPO, Graco, Mr. Sketch, NUK, Paper Mate, Parker, Prismacolor, Sharpie, Tigex, Waterman and X-Acto	Baby gear and infant care products; writing instruments, including markers and highlighters, pens and pencils; art products; activity-based adhesive and cutting products and labeling solutions
<b>Outdoor and Recreation</b>	Campingaz, Coleman, Contigo, ExOfficio, and Marmot	Products for outdoor and outdoor-related activities

(1)  and Ball®, TM of Ball Corporation, used under license.

This structure reflects the manner in which the chief operating decision maker ("CODM") regularly assesses information for decision-making purposes, including the allocation of resources. The Company also provides general corporate services to its segments which is reported as a non-operating segment, Corporate.

Beginning in January 2023, the Company will combine its previously reported Commercial Solutions, Home Appliances and Home Solutions operating segments into one operating segment, Home and Commercial Solutions. This change by the CODM was driven by the implementation of a new operating model which is intended to drive further simplification and unlock additional efficiencies and synergies within the Company. The Learning and Development and Outdoor and Recreation operating segments will remain as the Company's other two operating segments. The Company will recast prior period comparable results in its first quarter 2023 reporting to conform to this operating segment change. See *Footnote 17 of the Notes to Consolidated Financial Statements* for further information.

### *Commercial Solutions*

The Commercial Solutions segment designs, manufactures, sources, and distributes commercial cleaning and maintenance solutions products, closet and garage organization products; hygiene systems and material handling solutions primarily under the Rubbermaid, Rubbermaid Commercial Products, Mapa, Quickie, and Spontex brands.

The Commercial Solutions segment primarily markets its products directly to warehouse clubs, home centers, commercial products distributors, mass merchants, specialty retailers, distributors, e-commerce retailers, select contract customers and other professional customers.

### *Home Appliances*

The Home Appliances segment designs, manufactures, sources, markets and distributes a diverse line of household products. Kitchen appliances are primarily sold under the Crockpot, Mr. Coffee, Oster and Sunbeam brands. The Home Appliances segment also has rights to sell various small appliance products in substantially all of Europe under the Breville brand name.

The Home Appliances segment primarily markets its products directly to warehouse clubs, department stores, drug/grocery stores, home centers, mass merchants, specialty retailers, distributors and e-commerce retailers.

### *Home Solutions*

The Home Solutions segment designs, manufactures, sources, markets and distributes a diverse line of household products. Food storage products are sold primarily under the FoodSaver, Rubbermaid and Sistema brands. Aluminum and stainless-steel cookware and bakeware are sold under the Calphalon brand. The Company also sells certain home canning and food storage products under the Ball brands, pursuant to a license from Ball Corporation. Home fragrance products are sold primarily under the Chesapeake Bay Candle, WoodWick and Yankee Candle brands.

The Home Solutions segment primarily markets its products directly to warehouse clubs, department stores, grocery stores, home centers, mass merchants, specialty retailers, distributors and e-commerce retailers, as well as direct to consumers online and in Yankee Candle retail stores.

### *Learning and Development*

The Learning and Development segment designs, manufactures, sources, markets and distributes writing instruments, including markers and highlighters, pens and pencils; art products; activity-based adhesive and cutting products; labeling solutions; baby gear and infant care products. Writing instruments, activity-based adhesive and cutting products and labeling solutions products are sold primarily under the Dymo, Elmer's, EXPO, Mr. Sketch, Paper Mate, Parker, Prismacolor, Sharpie, Waterman and X-Acto brands. Baby gear and infant care and health products are sold primarily under the Aprica, Baby Jogger, Graco, NUK and Tigex brands.

The Learning and Development segment primarily markets its products directly to mass merchants, warehouse clubs, drug/grocery stores, office superstores, office supply stores, contract stationers, travel retail, distributors and e-commerce retailers, and direct to consumers online.

### *Outdoor and Recreation*

The Outdoor and Recreation segment designs, manufactures, sources, markets and distributes global consumer active lifestyle products for outdoor and outdoor-related activities. Active lifestyle products are sold primarily under the Campingaz, Coleman, Contigo, ExOfficio and Marmot brands.

The Outdoor and Recreation segment primarily markets its products directly to warehouse clubs, department stores, grocery stores, mass merchants, sporting goods and specialty retailers, distributors and e-commerce retailers, as well as direct to consumers online.

See *Management's Discussion and Analysis of Financial Condition and Results of Operations* of this Annual Report on Form 10-K for further discussion.

## **OTHER INFORMATION**

### *Multi-Product Offering*

The Company's broad product offering in multiple categories permits it to meet the needs of its customers more effectively. With families of leading brand names and innovative new products, the Company can assist volume purchasers in selling a more profitable product mix. As a potential single source for an entire product line, the Company can use program merchandising to improve product presentation, optimize display space for both sales and income, and encourage impulse buying by retail consumers.

### *Raw Materials and Sourced Finished Goods*

The Company has multiple foreign and domestic sources of supply for substantially all of its material requirements. The raw materials and various purchased components required for its products have generally been available in sufficient quantities, although the Company experienced capacity constraints around certain raw materials and finished goods in 2022 driven by global conditions, which are expected to continue into 2023. The Company's product offerings require the purchase of resin, corrugate, glass, plastic, expanded polystyrene, extinguisher powder, nylon, paper, plastic resin, sawdust, tin plate, wax and wood, natural rubber, electrical components, glass fiber, magnesium, adhesives, various paper-related packaging materials and metals, including steel, stainless steel, aluminum and copper. The Company's resin purchases are principally comprised of polyethylene, polypropylene and polyester.

The Company also relies on third-party manufacturers as a source for finished goods. Historically, the Company has experienced inflation in sourced product costs due to currency fluctuations and increased input and labor costs. During 2022, the Company experienced significant inflationary pressures for its sourced finished goods driven by global conditions, including demand volatility

related to the Russia-Ukraine conflict, which is expected to continue into 2023. For a limited number of product lines, a single manufacturer or a limited number of manufacturers may supply substantially all the finished goods for a product line. In particular, certain businesses within the Company's Learning and Development segment rely on third-party manufacturers for substantially all of their products. Specifically, the Baby business unit has a single source of supply for products that comprise a majority of its sales and that owns the intellectual property for many of those products.

### *Backlog*

The dollar value of unshipped orders is not material.

### *Seasonal Variations*

Sales of the Company's products tend to be seasonal, with sales, operating income and operating cash flow in the first quarter generally lower than any other quarter during the year, driven principally by reduced volume and the mix of products sold in the first quarter. The seasonality of the Company's sales volume combined with the accounting for fixed costs, such as depreciation, amortization, rent, personnel costs and interest expense, impacts the Company's results on a quarterly basis. In addition, the Company tends to generate the majority of its operating cash flow in the third and fourth quarters of the year due to seasonal variations in operating results, the timing of annual performance-based compensation payments, customer program payments, working capital requirements and credit terms provided to customers.

The Company's sales and operating results, previously disrupted by the COVID-19 pandemic in 2020, reverted to historical patterns in 2021, however, uncertainty remains due to the significant volatility and direction of future consumer and customer demand patterns due to softening global demand, an increased focus by retailers to rebalance inventory levels in light of continued inflationary pressures on consumers, as well as supply chain pressures.

### *Patents and Trademarks*

The Company has many patents, trademarks, brand names and tradenames that are, in the aggregate, important to its business. The Company's most significant brands include Calphalon, Campingaz, Coleman, Contigo, Crockpot, Dymo, Elmer's, EXPO, FoodSaver, Graco, Mapa, Marmot, Mr. Coffee, NUK, Oster, Paper Mate, Parker, Quickie, Rubbermaid Commercial Products, Rubbermaid, Sistema, Spontex, Sunbeam, WoodWick, Sharpie and Yankee Candle.

### *Customers/Competition*

The Company's principal customers are large mass merchandisers, discount stores, home centers, warehouse clubs, office superstores, direct-to-consumer channels, specialty retailers and wholesalers, commercial distributors and e-commerce retailers. The dominant share of the market represented by large mass merchandisers, together with consumer shopping patterns, contributes to a market environment in which dominant multi-category and e-commerce retailers have strong negotiating power with suppliers. This environment may limit the Company's ability to recover cost increases through pricing.

Current trends among retailers include fostering high levels of competition among suppliers, rebalancing and reducing current inventory levels, demanding innovative new products and products tailored to each of their unique requirements and requiring suppliers to maintain or reduce product prices and deliver products with shorter lead times. Other trends, in the absence of a strong new product development effort or strong end-user brands, are for retailers to import generic products directly from foreign sources and to source and sell products under their own private label brands, which compete with the Company's products. The combination of these market influences has created an intensely competitive environment in which the Company's principal customers continuously evaluate which product suppliers to use, resulting in downward pricing pressures and the need for big, consumer-meaningful brands, the ongoing introduction and commercialization of innovative new products, continuing improvements in category management and customer service, and the maintenance of strong relationships with large, high-volume purchasers. The Company competes with numerous manufacturers and distributors of consumer products, many of which are large and well-established. Our Yankee Candle retail stores compete primarily with specialty candle and personal care retailers and a variety of other retailers, including department stores, gift stores and national specialty retailers that sell candles.

The Company's principal methods of meeting its competitive challenges are creating and maintaining leading brands and differentiated products that deliver superior value and performance; delivering superior customer service and consistent on-time delivery and producing and procuring products at a competitive cost. In addition, the Company has an experienced management team that focuses on building consumer loyalty and increased consumer demand through increased investment in consumer insights and using those insights to develop innovative products and product features that meet consumers' needs. The Company's service and delivery levels in 2022 were negatively impacted by product, supply and labor shortages, capacity constraints and logistical challenges across its businesses, all of which the Company expects to continue into 2023.

The Company has also positioned itself to respond to the competitive challenges in the retail environment by developing strong relationships with large, high-volume purchasers. The Company markets its strong multi-product offering through virtually every category of high-volume retailers, including discount, drug/grocery and variety chains; warehouse clubs; department, hardware and specialty stores; home centers; office superstores; contract stationers; and e-commerce retailers. The Company's largest customer, Walmart Inc. and subsidiaries ("Walmart"), accounted for approximately 14% of net sales in 2022 and 15% of net sales in each of 2021 and 2020. Amazon, the Company's second largest customer, accounted for approximately 13% of net sales in each of 2022 and 2021 and 12% of net sales in 2020. The Company's top-ten customers in alphabetical order in 2022 included: Amazon, Bed, Bath & Beyond, Costco, Kroger, Lowe's, Office Depot Inc., Staples, Target, The Home Depot and Walmart.

### *Environmental Matters*

Information regarding the Company's environmental matters is included in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of this Annual Report on Form 10-K and in *Footnote 18 of the Notes to Consolidated Financial Statements* and is incorporated by reference herein.

### *Research and Development*

The Company's research and development efforts focus on developing new, differentiated and innovative products to meet consumers' needs. The Company's product development efforts begin with consumer insights. The Company continues to invest to strengthen its product design, research and development capabilities and has consolidated its design and innovation capabilities and consumer marketing and insight capabilities into a global center of excellence to further strengthen these capabilities.

### *Human Capital Management*

Newell Brands is committed to creating a workplace where it supports the success of its people by investing in their personal development and career growth. The Company has employees located throughout the world. At December 31, 2022, the Company employed approximately 28,000 people worldwide. Approximately 4,000 were in the Asia-Pacific region, 5,000 were in the Europe, Middle East and Africa region, 6,000 were in the Latin America region and 13,000 were in the North America region. Of the Company's total employees, approximately 14,000 were employed in manufacturing and supply chain roles. The Company's strong employee base, along with its commitment to uncompromising values, provides the foundation of the Company's success.

The Company's employees are responsible for upholding the Company's goal of creating a safer, sustainable, productive, and consumer-focused future. The Company's values of Truth, Transparency, Teamwork and Trust guide our own actions as well as our relationships with consumers, customers, suppliers and each other. They are grounded in a people-first philosophy enabling the Company to deliver results, drive long-term sustainability and promote a winning culture. The Company tracks and reports internally on key talent metrics including workforce demographics, critical role pipeline data, diversity data, and engagement and inclusion indices.

The Company embraces diversity, inclusion and belonging, and strongly believes that a truly consumer-focused workforce should be as diverse as the consumers it serves and leverage the skills and perspectives of a wealth of backgrounds of all team members. To attract a global and diverse workforce, the Company strives to build a culture where employees can bring their whole selves to work. Employee resource groups ("ERGs") are Company-sponsored groups of employees that support and promote certain mutual objectives of both the employees and the Company, including inclusion and diversity and the professional development of employees. The ERGs provide a space where employees can foster connections and develop in a supportive environment. At December 31, 2022, the Company had the following eight ERGs:

- ABLE (Disabled Employees and Allies);
- BEACON (Black and African ancestry);
- RAY (Women);
- OPEN (LGBTQ);
- NAAPA (Asian-American);
- HOLA (Hispanic and Latinx);
- VETS (Veterans and Military Family Members); and
- MOSAIC (All).

In 2023, we will continue to expand ERGs across the globe.

The Company is focused on recruitment of diverse candidates and on internal talent development of its diverse leaders so they can advance their careers and move into leadership positions within the Company. The Company has adopted a policy requiring diverse

slates for recruitment at the Director level and above. This policy applies to recruitment of members of the Board of Directors as well. Also, during 2022, the Company conducted a fully digital, enterprise-wide engagement survey, which was given to all employee groups including professional, clerical and factory hourly employees and was available in 33 languages, which focused on measuring engagement and inclusion. The results showed that the majority of the scores were equal to or above the global benchmarks.

The Company continues to emphasize employee development and training, and strives to align and deliver its People Agenda with its business strategies to recruit, develop and retain the right talent, skills and capabilities to deliver on its commitments. To empower employees, the Company provides a range of development programs and opportunities, skills, and resources needed to be successful. Our *Grow@Newell* eLearning platform, which is an online portal, supplements the Company's talent development strategies with access to instructor-led classroom or virtual courses and self-directed web-based courses. The Company has a robust talent and succession planning process and has established specialized programs to support the development of its talent pipeline for critical roles in general management, engineering, and operations. On an annual basis, the Company conducts an Organization and Leadership Review process with its Chief Executive Officer and all segment, business unit, and function leaders focusing on high-performing and high-potential talent, diverse talent, and the succession for its most critical roles.

The Company believes its management team has the experience necessary to effectively execute its strategy and advance its product and technology leadership. The Chief Executive Officer and executive leadership team have meaningful industry experience. They partner and work closely with an experienced and talented management team who is dedicated to maintaining and expanding our position as a global leader in the consumer products industry. For discussion of the risks relating to the attraction and retention of key management and executive employees, see the *Risk Factors* section below.

## **ITEM 1A. RISK FACTORS**

Ownership of the Company's securities involves a number of risks and uncertainties. Potential investors should carefully consider the risks and uncertainties described below and the other information in this Annual Report on Form 10-K before deciding whether to invest in the Company's securities. The Company's business, financial condition or results of operations could be materially adversely affected by any of these risks. The risks described below are not the only ones facing the Company. Additional risks that are currently unknown to the Company or that the Company currently considers immaterial may also impair its business or adversely affect its financial condition or results of operations.

### ***COVID-19 Related Risks***

***The COVID-19 pandemic and related impacts has had, and could continue to have, an adverse effect on the Company's business, financial condition and results of operations.***

The ongoing COVID-19 pandemic, including the emergence of variants for which vaccines may not be effective, may negatively affect our business by causing or contributing to, among other things:

- Significant disruptions in our business operations and in the ability of significant third-party vendors, manufacturing and other business or commercial partners, including customers, to meet their obligations to us;
- Significant decrease or volatility in sales of or demand for our products due to any decreased demand for products, closure or reduced operating hours of our key customers; consumer inability to purchase our products due to personal illness or government implemented restrictions and any resulting changes in consumer preferences;
- Worldwide, regional and local adverse economic and financial market conditions, including increased risk of inflation; fluctuations in commodities, packaging, transportation and other input costs; increased unemployment; decreased disposable income; declining consumer confidence; or economic slowdowns or recessions in any of our major markets, all of which could impact the manufacturing operations of the Company or our third-party suppliers;
- Significant U.S. or international governmental actions, or other limitations or restrictions, including restrictions on the ability of our employees, suppliers, customers or third-party partners to travel or perform necessary business functions or our ability to manufacture, ship, distribute, market or sell our products; and
- Adverse impacts on our supply chain, including manufacturing by the Company or third-party partners, due to raw material, packaging or other supply shortages, labor shortages or reduced availability of air or other commercial transport, port congestion and closures. Although we are unable to predict the impact on our ability to source materials in the future, we expect these and other supply chain pressures to continue into the coming year.

In addition, sustained labor shortages or increased turnover rates within our employee base, caused by COVID-19 or as a result of general macroeconomic factors, could lead to increased costs, such as increased wage rates to attract and retain employees, and could negatively affect our ability to efficiently operate our manufacturing and distribution facilities and overall business.

Even as efforts to contain the pandemic have made progress and some restrictions have relaxed, new variants of the virus are causing additional outbreaks. The extent of COVID-19's effect on our operational and financial performance in the future will depend on future developments, including the duration, spread and intensity of the pandemic, our continued ability to manufacture and distribute our products, any future government actions affecting consumers, our business operations, including any vaccine mandates, and the economy generally, changing economic conditions and any resulting inflationary impacts, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. Such impacts could materially adversely affect the Company's business, financial condition and results of operations.

### ***Industry and Economic Risks***

**The Company is subject to intense competition in a marketplace dominated by large omni-channel and e-commerce retailers.**

The Company competes with numerous other manufacturers and distributors of consumer and commercial products, many of which are large and well-established. A proliferation of digitally native brands has further intensified the competitive landscape. The Company's principal customers are large mass merchandisers, discount stores, home centers, warehouse clubs, office superstores, specialty retailers, wholesalers, commercial distributors, direct-to-consumer channels, and e-commerce retailers. The dominant share of the market represented by these large retailers, together with changes in consumer shopping patterns, and the integration of brick and mortar and e-commerce operations at major retailers, has contributed to the formation of dominant multi-category omni-channel and e-commerce retailers that have strong negotiating power with suppliers. These retailers have and may continue to foster high levels of competition among suppliers, reduce inventory levels, demand innovative new products and products tailored to each of their unique specifications, require suppliers to maintain or reduce product prices in response to competitive, economic or other factors, and require product delivery with shorter lead times. Retailers have imported and may continue to import products directly from foreign sources and to source and sell products under their own private label brands, typically at lower prices, that compete with the Company's products.

The combination of these market influences and retailer consolidation has created an intensely competitive environment in which the Company's principal customers continuously evaluate which product suppliers to use, resulting in downward pricing pressures and the need for consumer-meaningful brands, the ongoing introduction and commercialization of innovative new products, continuing improvements in category management and customer service, and the maintenance of strong relationships with large, high-volume purchasers. The Company also faces the risk of changes in the strategy or structure of its major customers, such as overall store and inventory reductions. The intense competition in the traditional retail and e-commerce sectors may result in a number of customers, such as Bed, Bath & Beyond, experiencing financial difficulty or failing in the future. To address these challenges, the Company must be able to respond to competitive factors and the potential loss of customers in the future, and the failure to respond effectively could result in a loss of sales, reduced profitability and a limited ability to recover cost increases through price increases.

**The Company's customers may further consolidate, which could materially adversely affect the Company's sales and margins.**

The Company's customers have steadily consolidated over time. The Company expects any customers that consolidate will take actions to harmonize pricing from their suppliers, close retail outlets, reduce inventory, and rationalize their supply chain, which could adversely affect the Company's business and results of operations. There can be no assurance that, following consolidation, the Company's large customers will continue to buy from the Company across different product categories or geographic regions, or at the same levels as prior to consolidation, which could negatively impact the Company's financial results. Further, if the consolidation trend continues, it could result in additional increase in the customers' negotiating power with suppliers, as well as pricing and other competitive pressures that could reduce the Company's sales and margins.

## *Strategic and Operational Risks*

**The Company's sales are dependent on purchases by several large customers and any significant decline in these purchases or pressure from these customers to reduce prices could have a negative effect on the Company's future financial performance.**

Although the Company has long-established relationships with many customers, the Company generally does not have any long-term supply or binding contracts or guarantees of minimum purchases with its largest customers. Purchase commitments by these customers are generally made using individual purchase orders. As a result, these customers may cancel their orders, change purchase quantities from forecast volumes, delay purchases for a number of reasons beyond the Company's control or change other terms of the business relationship. Significant or numerous cancellations, reductions, delays in purchases or changes in business practices by customers could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, because many of the Company's costs are fixed, a reduction in customer demand due to decreased sales to end consumers could have an adverse effect on the Company's gross profit margins and operating income. The retail landscape in many of the Company's markets continues to be impacted by the rapid growth of e-commerce retailers, changing consumer preferences (including online shopping) and the emergence of alternative retail channels, such as subscription services and direct-to-consumer businesses. The rapid growth in e-commerce and emergence of alternative retail channels may adversely affect the Company's relationships with its key retailers, whereby the number of products it sells will no longer be a reliable indicator of the amount of future business the Company can expect.

The Company depends on a continuous flow of new orders from large, high-volume retail customers; however, the Company may be unable to continually meet the needs of these customers. Retailers are increasing their demands on suppliers to:

- reduce lead times for product delivery, which may require the Company to increase inventories and could impact the timing of reported sales;
- improve customer service, such as with direct import programs, whereby product is supplied directly to retailers from third-party suppliers; and
- adopt new technologies including those related to inventory management such as Radio Frequency Identification, otherwise known as RFID technology, which may have substantial implementation costs.

The Company cannot provide any assurance that it can continue to successfully meet the needs of its customers or that customer demand will remain consistent. A substantial decrease in sales to any of its major customers and an inability to adapt to the emergence of alternative retail channels could have a material adverse effect on the Company's business, results of operations and financial condition.

**If the Company is unable to commercialize a continuing stream of new products that create demand, the Company's ability to compete in the marketplace may be adversely impacted.**

The Company's strategy includes investment in new product development and a focus on innovation. Its long-term success in the competitive retail environment and the industrial and commercial markets depends on its ability to develop and commercialize a continuing stream of innovative new products and line extensions that create demand. The Company's ability to quickly innovate in order to adapt its products to meet changing consumer demands is essential, especially in light of e-commerce significantly reducing the barriers for even small competitors to quickly introduce new brands and products directly to consumers. New product development and commercialization efforts, including efforts to enter markets or product categories in which the Company has limited or no prior experience, have inherent risks. These risks include the costs involved, such as development and commercialization, product development or launch delays, and the failure of new products and line extensions to achieve anticipated levels of market acceptance or growth in sales or operating income. The Company also faces the risk that its competitors will introduce innovative new products that compete with the Company's products. In addition, sales generated by new products or line extensions could cause a decline in sales of the Company's existing products. If new product development and commercialization efforts are not successful, the Company's financial results could be adversely affected.

**If the Company does not continue to develop and maintain leading brands or realize the anticipated benefits of increased advertising and promotion spend over the long term, its operating results may suffer.**

The Company's ability to compete successfully also depends increasingly on its ability to develop and maintain leading brands so that the Company's retail and other customers will need its products to meet consumer demand. Leading brands allow the Company to realize economies of scale in its operations. The development and maintenance of such brands require significant investment in brand-building and marketing initiatives. Over the long term, these initiatives may not deliver the anticipated results and the results of such initiatives may not cover the costs of the increased investment.



**Failure to further expand the Company's e-commerce business, despite increasing e-commerce investments, may materially and adversely affect the Company's market position, net sales and financial performance.**

The retail industry has rapidly evolved and consumers have embraced shopping online and through mobile commerce applications. As a result, the portion of total consumer expenditures with retailers occurring through digital platforms is increasing, and the pace of this increase has accelerated. At the same time, the portion of retail business at traditional "brick and mortar" stores and shopping centers is decreasing.

The Company's strategy includes investments in e-commerce, omni-channel and technology initiatives. If these investments fail to adequately or effectively allow the Company to further expand its e-commerce business, maintain or grow its overall market position or otherwise benefit the Company, the Company's market position, net sales and financial performance could be adversely affected. In addition, a greater concentration of e-commerce sales could result in a reduction in the amount of sales by the Company's other customers, which could, if not offset by a greater increase in e-commerce sales, materially adversely affect the business of the Company.

Furthermore, the cost of certain e-commerce, omni-channel and technology investments may adversely impact the Company's financial performance in the short and long-term. There can be no assurance that investments in e-commerce and omni-channel infrastructure and technology will result in increased sales, through e-commerce or otherwise.

**The Company's plans to execute its turnaround plan, improve productivity, reduce complexity and costs may not be successful, which would materially adversely affect its financial results.**

The Company is executing a turnaround plan to build a global, next generation consumer products company that can unleash the full potential of its brands in a fast-moving omni-channel environment. The Company is implementing various global initiatives in connection with the turnaround plan to reduce costs and improve cash flows. Project Ovid is a multi-year, customer centric supply chain initiative to transform the Company's go-to-market capabilities in the U.S., improve customer service levels and drive operational efficiencies. This initiative, which commenced its first phase go-live during the third quarter of 2022 and its second phase go-live in February 2023, is expected to leverage technology to further simplify the organization by harmonizing and automating processes. This initiative is designed to reduce the complexity of the organization, improve the Company's cash conversion cycle and increase investment in the Company's most significant growth platforms. It is further designed to reduce costs associated with direct materials, indirect expenses, and distribution and logistics, among other things. Other major productivity, streamlining and divestment programs may also be required in the future to continue the turnaround plan. For example, in January 2023, the Company announced Project Phoenix, an initiative that aims to strengthen the company by leveraging its scale to further reduce complexity, streamlining its operating model and driving operational efficiencies. It incorporates a variety of initiatives designed to simplify the organizational structure, streamline the company's real estate, centralize its supply chain functions, transition to a unified One Newell go-to-market model in key international geographies, and otherwise reduce overhead costs. The Company expects to realize significant savings when the initiatives are fully implemented, however it will result in material charges as well as the elimination of approximately 13% of office positions during 2023. These initiatives may not be substantially completed in the expected timeframe, may be more costly to implement than expected, or may not fully achieve the anticipated cost savings. Such programs involve a significant amount of organizational change, which could have a negative impact on employee engagement, divert management's attention from other initiatives, and if not properly managed, impact the Company's ability to retain key employees, cause disruptions in the Company's day-to-day operations and have a negative impact on the Company's financial results.

Further, the Company has pursued and may continue to pursue acquisitions of brands, businesses, or technologies from third parties. The Company's success depends on its ability to integrate such acquired brands, businesses, or technologies, to continuously improve its manufacturing operations to gain efficiencies, to reduce supply chain costs and to streamline and redeploy nonstrategic selling, general and administrative expenses in order to produce products at a best-cost position and allow the Company to invest in innovation and brand building, including advertising and promotion. Future acquisitions could result in substantial additional debt, exposure to contingent liabilities, such as litigation or earn-out obligations, the potential impairment of goodwill or other intangible assets, or significant integration and transaction costs.

**The Company's operations are dependent upon third-party vendors and suppliers whose failure to perform adequately could disrupt the Company's business operations.**

The Company currently sources a significant portion of parts and products from third parties. The Company's ability to select and retain reliable vendors and suppliers who provide timely deliveries of quality parts and products will impact the Company's success in meeting customer demand for timely delivery of quality products.

The ability of third-party suppliers to timely deliver finished goods and/or raw materials, and the ability of the Company's own facilities to timely deliver finished goods, may be affected by events beyond their control, such as inability of shippers to timely deliver merchandise due to work stoppages or slowdowns, demand volatility or port congestion, unavailability of shipping containers or other equipment, or significant weather and health conditions affecting manufacturers and/or shippers. Any adverse change in the Company's relationships with its third-party suppliers, the financial condition of third-party suppliers, the ability of third-party suppliers to manufacture and deliver outsourced parts or products on a timely basis, or the Company's ability to import products from third-party suppliers or its own facilities could have a material adverse effect on the Company's business, results of operations and financial condition.

In addition, the financial condition of the Company's vendors and suppliers may be adversely affected by general economic conditions, such as credit difficulties and the uncertain macroeconomic environment. In addition, in some instances the Company maintains single-source or limited-source sourcing relationships, either because multiple sources are not available or the relationship is advantageous due to performance, quality, support, delivery, capacity or price considerations. For example, certain businesses in the Baby business unit have a single source of supply for products that comprise a majority of their sales and which owns intellectual property rights in respect of many of those products. Any inability of the Company's vendors and suppliers to timely deliver quality parts and products or any unanticipated change in supply, quality or pricing of products could be disruptive and costly to the Company. The Company may not be able to quickly or effectively replace any of its suppliers if the need arose, and it may be difficult to retrieve tooling and molds possessed by any of its third-party suppliers. The Company's dependence on these few suppliers could also adversely affect its ability to react quickly and effectively to changes in the market for its products.

**A cyber-attack or failure of one or more key information technology systems, networks, processes, associated sites or service providers could have a material adverse impact on the Company's business or reputation.**

The Company relies extensively on information technology ("IT") systems, networks and services, including Internet sites, data hosting and processing facilities and tools and other hardware, software and technical applications and platforms, some of which are managed, hosted, provided and/or used by third parties or their vendors, to assist in conducting business. The various uses of these IT systems, networks and services include, but are not limited to:

- ordering and managing materials from suppliers;
- converting materials to finished products;
- shipping products to customers;
- marketing and selling products to consumers;
- collecting and storing customer, consumer, employee, investor and other stakeholder information and personal data, including data that may be subject to data privacy laws, including but not limited to the General Data Protection Regulation of the European Union ("GDPR"), the California Consumer Privacy Act ("CCPA"), the California Privacy Rights Act ("CPRA") or General Law for Protection of Personal Data ("LGPD") of Brazil;
- processing transactions;
- summarizing and reporting results of operations;
- hosting, processing and sharing confidential and proprietary research, business plans and financial information;
- complying with regulatory, legal or tax requirements;
- providing data security; and
- handling other processes necessary to manage the Company's business.

Increased IT security threats and cyber-crime, including advanced persistent threats, computer viruses, ransomware, other types of malicious code, hacking, phishing and social engineering schemes designed to provide access to the Company's networks or data, pose a potential risk to the security of the Company's IT systems, networks and services, as well as the confidentiality, availability and integrity of the Company's data. Cyber threats are becoming more sophisticated, are constantly evolving and are being made by groups and individuals with a wide range of expertise and motives, increasing the difficulty of detecting and successfully defending against them. The Company deploys technical and organizational measures to protect and prevent unauthorized access to or loss of data, however, as techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, the Company may be unable to anticipate these techniques or implement preventive measures. Furthermore, the Company's relationships with, and access provided to, third parties and their vendors may create difficulties in anticipating and implementing adequate preventive measures or fully mitigating harms after an attack or breach occurs.

The Company cannot guarantee that its security efforts will prevent attacks and resulting breaches or breakdowns of the Company's, or its third-party service providers' databases or systems notwithstanding whether the Company takes reasonable steps to prevent such attacks. The Company's operations, especially its retail operations, involve the storage and transmission of employees', customers' and consumers' personal and sensitive information, such as credit card and bank account numbers. The Company's payment services may be subject to credit card and other payment fraud schemes, including unauthorized use of credit cards, debit

cards or bank account information, identity theft or merchant fraud. If the IT systems, networks or service providers relied upon fail to function properly, or if the Company suffers a loss or disclosure of customers' and consumers' data, business or stakeholder information, due to any number of causes, ranging from catastrophic events to power outages to security breaches, or the inability to effectively address these failures on a timely basis, the Company may suffer interruptions in its ability to manage operations, a risk of government enforcement action, litigation and possible liability, and reputational, competitive and/or business harm, which may adversely impact the Company's results of operations and/or financial condition. In addition, if the Company's service providers, suppliers or customers experience a breach or unauthorized disclosure or system failure, their businesses could be disrupted or otherwise negatively affected, which may result in a disruption in the Company's supply chain or reduced customer orders or other business operations, which would adversely affect the Company.

The Company is subject to laws of various countries where it operates or does business related to solicitation, collection, processing, transferring, storing or use of consumer, customer, vendor or employee information or related data, including the GDPR which went into effect in May 2018, the CCPA, which went into effect on January 1, 2020, the LGPD which went into effect in August 2020, the CPRA which became operative in January 2023 and various U.S. state level privacy regulations. The changes introduced by the GDPR, CCPA, LGPD, CPRA and U.S. state laws increase the complexity of regulations enacted to protect business and personal data, subject the Company to additional costs and have required, and may in the future require, costly changes to the Company's security systems, policies, procedures and practices.

**The Company's operating results can be adversely affected by inflation, changes in the cost or availability of raw materials, labor, energy, transportation and other necessary supplies and services, as well as the impact of tariffs.**

Competition for labor is becoming more acute and we have experienced increased labor costs as a result. There is no assurance that we will be able to fully offset any cost increases through cost reduction programs or price increases of our products, especially given the competitive environment. If we generally are not able to sufficiently increase our pricing to offset these increased costs or if increased costs and prolonged inflation were to occur, it could materially and adversely affect our business, operating results and profitability. Sustained price increases may lead to declines in volume as competitors may not adjust their prices or customers may decide not to pay the higher prices, which could lead to sales declines and loss of market share. While we seek to project tradeoffs between price increases and volume, our projections may not accurately predict the volume impact of price increases. In addition, volatility in certain commodity markets could significantly affect our production cost.

In addition, the Company's success is dependent, in part, on its continued ability to reduce its exposure to or mitigate the impact of increases in the cost of raw materials, finished goods, energy, transportation and other necessary supplies and services through a variety of programs, including periodic purchases, future delivery purchases, long-term contracts, sales price adjustments and certain derivative instruments, while maintaining and improving margins and market share. Also, the Company relies on third-party manufacturers as a source for its products. These manufacturers are also subject to price volatility and labor cost and other inflationary pressures, which may, in turn, result in an increase in the amount the Company pays for sourced products. During periods of rising prices of raw materials, there can be no assurance that the Company will be able to pass any portion of such increases on to customers. Conversely, when raw material prices decline, customer demands for lower prices could result in lower sale prices and, to the extent the Company has existing inventory, lower margins. As a result, fluctuations in raw material prices could have a material adverse effect on the Company's business, results of operations and financial condition.

Some of the products the Company manufactures require particular types of glass, metal, paper, plastic, resin, wax, wood or other materials. Supply shortages for a particular type of material can delay production or cause increases in the cost of manufacturing the Company's products. Pricing and availability of finished goods, raw materials, energy, transportation and other necessary supplies and services for use in the Company's businesses can be volatile due to numerous factors beyond its control, including general, domestic and international economic conditions, natural disasters, labor costs, production levels, competition, consumer demand, import duties and tariffs, currency exchange rates, international treaties, and changes in laws, regulations, and related interpretations.

Specifically, evolving trade policies could continue to make sourcing products from foreign countries difficult and costly, as the Company sources a significant amount of its products from outside of the United States. Given the Company's reliance upon non-domestic suppliers, any significant changes to the United States trade policies (and those of other countries in response) may cause a material adverse effect on its ability to source products from other countries or significantly increase the costs of obtaining such products, which could result in a material adverse effect on our financial results. Any additional tariffs on Chinese-origin goods, or on other certain products imported into the United States or, European Union carbon import taxes could increase the cost of some of our products and reduce our margins.

**Unfavorable shifts in industry-wide demand for the Company's products could result in inventory valuation risk.**

The Company evaluates its ending inventories for excess quantities, impairment of value, and obsolescence. This evaluation includes analysis of sales levels by product and projections of future demand based upon input received from our customers, sales team, and management. If inventories on hand are in excess of demand or slow moving, appropriate write-downs may be recorded. In addition, the Company writes off inventories that are considered obsolete based upon changes in customer demand, product design changes that result in existing inventory obsolescence, or new product introductions, which eliminate demand for existing products. Remaining inventory balances are adjusted to approximate net realizable market value.

If future demand or market conditions are less favorable than the Company's estimates, including the volatility of customer demand patterns and the impact of retailer inventory rebalancing in response to softening global demand, write-downs may be required. The Company cannot be certain that obsolete or excess inventories, which may result from unanticipated changes in the estimated total demand for its products, will not affect it beyond the inventory charges that have already been recorded.

**The Company may not be able to attract, retain and develop key talent.**

The Company's ability to successfully execute its turnaround plan and its future performance depends in significant part upon the continued service of its executive officers and other key leaders. The loss of the services of one or more executive officers or other key employees could have a material adverse effect on the Company's business, prospects, financial condition and results of operations. The Company's success also depends, in part, on its continuing ability to attract, retain and develop highly qualified talent. In 2022 and 2023, the Company hired a new Chief Financial Officer and President, Brand Management and Innovation, respectively. Competition for such talent is intense.

Global competition for such personnel is intense and has increased in the recent past amidst emerging labor trends, including but not limited to increased remote work options. There can be no assurance that the Company can retain its key employees or attract, retain or otherwise develop internally other highly qualified personnel in the future.

**Damage to the Company's reputation or loss of consumer confidence could have an adverse effect on the Company's business.**

Maintaining the Company's strong reputation with consumers, customers and suppliers worldwide is critical to the Company's continued success. Adverse publicity about the Company, its brands, corporate practices, or any other issue that may be associated with the Company, whether or not deserved, could jeopardize that reputation. Such adverse publicity could come from traditional sources such as government investigations or public or private litigation, but may also arise from negative comments on social media regarding the Company or its brands.

Additionally, due to the scale and scope of our business, we must rely on relationships with third parties, including our suppliers, distributors, contractors, and other external business partners for certain functions. While we have policies and procedures for managing these relationships, they inherently involve less control over business operations, governance, and compliance, thereby potentially increasing our reputational and legal risk. If third parties fail to comply with our policies and procedures or similar compliance requirements set forth by our customers, the Company could potentially suffer significant losses of business and revenue from certain customers.

Further, third parties sell counterfeit versions of some of our products, which are often inferior or may pose safety risks. As a result, consumers of our brands could confuse our products with these counterfeit products, which could cause them to refrain from purchasing our brands in the future and in turn could impair our brand equity.

Finally, there has been an increased focus from certain investors, customers, consumers, employees, and other stakeholders concerning corporate citizenship and sustainability matters. From time to time, the Company announces certain initiatives regarding its focus areas, which may include environmental matters, diversity, inclusion and belonging, sustainability, packaging, responsible sourcing and social investments. In 2022, the Company published its Corporate Citizenship Report which included updates on many of these focus areas and goals for certain areas. The Company could fail, or be perceived to fail, in its achievement of such initiatives and goals or it could fail in accurately reporting its progress on such initiatives and goals. In addition, the Company could be criticized for the scope of such initiatives or perceived as not acting responsibly in connection with these matters. The Company's reputation and business could be negatively impacted by such developments or litigation may be filed against the Company resulting in significant expenses or investments to repair such impacts.

Damage to the Company's reputation or a loss of consumer confidence in the Company's brands could adversely affect the Company's business, results of operations, cash flows and financial condition as well as require resources to repair the harm.

**A deterioration in labor relations could adversely impact the Company's global business.**

At December 31, 2022, the Company had approximately 28,000 employees worldwide, a portion of which are covered by collective bargaining agreements or are located in countries that have collective arrangements decreed by statute. The Company periodically negotiates with certain unions and labor representatives and may be subject to work stoppages or may be unable to renew such collective bargaining agreements on the same or similar terms, or at all.

**Risks related to the strength of global retail, commercial and industrial sectors and changes in foreign, cultural, political and financial market conditions could impair the Company's international operations and financial performance.**

The Company's business depends on the strength of the retail, commercial and industrial sectors of the economy in various parts of the world, primarily in North America, and to a lesser extent Europe, Latin America and the Asia Pacific region. These sectors of the economy are affected primarily by factors such as consumer demand and the condition of the retail industry, which, in turn, can be affected by specific events or general economic conditions, including worldwide or country-specific economic instability.

Continuing challenging global economic conditions, particularly outside of the U.S., and potential volatility in domestic and/or foreign equity markets, may result in considerable pressure on consumer demand, which may have an adverse effect on demand for the Company's products, as well as its financial condition and results of operations. The Company could also be negatively impacted by economic crises in specific countries or regions. Such events could negatively impact the Company's overall liquidity and/or create significant credit risks relative to its local customers and depository institutions. Consumer demand and the condition of these sectors of the economy may also be impacted by other external factors such as war, terrorism, geopolitical uncertainties, public health issues, natural disasters and other business interruptions. The impact of these external factors is difficult to predict, and one or more of these factors could adversely impact the Company's business.

Further, some of the Company's operations are conducted or products are sold in countries where economic growth has slowed, or where economies have suffered economic, social and/or political instability or hyperinflation; or where the ability to repatriate funds has been significantly delayed or impaired. Current government economic and fiscal policies in these economies, including stimulus measures and currency exchange rates and controls, may not be sustainable and, as a result, the Company's sales or profits related to those countries may decline. The economies of other foreign countries important to the Company's operations could also suffer slower economic growth or economic, social and/or political instability or hyperinflation in the future. The Company's international operations (and particularly its business in emerging markets), including manufacturing and sourcing operations (and the international operations of the Company's customers), are subject to inherent risks which could adversely affect the Company, including, among other things:

- protectionist policies restricting or impairing the manufacturing, sales or import and export of the Company's products, including tariffs and countermeasures;
- new restrictions on access to markets;
- lack of developed infrastructure;
- inflation (including hyperinflation) or recession;
- devaluations or fluctuations in the value of currencies;
- changes in and the burdens and costs of compliance with a variety of laws and regulations, including the Foreign Corrupt Practices Act, tax laws, accounting standards, trade protection measures and import and export licensing requirements, environmental laws and occupational health and safety laws;
- social, political or economic instability;
- acts of war and terrorism;
- natural disasters or other crises;
- reduced protection of intellectual property rights;
- restrictions on transfer of funds and/or exchange of currencies;
- expropriation of assets or forced relocations of operations; and
- other adverse changes in policies, including monetary, tax and/or lending policies, encouraging foreign investment or foreign trade by host countries.

In addition, our global operations expose us to risks associated with public health crises, such as pandemics and epidemics, which could harm our business and cause our operational results to suffer.

Further, the United Kingdom exited the European Union in 2020 and entered into a trade and cooperation agreement with the European Union in 2021. The trade agreement offers United Kingdom and European Union businesses preferential access to each other's markets, ensuring imported goods will be free of tariffs and quotas. However, economic relations between the United Kingdom and the European Union are now on more restricted terms than before and there remains uncertainty around the post-Brexit regulatory environment. Brexit may also lead to legal uncertainty and potentially divergent national laws and regulations as

the United Kingdom determines which E.U. laws to replace or replicate, and those laws and regulations may be cumbersome, difficult or costly in terms of compliance. Any of these effects of Brexit, among others, could adversely affect our business, financial condition, operating results and cash flows.

Additionally, if a potential devaluation of the local currencies of our international customers relative to the U.S. dollar occurs, it may impair the purchasing power of our international customers and could cause international customers to decrease their volume of orders or cancel orders completely. Should any of these risks occur, the Company's ability to manufacture, source, sell or export its products or repatriate profits could be impaired. In addition, the Company could experience a loss of sales and profitability from its international operations and/or the Company could experience a substantial impairment or loss of assets.

### ***Financial Risks***

**The Company has substantial indebtedness, which could materially and adversely affect the Company and its financial position, including decreasing its business flexibility, impacting its ratings and increasing its borrowing costs.**

At December 31, 2022, the Company had \$5.4 billion in outstanding debt, reflecting an increase of approximately \$490 million versus December 31, 2021. The Company's substantial indebtedness has, and could continue to have, important consequences for the Company, including:

- requiring the Company to dedicate a substantial portion of its cash flow from operations to payments on its indebtedness, which reduces the availability of its cash flow to fund working capital requirements, capital expenditures, future acquisitions, dividends, repurchases of the Company's common stock and other general corporate purposes;
- limiting the Company's flexibility in planning for, or reacting to, adverse business and economic conditions or changes in the Company's business and the industries in which it operates;
- placing the Company at a competitive disadvantage compared to its competitors that have less debt; limiting its ability to borrow additional funds; and
- requiring the Company to comply with financial and non-financial covenants in its debt documents that, if breached, subject the Company to cross-default and acceleration provisions.

In addition, if the Company is unable to timely reduce its level of indebtedness, the Company will be subject to increased demands on its cash resources, which could increase its total debt-to-capitalization ratios, decrease its interest coverage ratios, lower its credit ratings, result in a breach of covenants or otherwise adversely affect the business and financial results of the Company going forward.

**An increase in interest rates could have a material adverse effect on the Company's business.**

While the majority of the Company's debt is fixed, fluctuations in interest rates can increase borrowing costs on the portion that is variable, and interest rate increases on this portion of the Company's debt could have a material adverse effect on the Company's business. Indeed, increases in interest rates would increase the cost of servicing our debt and could reduce our profitability and cash flows. In response to the last global economic recession, extraordinary monetary policy actions of the U.S. Federal Reserve and other central banking institutions, including the utilization of quantitative easing, were taken to create and maintain a low interest rate environment. However, the U.S. Federal Reserve raised its benchmark interest rate nine times from December 2015 through the end of 2018, including four times in 2018, each time by a quarter of a percentage point, before reducing interest rates in 2019 three times. In response to the COVID-19 pandemic, the U.S. Federal Reserve reduced its benchmark interest rate to 0% in March 2020 before voting in November 2020 to keep short-term interest rates anchored in a range between 0% and 0.25%. After holding rates constant in 2021 to support its policy of pandemic relief, the U.S. Federal Reserve, in response to significant inflation, began its policy of increasing the target federal funds rate from effectively zero. During 2022, the U.S. Federal Reserve raised the targeted federal funds rate seven times for a total of 425 basis points resulting in a target range of 4.25% to 4.5%. The policy statements, decisions and actions of the U.S. Federal Reserve are uncertain and subject to change depending on economic conditions. Any change in the fiscal policies or stated target interest rates of the U.S. Federal Reserve or other central banking institutions, or market expectations of such change, are difficult to predict and may result in significantly higher long-term interest rates. Such a transition may be abrupt and may, among other things, reduce the availability and/or increase the costs of obtaining new debt and refinancing existing indebtedness.

**Reductions in the Company’s credit ratings could materially and adversely affect its business, financial condition and results of operations.**

The Company’s credit ratings impact the cost and availability of future borrowings and, accordingly, the Company’s cost of capital. The Company’s credit ratings reflect each rating organization’s opinion of its financial strength, operating performance and ability to meet its debt obligations. The credit ratings assigned to the Company also impact the interest rates paid on short- and long-term financing.

On November 1, 2019, S&P Global Inc. (“S&P”) downgraded the Company’s debt rating to “BB+” as S&P believed the Company would fail to meet S&P’s target debt level for 2019. In addition, on March 9, 2020, Moody’s Corporation (“Moody’s”) downgraded the Company’s debt rating to “Ba1” based on a view that the Company would fail to meet Moody’s target debt level for 2020. As a result of the S&P and Moody’s downgrades, certain of the Company’s outstanding senior notes were subject to an interest rate adjustment of 25 basis points for each downgrade, totaling 50 basis points. In addition, the Company’s ability to borrow from the commercial paper market on terms it deemed acceptable or favorable was eliminated and its cost of borrowing increased.

On February 11, 2022, S&P Global Inc. (“S&P”) upgraded the Company’s debt rating to “BBB-” from “BB+” as S&P believed the Company has been able to achieve S&P’s target debt level. As a result of this upgrade, the Company has been in a position to access the commercial paper market, and the interest rates on certain of its outstanding senior notes were reduced by 25 basis points on an annualized basis. However, any future downgrade by S&P below “BBB-” or further downgrade by Moody’s would further increase the Company’s borrowing costs and continue to adversely affect the Company’s financial results. In addition, in the event of a future reduction in credit rating, the Company would likely be required to pay a higher interest rate in future financings, and its potential pool of investors and funding sources could decrease. If the Company’s short-term ratings were to be further lowered, it would limit, or eliminate entirely, the Company’s access to the commercial paper market. See *Liquidity and Capital Resources in Item 7*.

On February 14, 2023, Fitch Ratings downgraded the Company’s debt rating to “BB”. This downgrade does not impact the interest rates on any of the Company’s senior notes.

The ratings from credit agencies are not recommendations to buy, sell or hold the Company’s securities, and each rating should be evaluated independently of any other rating.

**Failure to maintain effective internal control over financial reporting could result in material misstatements in our financial statements, and our failure to meet our reporting and financial obligations, which in turn could have a negative impact on our financial condition.**

The Company is required by the SEC to establish and maintain effective internal control over financial reporting that provides reasonable assurance regarding the reliability of its financial reporting and the preparation of financial statements in accordance with U.S. GAAP. Our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements.

The Company has experienced, and in the future may experience again, material weaknesses along with potential problems implementing and maintaining adequate internal controls. Failure to maintain effective internal controls, including any failure to implement required new or improved controls, could result in our inability to conclude that the Company has effective internal control over financial reporting. If the Company cannot meet its financial reporting obligations in a timely and reliable manner, or prevent fraud, the public perception of the Company and its securities may be harmed, and it may be unable to raise capital on favorable terms in the future or otherwise, which could have a negative impact on the Company’s financial condition.

**Continued declines in the future expected cash flows for the Company’s businesses or changes to underlying assumptions used to calculate fair value could result in additional impairment charges which could have a material adverse effect on the Company’s financial results of operations.**

The Company is required under U.S. GAAP to review its long-lived assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable, and are also required to conduct impairment tests on goodwill and other indefinite-lived intangible assets annually or more frequently, if circumstances indicate that the carrying value may not be recoverable or that an other-than-temporary impairment exists.

During the years ended December 31, 2022, 2021 and 2020, the Company recorded non-cash impairment charges related to goodwill and indefinite-lived intangibles of \$474 million, \$60 million and \$1.5 billion, respectively. Future events or factors may occur that would adversely affect the fair value of the Company’s assets and require impairment charges. Such events or factors may

include, but are not limited to, divestitures of certain businesses or product lines, strategic decisions made in response to changes in economic and competitive conditions, the impact of the economic environment on the Company's sales and customer base, a material adverse change in the Company's relationship with significant customers or business partners, or a sustained decline in the Company's stock price. In the event any such impairment indicators become known or are present, the Company may be required to perform impairment tests based on changes in the economic environment and other factors, and these tests could result in impairment charges in the future. Given the Company's recent history of impairment charges, there is minimal difference between the estimated fair values and the carrying values of some of its intangible assets, increasing the possibility of future impairment charges. See *Critical Accounting Estimates in Item 7 and Footnotes 1 and 7 of Notes to Consolidated Financial Statements*.

**The Company is exposed to both foreign currency translation and transaction risks that may materially adversely affect the Company's operating results, financial condition and liquidity.**

The reporting currency for the Company's financial statements is the U.S. dollar and it has substantial assets, liabilities, revenues and costs denominated in currencies other than U.S. dollars. The preparation of the Company's Consolidated Financial Statements requires translation of those assets, liabilities, revenues and expenses into U.S. dollars at then-applicable exchange rates. Consequently, increases and decreases in the value of the U.S. dollar versus other currencies will affect the amount of these items in the Company's Consolidated Financial Statements, even if their value has not changed in their original currency. These translations could result in significant changes to the Company's results of operations from period to period. Although the Company may employ, at times, a variety of techniques to mitigate the impact of exchange rate fluctuations, including foreign currency hedging activities, it cannot guarantee that such risk management strategies will be effective, and its financial condition or results of operations could be adversely impacted.

In addition, foreign currency transaction risk arises when the Company and its subsidiaries enter into transactions where the settlement occurs in a currency other than its functional currency. Exchange differences (gains and losses) arising on the settlement of monetary items or on translation of monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the Consolidated Statement of Operations in the period in which they arise. Although the Company may employ, at times, a variety of techniques to mitigate the impact of foreign currency transaction risk, including the hedging of forecasted cash inflows and outflows, it cannot guarantee that such risk management strategies will be effective, and its financial condition or results of operations could be adversely impacted.

See *Management's Discussion and Analysis of Financial Condition and Results of Operations and Footnote 10 of the Notes to Consolidated Financial Statements* for further information.

**Circumstances associated with divestitures and product line exits could adversely affect the Company's results of operations and financial condition.**

The Company may decide to sell or discontinue certain businesses or product lines in the future based on an evaluation of performance and strategic fit. On March 31, 2022, the Company sold its CH&S business unit to Resideo Technologies, Inc., for a purchase price of \$593 million, subject to customary working capital and transaction adjustments.

Divestitures or discontinuations of businesses or products may result in asset impairments, including those related to goodwill and other intangible assets, and losses upon disposition, both of which could have an adverse effect on the Company's results of operations and financial condition. In addition, the Company may encounter difficulty in finding buyers or executing alternative exit strategies at acceptable prices and terms and in a timely manner, and prospective buyers may have difficulty obtaining financing. Past and future divestitures and business discontinuations also involve additional risks, including the following:

- difficulties in the separation of operations, services, products and personnel;
- the retention of certain current or future liabilities in order to induce a buyer to complete a divestiture;
- the disruption of the Company's business;
- the potential loss of key employees; and
- disputes or litigation with the buyers.

The Company may not be successful in managing these or any other significant risks that it may encounter in divesting or discontinuing a business or exiting product lines, which could have a material adverse effect on its business.



**Governmental investigations or actions by other third parties could have a material adverse effect on management and the Company's business operations.**

The Company is subject to various federal, state and foreign laws and regulations. As further described in *Footnote 18 of the Notes to the Consolidated Financial Statements*, the Company is also subject to third party litigation. The potential outcomes of third-party litigation, if insured, could exceed policy limits, resulting in significant costs and expenses. The Company could be responsible for any settlement or judgment over the amount of available insurance coverage or for the entire settlement or judgment, if not insured. In the ordinary course of business, the Company is also subject to formal and informal regulatory and governmental examinations, subpoenas, requests for documents, testimony or information, inquiries, investigations, threatened legal actions and proceedings. The Company previously disclosed that it had received a subpoena and related informal document requests from the U.S. Securities and Exchange Commission (the "SEC") primarily relating to its sales practices and certain accounting matters for the time period beginning from January 1, 2016. The Company cooperated with the SEC in connection with its investigation and requests for documents, testimony and information. In late January 2023, the Company began discussing with the SEC the possibility of reaching a settlement to resolve the investigation, which now focuses on the time period between the third quarter of 2016 through the second quarter of 2017. Further, on June 30, 2021, the Company received a subpoena from the SEC requesting the production of documents relating to disclosures on the potential impact of U.S. Treasury regulations, as further described below. Responding to governmental investigations, voluntary document requests, subpoenas or actions by regulatory bodies may be time-consuming, expensive and disruptive to the Company's operations and could divert the attention of management and key personnel from the Company's business operations.

See *Footnote 18 of the Notes to Consolidated Financial Statements* for further information.

**The Company's businesses and operations are subject to regulation in the U.S. and abroad.**

Changes in laws, regulations and related interpretations may alter the environment in which the Company does business. This includes changes in environmental, data privacy, competitive and product-related laws, as well as changes in accounting standards, taxation and other regulations. Accordingly, the Company's ability to manage regulatory, tax and legal matters (including environmental, human resource, product liability, patent and other intellectual property matters), and to resolve pending legal and environmental matters without significant liability could require the Company to record significant reserves in excess of amounts accrued to date or pay significant fines during a reporting period, which could materially impact the Company's results. In addition, new regulations may be enacted in the U.S. or abroad that may require the Company to incur additional personnel-related, environmental or other costs on an ongoing basis, significantly restrict the Company's ability to sell certain products, or incur fines or penalties for noncompliance, any of which could adversely affect the Company's results of operations.

As a U.S.-based multinational company, the Company is also subject to tax regulations in the U.S. and multiple foreign jurisdictions, some of which are interdependent. For example, certain income that is earned and taxed in countries outside the U.S. may not be taxed in the U.S. until those earnings are actually repatriated or deemed repatriated. If these or other tax regulations should change, the Company's financial results could be impacted.

On June 18, 2019, the U.S. Treasury and the Internal Revenue Service ("IRS") released temporary regulations under IRC Section 245A ("Section 245A") as enacted by the 2017 U.S. Tax Reform Legislation ("2017 Tax Reform") and IRC Section 954(c)(6) (the "Temporary Regulations") to apply retroactively to the date the 2017 Tax Reform was enacted. On August 21, 2020, the U.S. Treasury and IRS released finalized versions of the Temporary Regulations (collectively with the Temporary Regulations, the "Regulations"). The Regulations seek to limit the 100% dividends received deduction permitted by Section 245A for certain dividends received from controlled foreign corporations and to limit the applicability of the look-through exception to foreign personal holding company income for certain dividends received from controlled foreign corporations. Before the retroactive application of the Regulations, the Company benefited in 2018 from both the 100% dividends received deduction and the look-through exception to foreign personal holding company income. The Company analyzed the Regulations and concluded the relevant Regulations were not validly issued. Therefore, the Company has not accounted for the effects of the Regulations in its Consolidated Financial Statements for the period ending December 31, 2022. The Company believes it has strong arguments in favor of its position and believes it has met the more likely than not recognition threshold that its position will be sustained. However, due to the inherent uncertainty involved in challenging the validity of regulations as well as a potential litigation process, there can be no assurances that the relevant Regulations will be invalidated or that a court of law will rule in favor of the Company. If the Company's position on the Regulations is not sustained, the Company would be required to recognize an income tax expense of approximately \$180 million to \$220 million related to an income tax benefit from fiscal year 2018 that was recorded based on regulations in existence at the time. In addition, the Company may be required to pay any applicable interest and penalties. The Company believes it has strong arguments in favor of its position and believes it has met the more likely than not recognition threshold that its position will be sustained. However, due to the inherent uncertainty involved in challenging the validity of

regulations as well as a potential litigation process, there can be no assurances that the relevant Regulations will be invalidated or that a court of law will rule in favor of the Company. See *Footnote 12 of the Notes to Consolidated Financial Statements*.

**The resolution of the Company's tax contingencies may result in additional tax liabilities, which could adversely impact the Company's cash flows and results of operations.**

The Company is subject to income tax in the U.S. and numerous jurisdictions internationally. Significant estimation and judgment are required in determining the Company's worldwide provision for income taxes. In the ordinary course of the Company's business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Company is regularly under audit by various worldwide tax authorities. Although the Company believes its tax estimates are reasonable, the final outcome of tax audits and related litigation could be materially different than that reflected in its historical income tax provisions and accruals. There can be no assurance that the resolution of any audits or litigation will not have an adverse effect on future operating results.

**The Company may incur significant costs in order to comply with environmental remediation obligations.**

In addition to operational standards, environmental laws also impose obligations on various entities to investigate and/or clean up contaminated properties or to pay for the cost of such activities, often upon parties that did not actually cause the contamination. Accordingly, the Company may be liable, either contractually or by operation of law, for investigation and/or remediation costs even if the contaminated property is not presently owned or operated by the Company, is a landfill or other location where it has disposed of wastes, or if the contamination was caused by third parties during or prior to the Company's ownership or operation of the property. Given the nature of the past industrial operations conducted by the Company and others at these properties, there can be no assurance that all potential instances of soil or groundwater contamination have been identified, even for those properties where an environmental site assessment has been conducted. The Company does not believe that any of the Company's existing obligations, including at third-party sites where it has been named a potentially responsible party, will have a material adverse effect upon its business, results of operations or financial condition. However, future events, such as changes in existing laws or policies or their enforcement, or the discovery of currently unknown contamination, may give rise to additional remediation liabilities that may be material. Environmental Matters are described further in *Footnote 18 of the Notes to Consolidated Financial Statements* for a further discussion of these and other environmental-related matters.

**The Company's business involves the potential for product recalls, product liability and other claims against it, which could affect its earnings and financial condition.**

As a manufacturer and distributor of consumer products, the Company is subject to the U.S. Consumer Products Safety Act of 1972, as amended by the Consumer Product Safety Improvement Act of 2008, which empowers the U.S. Consumer Products Safety Commission to exclude from the market products that are found to be unsafe or hazardous, and similar laws under foreign jurisdictions. Under certain circumstances, the Consumer Products Safety Commission or a comparable foreign agency could require the Company to repurchase or recall one or more of its products. Additionally, other laws and agencies, such as the National Highway Traffic Safety Administration, regulate certain consumer products sold by the Company in the United States and abroad, and more restrictive laws and regulations may be adopted in the future. From time to time, the Company has announced voluntary recalls of its products where it has identified potential product safety concerns. Any repurchase or recall of the Company's products could be costly and damaging to the Company's reputation. When the Company is required to remove, or voluntarily removes, its products from the market, the Company's reputation could be tarnished and the Company might have large quantities of finished products that it could not sell. The Company also faces exposure to product liability claims if one of its products is alleged to have resulted in property damage, bodily injury or other adverse effects.

In addition to the risk of substantial monetary judgments or fines or penalties that may result from any governmental investigations, product liability claims or regulatory actions could result in negative publicity that could harm the Company's reputation in the marketplace, adversely impact the value of its end-user brands, or result in an increase in the cost of producing the Company's products. Similar to product liability claims, the Company faces exposure to class action lawsuits related to the performance, safety or advertising of its products. Such class action suits could result in substantial monetary judgments and, injunctions related to the sale of products and could potentially tarnish the Company's reputation.

Although the Company maintains product liability insurance in amounts that it believes are reasonable, that insurance is, in most cases, subject to significant self-insured retentions for which the Company is responsible, and the Company cannot assure you that it will be able to maintain such insurance on acceptable terms, if at all, in the future or that product liability claims will not exceed the amount of insurance coverage. The Company does not maintain insurance against many types of claims involving alleged product defects other than personal injury or property damage. Additionally, the Company does not maintain product recall insurance and may not have insurance coverage for claims asserted in consumer class action lawsuits that seek monetary compensation unrelated to personal injury and/or property damage, such as claims related to the marketing or warranty of the product. As a result, product

recalls, product liability claims and other product-related claims could have a material adverse effect on the Company's business, results of operations and financial condition. The Company spends substantial resources ensuring compliance with governmental and other applicable standards. However, compliance with these standards does not necessarily prevent individual or class action lawsuits, which can entail significant cost and risk. As a result, these types of claims could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company's product liability insurance program is an occurrence-based program based on its current and historical claims experience and the availability and cost of insurance. The Company currently either self-insures or administers a high retention insurance program for most product liability risks. Historically, product liability awards have rarely exceeded the Company's individual per occurrence self-insured retention. The Company cannot give assurance, however, that its future product liability experience will be consistent with its past experience or that claims and awards subject to self-insured retention will not be material. See *Footnote 18 of the Notes to Consolidated Financial Statements* for a further discussion of these and other regulatory and litigation-related matters.

**If the Company fails to adequately protect its intellectual property rights, competitors may manufacture and market the same or similar products, which could adversely affect the Company's market share and results of operations.**

The Company's success with its proprietary products depends, in part, on its ability to protect its current and future technologies and products and to defend its intellectual property rights, including its patent, trade secret and trademark rights. If the Company fails to adequately protect its intellectual property rights, competitors may manufacture and market the same or similar products.

The Company holds numerous design and utility patents covering a wide variety of products. The Company cannot be sure that it will receive patents for any of its innovations or that any existing or future patents that it receives or licenses will provide competitive advantages for its products. The Company also cannot be sure that competitors will not challenge and potentially invalidate any existing or future patents that the Company receives or licenses. In addition, patent rights may not prevent competitors from developing, using or selling products that are similar or functionally equivalent to the Company's products.

**If the Company is found to have infringed the intellectual property rights of others or cannot obtain necessary intellectual property rights from others, its competitiveness could be negatively impaired.**

If the Company is found to have violated the trademark, trade secret, copyright, patent or other intellectual property rights of others, directly or indirectly, such a finding could result in the need to cease use of such intellectual property in the Company's business, as well as the obligation to pay for past infringement. If rights holders are willing to permit the Company to continue to use such intellectual property rights, they could require a payment of a substantial amount for such continued use. Either ceasing use or paying such amounts could cause the Company to become less competitive and could have a material adverse effect on the Company's business, financial condition, and results of operations.

Even if the Company is not found to infringe a third party's intellectual property rights, claims of infringement could adversely affect the Company's business. The Company could incur significant legal costs and related expenses to defend against such claims, and the Company could incur significant costs associated with discontinuing to use, provide, or manufacture certain products, or services even if it is ultimately found not to have infringed such rights.

**Climate change and increased focus by governmental and non-governmental organizations and customers on sustainability issues, including those related to climate change, may adversely affect our business and financial results.**

Certain scientists have concluded that increasing concentrations of greenhouse gases in the Earth's atmosphere may produce climate changes that could have significant physical effects, such as increased frequency and severity of storms, droughts, floods, wildfires and other climatic events. Increased frequency of extreme weather could cause increased incidence of disruption to the production and distribution of our products at these locations. Increasing natural disasters in connection with climate change could also be a direct threat to our third-party vendors, service providers or other stakeholders, including disruptions of supply chains or information technology or other necessary services for our Company.

Federal, state, and local governments, as well as some of our customers, are beginning to respond to climate change issues. This increased focus on sustainability is resulting in new legislations, regulations and customer requirements that could negatively affect us, as we may incur additional costs or be required to make changes to our operations in order to comply with any new regulations or customer requirements. Legislation or regulations that potentially impose restrictions, caps, taxes, or other controls on emissions of greenhouse gases such as carbon dioxide, a by-product of burning fossil fuels such as those used in the Company's supply chain, could adversely affect our operations and financial results.

More specifically, legislative, or regulatory actions related to climate change could adversely impact the Company by increasing our energy costs and reducing fuel efficiency and could result in the creation of substantial additional capital expenditures and operating costs in the form of taxes, emissions allowances, or required equipment upgrades. Any of these factors could impair our operating efficiency and productivity and result in higher operating costs. In addition, revenues could decrease if we are unable to meet regulatory or customer sustainability requirements. These additional costs, changes in operations, or loss of revenues could have a material adverse effect on our business, financial condition, and results of operations.

#### **ITEM 1B. UNRESOLVED STAFF COMMENTS**

Not applicable.

#### **ITEM 2. PROPERTIES**

The Company's primary corporate offices are located in an owned office space in Atlanta, Georgia and a leased office space in Norwalk, Connecticut. At December 31, 2022, the Company's global physical presence included approximately 50 manufacturing facilities (15 in the U.S.), approximately 70 regional distribution centers and warehouses (40 in the U.S.), approximately 120 offices for sales, research and development and administrative purposes (35 in the U.S.), as well as approximately 270 retail stores (260 in the U.S.) primarily related to Yankee Candle. Approximately 90% of our global properties are leased (90% in the U.S.), which primarily reflect the Yankee Candle retail stores.

In general, the Company's properties are well-maintained, considered adequate and are utilized for their intended purposes. See *Footnote 6 of the Notes to Consolidated Financial Statements* for amounts invested in land, buildings and machinery and equipment. Also, see *Footnote 13 of the Notes to Consolidated Financial Statements* for information about the Company's leased properties.

#### **ITEM 3. LEGAL PROCEEDINGS**

Information regarding legal proceedings is included in *Footnote 18 of the Notes to Consolidated Financial Statements* and is incorporated by reference herein.

#### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**SUPPLEMENTARY ITEM — INFORMATION ABOUT OUR EXECUTIVE OFFICERS\*:**

<b>Name</b>	<b>Age</b>	<b>Title</b>
Ravichandra K. Saligram	66	Chief Executive Officer
Christopher H. Peterson	56	President
Mark J. Erceg	53	Chief Financial Officer
Bradford R. Turner	50	Chief Legal and Administrative Officer and Corporate Secretary
Stephen B. Parsons	58	Chief Human Resources Officer
Michal J. Geller	50	President, e-Commerce and Digital
Michael M. Hayes	54	Chief Customer Officer
Melanie Huet	47	President, Brand Management and Innovation
Kristine K. Malkoski	62	Segment CEO, Learning & Development
Michael P. McDermott	52	Segment CEO, Home & Commercial Solutions
James A. Pisani	56	Segment CEO, Outdoor & Recreation

\* On February 10, 2023, the Company announced that Christopher H. Peterson has been appointed President and Chief Executive Officer, effective after the Company's 2023 Annual Meeting of Stockholders on May 16, 2023. Ravichandra K. Saligram will retire as the Company's Chief Executive Officer, effective May 16, 2023.

Ravichandra K. Saligram has served as Chief Executive Officer of the Company and as a member of the Company's Board of Directors since October 2019. He also served as President of the Company between October 2019 and May 5, 2022. Prior to joining the Company, Mr. Saligram was Chief Executive Officer and Director of Ritchie Bros. Auctioneers Incorporated, the world's largest onsite/online industrial equipment auctioneer, from July 2014 until July 2019. From November 2010 until November 2013, Mr. Saligram was Chief Executive Officer, President, and a member of the Board of Directors of OfficeMax Inc., an omnichannel provider of workplace products, services and solutions where he oversaw the historic 2013 merger of OfficeMax and Office Depot. From 2003 through November 2010, Mr. Saligram served in executive management positions with ARAMARK, a global provider of food services, facilities management and uniforms, including as President of ARAMARK International, Chief Globalization Officer and Executive Vice President of ARAMARK. From 1994 through 2002, Mr. Saligram served in various capacities for the InterContinental Hotels Group, a global hospitality company, including as President of Brands and Franchise for North America; Chief Marketing Officer and Managing Director, Global Strategy; President, International; and President, Asia Pacific. Earlier in his career, Mr. Saligram held various general and brand management roles at S.C. Johnson & Son, Inc., a consumer products company. Mr. Saligram began his career at Leo Burnett, an advertising firm. He has served on the Board of Directors of Church & Dwight Co., Inc. since 2006.

Christopher H. Peterson has been President of the Company since May 5, 2022. He served as Chief Financial Officer of the Company between December 2018 and January 2023. Mr. Peterson recently served as President, Business Operations from February 2020 to May 5, 2022. He also served as Interim Chief Executive Officer from June 28, 2019 until October 2, 2019. From April 2018 to August 2018, Mr. Peterson served as the Executive Vice President and Chief Operating Officer, Operations of Revlon, Inc., a global beauty company. Before that, Mr. Peterson served as both Revlon's Chief Operating Officer, Operations and Chief Financial Officer from June 2017 until March 2018, and leading into that, he held the title of Chief Operating Officer, Operations from April 2017 until June 2017. Prior to his positions at Revlon, Mr. Peterson held several senior management roles at Ralph Lauren Corporation, a designer, marketer, and distributor of premium lifestyle products, including serving as President, Global Brands from April 2015 to May 2016, Executive Vice President, Chief Administrative Officer & Chief Financial Officer from November 2013 to March 2015, and Senior Vice President and Chief Financial Officer from September 2012 to November 2013. Previously, Mr. Peterson held several financial management positions at The Procter & Gamble Company, a global consumer products company, from 1992 to 2012. Mr. Peterson serves on the Board of Directors of BJ's Wholesale Club Holdings, Inc.

Mark J. Erceg has been Chief Financial Officer of the Company since January 9, 2023. Previously, Mr. Erceg served as the Executive Vice President and Chief Financial Officer of Cerner Corporation, a health care information technology company, from February 2021 until July 2022. From October 2016 to January 2021, he served as Executive Vice President and Chief Financial Officer of Tiffany & Company, a manufacturer and retailer of luxury jewelry. Prior to that, Mr. Erceg served as Executive Vice President and Chief Financial Officer of Canadian Pacific Railway between May 2015 and September 2016 and as Executive Vice President and Chief Financial Officer of Masonite International, a global building products company, from June 2010 to May 2015. Previously, Mr. Erceg held several financial and business management positions at The Procter & Gamble Company, a global consumer products company, from 1992 to 2010.

Bradford R. Turner has been the Chief Legal and Administrative Officer and Corporate Secretary since August 2017 and served as Chief Legal Officer and Corporate Secretary from April 2016 to August 2017. Prior to this role, he served as Senior Vice President, General Counsel, and Corporate Secretary from March 2015 to March 2016. Mr. Turner joined the Company in 2004 and has served

in various legal roles including Vice President and Deputy General Counsel from October 2011 to March 2015, and Group Vice President & General Counsel, Office Products, from June 2007 to October 2011.

Stephen B. Parsons has served as Chief Human Resources Officer of the Company since October 2019. Prior to joining the Company, Mr. Parsons served as Global Operating Partner, Z Capital Partners, the private equity fund management arm of Z Capital Group since 2016. Prior to that, he served as Chief Human Resources Officer at Stage Stores, Inc. from 2014 to 2016 and as Global Chief Human Resources Officer at OfficeMax from 2011 to 2014. Earlier in his career, Mr. Parsons held a variety of senior human resources roles at Rite Aid Corporation, Sears Holdings Corporation and Whirlpool Corporation.

Michal J. Geller has served as President, e-Commerce and Digital of the Company since April 2021. Prior to joining the Company, from March 2016 to March 2021, Mr. Geller served as Senior Vice President, Global e-Commerce marketing and Data Science at PepsiCo. Prior to joining PepsiCo, Mr. Geller spent almost ten years in a variety of business, technology and marketing roles including a leadership role on one of Amazon's Mom-Focused sites, building Amazon's digital coupon business and leading Amazon's Gift Card business. Prior to joining Amazon, Mr. Geller was in leadership positions in several technology-based companies, including two that he founded.

Michael M. Hayes has served as Chief Customer Officer of the Company since April 2020. Prior to joining the Company, from January 2011 to April 2020, Mr. Hayes served as the Senior Vice President, Sales & Sales Strategy of Georgia-Pacific LLC. Previously, he led Georgia-Pacific LLC's North American sales organization as Chief Sales Officer. Prior to joining Georgia-Pacific LLC in 2008, Mr. Hayes spent numerous years in sales and marketing leadership roles with the Sara Lee Corporation, Information Resources, Inc., The Dial Corporation and the Small Business Association. Mr. Hayes is a decorated U.S. military veteran, serving six years as a Navy Corpsman with the United States Marine Corps, and on active duty in Operations Desert Shield and Desert Storm.

Melanie Huet was appointed President, Brand Management and Innovation of the Company in February 2023. Between October 2022 and January 2023, Ms. Huet served as a consultant to the Company. Prior to that, she served as Executive Vice President, Chief Commercial Officer at Serta Simmons Bedding LLC, a global sleep products company, between April 2021 and June 2022, and as its Executive Vice President, Chief Marketing Officer between January 2019 and April 2021. Serta Simmons Bedding LLC filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code in January 2023. Between July 2017 and October 2018, Ms. Huet served as Vice President, Beverages & Snack Nuts of Kraft Heinz, a global consumer packaged goods company. Previously, she served in various senior roles at Kimberly Clark, a global consumer packaged goods company, between 2011 and 2017, including Global Brand Director, Baby & Child Care from January 2016 to June 2017 and General Manager/Brand Director, Child Care from February 2014 to December 2015. Prior to that, Ms. Huet served in various sales and marketing leadership roles at Unilever, a global consumer packaged goods company, between 2005 and 2011.

Kristine K. Malkoski was appointed Segment CEO, Learning and Development of the Company in January 2023. She served as Business Unit CEO, Writing of the Company from April 2022 through January 2023 and Business Unit CEO, Food of the Company from February 2020 through January 2023. Prior to joining the Company, from April 2019 to January 2020, Ms. Malkoski was Chief Executive Officer, Americas, for Arc International, a global manufacturer of glassware products for the housewares industry, where she was responsible for housewares sales, marketing, manufacturing and distribution across North and South America. From January 2015 to August 2017, Ms. Malkoski served as President, Global Business and Chief Commercial Officer for World Kitchen, a privately owned international housewares company, where she oversaw operations for its retail stores, and, previously, from June 2012 to January 2015, as President, North America, Chief Innovation Officer, and President North America Household for World Kitchen. Prior thereto, Ms. Malkoski served as Vice President and General Manager of the Craftsman division of Sears Holding Company and in various other management roles at Sears, Ubiquity Brands and Procter & Gamble. From 1997 to 2002, Ms. Malkoski founded and served as President and Chief Operating Officer of Pharmaceutical Corporation of America, the first contract product management company for the prescription drug industry.

Michael P. McDermott was appointed Segment CEO, Home and Commercial Solutions of the Company in January 2023. He served as Business Unit CEO, Commercial of the Company from January 2020 through January 2023. Prior to joining the Company, Mr. McDermott served as President of Omni-Channel Retail at Bass Pro Shops in 2019. Previously, Mr. McDermott served as Executive Vice President and Chief Customer Officer at Lowe's Companies Inc. from 2016 to 2019; Chief Merchandising Officer from 2014 to 2016; and Senior Vice President from 2013-2014. Prior to working with Lowe's Companies Inc., Mr. McDermott held various management roles at General Electric Company.

James A. Pisani was appointed Segment CEO, Outdoor and Recreation of the Company in January 2023. He served as Business Unit CEO, Outdoor and Recreation of the Company from May 2020 through January 2023. Prior to joining the Company, Mr. Pisani served as Global Brand President of Timberland LLC from August 2016 to April 2020 and on the executive leadership team at VF Corporation, a global apparel and footwear company, from August 2018 to April 2020, where he was responsible for the oversight and strategic direction of the Timberland brand worldwide. Prior to his work at Timberland LLC, Mr. Pisani served as President of VF Corporation's Licensed Sports Group from July 2008 to August 2016. Previously, Mr. Pisani served in various capacities at Kraft Foods and at PepsiCo, where he was Vice President of Business Development.

**PART II**

**ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

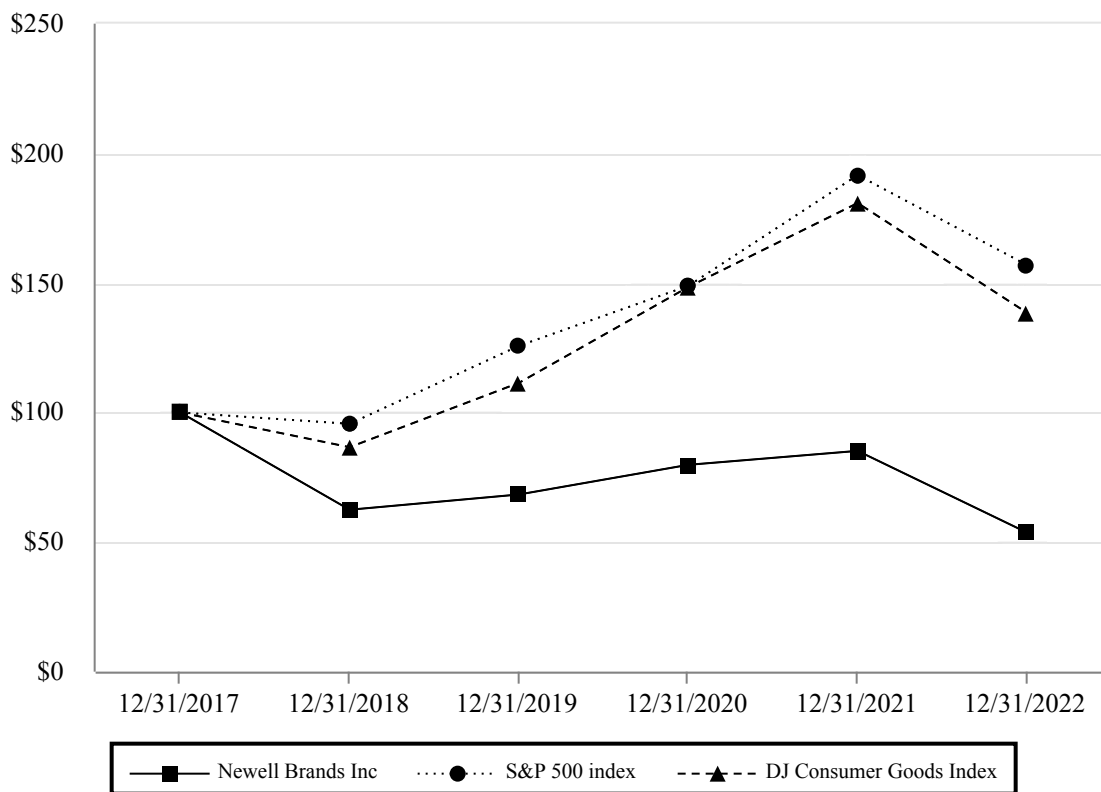
The Company’s common stock is listed on the Nasdaq Stock Market (symbol: NWL). At February 6, 2023 there were 8,753 stockholders of record.

**Stock Performance Graph**

The following Performance Graph and related information shall not be deemed “soliciting material” or to be “filed” with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except to the extent that the Company specifically incorporates it by reference into such filing.

The graph below compares total stockholder return on the Company’s common stock from December 31, 2017 through December 31, 2022 with the cumulative total return of (a) the Standard and Poor’s (“S&P”) 500 Index, and (b) the Dow Jones (“DJ”) Consumer Goods Index, assuming a \$100 investment made on December 31, 2017. Each of the three measures of cumulative total return assumes reinvestment of dividends, if applicable. The stock performance shown on the graph below is based on historical data and is not indicative of, or intended to forecast, possible future performance of the Company’s common stock.

**Comparison of Cumulative Five Year Total Return**





## ISSUER PURCHASES OF EQUITY SECURITIES

The following table provides information about the Company's purchases of equity securities during the three months ended December 31, 2022:

Calendar Month	Total Number of Shares Purchased <sup>(2)</sup>	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
October	—	\$ —	—	\$ 50,000,231
November	962	13.11	—	50,000,231
December	1,877	12.97	—	50,000,231
Total	2,839	\$ 13.02	—	

- (1) On February 6, 2022, the Company's Board of Directors authorized a \$375 million Share Repurchase Program, effective immediately through the end of 2022. The Company's common shares may be purchased by the Company in the open market, in negotiated transactions or in other manners as permitted by federal securities laws and other legal requirements. See *Footnote 15 of the Notes to Consolidated Financial Statements*.
- (2) Shares purchased during the three months ended December 31, 2022, were acquired by the Company based on their fair market value on the vesting date in order to satisfy employees' tax withholding and payment obligations in connection with the vesting of awards of restricted stock units.

### ITEM 6.

Not applicable.

### ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations section should be read in conjunction with "Financial Statements and Supplementary Data" included in Part II, Item 8 of this Annual Report on Form 10-K and the Company's audited Consolidated Financial Statements and Notes thereto included elsewhere in this Annual Report on Form 10-K. The "Business Strategy" and "Recent Developments" sections below are brief presentations of our business and certain significant items addressed in this section or elsewhere in this Annual Report on Form 10-K. This section should be read along with the relevant portions of this Annual Report on Form 10-K for a complete discussion of the events and items summarized below.

#### Overview

Newell Brands is a leading global consumer goods company with a strong portfolio of well-known brands, including Rubbermaid, FoodSaver, Calphalon, Sistema, Sharpie, Paper Mate, Dymo, EXPO, Elmer's, Yankee Candle, Graco, NUK, Rubbermaid Commercial Products, Spontex, Coleman, Campingaz, Contigo, Oster, Sunbeam and Mr. Coffee. Newell Brands' beloved brands enhance and brighten consumers lives at home and outside by creating moments of joy, building confidence and providing peace of mind. The Company sells its products in nearly 200 countries around the world and has operations on the ground in over 40 of these countries, excluding third-party distributors.

#### Business Strategy

The Company continues to execute on its turnaround strategy of building a global, next generation consumer products company that can unleash the full potential of its brands in a fast-moving omni-channel environment. The strategy, developed in 2019, is designed to:

- Drive sustainable top line growth by focusing on innovation, sharpening brand positioning, strengthening the international businesses, enhancing digital marketing and omni-channel capabilities, and building customer relationships;
- Improve operating margins by driving productivity and overhead savings, while reinvesting in the business;
- Accelerate the cash conversion cycle by focusing on cash efficiency and improving key working capital metrics;
- Strengthen the portfolio by investing in attractive categories that are aligned with its capabilities and strategy and optimizing product mix; and

- Strengthen organizational capabilities and employee engagement by building a winning team and focusing the best people on the right things.

The Company is implementing this strategy while addressing key challenges such as shifting consumer preferences and behaviors; a highly competitive operating environment; a rapidly changing retail landscape; continued macroeconomic and geopolitical volatility; a softening macro backdrop; significant inflationary and supply chain pressures, and an evolving regulatory landscape.

Continued execution of these strategic imperatives, in combination with new initiatives aimed to build operational excellence, will better position the Company for long-term sustainable growth. One such initiative is Project Ovid, a multi-year, customer centric supply chain initiative to transform the Company's go-to-market capabilities in the U.S., improve customer service levels and drive operational efficiencies. This initiative, which commenced its first phase go-live during the third quarter of 2022 and its second phase go-live in February 2023, is expected to leverage technology to further simplify the organization by harmonizing and automating processes. Project Ovid is designed to optimize the Company's distribution network by creating a single integrated supply chain from 23 business-unit-centric supply chains. The initiative is intended to reduce administrative complexity, improve inventory and invoicing workflow for our customers and enhance product availability for consumers through omni-channel enablement. This new operating model is also expected to drive efficiencies by better utilizing the Company's transportation and distribution network.

### **Organizational Structure**

The Company's five primary operating segments are as follows:

<b>Segment</b>	<b>Key Brands</b>	<b>Description of Primary Products</b>
<b>Commercial Solutions</b>	Mapa, Quickie, Rubbermaid, Rubbermaid Commercial Products, and Spontex	Commercial cleaning and maintenance solutions; closet and garage organization; hygiene systems and material handling solutions
<b>Home Appliances</b>	Calphalon, Crockpot, Mr. Coffee, Oster and Sunbeam	Household products, including kitchen appliances
<b>Home Solutions</b>	Ball <sup>(1)</sup> , Calphalon, Chesapeake Bay Candle, FoodSaver, Rubbermaid, Sistema, WoodWick and Yankee Candle	Food and home storage products; fresh preserving products; vacuum sealing products; gourmet cookware, bakeware and cutlery and home fragrance products
<b>Learning and Development</b>	Aprica, Baby Jogger, Dymo, Elmer's, EXPO, Graco, Mr. Sketch, NUK, Paper Mate, Parker, Prismacolor, Sharpie, Tigex, Waterman and X-Acto	Baby gear and infant care products; writing instruments, including markers and highlighters, pens and pencils; art products; activity-based adhesive and cutting products and labeling solutions
<b>Outdoor and Recreation</b>	Campingaz, Coleman, Contigo, ExOfficio, and Marmot	Products for outdoor and outdoor-related activities

(1)  and Ball®, TM of Ball Corporation, used under license.

This structure reflects the manner in which the chief operating decision maker ("CODM") regularly assesses information for decision-making purposes, including the allocation of resources. The Company also provides general corporate services to its segments which is reported as a non-operating segment, Corporate.

Beginning in January 2023, the Company will combine its previously reported Commercial Solutions, Home Appliances and Home Solutions operating segments into one operating segment, Home and Commercial Solutions. This change by the CODM was driven by the implementation of a new operating model which is intended to drive further simplification and unlock additional efficiencies and synergies within the Company. The Learning and Development and Outdoor and Recreation operating segments will remain as the Company's other two operating segments. The Company will recast prior period comparable results in its first quarter 2023 reporting to conform to this operating segment change. See *Footnote 17 of the Notes to Consolidated Financial Statements* for further information.

## **Recent Developments**

### *Current Macroeconomic Conditions*

The Company, which has been impacted in recent years by inflationary and supply chain pressures, labor shortages, and logistical challenges across its businesses, and more recently by the indirect macroeconomic impact of the Russia-Ukraine conflict, is also experiencing additional headwinds due to softening global demand and an increased focus by retailers to rebalance inventory levels in light of continued inflationary pressures on consumers. While all of the Company's segments have been negatively impacted to varying degrees by the softening global demand, the Home Appliances and Home Solutions segments have been the most impacted. These collective macroeconomic trends, the duration and severity of which are highly uncertain, are rapidly changing the retail landscape and have impacted the Company's operating results, cash flows and financial condition in 2022 and are expected to persist into 2023.

To help mitigate the negative impact of these conditions on the operating performance of its businesses, the Company has secured selective pricing increases, accelerated productivity initiatives, optimized advertising and promotion expenses, deployed overhead cost containment efforts, adjusted demand forecasts and supply plans and taken actions designed to improve working capital. The Company will continue to evaluate other opportunities to improve its financial performance both in the short and long term.

Although management has made its best estimates and assumptions based upon current information, actual results could materially differ given the uncertainty of these factors and may require future changes to such estimates and assumptions, including reserves, which may result in future expense or impairment charges.

### *Russia-Ukraine Conflict*

The global economy has been negatively impacted by the military conflict between Russia and Ukraine. While the Company does not expect the conflict to have a material impact on its results of operations, it has experienced shortages in raw materials and increased costs for transportation, energy, and commodities due in part to the negative impact of the Russia-Ukraine military conflict on the global economy. Further escalation of geopolitical tensions related to the conflict, including increased trade barriers and restrictions on global trade, could result in, among other things, supply disruptions, lower consumer demand, and changes to foreign exchange rates and financial markets, any of which may adversely affect our business and supply chain. Additionally, if the military conflict escalates beyond its current scope, the Company could be negatively impacted by an economic recession in certain neighboring European countries or globally.

See *Results of Operations, Critical Accounting Estimates and Footnote 1 of the Notes to Consolidated Financial Statements* for further information.

### *Project Phoenix*

In January 2023, the Company announced a restructuring and savings initiative ("Project Phoenix") that aims to strengthen the Company by leveraging its scale to further reduce complexity by streamlining its operating model and driving operational efficiencies. Project Phoenix is expected to be substantially completed by the end of 2023. It incorporates a variety of initiatives designed to simplify the organizational structure, streamline the company's real estate, centralize its supply chain functions, which include manufacturing, distribution, transportation and customer service, transition to a unified One Newell go-to-market model in key international geographies, and otherwise reduce overhead costs.

See *Risk Factors in Item 1A. and Footnote 4 of the Notes to Consolidated Financial Statements* for further information.

### *Goodwill and Other Indefinite-Lived Intangible Asset Impairments*

During the fourth quarter of 2022, as a result of the Company's annual impairment testing, the Company recorded a non-cash impairment charge to write-off the remaining \$56 million of goodwill for its Home Fragrance reporting unit, in the Home Solutions segment, as the carrying value exceeded its fair value. The Company also recorded an aggregate impairment charge of \$270 million to certain tradenames in the Home Fragrance and Food reporting units, in the Home Solutions segment, and the Baby reporting unit, in the Learning and Development segment, as the carrying values for each tradename exceeded their fair values.

See *Critical Accounting Estimates and Footnotes 1 and 7 of the Notes to Consolidated Financial Statements* for further information.

## Debt Redemption

On October 19, 2022, the Company redeemed its 3.85% senior notes due April 2023 at a redemption price equal to 100.002% of the outstanding aggregate principal amount of the notes, plus accrued and unpaid interest to the date of the redemption. The total consideration was approximately \$1.09 billion, and the Company recorded a debt extinguishment loss of \$1 million.

See *Footnote 9 of the Notes to Consolidated Financial Statements* for further information.

## Results of Operations

### Consolidated Operating Results 2022 vs. 2021

(in millions, except per share data)	Years Ended December 31,			
	2022	2021	\$ Change	% Change
Net sales	\$ 9,459	\$ 10,589	\$ (1,130)	(10.7)%
Gross profit	2,834	3,363	(529)	(15.7)%
<i>Gross margin</i>	<i>30.0 %</i>	<i>31.8 %</i>		
Operating income	312	1,013	(701)	(69.2)%
<i>Operating margin</i>	<i>3.3 %</i>	<i>9.6 %</i>		
Interest expense, net	235	256	(21)	(8.2)%
Loss on extinguishment of debt	1	5	(4)	(80.0)%
Other income, net	(81)	(8)	(73)	NM
Income before income taxes	157	760	(603)	(79.3)%
Income tax provision (benefit)	(40)	138	(178)	NM
<i>Income tax rate</i>	<i>(25.5)%</i>	<i>18.2 %</i>		
<b>Net income</b>	<b>\$ 197</b>	<b>\$ 622</b>	<b>(425)</b>	<b>(68.3)%</b>
<b>Diluted earnings per share - attributable to common shareholders</b>	<b>\$ 0.47</b>	<b>\$ 1.45</b>		

NM — NOT MEANINGFUL

Net sales decreased 11%, as pricing actions by the Company were more than offset by softening global demand, as retailers significantly pulled back on orders in an effort to rebalance inventory, a negative 3% impact to net sales related to the sale of the CH&S business at the end of the first quarter of 2022 and category exits in the Home Appliances and Outdoor and Recreation segments. The net sales performance also reflected the lapping of elevated levels of demand in certain categories during the prior year. Changes in foreign currency unfavorably impacted net sales by \$300 million, or 3%.

Gross profit decreased 16% and gross margin declined to 30.0% as compared with 31.8% in the prior year period. The decrease in gross margin reflected higher absorption costs associated with a lower sales volume, higher sales promotional activities to reduce elevated inventory levels, as well as significant input cost inflation for commodities, sourced finished goods, transportation and labor, which had a negative high-single-digit-percentage impact to costs of products sold. The gross margin decline was partially offset by favorable net pricing and gross productivity. The gross profit decline also reflected the unfavorable impact of the sale of the CH&S business. Changes in foreign currency exchange rates unfavorably impacted gross profit by \$105 million, or 3%.

Notable items impacting operating income for 2022 and 2021 are as follows:

(in millions)	Years Ended December 31,		
	2022	2021	\$ Change
Impairment of goodwill and intangible assets (See <i>Footnote 7</i> )	\$ 474	\$ 60	\$ 414
Restructuring (See <i>Footnote 4</i> ) and restructuring-related <sup>(a)</sup>	39	46	(7)
Transactions and other costs <sup>(b)</sup>	72	37	35

- (a) Restructuring-related costs reported in cost of products sold and selling, general and administrative expenses (“SG&A”) for 2022 were \$22 million and \$2 million, respectively, and primarily relate to facility closures. Restructuring-related costs reported in cost of products sold and SG&A for 2021 were \$22 million and \$8 million, respectively, and primarily relate to facility closures. Restructuring costs for 2022 and 2021 were \$15 million and \$16 million, respectively.
- (b) Transaction and other costs for 2022 primarily related to completed divestitures, expenses associated with certain legal proceedings, an indirect tax reserve for an international entity and an incremental bad debt reserve for an international customer. Transaction and other costs for 2021 primarily related to completed divestitures and costs associated with certain legal proceedings.

Operating income decreased to \$312 million in 2022 as compared to \$1.01 billion in 2021. The decline reflects the impact of lower gross profit, partially offset by gross productivity, as well as lower incentive compensation expense, advertising and promotion costs and overhead spending. Operating income was also negatively impacted by higher current year non-cash impairment charges relating to goodwill and indefinite-lived tradenames.

Interest expense, net decreased primarily due to lower long-term debt levels during the first half of 2022 and higher interest income. The weighted average interest rates for 2022 and 2021 were approximately 4.3% and 4.7%, respectively. See *Footnote 9 of the Notes to Consolidated Financial Statements* for further information.

The loss on the extinguishment of debt of \$1 million and \$5 million for 2022 and 2021, respectively, are related to the Company’s redemption of certain of its senior notes. See *Footnote 9 of the Notes to the Consolidated Financial Statements* for further information.

Other income, net, for 2022 and 2021 include the following items:

(in millions)	Years Ended December 31,	
	2022	2021
Foreign exchange losses, net (See <i>Footnotes 10 and 19</i> )	\$ 47	\$ 8
Gain on disposition of businesses, net (See <i>Footnote 2</i> )	(136)	(4)
Other (gains) losses, net	8	(12)
	<u>\$ (81)</u>	<u>\$ (8)</u>

The income tax benefit for 2022 was \$40 million as compared to provision of \$138 million in 2021. The effective tax rate for 2022 was (25.5)%, reflecting an increase in discrete tax benefits, as compared to 18.2% for 2021. The year ended December 31, 2022 included discrete benefits of \$58 million associated with a change in the Company's indefinite reinvestment assertion regarding certain earnings within its Irish operations, \$28 million associated with the reduction in valuation allowance related to the integration of certain Brazilian and Luxembourg operations and \$6 million associated with the approval of certain state tax credits, offset by \$14 million of income tax expense related to the divestiture of the CH&S business unit. Income tax expense for the year ended December 31, 2021 included a discrete benefit of \$37 million associated with a reduction in valuation allowance related to the integration of certain Luxembourg operations, \$13 million associated with a reduction of in valuation allowance related to the integration of certain U.K. operations and \$9 million related to a statute of limitation expiration in France.

See *Footnote 12 of the Notes to Consolidated Financial Statements* for information regarding income taxes, including the inherent uncertainty associated with the Company's position on U.S. Treasury Regulations enacted in 2020.

## Business Segment Operating Results 2022 vs. 2021

### Commercial Solutions

(in millions)	Years Ended December 31,			
	2022	2021	\$ Change	% Change
Net sales	\$ 1,691	\$ 1,953	\$ (262)	(13.4)%
Operating income	143	159	(16)	(10.1)%
<i>Operating margin</i>	8.5 %	8.1 %		
<b>Notable items impacting operating income comparability:</b>				
Impairment of intangible assets (See <i>Footnote 7</i> )	—	29	(29)	

Commercial Solutions net sales for 2022 decreased 13%, which primarily reflected the sale of the CH&S business at the end of the first quarter of 2022, which unfavorably impacted net sales by approximately 16%, partially offset by growth in the Commercial business unit primarily driven by pricing actions and improved order fulfillment resulting from the easing of supply chain constraints. Changes in foreign currency unfavorably impacted net sales by \$57 million, or 3%.

Operating income for 2022 decreased to \$143 million as compared to \$159 million in 2021. The decrease in operating results is due to lower gross profit, due to significant input cost inflation, primarily resin, energy and metals, sourced finished goods, transportation and labor, as well as the unfavorable impact of the CH&S sale. The decrease in operating results were partially offset by gross productivity, lower compensation expense and the lapping of the prior-year non-cash impairment charge of an indefinite-lived intangible asset.

### Home Appliances

(in millions)	Years Ended December 31,			
	2022	2021	\$ Change	% Change
Net sales	\$ 1,390	\$ 1,738	\$ (348)	(20.0)%
Operating income (loss)	(47)	70	(117)	NM
<i>Operating margin</i>	(3.4)%	4.0 %		
<b>Notable items impacting operating income (loss) comparability:</b>				
Impairment of intangible assets (See <i>Footnote 7</i> )	15	—	15	
Indirect tax reserve	23	—	23	
Bad debt reserve	8	—	8	

NM — NOT MEANINGFUL

Home Appliances net sales for 2022 decreased 20%, which reflects softening global demand, certain category exits and the lapping of elevated levels of demand during the prior year, partially offset by pricing actions. Changes in foreign currency unfavorably impacted net sales by \$26 million, or 2%.

Operating loss for 2022 was \$47 million as compared to operating income of \$70 million in 2021. The decline in operating results is primarily due to lower gross profit leverage, higher absorption costs associated with lower sales volume, higher sales promotional activities to reduce elevated inventory levels and significant input cost inflation associated with transportation costs and sourced finished goods, partially offset by gross productivity, lower incentive compensation expense and lower advertising and promotion expense. The operating results were also negatively impacted by the non-cash impairment charge related to an indefinite-lived asset, indirect tax reserve related to an international entity and incremental bad debt reserve for an international customer.

## Home Solutions

(in millions)	Years Ended December 31,			
	2022	2021	\$ Change	% Change
Net sales	\$ 2,113	\$ 2,386	\$ (273)	(11.4)%
Operating income (loss)	(308)	337	(645)	NM
<i>Operating margin</i>	<i>(14.6)%</i>	<i>14.1 %</i>		
<b>Notable items impacting operating income (loss) comparability:</b>				
Impairment of goodwill and other intangible assets (See <i>Footnote 7</i> )	429	—	429	

Home Solutions net sales for 2022 decreased 11%, reflecting decreases in both the Food and Home Fragrance business units. The Food business unit decline reflects softening global demand and lost distribution in one product line at a key customer, partially offset by pricing actions. The decline in Home Fragrance business unit sales reflects softening global demand, as well as the exit of approximately 43 Yankee Candle retail stores during the year, partially offset by pricing actions. The net sales performance for the segment also reflected the lapping of elevated demand during the prior year. Changes in foreign currency unfavorably impacted net sales by \$50 million, or 2%.

Operating loss for 2022 was \$308 million as compared to operating income of \$337 million in 2021. The decrease in operating results is primarily due to the non-cash impairment charges in both the Food and Home Fragrance reporting units, lower gross profit leverage, higher absorption costs associated with lower sales volume, higher sales promotional activities to reduce elevated inventory levels and significant input cost inflation for commodities, primarily metals and wax, transportation, labor and sourced finished goods. This decrease was partially offset by gross productivity and lower incentive compensation expense.

## Learning and Development

(in millions)	Years Ended December 31,			
	2022	2021	\$ Change	% Change
Net sales	\$ 2,950	\$ 3,028	\$ (78)	(2.6)%
Operating income	593	600	(7)	(1.2)%
<i>Operating margin</i>	<i>20.1 %</i>	<i>19.8 %</i>		
<b>Notable items impacting operating income comparability:</b>				
Impairment of intangible assets (See <i>Footnote 7</i> )	30	31	(1)	

Learning and Development net sales for 2022 decreased 3%, reflecting decreases in both the Writing and Baby business units. The Writing business unit performance reflects logistical constraints and supply chain shortages, particularly in labelling, and softening demand in certain categories in the U.S., partially offset by pricing actions. The Baby business unit performance reflects softening demand in certain categories in the U.S., as the business lapped elevated levels of demand during the prior year, partially offset by pricing actions. Changes in foreign currency unfavorably impacted net sales by \$96 million, or 3%.

Operating income for 2022 decreased to \$593 million as compared to \$600 million in the prior year period. The decrease in operating income is primarily due to significant input cost inflation for sourced finished goods, transportation and labor, partially offset by gross productivity and lower compensation costs. The improvement in operating margin primarily reflects net pricing performance.

## Outdoor and Recreation

(in millions)	Years Ended December 31,			
	2022	2021	\$ Change	% Change
Net sales	\$ 1,315	\$ 1,484	\$ (169)	(11.4)%
Operating income	86	90	(4)	(4.4)%
<i>Operating margin</i>	6.5 %	6.1 %		

Outdoor and Recreation segment net sales for 2022 decreased 11% primarily due to softening U.S. demand and certain category exits, partially offset by pricing actions and improved product availability. The net sales performance for this segment also reflects the lapping of elevated levels of demand in the prior year. Changes in foreign currency unfavorably impacted net sales by \$71 million, or 5%.

Operating income for 2022 was \$86 million as compared to \$90 million in the prior year period. This performance was primarily due to input cost inflation for commodities, sourced finished goods and transportation, and higher advertising and promotional costs, partially offset by lower overhead spending and incentive compensation costs. The improvement in operating margin primarily reflects net pricing performance and the exit from certain low margin product categories.

### Consolidated Operating Results 2021 vs. 2020

(in millions, except per share data)	Years Ended December 31,			
	2021	2020	\$ Change	% Change
Net sales	\$ 10,589	\$ 9,385	\$ 1,204	12.8%
Gross profit	3,363	3,084	279	9.0%
<i>Gross margin</i>	31.8 %	32.9 %		
Operating income (loss)	1,013	(629)	1,642	NM
<i>Operating margin</i>	9.6 %	(6.7)%		
Interest expense, net	256	274	(18)	(6.6)%
Loss on extinguishment of debt	5	20	(15)	(75.0)%
Other (income) expense, net	(8)	78	(86)	NM
Income (loss) before income taxes	760	(1,001)	1,761	NM
Income tax provision (benefit)	138	(235)	373	NM
<i>Income tax rate</i>	18.2 %	23.5 %		
<b>Net income (loss)</b>	<b>\$ 622</b>	<b>\$ (766)</b>	<b>\$ 1,388</b>	<b>NM</b>
<b>Diluted earnings (loss) per share - attributable to common shareholders</b>	<b>\$ 1.45</b>	<b>\$ (1.81)</b>		

NM — NOT MEANINGFUL

Net sales for 2021 increased 13%, with all segments and major geographic regions showing growth. This growth reflects favorable net pricing (including lower promotion spending with customers), as well as strong demand for the hand protection, garage and outdoor organization, kitchen appliance, fresh preserving, cookware, bakeware, scented candle, baby gear, writing, labeling, and outdoor categories. Net sales growth was negatively impacted by supply chain shortages and logistical challenges which continued into 2022. Changes in foreign currency favorably impacted net sales by \$101 million, or 1%.

Gross profit for 2021 increased 9% and gross profit margin declined to 31.8% as compared with 32.9% in the prior year period. The increase in gross profit was driven by gross volume leverage, gross productivity and favorable net pricing, partially offset by significant input cost inflation for commodities, primarily resin, sourced finished goods, transportation and labor, which had a negative high-single-digit-percentage impact to costs of products sold. The gross margin decline reflected, in part, a timing lag between inflation and the full impact of responsive pricing actions. Changes in foreign currency exchange rates favorably impacted gross profit by \$30 million, or 1%.



Notable items impacting operating income (loss) for 2021 and 2020 are as follows:

(in millions)	Years Ended December 31,		
	2021	2020	\$ Change
Impairment of goodwill and intangible assets (See <i>Footnote 7</i> )	\$ 60	\$ 1,491	\$ (1,431)
Restructuring and restructuring-related (See <i>Footnote 4</i> ) <sup>(a)</sup>	46	44	2
Transactions and other costs <sup>(b)</sup>	37	26	11

(a) Restructuring-related costs reported in cost of products sold and SG&A for 2021 were \$22 million and \$8 million, respectively, and primarily related to facility closures. Restructuring-related costs for 2020 were \$4 million reported in cost of products sold and \$19 million reported in SG&A and primarily relate to accelerated depreciation associated with restructuring activities. Restructuring costs for 2021 and 2020 were \$16 million and \$21 million, respectively.

(b) Transaction and other costs for 2021 and 2020 primarily relate to completed divestitures and costs associated with certain legal proceedings.

Operating income increased to \$1.01 billion in 2021 as compared to an operating loss of \$629 million in 2020. The operating results in 2020 included \$1.5 billion of non-cash impairment charges of goodwill and certain indefinite-lived intangibles and other assets. The 2021 performance reflected the gross profit performance noted above and cost savings from Yankee Candle retail store closures, partially offset by higher incentive compensation expense and advertising and promotional costs. The year-over-year comparison of the Company's operating results to the prior year reflects the impact of the most depressed consumption levels resulting from the COVID-19 related lockdowns which occurred in the second quarter of 2020, and the lapping of the improved operating performance in the second half of 2020, as the Company's manufacturing sites and Yankee Candle stores were reopened, other retail stores were reopened, and consumer demand for certain categories returned. In addition, the Company's operating results for 2021 were impacted by the volatility and uncertainty of the direction of demand patterns, as well as inflation and supply chain shortages and logistical challenges which continued into 2022.

Interest expense, net for 2021 decreased primarily due to lower debt levels. The weighted average interest rates for 2021 and 2020 were approximately 4.7% and 4.6%, respectively. See *Footnote 9 of the Notes to Consolidated Financial Statements* for further information.

The loss on the extinguishment of debt of \$5 million and \$20 million for 2021 and 2020, respectively, were related to the Company's tender offer of certain of its senior notes and debt redemptions. See *Footnote 9 of the Notes to Consolidated Financial Statements* for further information.

Other (income) expense, net for 2021 and 2020 include the following items:

(in millions)	Years Ended December 31,	
	2021	2020
Pension-related non-service costs, net (See <i>Footnote 11</i> )	\$ —	\$ 53
Foreign exchange losses, net (See <i>Footnote 10</i> )	8	17
(Gain) loss on disposition of businesses (See <i>Footnote 2</i> )	(4)	9
Other gains, net	(12)	(1)
	<u>\$ (8)</u>	<u>\$ 78</u>

Income tax provision for 2021 was \$138 million as compared to a benefit of \$235 million in 2020. The effective tax rate for 2021 was 18.2% as compared to 23.5% in 2020. The change in effective tax provision is driven primarily by the impact of goodwill impairment charges in the prior-year, the geographic mix of where income was earned as well as certain taxable income inclusion items in the U.S. based on foreign earnings and certain discrete items. The income tax provision for the year ended December 31, 2021 included a net valuation allowance decrease of \$27 million, primarily related to net operating losses in the U.K. and Luxembourg, and other miscellaneous changes in the U.S., state and non-U.S. valuation allowances related to ongoing operations.

See *Footnote 12 of the Notes to Consolidated Financial Statements* for information regarding income taxes, including the inherent uncertainty associated with the Company's position on U.S. Treasury Regulations enacted in 2020.

## Business Segment Operating Results 2021 vs. 2020

### Commercial Solutions

(in millions)	Years Ended December 31,			
	2021	2020	\$ Change	% Change
Net sales	\$ 1,953	\$ 1,859	\$ 94	5.1%
Operating income (loss)	159	(89)	248	NM
<i>Operating margin</i>	<i>8.1 %</i>	<i>(4.8)%</i>		
<b>Notable items impacting operating income (loss) comparability:</b>				
Impairment of intangible assets (See <i>Footnote 7</i> )	29	320	(291)	

NM — NOT MEANINGFUL

Commercial Solutions net sales for 2021 increased 5% which reflected sales growth in both the Commercial and Connected Home and Security business units. The Commercial business unit performance reflected the impact of favorable net pricing as well as increased demand in the hand protection and garage and outdoor organization categories, partially offset by a decline in demand for consumable washroom products as well as supply chain shortages and logistical constraints. The increase in net sales in the Connected Home and Security business unit was primarily due to higher demand from retail and contractor channels, partially offset by supply chain shortages and logistical constraints. The increase in net sales in the Connected Home and Security business also reflected the lapping of the prior-year impact of lower demand and store closures. Changes in foreign currency favorably impacted net sales by \$12 million, or 1%.

Operating income for 2021 increased to \$159 million as compared to operating loss of \$89 million in 2020. The improvement in operating results is primarily due to the lapping of prior year non-cash impairment charges of certain indefinite-lived intangible assets, as well as gross profit leverage, including the lapping of the prior-year absorption impact associated with the temporary closure of a key Connected Home and Security manufacturing facility in Mexico, as a result of the COVID-19 pandemic, gross productivity and pricing. The increase in operating income was partially offset by significant input cost inflation for commodities, primarily resin, sourced finished goods, transportation and labor. The operating margin in 2021 was negatively impacted by a timing lag between inflation and the full impact of responsive pricing actions.

### Home Appliances

(in millions)	Years Ended December 31,			
	2021	2020	\$ Change	% Change
Net sales	\$ 1,738	\$ 1,539	\$ 199	12.9%
Operating income (loss)	70	(238)	308	NM
<i>Operating margin</i>	<i>4.0 %</i>	<i>(15.5)%</i>		
<b>Notable items impacting operating income (loss) comparability:</b>				
Impairment of goodwill and other intangible assets (See <i>Footnote 7</i> )	—	287	(287)	

NM — NOT MEANINGFUL

Home Appliances net sales for 2021 increased 13%, which reflects net pricing and strong sales growth, primarily in North America and Latin America, partially offset by supply chain shortages and logistical constraints. Changes in foreign currency favorably impacted net sales by \$11 million, or 1%.

Operating income for 2021 increased to \$70 million as compared to operating loss of \$238 million in 2020. The improvement in operating results is primarily due to the lapping of prior year non-cash impairment charges of goodwill and certain indefinite-lived intangible assets, as well as gross profit leverage, most notably from North America and Latin America, gross productivity and pricing, partially offset by significant input cost inflation associated with sourced finished goods and transportation, as well as higher labor costs and advertising and promotional costs.

## Home Solutions

(in millions)	Years Ended December 31,			
	2021	2020	\$ Change	% Change
Net sales	\$ 2,386	\$ 2,138	\$ 248	11.6%
Operating income (loss)	337	(4)	341	NM
<i>Operating margin</i>	<i>14.1 %</i>	<i>(0.2)%</i>		

### Notable items impacting operating income (loss) comparability:

Impairment of goodwill and other intangible assets (See <i>Footnote 7</i> )	—	302	(302)	
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NM — NOT MEANINGFUL

Home Solutions net sales for 2021 increased 12% due to strong sales performance in the Food and Home Fragrance business units. The increase in Food business unit sales reflected the impact of favorable net pricing as well as increased demand across the fresh preserving, and cookware and bakeware categories, partially offset by supply chain shortages and logistical constraints. The increase in Home Fragrance sales was primarily due to increases in the retail channel in the U.S. and Europe, as well as in Yankee Candle retail stores, partially offset by supply chain shortages, logistical constraints and permanent Yankee Candle retail store closures in the prior year. The increase in net sales in the Home Fragrance business also reflected the lapping of the prior-year impact of temporary retail store closures and supply chain disruptions resulting from temporary closure of its key manufacturing facility in Massachusetts, both resulting from the COVID-19 pandemic. Changes in foreign currency favorably impacted net sales by \$33 million, or 1%.

Operating income for 2021 increased to \$337 million as compared to operating loss of \$4 million in 2020. The increase in operating income is primarily due to the lapping of prior year non-cash impairment charges of goodwill, certain indefinite-lived intangible assets and other assets, gross profit leverage, including the lapping of the prior year absorption impact associated with the temporary closure of a key Home Fragrance manufacturing facility in Massachusetts, gross productivity and pricing. The increase in operating income also reflected savings from Yankee Candle retail store closures and the exiting of its fundraising business in 2020. The increase in operating income was partially offset by significant input cost inflation for commodities, primarily resin, sourced finished goods, transportation and labor. The operating margin in 2021 was negatively impacted by a timing lag between inflation and the full impact of responsive pricing actions.

## Learning and Development

(in millions)	Years Ended December 31,			
	2021	2020	\$ Change	% Change
Net sales	\$ 3,028	\$ 2,557	\$ 471	18.4 %
Operating income	600	364	236	64.8 %
<i>Operating margin</i>	<i>19.8 %</i>	<i>14.2 %</i>		

### Notable items impacting operating income comparability:

Impairment of intangible assets (See <i>Footnote 7</i> )	31	100	(69)	
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Learning and Development net sales for 2021 increased 18% primarily due to strong sales performance in the Baby and Writing business units as they lapped the negative prior-year impact of shifting consumer demand, temporary store closures and supply chain disruption resulting from the COVID-19 pandemic. The Baby business unit performance reflected favorable net pricing as well as increased demand in the baby gear and infant care categories, driven in part by government-related stimulus spending in the U.S. The Writing business unit performance reflected favorable net pricing as well as strong demand in the pens, markers, fine writing and labeling categories, driven by return to in-person learning and gradual reopening of more offices, partially offset by previous divestitures and business exits as well as supply chain shortages and logistical constraints. Changes in foreign currency favorably impacted net sales by \$29 million, or 1%.

Operating income for 2021 increased to \$600 million as compared to \$364 million in the prior year period. The increase in operating income is primarily due to the lapping of non-cash impairment charges of certain indefinite-lived intangible assets in 2020, pricing, gross productivity and gross profit leverage, including the prior year absorption impact of certain temporary manufacturing closures,

partially offset by higher tariff costs, significant input cost inflation for commodities, primarily resin, sourced finished goods, transportation and labor, as well as higher advertising and promotional costs.

## Outdoor and Recreation

(in millions)	Years Ended December 31,			
	2021	2020	\$ Change	% Change
Net sales	\$ 1,484	\$ 1,292	\$ 192	14.9%
Operating income (loss)	90	(418)	508	NM
<i>Operating margin</i>	<i>6.1 %</i>	<i>(32.4)%</i>		
<b>Notable items impacting operating income (loss) comparability:</b>				
Impairment of intangible assets (See <i>Footnote 7</i> )	—	482	(482)	

NM — NOT MEANINGFUL

Outdoor and Recreation segment net sales for 2021 increased 15% primarily due to favorable net pricing and improvement in consumer purchasing patterns for outdoor equipment, partially offset by supply chain shortages and logistical constraints. The increase in net sales also reflected the lapping of the negative prior-year impact of lower demand and temporary store closures resulting from the COVID-19 pandemic. Changes in foreign currency exchange rates favorably impacted net sales by \$16 million, or 1%.

Operating income for 2021 was \$90 million as compared to operating loss of \$418 million in the prior year period. This improvement was primarily due to the lapping of prior year non-cash impairment charges of certain indefinite-lived intangible assets, gross profit leverage, pricing and gross productivity, partially offset by significant input cost inflation for commodities, primarily resin, sourced finished goods and transportation. The operating margin in 2021 was negatively impacted by a timing lag between inflation and the full impact of responsive pricing actions.

## Liquidity and Capital Resources

The Company believes that its cash generating capability, together with its borrowing capacity and available cash and cash equivalents, provide continued financial viability and adequate liquidity to fund its operations, support its growth platforms, pay down debt and debt maturities as they come due and execute its ongoing business initiatives. The Company regularly assesses its cash requirements and the available sources to fund these needs. At December 31, 2022, the Company had cash and cash equivalents of approximately \$287 million, of which approximately \$241 million was held by the Company's non-U.S. subsidiaries.

The Company believes the extent of the impact of the rapidly changing retail landscape, which reflects an increased focus by retailers to rebalance inventory levels in light of continued inflationary pressures on consumers, as well as supply chain disruptions, inflationary pressures and uncertainty over the volatility and direction of future demand patterns, on the Company's future sales, operating results, cash flows, liquidity and financial condition will continue to be driven by numerous evolving factors the Company cannot accurately predict and which will vary by jurisdiction and market. Any such material adverse impacts could result in the Company's inability to satisfy financial maintenance covenants and could limit the ability to make future borrowings under existing debt instruments. See *Item 1A. Risk Factors - Financial Risks*, for further information.

The table below summarizes the Company's cash activity for 2022, 2021 and 2020 (in millions):

				Increase (Decrease)	
	2022	2021	2020	2022	2021
Cash provided by (used in) operating activities	\$ (272)	\$ 884	\$ 1,432	\$ (1,156)	\$ (548)
Cash provided by (used in) investing activities	343	(268)	(228)	611	(40)
Cash used in financing activities	(232)	(1,143)	(559)	911	(584)
Exchange rate effect on cash, cash equivalents and restricted cash	(13)	(17)	5	4	(22)
<b>Increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>\$ (174)</b>	<b>\$ (544)</b>	<b>\$ 650</b>	<b>\$ 370</b>	<b>\$ (1,194)</b>

The Company has historically generated the majority of its operating cash flow in the third and fourth quarters of the year due to seasonal variations in operating results, the timing of annual performance-based compensation payments, customer program payments, working capital requirements and credit terms provided to customers.

### ***Cash Flows from Operating Activities***

The change in net cash used in operating activities for 2022 primarily reflects lower operating income and the impact of the Company's adjustment to its supply and demand forecasted purchases in the back half of the year in response to significantly greater than expected pullback in retailer orders, as retailers rebalance inventory in the light of continued inflationary pressures on consumers, which resulted in lower sales volume and unfavorable working capital associated with higher inventory levels. The change also reflected the negative impact of lower accounts receivable sold under the Customer Receivables Purchase Agreement.

The change in net cash provided by operating activities for 2021 reflects inventory build to support forecasted demand, including the impact of significant input cost inflation, supply chain shortages and logistical challenges, as well as higher annual incentive compensation payments, partially offset by benefits from extension of payment terms for goods and services with vendors and higher accounts receivable sold under the Customer Receivables Purchase Agreement in the current year. In addition, this performance reflects the impact of the COVID-19 pandemic in the prior year, which included lower operating results and favorable working capital performance.

See *Capital Resources* for further information.

### ***Cash Flows from Investing Activities***

The change in net cash provided by investing activities for 2022 was primarily due to proceeds from the sale of CH&S and other property, plant and equipment, partially offset by higher capital expenditures, primarily associated with Project Ovid. See *Footnote 2 of the Notes to Consolidated Financial Statements* for further information.

The change in net cash used in investing activities for 2021 was primarily due to higher capital expenditures.

### ***Cash Flows from Financing Activities***

The change in net cash used in financing activities for 2022 was primarily due to the period-over-period change in debt, offset by repurchase of shares of the Company's common stock in the current year.

The change in net cash used in financing activities for 2021 was primarily due to proceeds from the issuance of senior notes in 2020 and payments of long-term debt in 2021 as well as the acquisition of noncontrolling interests.

See *Footnotes 1, 9 and 14 of the Notes to Consolidated Financial Statements* for further information.

### ***Capital Resources***

On October 19, 2022, the Company redeemed its 3.85% senior notes due April 2023 (the "April 2023 Notes") at a redemption price equal to 100.002% of the outstanding aggregate principal amount of the notes, plus accrued and unpaid interest to the date of the redemption. The total consideration was approximately \$1.09 billion, and the Company recorded a debt extinguishment loss of \$1 million.

On September 14, 2022, the Company completed a registered public offering of \$500 million principal amount of 6.375% senior notes that mature in September 2027 (the "September 2027 Notes") and \$500 million principal amount of 6.625% senior notes that mature in September 2029 (the "September 2029 Notes"). The Company received proceeds of approximately \$989 million, net of

fees and expenses paid. The September 2027 Notes and the September 2029 Notes are subject to similar restrictive and financial covenants as the Company's existing senior notes, however, they are not subject to the interest rate adjustment or coupon step up provisions of certain other notes described below. The September 2027 Notes and the September 2029 Notes are redeemable in whole or in part, at the option of the Company (i) at any time prior to three months before the stated maturity dates at a redemption price equal to or greater of (a) the principal amount of the notes being redeemed or (b) the sum of the present values of the remaining scheduled payments of principal and interest on the notes being redeemed, discounted to the redemption date on a semi-annual basis, plus the applicable make-whole amount of 50 basis points, plus in each case, accrued and unpaid interest on the notes being redeemed to, but not including, the redemption date; or (ii) at any time on or after three months prior to respective maturity dates, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest to the redemption dates. The Company used the net proceeds from the September 2027 and September 2029 Notes, together with available cash, to redeem the April 2023 Notes during the fourth quarter of 2022.

On August 31, 2022, the Company entered into a \$1.5 billion senior unsecured revolving credit facility (the "Credit Revolver") that matures in August 2027. The Credit Revolver refinanced the Company's previous \$1.25 billion senior unsecured revolving credit facility that was scheduled to mature in December 2023.

Under the Credit Revolver, the Company may borrow funds on a variety of interest rate terms. The Credit Revolver provides committed back-up liquidity for the issuance of commercial paper, in each case, to the extent there is sufficient availability for borrowing under the Credit Revolver. At December 31, 2022, the Company has \$225 million of outstanding borrowings under the Credit Revolver and \$359 million in commercial paper borrowings.

The Credit Revolver provides for the issuance of up to \$150 million of letters of credit, so long as there is sufficient availability for borrowing under the Credit Revolver. At December 31, 2022, the Company had approximately \$22 million of outstanding standby letters of credit issued against the Credit Revolver, with a net availability of approximately \$1.25 billion. The Company was in compliance with all of its debt covenants at December 31, 2022.

Factored receivables at December 31, 2022 associated with the Company's existing factoring agreement (the "Customer Receivables Purchase Agreement") were approximately \$420 million, a decrease of approximately \$80 million from December 31, 2021. During the second quarter of 2022, the Company amended the Customer Receivables Purchase Agreement to (i) increase the amount of certain customer receivables that may be sold under the agreement, (ii) add new customers to the agreement and (iii) change the reference rate from London Interbank Offered Rate ("LIBOR") to Secured Overnight Financing Rate ("SOFR"). Transactions under this agreement are accounted for as sales of accounts receivable, and the receivables sold are removed from the Consolidated Balance Sheet at the time of the sales transaction. The Company classifies the proceeds received from the sales of accounts receivable as an operating cash flow in the Consolidated Statement of Cash Flows. The Company records the discount as other (income) expense, net in the Consolidated Statement of Operations and collections of accounts receivables not yet submitted to the financial institution as a financing cash flow.

The Company maintains an Accounts Receivable Securitization Facility (the "Securitization Facility"). During the second quarter of 2022, the Company amended the Securitization Facility. This amendment (i) reduced the aggregate commitment under the Securitization Facility to \$375 million from \$600 million, (ii) extended its maturity by one year to October 2023 and (iii) changed the reference rate under the Securitization Facility from LIBOR to SOFR. The Securitization Facility bears interest at a margin over a variable interest rate. The maximum availability under the Securitization Facility fluctuates based on eligible accounts receivable balances. At December 31, 2022, the Company had \$35 million outstanding under the Securitization Facility.

On November 1, 2019, S&P Global Inc. ("S&P") downgraded the Company's debt rating to "BB+" as S&P believed the Company would fail to meet S&P's target debt level for 2019. In addition, on March 9, 2020, Moody's Corporation ("Moody's") downgraded the Company's debt rating to "Ba1" based on a view that the Company would fail to meet Moody's target debt level for 2020. As a result of the S&P and Moody's downgrades, certain of the Company's outstanding senior notes currently aggregating to approximately \$3.1 billion were subject to an interest rate adjustment of 25 basis points for each downgrade, totaling 50 basis points. In addition, the Company's ability to borrow from the commercial paper market on terms it deemed acceptable or favorable was eliminated and its cost of borrowing increased. The Company's ability to borrow under the Credit Revolver was not affected by the downgrades.

On February 11, 2022, S&P upgraded the Company's debt rating to "BBB-" from "BB+" as S&P believed the Company has been able to achieve S&P's target debt level. As a result of this upgrade, the Company is again in a position to access the commercial paper market, up to a maximum of \$1.5 billion provided there is a sufficient amount available for borrowing under the Credit Revolver. In addition, the interest rates on certain of the Company's outstanding senior notes aggregating to approximately \$3.1 billion decreased by 25 basis points, reducing the Company's interest expense by approximately \$8 million on an annualized basis (approximately \$7 million in 2022) as a result of the S&P upgrade. However, these senior notes will remain subject to the interest rate adjustment of 25 basis points resulting from the 2020 debt rating downgrade by Moody's, which has an annualized impact on

interest expense of approximately \$8 million. Furthermore, the Company may be required to pay higher interest rates in future financings, and its potential pool of investors and funding sources could decrease, as a result of any future downgrades.

On February 14, 2023, Fitch Ratings downgraded the Company's debt rating to "BB". This downgrade does not impact the interest rates on any of the Company's senior notes.

The Company currently believes its capital structure and cash resources will continue to support the funding of future dividends and the Company will continue to evaluate all actions to strengthen its financial position and balance sheet, and to maintain its financial liquidity, flexibility and capital allocation strategy.

## **Risk Management**

From time to time, the Company enters into derivative transactions to hedge its exposures to interest rate, foreign currency rate and commodity price fluctuations. The Company does not enter into derivative transactions for trading purposes.

### ***Interest Rate Contracts***

The Company manages its fixed and floating rate debt mix using interest rate swaps. The Company may use fixed and floating rate swaps to alter its exposure to the impact of changing interest rates on its consolidated results of operations and future cash outflows for interest. Floating rate swaps would be used, depending on market conditions, to convert the fixed rates of long-term debt into short-term variable rates. Fixed rate swaps would be used to reduce the Company's risk of the possibility of increased interest costs. The settlement of interest rate swaps is included in interest expense.

### ***Fair Value Hedges***

At December 31, 2022, the Company had approximately \$1.1 billion notional amount of interest rate swaps that exchange a fixed rate of interest for a variable rate of interest plus a weighted average spread. These floating rate swaps are designated as fair value hedges against \$500 million of principal on the 6.375% senior notes due 2027, \$500 million of principal on the 6.625% senior notes due 2029 and \$100 million of principal on the 4.00% senior notes due 2024 for the remaining life of the notes. The effective portion of the fair value gains or losses on these swaps is offset by fair value adjustments in the underlying debt.

### ***Cross-Currency Contracts***

The Company uses cross-currency swaps to hedge foreign currency risk on certain financing arrangements. The Company previously entered into three cross-currency swaps, maturing in January 2025, February 2025 and September 2027, respectively, with an aggregate notional amount of \$1.26 billion. Each of these cross-currency swaps were designated as net investment hedges of the Company's foreign currency exposure of its net investment in certain Euro-functional currency subsidiaries with Euro-denominated net assets, and the Company pays a fixed rate of Euro-based interest and receives a fixed rate of U.S. dollar interest. During the third quarter of 2022, the Company entered into two cross-currency swaps with notional amounts of \$500 million each, one maturing in September 2027 and the other in September 2029. These swaps were also designated as net investment hedges of the Company's foreign currency exposure of its net investment in certain Euro-functional currency subsidiaries with Euro-denominated net assets, and the Company pays a floating rate of Euro-based interest and receives a floating rate of U.S. dollar interest. The Company has elected the spot method for assessing the effectiveness of these contracts. During the years ended December 31, 2022, 2021 and 2020, the Company recognized income of \$31 million, \$16 million and \$14 million, respectively, in interest expense, net, related to the portion of cross-currency swaps excluded from hedge effectiveness testing.

### ***Foreign Currency Contracts***

The Company uses forward foreign currency contracts to mitigate the foreign currency exchange rate exposure on the cash flows related to forecasted inventory purchases and sales with maturity dates through December 2023. The derivatives used to hedge these forecasted transactions that meet the criteria for hedge accounting are accounted for as cash flow hedges. The effective portion of the gains or losses on these derivatives is deferred as a component of accumulated other comprehensive income (loss) ("AOCL") until it is recognized in earnings at the same time that the hedged item affects earnings and is included in the same caption in the statements of operations as the underlying hedged item. At December 31, 2022, the Company had approximately \$379 million notional amount outstanding of forward foreign currency contracts that are designated as cash flow hedges of forecasted inventory

purchases and sales.

The Company also uses foreign currency contracts, primarily forward foreign currency contracts, to mitigate the foreign currency exposure of certain other foreign currency transactions. At December 31, 2022, the Company had approximately \$926 million notional amount outstanding of these foreign currency contracts that are not designated as effective hedges for accounting purposes and have maturity dates through August 2023. Fair market value gains or losses are included in the results of operations and are classified in other (income) expense, net in the Company's Consolidated Statement of Operations.

The following table presents the fair value of derivative financial instruments at December 31, 2022 (in millions):

	<u>Asset (Liability)</u>
<b>Derivatives designated as effective hedges:</b>	
Cash flow hedges:	
Foreign currency contracts	\$ (4)
Fair value hedges:	
Interest rate swaps	(30)
Net investment hedges:	
Cross-currency swaps	(2)
<b>Derivatives not designated as effective hedges:</b>	
Foreign currency contracts	9
Total	<u>\$ (27)</u>

### Contractual Obligations, Commitments and Off-Balance Sheet Arrangements

The Company has outstanding debt obligations maturing at various dates through 2046. Certain other items, such as purchase commitments and other executory contracts, are not recognized as liabilities in the Company's consolidated financial statements but are required to be disclosed. Examples of items not recognized as liabilities in the Company's consolidated financial statements are commitments to purchase raw materials or inventory that has not yet been received at December 31, 2022, and other non-cancelable obligations including capital assets and other licensing services.

The following table summarizes the effect that material contractual obligations and commitments are expected to have on the Company's cash flow in the indicated period at December 31, 2022. Additional details regarding these obligations are provided in the Notes to Consolidated Financial Statements:

(in millions)	Total	1 year	2-3 years	4-5 years	After 5 years
Debt <sup>(1)</sup>	\$ 5,441	\$ 621	\$ 748	\$ 2,485	\$ 1,587
Interest on debt <sup>(2)</sup>	2,020	257	484	303	976
Lease obligations <sup>(3)</sup>	723	145	219	143	216
Purchase obligations <sup>(4)</sup>	1,227	436	249	127	415
Tax obligations <sup>(5)</sup>	63	28	35	—	—
Total <sup>(6)</sup>	<u>\$ 9,474</u>	<u>\$ 1,487</u>	<u>\$ 1,735</u>	<u>\$ 3,058</u>	<u>\$ 3,194</u>

- (1) Amounts represent contractual obligations based on the earliest date that the obligation may become due, including finance leases, excluding interest, based on borrowings outstanding at December 31, 2022. For further information relating to these obligations, see *Footnote 9 of the Notes to Consolidated Financial Statements*.
- (2) Amounts represent estimated interest payable on borrowings outstanding at December 31, 2022, excluding the impact of fixed to floating rate interest rate swaps. Interest on floating-rate debt was estimated using the rate in effect at December 31, 2022. For further information, see *Footnote 9 of the Notes to Consolidated Financial Statements*.
- (3) Amounts represent lease liabilities on operating leases at December 31, 2022. See *Footnote 13 of the Notes to Consolidated Financial Statements*.
- (4) Primarily consists of purchase commitments with suppliers entered into at December 31, 2022, for the purchase of materials, packaging and other components and services. These purchase commitment amounts represent only those items which are based on agreements that are legally enforceable and that specify all significant terms including minimum quantity, price and term and do not represent total anticipated purchases.
- (5) Represents the future cash payments related to 2017 Tax Reform, for the one-time provisional transition tax on the Company's previously untaxed foreign earnings.
- (6) Total does not include contractual obligations reported on the December 31, 2022 balance sheet as current liabilities, except for current portion of long-term debt, short-term debt and accrued interest.



The Company also has liabilities for uncertain tax positions and unrecognized tax benefits. The Company is under audit from time-to-time by the IRS and other taxing authorities, and it is possible that the amount of the liability for uncertain tax positions and unrecognized tax benefits could change in the coming year. While it is possible that one or more of these examinations may be resolved in the next year, the Company is not able to reasonably estimate the timing or the amount by which the liability will be settled over time; therefore, the \$476 million in unrecognized tax benefits at December 31, 2022, is excluded from the preceding table. See *Footnote 12 of the Notes to Consolidated Financial Statements* for additional information.

Additionally, the Company has obligations with respect to its pension and postretirement benefit plans, which are excluded from the preceding table. The timing and amounts of the funding requirements are uncertain because they are dependent on interest rates and actual returns on plan assets, among other factors. See *Footnote 11 of the Notes to Consolidated Financial Statements* for further information.

At December 31, 2022, the Company had approximately \$44 million in standby letters of credit primarily related to the Company's self-insurance programs, including workers' compensation, product liability and medical. See *Footnote 18 of the Notes to Consolidated Financial Statements* for further information.

At December 31, 2022, the Company did not have any significant off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K.

### **Critical Accounting Estimates**

The preparation of the Company's financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying footnotes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results will differ from those estimates, and such differences may be material to the Consolidated Financial Statements. The Company's significant accounting policies are more fully described in *Footnote 1 of the Notes to Consolidated Financial Statements*. The Company's most critical accounting policies, which are those that have or are reasonably likely to have a material impact on its financial condition and results of operations, are described below.

#### *Revenue Recognition*

The Company recognizes revenue when performance obligations under the terms of a contract with the customer are satisfied or at a point in time, which generally occurs either on shipment or on delivery based on contractual terms, which is also when control is transferred. The Company's primary performance obligation is the sale and distribution of its consumer and commercial products to its customers.

Revenue is measured as the amount of consideration for which it expects to be entitled in exchange for transferring goods or providing services. Certain customers may receive cash and/or non-cash incentives such as cash discounts, returns, credits or reimbursements related to defective products, customer discounts (such as volume or trade discounts), cooperative advertising and other customer-related programs, which are accounted for as variable consideration. In some cases, the Company applies judgment, including contractual rates and historical payment trends, when estimating variable consideration.

In addition, the Company participates in various programs and arrangements with customers designed to increase the sale of products by these customers. Among the programs negotiated are arrangements under which allowances are earned by customers for attaining agreed-upon sales levels or for participating in specific marketing programs. Coupon programs are also developed on a customer- and territory-specific basis.

Under customer programs and arrangements that require sales incentives to be paid in advance, the Company amortizes the amount paid over the period of benefit or contractual sales volume. When incentives are paid in arrears, the Company accrues the estimated amount to be paid based on the program's contractual terms, expected customer performance and/or estimated sales volume. These estimates are determined using historical customer experience and other factors, which sometimes require significant judgment. Due to the length of time necessary to obtain relevant data from customers, among other factors, actual amounts paid can differ from these estimates.

Sales taxes and other similar taxes are excluded from revenue. The Company has elected to account for shipping and handling activities as a fulfillment cost. The Company also elected not to disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which revenue is recognized at the amount to which the Company has the right to invoice for services performed.

## *Goodwill and Indefinite-Lived Intangibles*

Goodwill and indefinite-lived intangibles are tested and reviewed for impairment annually during the fourth quarter (on December 1), or more frequently if facts and circumstances warrant. On December 1, 2022, the carrying values for total goodwill and indefinite-lived intangible assets were \$3.3 billion and \$1.9 billion, respectively.

### Goodwill

Goodwill is tested for impairment at a reporting unit level, and all of the Company's goodwill is assigned to its reporting units. Reporting units are determined based upon the Company's organizational structure in place at the date of the goodwill impairment testing and generally one level below the operating segment level. The Company's operations are comprised of seven reporting units, within its five primary operating segments.

The quantitative goodwill impairment testing requires significant use of judgment and assumptions, such as the identification of reporting units; the assignment of assets and liabilities to reporting units; and the estimation of future cash flows, business growth rates, terminal values, discount rates and total enterprise value. The income approach used is the discounted cash flow methodology and is based on five-year cash flow projections. The cash flows projected are analyzed on a debt-free basis (before cash payments to equity and interest-bearing debt investors) in order to develop an enterprise value from operations for the reporting unit. A provision is made, based on these projections, for the value of the reporting unit at the end of the forecast period, or terminal value. The present value of the finite-period cash flows and the terminal value are determined using a selected discount rate. The Company estimated the fair values of its reporting units based on discounted cash flow methodology reflecting its latest projections which included, among other things, the impact of significant input cost inflation for commodities, primarily resin, sourced finished goods transportation and labor on its operations at the time the Company performed its impairment testing.

See *Footnotes 1 and 7 of the Notes to Consolidated Financial Statements* for further information associated with non-cash goodwill impairment charges resulting from its annual test and triggering events during 2022.

### Indefinite-lived intangibles

The testing of indefinite-lived intangibles (primarily trademarks and tradenames) under established guidelines for impairment also requires significant use of judgment and assumptions (such as cash flow projections, royalty rates, terminal values and discount rates). An indefinite-lived intangible asset is impaired by the amount its carrying value exceeds its estimated fair value. For impairment testing purposes, the fair value of indefinite-lived intangibles is determined using either the relief from royalty method or the excess earnings method. The relief from royalty method estimates the value of a tradename by discounting the hypothetical avoided royalty payments to their present value over the economic life of the asset. The excess earnings method estimates the value of the intangible asset by quantifying the residual (or excess) cash flows generated by the asset and discounts those cash flows to the present. The excess earnings methodology requires the application of contributory asset charges. Contributory asset charges typically include assumed payments for the use of working capital, tangible assets and other intangible assets. Changes in forecasted operations and other assumptions could materially affect the estimated fair values. Changes in business conditions could potentially require adjustments to these asset valuations.

See *Footnotes 1 and 7 of the Notes to Consolidated Financial Statements* for further information associated with non-cash indefinite-lived intangibles impairment charges resulting from its annual test and triggering events during 2022.

### *Other Long-Lived Assets*

The Company continuously evaluates whether impairment indicators related to its property, plant and equipment, operating leases and other long-lived assets are present. These impairment indicators may include a significant decrease in the market price of a long-lived asset or asset group, early termination of an operating lease, a significant adverse change to the extent or manner in which a long-lived asset or asset group is being used or in its physical condition, or a current-period operating or cash flow loss combined with a history of operating or cash flow losses or a forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group. If impairment indicators are present, the Company estimates the future cash flows for the asset or group of assets. The sum of the undiscounted future cash flows attributable to the asset or group of assets is compared to their carrying amount. The cash flows are estimated utilizing various assumptions regarding future sales and expenses, working capital and proceeds from asset disposals on a basis consistent with the Company's forecasts. If the carrying amount exceeds the sum of the undiscounted future cash flows, the Company discounts the future cash flows using a discount rate required for a similar investment of like risk and records an impairment charge as the difference between the fair value and the carrying value of the asset group. The Company performs its testing of the asset group at the reporting unit level, as this is the lowest level for which identifiable cash flows are available, with the exception of the Yankee Candle business, where testing is performed at the retail store level. See *Footnotes 6, 7, and 13 of the Notes to Consolidated Financial Statements* for further information.

## *Income Taxes*

The Company accounts for deferred income taxes using the asset and liability approach. Under this approach, deferred income taxes are recognized based on the tax effects of temporary differences between the financial statement and tax bases of assets and liabilities, as measured by current enacted tax rates. Valuation allowances are recorded to reduce the deferred tax assets to an amount that will more likely than not be realized.

The Company's income tax provisions are based on calculations and assumptions that are subject to examination by various worldwide tax authorities. Although the Company believes that the positions taken on previously filed tax returns are reasonable, it has established tax, interest and penalty reserves in recognition that various taxing authorities may challenge the positions taken, which could result in additional liabilities for taxes, interest and penalties. The Company regularly reviews its deferred tax assets for recoverability considering historical profitability, projected future taxable income, the expected timing of the reversals of existing temporary differences and tax planning strategies.

For uncertain tax positions, the Company applies the provisions of relevant authoritative guidance, which requires application of a "more likely than not" threshold to the recognition and derecognition of tax positions. The Company's ongoing assessments of the more likely than not outcomes of tax authority examinations and related tax positions require significant judgment and can increase or decrease the Company's effective tax rate, as well as impact operating results.

The Company's provision for income taxes is subject to volatility and could be favorably or adversely affected by earnings being higher or lower in countries that have lower tax rates and higher or lower in countries that have higher tax rates; by changes in the valuation of deferred tax assets and liabilities; by expiration of or lapses in tax-related legislation; by expiration of or lapses in tax incentives; by tax effects of nondeductible compensation; by changes in accounting principles; by liquidity needs driving repatriations of non-U.S. cash to the U.S.; or by changes in tax laws and regulations, including possible U.S. changes to the taxation of earnings of foreign subsidiaries, the deductibility of expenses attributable to foreign income, or the foreign tax credit rules.

The Company's effective tax rate differs from the statutory rate, primarily due to the tax impact of state taxes, foreign tax rates, tax credits, the domestic manufacturing deduction, tax audit settlements and valuation allowance adjustments. Significant judgment is required in evaluating uncertain tax positions, determining valuation allowances recorded against deferred tax assets, and ultimately, the income tax provision.

It is difficult to predict when resolution of income tax matters will occur and when recognition of certain income tax assets and liabilities is appropriate, and the Company's income tax expense in the future may continue to differ from the statutory rate because of the effects of similar items. For example, if items are favorably resolved or management determines a deferred tax asset is realizable that was previously reserved, the Company will recognize period tax benefits. Conversely, to the extent tax matters are unfavorably resolved or management determines a valuation allowance is necessary for a tax asset that was not previously reserved, the Company will recognize incremental period tax expense. These matters are expected to contribute to the tax rate differing from the statutory rate and continued volatility in the Company's effective tax rate. See *Footnote 12 of the Notes to Consolidated Financial Statements* for further information.

## *Pensions and Postretirement Benefits*

The Company records annual amounts relating to its pension and postretirement plans based on calculations, which include various actuarial assumptions, including discount rates, assumed rates of return, compensation increases, turnover rates and health care cost trend rates. The Company reviews its actuarial assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is deemed appropriate to do so. The effect of modifications is generally deferred and amortized over future periods. The Company believes that the assumptions utilized in recording its obligations under its plans are reasonable based on its experience, market conditions and the input from its actuaries and investment advisors. The pension and postretirement obligations are measured at December 31, 2022 and 2021.

The Company employs a total return investment approach for its pension and postretirement benefit plans whereby a mix of equities and fixed income investments are used to optimize the long-term return of pension plan assets. The intent of this strategy is to minimize plan expenses by outperforming plan liabilities over the long run. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The investment portfolios contain a diversified blend of equity and fixed-income investments. Furthermore, equity investments are diversified across geography and market capitalization through investments in U.S. large-capitalization stocks, U.S. small-capitalization stocks and international securities. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset/liability studies and quarterly investment portfolio reviews.

The expected long-term rate of return for plan assets is based upon many factors including expected asset allocations, historical asset returns, current and expected future market conditions, risk and active management premiums. The target asset allocations for the Company's domestic pension plans may vary by plan, in part due to plan demographics, funded status and liability duration. In general, the Company's target asset allocations are as follows: global equities approximately 10% to 30%; fixed income approximately 70% to 90%; and cash, alternative investments and other, approximately zero to 10% at December 31, 2022. Actual asset allocations may vary from the targeted allocations for various reasons, including market conditions and the timing of transactions. The Company maintains numerous international defined benefit pension plans. The asset allocations for the international investment may vary by plan and jurisdiction and are primarily based upon the plan structure and plan participant profile. At December 31, 2022, the domestic plan assets were allocated as follows: Equities: approximately 19% and Other Investments (alternative investments, fixed-income securities, cash and other): approximately 81%. Actual asset allocations may vary from the targeted allocations for various reasons, including market conditions and the timing of transactions.

For 2022, 2021 and 2020, the actual return on plan assets for the Company's U.S. pension plan assets was approximately \$(220) million, \$48 million and \$178 million, respectively, versus an expected return on plan assets of approximately \$47 million, \$51 million and \$59 million, respectively. The actual amount of future contributions will depend, in part, on long-term actual return on assets and future discount rates. Pension contributions for all the Company's pension plans for 2023 are estimated to be approximately \$18 million, as compared to the 2022 contributions of approximately \$17 million.

The weighted average expected return on plan assets assumption for 2022 was approximately 3.5% for the Company's pension plans. The weighted average discount rate at the 2022 measurement date used to measure the pension and postretirement benefit obligations was approximately 4.9% and 5.1%, respectively. A 25 basis points decrease in the discount rate at the 2022 measurement date would increase the pension plans' projected benefit obligation by approximately \$33 million.

The healthcare cost trend rates used in valuing the Company's postretirement benefit obligation are established based upon actual healthcare cost trends and consultation with actuaries and benefit providers. At December 31, 2022, the current weighted average healthcare cost trend rate assumption was approximately 6.7%. The current healthcare cost trend rate is assumed to gradually decrease to an ultimate healthcare cost trend rate of 4.5%. See *Footnote 11 of the Notes to Consolidated Financial Statements* for further information.

### **Recent Accounting Pronouncements**

A summary of recent accounting pronouncements is included in *Footnote 1 of the Notes to Consolidated Financial Statements*.

### **International Operations**

The Company's non-U.S. businesses accounted for approximately 35% of net sales for 2022 and 2021, and 33% for 2020 (see *Footnote 17 of the Notes to Consolidated Financial Statements*).

### **Forward-Looking Statements**

Forward-looking statements in this Report are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements generally can be identified by the use of words such as "intend," "anticipate," "believe," "estimate," "project," "target," "plan," "expect," "setting up," "beginning to," "will," "should," "would," "could," "resume," "are confident that," "remain optimistic that," "seek to," or similar statements. The Company cautions that forward-looking statements are not guarantees because there are inherent difficulties in predicting future results. Actual results may differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to:

- the Company's ability to optimize costs and cash flow and mitigate the impact of retailer inventory rebalancing through discretionary and overhead spend management, advertising and promotion expense optimization, demand forecast and supply plan adjustments and actions to improve working capital;
- the Company's dependence on the strength of retail and consumer demand and commercial and industrial sectors of the economy in various countries around the world;
- the Company's ability to improve productivity, reduce complexity and streamline operations;
- the Company's ability to manage the actual or perceived effects of the COVID-19 pandemic, including as a result of any additional variants of the virus or the efficacy and distribution of vaccines;
- competition with other manufacturers and distributors of consumer products;
- major retailers' strong bargaining power and consolidation of the Company's customers;

- supply chain and operational disruptions in the markets in which we operate, whether as a result of the actual or perceived effects of the COVID-19 pandemic or broader geopolitical and macroeconomic conditions, including the military conflict between Russia and Ukraine;
- changes in the prices and availability of labor, transportation, raw materials and sourced products, including significant inflation, and the Company's ability to offset cost increases through pricing and productivity in a timely manner;
- the cost and outcomes of governmental investigations, inspections, lawsuits, legislative requests or other actions by third parties, including but not limited to those described in *Footnote 18 of the Notes to Consolidated Financial Statements*, the potential outcomes of which could exceed policy limits, to the extent insured;
- the Company's ability to develop innovative new products, to develop, maintain and strengthen end-user brands and to realize the benefits of increased advertising and promotion spend;
- the Company's ability to consistently maintain effective internal control over financial reporting;
- the risks inherent to the Company's foreign operations, including currency fluctuations, exchange controls and pricing restrictions;
- future events that could adversely affect the value of the Company's assets and/or stock price and require additional impairment charges;
- unexpected costs or expenses associated with dispositions;
- the Company's ability to effectively execute its turnaround plan, including Project Ovid and Project Phoenix;
- risks related to the Company's substantial indebtedness, potential increases in interest rates or changes in the Company's credit ratings;
- a failure or breach of one of the Company's key information technology systems, networks, processes or related controls or those of the Company's service providers;
- the impact of United States and foreign regulations on the Company's operations, including the impact of tariffs and environmental remediation costs and legislation and regulatory actions related to data privacy and climate change;
- the potential inability to attract, retain and motivate key employees;
- changes in tax laws and the resolution of tax contingencies resulting in additional tax liabilities;
- product liability, product recalls or related regulatory actions;
- the Company's ability to protect its intellectual property rights;
- significant increases in the funding obligations related to the Company's pension plans; and
- other factors listed from time to time in our SEC filings, including but not limited to our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q and other filings.

The information contained in this Annual Report on Form 10-K is as of the date indicated. The Company assumes no obligation to update any forward-looking statements contained in this Annual Report on Form 10-K as a result of new information or future events or developments. In addition, there can be no assurance that the Company has correctly identified and assessed all of the factors affecting the Company or that the publicly available and other information the Company receives with respect to these factors is complete or correct.

## **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

### **Market Risk**

In general, business enterprises can be exposed to market risks including fluctuations in interest rates, foreign currency exchange rates and certain commodity prices, which can affect the cost of operating, investing and financing under those conditions. The Company believes it has moderate exposure to these risks. The Company assesses market risk based on changes in interest rates, foreign currency rates and commodity prices utilizing a sensitivity analysis that measures the potential loss in earnings, fair values and cash flows based on hypothetical changes in rates and prices.

The Company is exposed to interest rate risk on its variable rate debt and price risk on its fixed rate debt. As such, the Company monitors the interest rate environment and uses interest rate swap agreements to manage its interest rate risk and price risk by balancing its exposure to fixed and variable interest rates while attempting to minimize interest costs. At December 31, 2022, approximately \$1.7 billion of the Company's debt carries a variable rate of interest either by nature or through the use of interest rate swaps. The remainder of the debt (approximately \$3.7 billion) carries a fixed rate of interest. Based upon the Company's debt structure at December 31, 2022, a hypothetical 1% increase in these interest rates would increase interest expense by approximately \$17 million and decrease the fair value of debt by approximately \$161 million.

While the Company transacts business principally in U.S. dollars and most of its revenues are collected in U.S. dollars, a substantial portion of the Company's operating costs are denominated in other currencies, such as the Brazilian Real, British Pound, Canadian Dollar, European Euro, Japanese Yen and Mexican Peso. Changes in the relation of these and other currencies to the U.S. dollar will affect Company's sales and profitability and could result in exchange losses. For 2022, approximately 35% of the Company's sales

were denominated in foreign currencies, the most significant of which were: European Euro, approximately 9%; British Pound, approximately 5% and Canadian Dollar, approximately 4%. The primary purpose of the Company's foreign currency hedging activities is to mitigate the foreign exchange rate exposure on the cash flows related to forecasted inventory purchases and sales. A hypothetical 10% change in foreign currency exchange rates would not have a material effect on foreign currency gains and losses related to the foreign currency derivatives or the net fair value of the Company's foreign currency derivatives.

The Company is exposed to the price risk that the rising cost of commodities has on certain of its raw materials. As such, the Company monitors the commodities markets and from time to time the Company enters into commodity-based derivatives in order to mitigate the impact that the rising price of these commodities has on the cost of certain of the Company's raw materials. A hypothetical 10% change in the commodity prices underlying the derivatives would not have a material effect on the related gains and losses included in the Company's results of operations. In this sensitivity analysis, all other assumptions are constant and assumes that a change in one currency's rate relative to the U.S. dollar would not impact another currency's rates relative to the U.S. dollar.

The Company is exposed to credit loss in the event of non-performance by the counterparties to its derivative financial instruments, all of which are highly rated institutions; however, the Company does not anticipate non-performance by such counterparties. The Company does not enter into derivative financial instruments for trading purposes.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

### Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Newell Brands Inc.

#### *Opinions on the Financial Statements and Internal Control over Financial Reporting*

We have audited the accompanying consolidated balance sheets of Newell Brands Inc. and its subsidiaries (the “Company”) as of December 31, 2022 and 2021, and the related consolidated statements of operations, of comprehensive income (loss), of stockholders’ equity and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes and schedule of valuation and qualifying accounts for each of the three years in the period ended December 31, 2022 appearing after the signature pages (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

#### *Change in Accounting Principle*

As discussed in Notes 1 and 5 to the consolidated financial statements, the Company changed the manner in which it accounts for inventories in 2022.

#### *Basis for Opinions*

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

#### *Definition and Limitations of Internal Control over Financial Reporting*

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## ***Critical Audit Matters***

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### *Interim and Annual Impairment Assessments - Goodwill and Certain Indefinite-Lived Intangible Assets*

As described in Notes 1 and 7 to the consolidated financial statements, the Company's goodwill and indefinite-lived intangible assets balances were \$3.3 billion and \$1.7 billion, respectively, as of December 31, 2022. These assets are tested and reviewed for impairment annually on December 1, or more frequently if facts and circumstances warrant. In 2022, management used a quantitative approach, which involves comparing the fair value of these assets to their carrying values. For goodwill, if the carrying value of a reporting unit exceeds its fair value, an impairment loss is calculated as the difference between these amounts, limited to the amount of goodwill allocated to the reporting unit. An indefinite-lived intangible asset is impaired by the amount its carrying value exceeds its estimated fair value. During the third quarter of 2022, a triggering event occurred for the Home Fragrance reporting unit and certain indefinite-lived tradenames, resulting in the Company recording non-cash impairment charges of \$108 million and \$40 million to goodwill and indefinite-lived intangible assets, respectively. During the fourth quarter of 2022, in conjunction with management's annual impairment testing, the Company recorded non-cash impairment charges of \$56 million to goodwill in the Home Fragrance reporting unit and \$270 million to certain indefinite-lived tradenames. Fair value is estimated by management using the discounted cash flow method for goodwill and either the relief from royalty method or the excess earnings method for indefinite-lived intangible assets. Management's impairment assessments require significant use of judgment and assumptions such as (i) the estimation of future cash flows, business growth rates and discount rates for goodwill, (ii) the cash flow projections, royalty rates and discount rates under the relief from royalty method for indefinite-lived intangible assets, and (iii) the cash flow projections, discount rates, and contributory asset charges under the excess earnings method for indefinite-lived intangible assets.

The principal considerations for our determination that performing procedures relating to the interim and annual impairment assessments of goodwill and certain indefinite-lived intangible assets is a critical audit matter are (i) the significant judgment by management when developing the fair value estimates of the reporting units and indefinite-lived intangible assets; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to (a) the estimation of future cash flows, business growth rates, and discount rates for goodwill, (b) the cash flow projections, royalty rates, and discount rates under the relief from royalty method for certain indefinite-lived intangible assets, and (c) the cash flow projections, discount rates, and contributory asset charges under the excess earnings method for certain indefinite-lived intangible assets; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's impairment assessments of goodwill and indefinite-lived intangible assets, including controls over the valuation of the Company's reporting units and certain indefinite-lived intangible assets. These procedures also included, among others, (i) testing management's process for developing the fair value estimates of the reporting units and certain indefinite-lived intangible assets; (ii) evaluating the appropriateness of the discounted cash flow method, relief from royalty method, and excess earnings method; (iii) testing the completeness and accuracy of underlying data used in the methods; and (iv) evaluating the reasonableness of the significant assumptions used by management related to the (a) estimation of future cash flows, business growth rates, and discount rates for goodwill, (b) the cash flow projections, royalty rates, and discount rates under the relief from royalty method for certain indefinite-lived intangible assets, and (c) the cash flow projections, discount rates, and contributory asset charges under the excess earnings method for certain indefinite-lived intangible assets. Evaluating management's assumptions related to the estimation of future cash flows and business growth rates for goodwill and the cash flow projections for certain indefinite-lived intangible assets involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the reporting units and indefinite-lived intangible assets; (ii) the consistency with external and industry data; and (iii) whether the assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of (i) the Company's discounted cash flow method, relief from royalty method, and excess earnings method and (ii) the discount rates for goodwill and the discount rates, royalty rates, and contributory asset charges for certain indefinite-lived intangible assets.

/s/ PricewaterhouseCoopers LLP  
Atlanta, Georgia  
February 15, 2023

We have served as the Company's auditor since 2016.



**NEWELL BRANDS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

*(Amounts in millions, except per share data)*

Year Ended December 31,	2022	2021	2020
Net sales	\$ 9,459	\$ 10,589	\$ 9,385
Cost of products sold	6,625	7,226	6,301
Gross profit	2,834	3,363	3,084
Selling, general and administrative expenses	2,033	2,274	2,189
Restructuring costs, net	15	16	21
Impairment of goodwill, intangibles and other assets	474	60	1,503
<b>Operating income (loss)</b>	<b>312</b>	<b>1,013</b>	<b>(629)</b>
Non-operating expenses:			
Interest expense, net	235	256	274
Loss on extinguishment of debt	1	5	20
Other (income) expense, net	(81)	(8)	78
Income (loss) before income taxes	157	760	(1,001)
Income tax provision (benefit)	(40)	138	(235)
<b>Net income (loss)</b>	<b>\$ 197</b>	<b>\$ 622</b>	<b>\$ (766)</b>
<b>Weighted average common shares outstanding:</b>			
Basic	415.7	425.3	424.1
Diluted	417.4	428.0	424.1
<b>Earnings (loss) per share:</b>			
Basic	\$ 0.47	\$ 1.46	\$ (1.81)
Diluted	\$ 0.47	\$ 1.45	\$ (1.81)

*See Notes to Consolidated Financial Statements.*

**NEWELL BRANDS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
*(Amounts in millions)*

Year Ended December 31,	2022	2021	2020
<b>Comprehensive income (loss):</b>			
Net income (loss)	\$ 197	\$ 622	\$ (766)
Comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	(113)	(94)	(2)
Unrecognized pension and postretirement costs	(17)	64	43
Derivative financial instruments	1	28	(1)
Total other comprehensive income (loss), net of tax	(129)	(2)	40
<b>Comprehensive income (loss)</b>	<b>68</b>	<b>620</b>	<b>(726)</b>
Total comprehensive income (loss) attributable to noncontrolling interests	—	2	(4)
<b>Total comprehensive income (loss) attributable to parent</b>	<b>\$ 68</b>	<b>\$ 618</b>	<b>\$ (722)</b>

*See Notes to Consolidated Financial Statements.*

**NEWELL BRANDS INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
*(Amounts in millions, except par values)*

December 31,	2022	2021
<b>Assets:</b>		
Cash and cash equivalents	\$ 287	\$ 440
Accounts receivable, net	1,250	1,500
Inventories	2,203	2,087
Prepaid expenses and other current assets	312	325
Total current assets	4,052	4,352
Property, plant and equipment, net	1,184	1,204
Operating lease assets	578	558
Goodwill	3,298	3,504
Other intangible assets, net	2,649	3,370
Deferred income taxes	810	814
Other assets	691	467
<b>Total assets</b>	<b>\$ 13,262</b>	<b>\$ 14,269</b>
<b>Liabilities:</b>		
Accounts payable	\$ 1,062	\$ 1,680
Accrued compensation	123	270
Other accrued liabilities	1,272	1,364
Short-term debt and current portion of long-term debt	621	3
Total current liabilities	3,078	3,317
Long-term debt	4,756	4,883
Deferred income taxes	520	428
Operating lease liabilities	512	500
Other noncurrent liabilities	877	983
Total liabilities	9,743	10,111
Commitments and contingencies ( <i>Footnote 18</i> )		
<b>Stockholders' equity:</b>		
Preferred stock (10.0 authorized shares, \$1.00 par value, no shares issued at December 31, 2022 and 2021)	—	—
Common stock (800.0 authorized shares, \$1.00 par value, 438.6 shares and 450.0 shares issued at December 31, 2022 and 2021, respectively)	439	450
Treasury stock, at cost (25.0 and 24.5 shares at December 31, 2022 and 2021, respectively)	(623)	(609)
Additional paid-in capital	7,052	7,734
Retained deficit	(2,338)	(2,535)
Accumulated other comprehensive loss	(1,011)	(882)
Total stockholders' equity	3,519	4,158
<b>Total liabilities and stockholders' equity</b>	<b>\$ 13,262</b>	<b>\$ 14,269</b>

See Notes to Consolidated Financial Statements.

**NEWELL BRANDS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(Amounts in millions)*

Year Ended December 31,	2022	2021	2020
<b>Cash flows from operating activities:</b>			
Net income (loss)	\$ 197	\$ 622	\$ (766)
<i>Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:</i>			
Depreciation and amortization	296	325	357
Impairment of goodwill, intangibles and other assets	474	60	1,503
(Gain) loss from sale of businesses, net	(136)	(4)	9
Deferred income taxes	97	(24)	(260)
Stock based compensation expense	12	52	41
Pension settlement charge	—	—	53
Loss on extinguishment of debt	1	5	20
Other, net	2	(2)	1
Changes in operating accounts excluding the effects of divestitures:			
Accounts receivable	130	130	168
Inventories	(276)	(463)	(34)
Accounts payable	(536)	177	415
Accrued liabilities and other	(533)	6	(75)
Net cash provided by (used in) operating activities	<b>(272)</b>	<b>884</b>	<b>1,432</b>
<b>Cash flows from investing activities:</b>			
Proceeds from sale of divested businesses	617	—	16
Capital expenditures	(312)	(289)	(259)
Other investing activities	38	21	15
Net cash provided by (used in) investing activities	<b>343</b>	<b>(268)</b>	<b>(228)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from (payments of) short-term debt, net	619	—	(26)
Net proceeds from issuance of debt	989	—	491
Payments on current portion of long-term debt	(1,091)	(698)	(305)
Payments on long-term debt	—	(6)	(320)
Debt extinguishment costs	—	(5)	(18)
Repurchase of shares of common stock	(325)	—	—
Cash dividends	(385)	(394)	(392)
Acquisition of noncontrolling interests	—	(28)	—
Equity compensation activity and other, net	(39)	(12)	11
Net cash used in financing activities	<b>(232)</b>	<b>(1,143)</b>	<b>(559)</b>
Exchange rate effect on cash, cash equivalents and restricted cash	(13)	(17)	5
Increase (decrease) in cash, cash equivalents and restricted cash	<b>(174)</b>	<b>(544)</b>	<b>650</b>
Cash, cash equivalents and restricted cash at beginning of period	477	1,021	371
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 303</b>	<b>\$ 477</b>	<b>\$ 1,021</b>
<b>Supplemental disclosures:</b>			
Restricted cash at beginning of period	\$ 37	\$ 40	\$ 22
Restricted cash at end of period	16	37	40
Cash paid for income taxes, net of refunds	172	165	106
Cash paid for interest	244	271	281

*See Notes to Consolidated Financial Statements.*

**NEWELL BRANDS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
*(Amounts in millions)*

	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity Attributable to Parent	Non- controlling Interests	Total Stockholders' Equity
<b>Balance at December 31, 2019</b>	\$ 447	\$ (590)	\$ 8,430	\$ (2,404)	\$ (920)	\$ 4,963	\$ 33	\$ 4,996
Impact of change in inventory accounting method	—	—	—	13	—	13	—	13
<b>Balance at January 1, 2020</b>	\$ 447	\$ (590)	\$ 8,430	\$ (2,391)	\$ (920)	\$ 4,976	\$ 33	\$ 5,009
Comprehensive income (loss)	—	—	—	(766)	45	(721)	(5)	(726)
Dividends declared on common stock - \$0.92 per share	—	—	(392)	—	—	(392)	—	(392)
Equity compensation, net of tax	1	(8)	40	—	—	33	—	33
Portion of net loss attributable to noncontrolling interests	—	—	—	—	(5)	(5)	1	(4)
Distributions to noncontrolling interests	—	—	—	—	—	—	(3)	(3)
<b>Balance at December 31, 2020</b>	\$ 448	\$ (598)	\$ 8,078	\$ (3,157)	\$ (880)	\$ 3,891	\$ 26	\$ 3,917
Comprehensive income (loss)	—	—	—	622	(2)	620	—	620
Dividends declared on common stock - \$0.92 per share	—	—	(397)	—	—	(397)	—	(397)
Equity compensation, net of tax	2	(11)	53	—	—	44	—	44
Acquisition of noncontrolling interests	—	—	—	—	—	—	(28)	(28)
Portion of net income attributable to noncontrolling interests	—	—	—	—	—	—	2	2
<b>Balance at December 31, 2021</b>	\$ 450	\$ (609)	\$ 7,734	\$ (2,535)	\$ (882)	\$ 4,158	\$ —	\$ 4,158
Comprehensive income (loss)	—	—	—	197	(129)	68	—	68
Dividends declared on common stock - \$0.92 per share	—	—	(380)	—	—	(380)	—	(380)
Equity compensation, net of tax	2	(14)	11	—	—	(1)	—	(1)
Common stock purchased and retired	(13)	—	(312)	—	—	(325)	—	(325)
Other	—	—	(1)	—	—	(1)	—	(1)
<b>Balance at December 31, 2022</b>	\$ 439	\$ (623)	\$ 7,052	\$ (2,338)	\$ (1,011)	\$ 3,519	\$ —	\$ 3,519

*See Notes to Consolidated Financial Statements.*

**NEWELL BRANDS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Footnote 1 — Basis of Presentation and Significant Accounting Policies**

**Description of Business**

Newell Brands is a leading global consumer goods company with a strong portfolio of well-known brands, including Rubbermaid, FoodSaver, Calphalon, Sistema, Sharpie, Paper Mate, Dymo, EXPO, Elmer's, Yankee Candle, Graco, NUK, Rubbermaid Commercial Products, Spontex, Coleman, Campingaz, Contigo, Oster, Sunbeam and Mr. Coffee. Newell Brands' beloved brands enhance and brighten consumers lives at home and outside by creating moments of joy, building confidence and providing peace of mind. The Company sells its products in nearly 200 countries around the world and has operations on the ground in over 40 of these countries, excluding third-party distributors.

**Basis of Presentation**

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and include the consolidated accounts of the Company and its majority-owned subsidiaries after elimination of intercompany transactions and balances.

The preparation of these consolidated financial statements requires the use of certain estimates and assumptions by management in determining the Company's assets, liabilities, sales and expenses, and related disclosures. Significant estimates in these Consolidated Financial Statements include restructuring charges, estimates of future cash flows associated with asset impairments, useful lives for depreciation and amortization, loss contingencies (including legal, environmental and product liability reserves), net realizable value of inventories, estimated contract revenue and related variable consideration, capitalized software costs, income taxes, uncertain tax provisions, tax valuation allowances, and pension and postretirement employee benefit liabilities and expenses. Actual results could differ from those estimates. Certain prior year amounts have been reclassified to conform to the current year presentation.

During the first quarter of 2022, the Company sold its Connected Home & Security ("CH&S") business unit to Resideo Technologies, Inc. See *Footnotes 2 and 17* for more information.

During the fourth quarter of 2022, the Company elected to change its method of accounting for certain inventory in the U.S. from the last-in, first-out ("LIFO") method to the first-in, first-out ("FIFO") method. All prior periods presented have been retrospectively adjusted to apply the new method of accounting. See *Footnotes 5 and 19* for more information.

**Use of Estimates and Risks**

Management's application of U.S. GAAP in preparing the Company's consolidated financial statements requires the pervasive use of estimates and assumptions. The Company, which has been impacted in recent years by inflationary and supply chain pressures, labor shortages, and logistical challenges across its businesses, and more recently by the indirect macroeconomic impact of the Russia-Ukraine conflict, is also experiencing additional headwinds due to softening global demand and an increased focus by retailers to rebalance inventory levels in light of continued inflationary pressures on consumers. While all of the Company's segments have been negatively impacted to varying degrees by the softening global demand, the Home Appliances and Home Solutions segments have been the most impacted. These collective macroeconomic trends, the duration or severity of which are highly uncertain, are rapidly changing the retail landscape and negatively impacted the Company's operating results, cash flows and financial condition in 2022 and are expected to persist into 2023. The high level of uncertainty of these factors has resulted in estimates and assumptions that have the potential for more variability and are more subjective. In addition, some of the other inherent estimates and assumptions used in the Company's forecasted results of operations and cash flows that form the basis of the determination of the fair value of the reporting units for goodwill and indefinite-lived intangible asset impairment testing are outside the control of management, including interest rates, cost of capital, tax rates, industry growth, credit ratings, foreign exchange rates and labor inflation. Although management has made its best estimates and assumptions based upon current information, actual results could materially differ given the uncertainty of these factors and may require future changes to such estimates and assumptions, including reserves, which may result in future expense or impairment charges.

During the fourth quarter of 2022, in conjunction with the Company's annual impairment testing, the Company recorded a non-cash impairment charge to write-off the remaining \$56 million of goodwill for its Home Fragrance reporting unit, in the Home Solutions segment, as the carrying value exceeded its fair value. The Company also recorded an aggregate impairment charge of \$270 million related to certain tradenames in the Home Solutions and Learning and Development segments, as the carrying values exceeded their fair values. A quantitative impairment test was also performed for the Company's long-lived assets resulting in no impairment.

During the third quarter of 2022, the Company concluded that a triggering event had occurred for its Home Fragrance reporting unit, an indefinite-lived tradename in the Home Solutions segment, an indefinite-lived tradename in the Home Appliances segment, and two indefinite-lived tradenames in the Learning and Development segment. The Company performed a quantitative impairment test and determined that the Home Fragrance reporting unit goodwill, and the indefinite-lived tradenames in the Home Appliances and Learning and Development segments noted above were impaired, which resulted in the Company recording an aggregate non-cash impairment charge of \$148 million during the quarter, as the carrying values exceeded their fair values. A quantitative impairment test was also performed for the indefinite-lived tradename and long-lived assets in the Home Fragrance reporting unit resulting in no impairment.

See *Footnote 7* for further information.

## **Significant Accounting Policies**

### *Concentration of Credit Risk*

The Company's forward exchange contracts generally do not subject the Company to risk due to foreign exchange rate movement, because gains and losses on these instruments generally offset gains and losses on the assets, liabilities and other transactions being hedged. The Company is exposed to credit-related losses in the event of non-performance by counterparties to certain derivative financial instruments. The Company does not obtain collateral or other security to support derivative financial instruments subject to credit risk, but monitors the credit standing of its counterparties.

### *Revenue Recognition*

The Company recognizes revenue when performance obligations under the terms of a contract with the customer are satisfied or at a point in time, which generally occurs either on shipment or on delivery based on contractual terms, which is also when control is transferred. The Company's primary performance obligation is the distribution and sales of its consumer and commercial products to its customers. In the normal course of business, the Company offers warranties for a variety of its products. The specific terms and conditions of the warranties vary depending upon the specific product and markets in which the products were sold. The Company accrues for the estimated cost of product warranty at the time of sale based on historical experience.

Revenue is measured as the amount of consideration for which the Company expects to be entitled in exchange for transferring goods or providing services. Certain customers may receive cash and/or non-cash incentives such as cash discounts, returns, credits or reimbursements related to defective products, customer discounts (such as volume or trade discounts), cooperative advertising and other customer-related programs, which are accounted for as variable consideration. In some cases, the Company applies judgment, including contractual rates and historical payment trends, when estimating variable consideration. In addition, the Company participates in various programs and arrangements with customers designed to increase the sale of products by these customers. Among the programs negotiated are arrangements under which allowances are earned by customers for attaining agreed-upon sales levels or for participating in specific marketing programs. Coupon programs are also developed on a customer- and territory-specific basis.

Under customer programs and arrangements that require sales incentives to be paid in advance, the Company amortizes the amount paid over the period of benefit or contractual sales volume. When incentives are paid in arrears, the Company accrues the estimated amount to be paid based on the program's contractual terms, expected customer performance and/or estimated sales volume. These estimates are determined using historical customer experience and other factors, which sometimes require significant judgment. Due to the length of time necessary to obtain relevant data from customers, among other factors, actual amounts paid can differ from these estimates.

Sales taxes and other similar taxes are excluded from revenue. The Company elected to account for shipping and handling activities as a fulfillment cost. The Company also elected not to disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which revenue is recognized at the amount to which the Company has the right to invoice for services performed.

### *Goodwill and Indefinite-Lived Intangibles*

Goodwill and indefinite-lived intangibles are tested and reviewed for impairment annually during the fourth quarter (on December 1), or more frequently if facts and circumstances warrant.

## Goodwill

Goodwill is tested for impairment at a reporting unit level, and all of the Company's goodwill is assigned to its reporting units. Reporting units are determined based upon the Company's organizational structure in place at the date of the goodwill impairment testing and generally one level below the operating segment level. The Company's operations are comprised of seven reporting units, within its five primary operating segments.

The Company may use a qualitative approach, and when appropriate, has bypassed the qualitative and used a quantitative approach, which involves comparing the fair value of each of the reporting units to the carrying value of those reporting units. If the carrying value of a reporting unit exceeds its fair value, an impairment loss would be calculated as the difference between these amounts, limited to the amount of reporting unit goodwill allocated to the reporting unit.

The quantitative goodwill impairment testing requires significant use of judgment and assumptions, such as the identification of reporting units; the assignment of assets and liabilities to reporting units; and the estimation of future cash flows, business growth rates, terminal values, discount rates and total enterprise value. The income approach used is the discounted cash flow methodology and is based on five-year cash flow projections. The cash flows projected are analyzed on a debt-free basis (before cash payments to equity and interest-bearing debt investors) in order to develop an enterprise value from operations for the reporting unit. A provision is made, based on these projections, for the value of the reporting unit at the end of the forecast period, or terminal value. The present value of the finite-period cash flows and the terminal value are determined using a selected discount rate.

## Indefinite-lived intangibles

The testing of indefinite-lived intangibles (primarily trademarks and tradenames) under established guidelines for impairment also requires significant use of judgment and assumptions (such as cash flow projections, royalty rates, terminal values and discount rates). An indefinite-lived intangible asset is impaired by the amount its carrying value exceeds its estimated fair value. For impairment testing purposes, the fair value of indefinite-lived intangibles is determined using either the relief from royalty method or the excess earnings method. The relief from royalty method estimates the value of a tradename by discounting the hypothetical avoided royalty payments to their present value over the economic life of the asset. The excess earnings method estimates the value of the intangible asset by quantifying the residual (or excess) cash flows generated by the asset and discounts those cash flows to the present. The excess earnings methodology requires the application of contributory asset charges. Contributory asset charges typically include assumed payments for the use of working capital, tangible assets and other intangible assets. Changes in forecasted operations and other assumptions could materially affect the estimated fair values. Changes in business conditions could potentially require adjustments to these asset valuations.

## Other Long-Lived Assets

The Company continuously evaluates whether impairment indicators related to its property, plant and equipment, operating leases and other long-lived assets are present. These impairment indicators may include a significant decrease in the market price of a long-lived asset or asset group, early termination of an operating lease, a significant adverse change to the extent or manner in which a long-lived asset or asset group is being used or in its physical condition, or a current-period operating or cash flow loss combined with a history of operating or cash flow losses or a forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group. If impairment indicators are present, the Company estimates the future cash flows for the asset or group of assets. The sum of the undiscounted future cash flows attributable to the asset or group of assets is compared to their carrying amount. The cash flows are estimated utilizing various assumptions regarding future sales and expenses, working capital and proceeds from asset disposals on a basis consistent with the Company's forecasts. If the carrying amount exceeds the sum of the undiscounted future cash flows, the Company discounts the future cash flows using a discount rate required for a similar investment of like risk and records an impairment charge as the difference between the fair value and the carrying value of the asset group. The Company performs its testing of the asset group at the reporting unit level, as this is the lowest level for which identifiable cash flows are available, with the exception of the Yankee Candle business, where testing is performed at the retail store level.

## Income Taxes

The Company accounts for deferred income taxes using the asset and liability approach. Under this approach, deferred income taxes are recognized based on the tax effects of temporary differences between the financial statement and tax bases of assets and liabilities, as measured by current enacted tax rates. Valuation allowances are recorded to reduce the deferred tax assets to an amount that will more likely than not be realized.

The Company regularly reviews its deferred tax assets for recoverability considering historical profitability, projected future taxable income, the expected timing of the reversals of existing temporary differences and tax planning strategies.



For uncertain tax positions, the Company applies the provisions of relevant authoritative guidance, which requires application of a “more likely than not” threshold to the recognition and derecognition of tax positions. The Company’s ongoing assessments of the more likely than not outcomes of tax authority examinations and related tax positions require significant judgment and can increase or decrease the Company’s effective tax rate, as well as impact operating results. See *Footnote 12* for further information.

#### *Sales of Accounts Receivable*

Factored receivables at December 31, 2022 associated with the Company's existing factoring agreement (the “Customer Receivables Purchase Agreement”) were approximately \$420 million, a decrease of approximately \$80 million from December 31, 2021. During the second quarter of 2022, the Company amended the Customer Receivables Purchase Agreement to (i) increase the amount of certain customer receivables that may be sold under the agreement, (ii) add new customers to the agreement and (iii) change the reference rate from London Interbank Offered Rate (“LIBOR”) to Secured Overnight Financing Rate (“SOFR”). Transactions under this agreement are accounted for as sales of accounts receivable, and the receivables sold are removed from the Consolidated Balance Sheet at the time of the sales transaction. The Company classifies the proceeds received from the sales of accounts receivable as an operating cash flow in the Consolidated Statement of Cash Flows. The Company records the discount as other (income) expense, net in the Consolidated Statement of Operations and collections of accounts receivable not yet submitted to the financial institution as a financing cash flow.

#### *Cash, Cash Equivalents and Restricted Cash*

Cash and cash equivalents include cash on hand and highly liquid investments that have a maturity of three months or less when purchased. Restricted cash reflects cash received on previously sold customer receivables in connection with the factoring program that are required to be remitted to a financial institution. Restricted cash is reported as prepaid expenses and other current assets on the Consolidated Balance Sheets.

#### *Accounts Receivable, Net*

Accounts receivable, net, include amounts billed and due from customers. Payment terms vary but generally are 90 days or less. An allowance for expected credit losses is based on the amount ultimately expected to be collected from the customer. The Company evaluates the collectability of accounts receivable based on a combination of factors including the length of time the receivables are past due, historical collection experience, current market conditions and forecasted direction of economic and business environment. Accounts deemed uncollectible are written off, net of expected recoveries.

#### *Capitalized Software Costs*

The Company capitalizes costs associated with internal-use software during the application development stage after both the preliminary project stage has been completed and the Company’s management has authorized and committed to funding for further project development. Capitalized internal-use software costs include: (i) external direct costs of materials and services consumed in developing or obtaining the software; (ii) payroll and payroll-related costs for employees who are directly associated with and who devote time directly to the project; and (iii) interest costs incurred while developing the software. Capitalization of these costs ceases no later than the point at which the project is substantially complete and ready for its intended purpose. The Company expenses as incurred research and development, general and administrative, and indirect costs associated with internal-use software. In addition, the Company expenses as incurred training, maintenance and other internal-use software costs incurred during the post-implementation stage. Costs associated with upgrades and enhancements of internal-use software are capitalized only if such modifications result in additional functionality of the software. The Company amortizes internal-use software costs using the straight-line method over the estimated useful life of the software. Capitalized software costs are evaluated annually for indicators of impairment, including but not limited to a significant change in available technology or the manner in which the software is being used. Impaired items are written down to their estimated fair values.

Capitalized implementation costs for certain qualified Software-as-a-Service (“SaaS”) arrangements are also subject to the same accounting criteria described above, when the Company does not own the intellectual property for the software license used in the arrangement. SaaS arrangements are included in prepaid expenses and other current assets and other assets in the Consolidated Balance Sheets. The straight-line amortization of these costs is presented along with the fees related to the hosted cloud computing service in the Consolidated Statements of Operations.

### *Product Liability Reserves*

The Company has a self-insurance program for product liability that includes reserves for self-retained losses and certain excess and aggregate risk transfer insurance. The Company uses historical loss experience combined with actuarial evaluation methods, review of significant individual files and the application of risk transfer programs in determining required product liability reserves. The Company's actuarial evaluation methods take into account claims incurred but not reported when determining the Company's product liability reserve. While the Company believes that it has adequately reserved for these claims, the ultimate outcome of these matters may exceed the amounts recorded by the Company, and such additional losses may be material to the Company's Consolidated Financial Statements.

### *Product Warranties*

In the normal course of business, the Company offers warranties for a variety of its products. The specific terms and conditions of the warranties vary depending upon the specific product and markets in which the products were sold. The Company accrues for the estimated cost of product warranty at the time of sale based on historical experience.

### *Advertising Costs*

The Company expenses production costs of print, radio, television and other advertisements as of the first date the advertisements take place, and the Company expenses all other advertising and marketing costs when incurred. Advertising and promotion costs are recorded in selling, general and administrative expenses ("SG&A") and totaled \$387 million, \$407 million and \$362 million in 2022, 2021 and 2020, respectively.

### *Research and Development Costs*

Research and development costs relating to both future and current products are charged to SG&A as incurred. These costs totaled \$140 million, \$153 million and \$144 million in 2022, 2021 and 2020, respectively.

### *Other Significant Accounting Policies*

Other significant accounting policies are disclosed as follows:

- Restructuring – *Footnote 4*
- Inventory – *Footnote 5*
- Property, Plant and Equipment – *Footnote 6*
- Derivative Instruments – *Footnote 10*
- Foreign Currency Operations – *Footnote 10*
- Pensions and Postretirement Benefits – *Footnote 11*
- Leases – *Footnote 13*
- Share-Based Compensation – *Footnote 15*
- Legal and Environmental Reserves – *Footnote 18*

### **Recent Accounting Pronouncements**

Changes to U.S. GAAP are established by the Financial Accounting Standards Board ("FASB") in the form of accounting standards updates ("ASUs") to the FASB's Accounting Standards Codification. The Company considers the applicability and impact of all ASUs.

In October 2022, the FASB issued ASU 2022-04, "*Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations.*" This ASU requires that a buyer in a supplier finance program disclose sufficient information about the program to allow a user of financial statements to better consider the effect of the programs on an entity's working capital, liquidity and cash flows. This ASU is effective for fiscal years beginning after December 15, 2022, except for the amendment on roll forward information which is effective for fiscal years beginning after December 15, 2023. The Company does not expect the adoption of ASU 2022-04 to have a material impact on its consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, "*Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.*" In January 2021, the FASB clarified the scope of this guidance with the issuance of ASU 2021-01, "*Reference Rate Reform: Scope.*" ASU 2020-04 provides optional expedients and exceptions to account for contracts, hedging relationships and other transactions that reference LIBOR or another reference rate if certain criteria are met. This ASU was further

updated with the issuance of ASU 2022-06, Reference Rate Reform: Deferral of the Sunset Date of Topic 848, which extends the sunset date of the guidance. ASU 2020-04 may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2024. The Company does not expect the adoption of ASU 2020-04 to have a material impact on its consolidated financial statements.

### Adoption of New Accounting Guidance

In December 2019, the FASB issued ASU 2019-12, “Simplifying the Accounting for Income Taxes” (Topic 740), which removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. ASU 2019-12 became effective for years, and interim periods within those years, beginning after December 15, 2020. The adoption of this guidance did not have a material impact on the Company’s consolidated financial statements.

### Footnote 2 — Divestiture Activity

#### 2022

On March 31, 2022, the Company sold its CH&S business unit to Resideo Technologies, Inc., for approximately \$593 million, subject to customary working capital and other post-closing adjustments. As a result, during the year ended December 31, 2022, the Company recorded a pre-tax gain of \$136 million, which was included in other (income) expense, net in Consolidated Statements of Operations.

#### 2020

On August 31, 2020, the Company divested the foam board product line in its Learning and Development segment. As a result, the Company recorded a pre-tax loss of \$8 million, which is included in other (income) expense, net in the Consolidated Statements of Operations.

### Footnote 3 — Accumulated Other Comprehensive Income (Loss)

The following tables display the components of accumulated other comprehensive income (loss) (“AOCL”), net of tax, as of and for the years ended December 31, 2022 and 2021 (in millions):

	Cumulative Translation Adjustment	Pension and Postretirement Cost	Derivative Financial Instruments	AOCL
Balance at December 31, 2020	\$ (481)	\$ (356)	\$ (43)	\$ (880)
Other comprehensive income (loss) before reclassifications	(94)	46	11	(37)
Amounts reclassified to earnings	—	18	17	35
Net current period other comprehensive income (loss)	(94)	64	28	(2)
Balance at December 31, 2021	\$ (575)	\$ (292)	\$ (15)	\$ (882)
Other comprehensive income (loss) before reclassifications	(119)	(25)	20	(124)
Amounts reclassified to earnings	6	8	(19)	(5)
Net current period other comprehensive income (loss)	(113)	(17)	1	(129)
Balance at December 31, 2022	\$ (688)	\$ (309)	\$ (14)	\$ (1,011)

Reclassifications from AOCL to the results of operations for the years ended December 31, were pre-tax (income) expense of (in millions):

	2022	2021	2020
Cumulative translation adjustment <sup>(1)</sup>	\$ 6	\$ —	\$ —
Pension and postretirement benefit plans <sup>(2)</sup>	13	23	72
Derivative financial instruments <sup>(3)</sup>	(21)	23	(6)

(1) See Footnote 2 for further information.

(2) See Footnote 11 for further information.

(3) See Footnote 10 for further information.

The income tax provision (benefit) allocated to the components of AOCL for the years ended December 31, are as follows (in millions):

	2022	2021	2020
Foreign currency translation adjustments	\$ 2	\$ 20	\$ (28)
Unrecognized pension and postretirement costs	(10)	20	23
Derivative financial instruments	1	9	(1)
Income tax provision (benefit) related to AOCL	<u>\$ (7)</u>	<u>\$ 49</u>	<u>\$ (6)</u>

#### Footnote 4 — Restructuring

The Company has engaged and expects to continue to engage in restructuring activities, which requires management to utilize significant estimates related to the timing and amount of severance and other employee separation costs for workforce reductions and other separation programs and other exit costs associated with restructuring activities. The Company's accrual for severance and other employee separation costs depends on whether the costs result from an ongoing severance plan or are one-time costs. The Company accounts for relevant expenses as severance costs when we have an established severance policy, statutory requirements dictate the severance amounts, or if our historical experience is to routinely provide certain benefits to impacted employees. The Company recognizes severance costs when it is probable that benefits will be paid and the amount can be reasonably estimated. The Company estimates one-time severance and other employee costs related to exit and disposal activities not resulting from an ongoing severance plan based on the benefits available to the employees being terminated. The Company recognizes these costs when we identify the specific classification or functions of the employees being terminated, notify the employees who might be included in the termination, and expect to terminate employees within the legally required notification period. When employees are receiving incentives to stay beyond the legally required notification period, we record the cost of their severance over the remaining service period.

Restructuring costs incurred by reportable business segment for all restructuring activities for the years ended December 31, are as follows (in millions):

	2022	2021	2020
Commercial Solutions	\$ 1	\$ 4	\$ 4
Home Appliances	1	4	1
Home Solutions	3	3	10
Learning and Development	4	1	3
Outdoor and Recreation	5	3	2
Corporate	1	1	1
	<u>\$ 15</u>	<u>\$ 16</u>	<u>\$ 21</u>

Accrued restructuring costs activity for the year ended December 31, 2022 are as follows (in millions):

	Balance at December 31, 2021	Restructuring Costs, Net	Payments	Balance at December 31, 2022
Severance and termination costs	\$ 8	\$ 13	\$ (14)	\$ 7
Contract termination and other costs	2	2	(4)	—
	<u>\$ 10</u>	<u>\$ 15</u>	<u>\$ (18)</u>	<u>\$ 7</u>

Accrued restructuring costs activity for the year ended December 31, 2021 are as follows (in millions):

	Balance at December 31, 2020	Restructuring Costs, Net	Payments	Foreign Currency and Other	Balance at December 31, 2021
Severance and termination costs	\$ 7	\$ 13	\$ (12)	\$ —	\$ 8
Contract termination and other costs	4	3	(4)	(1)	2
	<u>\$ 11</u>	<u>\$ 16</u>	<u>\$ (16)</u>	<u>\$ (1)</u>	<u>\$ 10</u>

The Company’s 2020 restructuring program, which was substantially complete at the end of 2021, was designed to reduce overhead costs, streamline certain underperforming operations and improve future profitability. The restructuring costs, which impacted all segments, include employee-related costs, including severance and other termination benefits. In connection with the 2020 restructuring program, the Company incurred cumulative charges of \$29 million since inception, \$10 million and \$19 million for the years ended December 31, 2021 and 2020, respectively.

*Other Restructuring and Restructuring-Related Costs*

The Company regularly incurs other restructuring and restructuring-related costs in connection with various discrete initiatives, including certain costs associated with Project Ovid, the multi-year, customer centric supply chain initiative to transform the Company’s go-to-market capabilities in the U.S., improve customer service levels and drive operational efficiencies. Restructuring-related costs are recorded in cost of products sold and SG&A in the Consolidated Statements of Operations based on the nature of the underlying costs incurred. During the years ended December 31, 2022, 2021 and 2020, the Company recorded other restructuring charges of \$15 million, \$6 million and \$2 million, respectively.

*Project Phoenix*

In January 2023, the Company announced a restructuring and savings initiative (“Project Phoenix”) that is intended to strengthen the Company by leveraging its scale to further reduce complexity, streamlining its operating model and driving operational efficiencies. Project Phoenix is expected to be substantially implemented by the end of 2023 and incorporates a variety of initiatives designed to simplify the organizational structure, streamline the Company’s real estate portfolio, centralize the Company’s supply chain functions, which include manufacturing, distribution, transportation and customer service, transition to a unified One Newell go-to-market model in key international geographies, and otherwise reduce overhead costs. The Company commenced reducing headcount in the first quarter 2023, with most of these actions expected to be completed by the end of 2023, subject to local law and consultation requirements.

The Company estimates that it will incur approximately \$100 million to \$130 million in restructuring and restructuring-related charges in connection with Project Phoenix, substantially all of which are expected to be incurred by the end of fiscal 2023. These charges consist primarily of \$80 million to \$105 million in charges related to severance payments and other termination benefits; \$15 million to \$20 million in charges associated with office space reductions; and approximately \$5 million of other charges, including those associated with employee transition and legal costs. The Company expects approximately \$95 million to \$120 million of the total aggregate charges will be cash expenditures. No charges associated with Project Phoenix were recorded in 2022.

**Footnote 5 — Inventories**

Inventories are stated at the lower of cost or net realizable value. The Company reduces its inventory value for estimated obsolete and slow-moving inventory in an amount equal to the difference between the cost of inventory and the net realizable value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required. Inventory costs include direct materials, direct labor and manufacturing overhead, or when finished goods are sourced, the cost is the amount paid to the third party.

The components of inventories were as follows at December 31, (in millions):

	<u>2022</u>	<u>2021</u>
Raw materials and supplies	\$ 285	\$ 310
Work-in-process	218	167
Finished products	1,700	1,610
	<u>\$ 2,203</u>	<u>\$ 2,087</u>

During the fourth quarter of 2022, the Company elected to change its method of accounting for certain inventory in the U.S. from LIFO to FIFO. The change to FIFO is preferable because it conforms the Company's entire inventory to a single method of accounting and improves comparability with the Company's peers. The Company applied this change in inventory costing method by retrospectively adjusting its historical financial statements. The following historical financial statement line items within the accompanying financial statements were adjusted as a result of the retrospective application of the change in inventory costing method (in millions, except per share data):

	For the year ended December 31, 2022			For the year ended December 31, 2021			For the year ended December 31, 2020		
	As Computed Under LIFO	Impact of Change to FIFO	As Reported	As Reported Under LIFO	Impact of Change to FIFO	As Adjusted	As Reported Under LIFO	Impact of Change to FIFO	As Adjusted
<b>Consolidated Statement of Operations</b>									
Net sales	\$ 9,459	\$ —	\$ 9,459	\$ 10,589	\$ —	\$ 10,589	\$ 9,385	\$ —	\$ 9,385
Cost of sales	6,637	(12)	6,625	7,293	(67)	7,226	6,306	(5)	6,301
Operating income (loss)	300	12	312	946	67	1,013	(634)	5	(629)
Income (loss) before income taxes	145	12	157	693	67	760	(1,006)	5	(1,001)
Income tax expense (benefit)	(43)	3	(40)	121	17	138	(236)	1	(235)
<b>Net income (loss)</b>	<b>\$ 188</b>	<b>\$ 9</b>	<b>\$ 197</b>	<b>\$ 572</b>	<b>\$ 50</b>	<b>\$ 622</b>	<b>\$ (770)</b>	<b>\$ 4</b>	<b>\$ (766)</b>
Weighted average common shares outstanding:									
Basic	415.7		415.7	425.3		425.3	424.1		424.1
Diluted	417.4		417.4	428.0		428.0	424.1		424.1
Earnings (loss) per share:									
Basic	\$ 0.45	\$ 0.02	\$ 0.47	\$ 1.34	\$ 0.12	\$ 1.46	\$ (1.82)	\$ 0.01	\$ (1.81)
Diluted	\$ 0.45	\$ 0.02	\$ 0.47	\$ 1.34	\$ 0.11	\$ 1.45	\$ (1.82)	\$ 0.01	\$ (1.81)
<b>Consolidated Statement of Comprehensive Income (Loss)</b>									
Net income (loss)	\$ 188	\$ 9	\$ 197	\$ 572	\$ 50	\$ 622	\$ (770)	\$ 4	\$ (766)
Total other comprehensive income (loss), net of tax	(129)	—	(129)	(2)	—	(2)	40	—	40
Comprehensive income (loss) including noncontrolling interests	59	9	68	570	50	620	(730)	4	(726)
Less: Total comprehensive income (loss) attributable to noncontrolling interests	—	—	—	2	—	2	(4)	—	(4)
<b>Total comprehensive income (loss) attributable to parent</b>	<b>\$ 59</b>	<b>\$ 9</b>	<b>\$ 68</b>	<b>\$ 568</b>	<b>\$ 50</b>	<b>\$ 618</b>	<b>\$ (726)</b>	<b>\$ 4</b>	<b>\$ (722)</b>
<b>Consolidated Statement of Cash Flows</b>									
Net income (loss)	\$ 188	\$ 9	\$ 197	\$ 572	\$ 50	\$ 622	\$ (770)	\$ 4	\$ (766)
Deferred income taxes	94	3	97	(41)	17	(24)	(261)	1	(260)
Inventories	(264)	(12)	(276)	(396)	(67)	(463)	(29)	(5)	(34)

	December 31, 2022			December 31, 2021		
	As Computed Under LIFO	Impact of Change to FIFO	As Reported	As Reported Under LIFO	Impact of Change to FIFO	As Adjusted
<b>Consolidated Balance Sheets</b>						
Inventories	\$ 2,101	\$ 102	\$ 2,203	\$ 1,997	\$ 90	\$ 2,087
Deferred income taxes, net	316	(26)	290	409	(23)	386
Retained deficit*	(2,414)	76	(2,338)	(2,602)	67	(2,535)

\* The impact to the opening retained deficit balance at January 1, 2020 was a reduction to retained deficit of \$13 million.

See *Footnote 19* for the retrospective application of the change in inventory costing method to the unaudited quarterly reporting periods in 2022 and 2021.

## Footnote 6 — Property, Plant and Equipment, Net

Property, plant and equipment are stated at cost. Expenditures for maintenance and repairs are expensed as incurred. Depreciation expense is calculated principally on the straight-line basis. Useful lives determined by the Company are as follows: buildings and improvements (20 - 40 years) and machinery and equipment (3 - 15 years).

Property, plant and equipment, net, consisted of the following at December 31, (in millions):

	2022	2021
Land	\$ 76	\$ 82
Buildings and improvements	648	678
Machinery and equipment	2,349	2,387
	3,073	3,147
Less: Accumulated depreciation	(1,889)	(1,943)
	<u>\$ 1,184</u>	<u>\$ 1,204</u>

Depreciation expense was \$196 million, \$205 million and \$200 million in 2022, 2021 and 2020, respectively.

## Footnote 7 — Goodwill and Other Intangible Assets, Net

A summary of changes in the Company's goodwill by reportable business segment is as follows for 2022 and 2021 (in millions):

Segments:	December 31, 2022					
	Net Book Value at December 31, 2021	Impairment Charges	Foreign Exchange	Gross Carrying Amount	Accumulated Impairment Charges	Net Book Value
Commercial Solutions	\$ 747	\$ —	\$ —	\$ 916	\$ (169)	\$ 747
Home Appliances	—	—	—	569	(569)	—
Home Solutions	164	(164)	—	2,567	(2,567)	—
Learning and Development	2,593	—	(42)	3,397	(846)	2,551
Outdoor and Recreation	—	—	—	788	(788)	—
	<u>\$ 3,504</u>	<u>\$ (164)</u>	<u>\$ (42)</u>	<u>\$ 8,237</u>	<u>\$ (4,939)</u>	<u>\$ 3,298</u>

During the fourth quarter of 2022, in conjunction with its annual impairment testing, the Company recorded a non-cash impairment charge to write-off the remaining \$56 million of goodwill for its Home Fragrance reporting unit, in the Home Solutions segment as the carrying value exceeded its fair value. This impairment reflected a further downward revision to the forecasted cash flows used in connection with the third quarter triggering event assessment, driven by inflationary pressures which continue to impact discretionary spending behavior of consumers at higher rates than previously expected. The Baby reporting unit in the Learning and Development segment had a fair value within 10% of its associated carrying value. A hypothetical 10% reduction in forecasted earnings before interest, taxes and amortization used in the discounted cash flows to estimate the fair value to this reporting unit would have resulted in an impairment charge of approximately \$120 million against its goodwill carrying value of \$653 million.

During the third quarter of 2022, the Company concluded that a triggering event had occurred for its Home Fragrance reporting unit, in the Home Solutions segment, as a result of a downward revision of forecasted cash flows due to softening global demand, as retailers significantly pulled back on orders in an effort to rebalance inventory, and rising interest rates. The decline in global demand is driven primarily by inflationary pressures which are impacting the discretionary spending behavior of consumers. The Company performed a quantitative impairment test and determined that the Home Fragrance reporting unit goodwill was impaired. During the third quarter of 2022 the Company recorded a non-cash impairment charge of \$108 million, as the carrying value of the reporting unit exceeded its fair value.

Segments:	December 31, 2021				
	Net Book Value at December 31, 2020	Foreign Exchange	Gross Carrying Amount	Accumulated Impairment Charges	Net Book Value
Commercial Solutions	\$ 747	\$ —	\$ 1,241	\$ (494)	\$ 747
Home Appliances	—	—	569	(569)	—
Home Solutions	164	—	2,567	(2,403)	164
Learning and Development	2,642	(49)	3,439	(846)	2,593
Outdoor and Recreation	—	—	788	(788)	—
	<u>\$ 3,553</u>	<u>\$ (49)</u>	<u>\$ 8,604</u>	<u>\$ (5,100)</u>	<u>\$ 3,504</u>

The impairment charges for indefinite-lived tradenames were recorded in the Company's reporting segments as follows for the years ended December 31, (in millions):

	2022 <sup>(1)</sup>	2021 <sup>(2)</sup>	2020 <sup>(3)</sup>
<b>Impairment of indefinite-lived tradenames</b>			
Commercial Solutions	\$ —	\$ 29	\$ 320
Home Appliances	15	—	87
Home Solutions	265	—	290
Learning and Development	30	31	100
Outdoor and Recreation	—	—	482
	<u>\$ 310</u>	<u>\$ 60</u>	<u>\$ 1,279</u>

- (1) During the fourth quarter of 2022, in conjunction with its annual impairment testing, the Company recorded aggregate non-cash impairment charges of \$270 million associated with two tradenames in the Home Solutions segment and one tradename in the Learning and Development segment, as the carrying values exceeded their fair values. The decline in fair values for one tradename in the Home Solutions segment and the tradename in the Learning and Development segment reflected a further downward revision to the forecasted cash flows used in connection with the third quarter triggering event assessment, driven by inflationary pressures which are impacting discretionary spending behavior of consumers at higher rates than previously expected, including higher than expected overhead costs. The decline in fair value for the remaining tradename in the Home Solutions segment reflected a change in management's assumptions, including the timing of a labor shortage recovery in a certain international market, which negatively impacted the long-term profitability estimates used to develop the forecasted cash flow projections for the annual impairment test. During the third quarter of 2022, the Company concluded that a triggering event had occurred for one indefinite-lived tradename in each of the Home Appliances and Home Solutions segments, as a result of a downward revision of forecasted cash flows due to softening global demand, as retailers significantly pulled back on orders in an effort to rebalance inventory and rising interest rates. The decline in global demand is driven primarily by inflationary pressures which are impacting the discretionary spending behavior of consumers. The Company also concluded that a triggering event had occurred for two indefinite-lived tradenames in the Learning and Development segment, as a result of rising interest rates and inflationary pressures. The Company performed a quantitative impairment test and determined that the indefinite-lived tradename in the Home Appliances segment and two indefinite-lived tradenames in the Learning and Development segment were impaired. During the third quarter of 2022, the Company recorded an aggregate non-cash impairment charge of \$40 million, as the carrying values of these tradenames exceeded their fair values.
- (2) During the fourth quarter of 2021, in conjunction with its annual impairment testing, the Company recorded non-cash impairment charges of \$60 million associated with tradenames in the Commercial Solution and Learning and Development segments, as the carrying values exceeded their fair values, reflecting a downward revision of future expected cash flows, which include the impact of the COVID-19 global pandemic.
- (3) During the fourth quarter of 2020, in conjunction with its annual impairment testing, the Company recorded a non-cash impairment charge of \$20 million associated with a tradename in the Learning and Development segment, as its carrying value exceeded its fair value. The impairment reflected a downward revision of forecasted results due to the impact of the delayed and limited re-opening of schools and offices as a result of the COVID-19 global pandemic, as well as the continued deterioration in sales for slime-related adhesive products. During the first quarter of 2020, as a result of the impairment testing performed in connection with COVID-19 pandemic triggering event, the Company determined that certain of its indefinite-lived intangible assets in all of its operating segments were impaired and recorded non-cash impairment charges of \$1.3 billion to reflect the impairment of these indefinite-lived tradenames because their carrying values exceeded their fair values.



One tradename in the Home Solutions segment had a fair value within 10% of its associated carrying values of \$25 million. A hypothetical 10% reduction in forecasted earnings before interest, taxes and amortization used in the discounted cash flows to estimate the fair value of this tradename would have resulted in an additional impairment charge of \$2 million. In addition, one tradename in the Home Solutions segment, one tradename in the Learning and Development segment, and one tradename in the Outdoor and Recreation Segment had fair values within 10% of their associated carrying values of \$68 million, \$36 million, and \$58 million, respectively. A hypothetical increase of 100 basis points in the discount rate used in the discounted cash flows to estimate fair values of these tradenames would have resulted in additional impairment charges of \$7 million, \$5 million, and \$3 million, respectively.

The table below summarizes the balance of other intangible assets, net and the related amortization periods using the straight-line method and attribution method at December 31, 2022 and 2021 (in millions):

	December 31, 2022			December 31, 2021			Amortization Periods (In years)
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value	
Tradenames - indefinite life	\$ 1,689	\$ —	\$ 1,689	\$ 2,219	\$ —	\$ 2,219	N/A
Tradenames - other	160	(79)	81	159	(65)	94	2 - 15
Capitalized software	602	(481)	121	631	(495)	136	3 - 12
Patents and intellectual property	22	(17)	5	22	(14)	8	3 - 14
Customer relationships and distributor channels	1,072	(319)	753	1,216	(303)	913	3 - 30
	<u>\$ 3,545</u>	<u>\$ (896)</u>	<u>\$ 2,649</u>	<u>\$ 4,247</u>	<u>\$ (877)</u>	<u>\$ 3,370</u>	

Amortization expense for intangible assets was \$100 million, \$120 million and \$157 million in 2022, 2021 and 2020, respectively.

At December 31, 2022, the aggregate estimated intangible amortization amounts for the succeeding five years are as follows (in millions):

Years ending December 31,	Amount
2023	\$ 97
2024	89
2025	79
2026	68
2027	59
Thereafter	568

#### Footnote 8 — Other Accrued Liabilities

Other accrued liabilities included the following at December 31, (in millions):

	2022	2021
Customer accruals	\$ 636	\$ 715
Operating lease liabilities	121	122
Accrued self-insurance liabilities, contingencies and warranty	99	125
Accrued marketing and freight expenses	73	59
Accrued interest expense	63	56
Accrued income taxes	53	43
Other	227	244
	<u>\$ 1,272</u>	<u>\$ 1,364</u>

Customer accruals are promotional allowances and rebates, including cooperative advertising, given to customers in exchange for their selling efforts and volume purchased, as well as allowances for returns. Payments for annual rebates and other customer programs are generally made in the first quarter of the year. Self-insurance liabilities relate to casualty liabilities such as workers' compensation, general and product liability and auto liability and are estimated based upon historical loss experience combined with actuarial evaluation methods, review of significant individual files and the application of risk transfer programs.

## Footnote 9 — Debt

The following is a summary of outstanding debt at December 31, (in millions):

	2022	2021
3.85% senior notes due 2023	\$ —	\$ 1,086
4.00% senior notes due 2024	196	203
4.875% senior notes due 2025	496	494
3.90% senior notes due 2025	47	47
4.20% senior notes due 2026	1,978	1,975
6.375% senior notes due 2027	483	—
6.625% senior notes due 2029	481	—
5.375% senior notes due 2036	417	417
5.50% senior notes due 2046	658	658
Revolving credit facility	225	—
Commercial paper	359	—
Receivables facility	35	—
Other debt	2	6
Total debt	5,377	4,886
Short-term debt and current portion of long-term debt	(621)	(3)
Long-term debt	<u>\$ 4,756</u>	<u>\$ 4,883</u>

### Senior Notes

On October 19, 2022, the Company redeemed its 3.85% senior notes due April 2023 (the “April 2023 Notes”) at a redemption price equal to 100.002% of the outstanding aggregate principal amount of the notes, plus accrued and unpaid interest to the date of the redemption. The total consideration was approximately \$1.09 billion, and the Company recorded a debt extinguishment loss of \$1 million.

On September 14, 2022, the Company completed a registered public offering of \$500 million principal amount of 6.375% senior notes that mature in September 2027 (the “September 2027 Notes”) and \$500 million principal amount of 6.625% senior notes that mature in September 2029 (the “September 2029 Notes”). The Company received proceeds of approximately \$989 million, net of fees and expenses paid. The September 2027 Notes and the September 2029 Notes are subject to similar restrictive and financial covenants as the Company’s existing senior notes, however, they are not subject to the interest rate adjustment or coupon step up provisions of certain other notes described below. The September 2027 Notes and the September 2029 Notes are redeemable in whole or in part, at the option of the Company (i) at any time prior to three months before the stated maturity dates at a redemption price equal to or greater of (a) the principal amount of the notes being redeemed or (b) the sum of the present values of the remaining scheduled payments of principal and interest on the notes being redeemed, discounted to the redemption date on a semi-annual basis, plus the applicable make-whole amount of 50 basis points, plus in each case, accrued and unpaid interest on the notes being redeemed to, but not including, the redemption date; or (ii) at any time on or after three months prior to respective maturity dates, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest to the redemption dates. The Company used the net proceeds from the September 2027 and September 2029 Notes, together with available cash, to redeem the April 2023 Notes during the fourth quarter of 2022.

As a result of the debt ratings downgrades by S&P Global Inc. (“S&P”) and Moody’s Corporation (“Moody’s”) in 2019 and 2020, respectively, certain of the Company’s outstanding senior notes currently aggregating to approximately \$3.1 billion were subject to an interest rate adjustment of 25 basis points for each downgrade, totaling 50 basis points. In addition, the Company’s ability to borrow from the commercial paper market on terms it deemed acceptable or favorable was eliminated and its cost of borrowing increased. The Company’s ability to borrow under the Credit Revolver was not affected by the downgrades. On February 11, 2022, S&P upgraded the Company’s debt rating to “BBB-” from “BB+”. Since the S&P upgrade, the Company has been in a position to access the commercial paper market. The Company can currently issue commercial paper up to a maximum of \$1.5 billion, provided there is a sufficient amount available for borrowing under the Credit Revolver (defined hereafter). In addition, the interest rate on the relevant senior notes decreased by 25 basis points, reducing the Company’s interest expense by approximately \$8 million on an annualized basis (approximately \$7 million impact in 2022). However, certain of the Company’s outstanding senior notes aggregating to approximately \$3.1 billion are still subject to an interest rate adjustment of 25 basis points in connection with the Moody’s downgrade of the Company’s debt rating in 2020.

On February 14, 2023, Fitch Ratings downgraded the Company’s debt rating to “BB”. This downgrade does not impact the interest rates on any of the Company’s senior notes.

### Receivables Facility

The Company maintains an Accounts Receivable Securitization Facility (the “Securitization Facility”). During the second quarter of 2022, the Company amended the Securitization Facility. This amendment (i) reduced the aggregate commitment under the Securitization Facility to \$375 million from \$600 million, (ii) extended its maturity by one year to October 2023 and (iii) changed the reference rate under the Securitization Facility from LIBOR to SOFR. The Securitization Facility bears interest at a margin over a variable interest rate. The maximum availability under the Securitization Facility fluctuates based on eligible accounts receivable balances. At December 31, 2022, the Company had \$35 million outstanding under the Securitization Facility.

### Revolving Credit Facility

On August 31, 2022, the Company entered into a \$1.5 billion senior unsecured revolving credit facility (the “Credit Revolver”) that matures in August 2027. The Credit Revolver refinanced the Company’s previous \$1.25 billion senior unsecured revolving credit facility that was scheduled to mature in December 2023.

Under the Credit Revolver, the Company may borrow funds on a variety of interest rate terms. The Credit Revolver provides committed back-up liquidity for the issuance of commercial paper, in each case, to the extent there is sufficient availability for borrowing under the Credit Revolver. At December 31, 2022, the Company has \$225 million of outstanding borrowings under the Credit Revolver and \$359 million in commercial paper borrowings.

The Credit Revolver provides for the issuance of up to \$150 million of letters of credit, so long as there is sufficient availability for borrowing under the Credit Revolver. At December 31, 2022, the Company had approximately \$22 million of outstanding standby letters of credit issued against the Credit Revolver, with a net availability of approximately \$1.25 billion. The Company was in compliance with all of its debt covenants at December 31, 2022.

### Future Debt Maturities

The Company’s debt maturities for the five years following December 31, 2022 and thereafter are as follows (in millions):

2023	2024	2025	2026	2027	Thereafter	Total
\$621	\$201	\$547	\$1,985	\$500	\$1,587	\$5,441

### Other

The indentures governing the Company’s senior notes contain usual and customary nonfinancial covenants. The Company’s borrowing arrangements other than the senior notes contain usual and customary nonfinancial covenants and certain financial covenants, including minimum interest coverage and maximum debt-to-total-capitalization ratios.

The weighted average interest rates for total debt in 2022 and 2021 were approximately 4.3% and 4.7%, respectively. The weighted average interest rate for short term debt in 2022 was approximately 4.0%.

At December 31, 2022 and 2021, unamortized deferred debt issue costs were \$30 million and \$24 million, respectively. These costs are included in total debt and are being amortized over the respective terms of the underlying debt.

The fair values of the Company’s senior notes are based on quoted market prices and are as follows at December 31, (in millions):

	2022		2021	
	Fair Value	Book Value	Fair Value	Book Value
Senior notes	\$ 4,511	\$ 4,756	\$ 5,477	\$ 4,880

The carrying amounts of all other significant debt approximates fair value.

## Net Investment Hedge

The Company previously designated the €300 million principal balance of the 3.75% senior notes due October 2021 as a net investment hedge of the foreign currency exposure of its net investment in certain Euro-functional currency subsidiaries with Euro-denominated net assets. In conjunction with the redemption of the October 2021 Notes, the Company settled this net investment hedge. At December 31, 2021, \$11 million of deferred losses have been recorded in AOCL. See *Footnote 10* for disclosures regarding the Company's derivative financial instruments.

## Footnote 10 — Derivatives and Foreign Currency Operations

### Derivatives

Derivative financial instruments are generally used to manage certain commodity, interest rate and foreign currency risks. These instruments primarily include interest rate swaps, forward starting interest rate swaps, forward exchange contracts and options. The Company's forward exchange contracts and options generally do not subject the Company to exchange rate risk because gains and losses on these instruments generally offset gains and losses on the assets, liabilities and other transactions being hedged. However, these instruments, when settled, impact the Company's cash flows from operations to the extent the underlying transaction being hedged is not simultaneously settled due to an extension, a renewal or otherwise.

On the date when the Company enters into a derivative, the derivative is designated as a hedge of the identified exposure. The Company measures effectiveness of its hedging relationships both at hedge inception and on an ongoing basis.

### Interest Rate Contracts

The Company manages its fixed and floating rate debt mix using interest rate swaps. The Company may use fixed and floating rate swaps to alter its exposure to the impact of changing interest rates on its consolidated results of operations and future cash outflows for interest. Floating rate swaps would be used, depending on market conditions, to convert the fixed rates of long-term debt into short-term variable rates. Fixed rate swaps would be used to reduce the Company's risk of the possibility of increased interest costs. The settlement of interest rate swaps is included in interest expense.

### Fair Value Hedges

At December 31, 2022, the Company had approximately \$1.1 billion notional amount of interest rate swaps that exchange a fixed rate of interest for a variable rate of interest plus a weighted average spread. These floating rate swaps are designated as fair value hedges against \$500 million of principal on the 6.375% senior notes due 2027, \$500 million of principal on the 6.625% senior notes due 2029 and \$100 million of principal on the 4.00% senior notes due 2024 for the remaining life of the notes. The effective portion of the fair value gains or losses on these swaps is offset by fair value adjustments in the underlying debt.

### Cross-Currency Contracts

The Company uses cross-currency swaps to hedge foreign currency risk on certain financing arrangements. The Company previously entered into three cross-currency swaps, maturing in January 2025, February 2025 and September 2027, respectively, with an aggregate notional amount of \$1.26 billion. Each of these cross-currency swaps were designated as net investment hedges of the Company's foreign currency exposure of its net investment in certain Euro-functional currency subsidiaries with Euro-denominated net assets, and the Company pays a fixed rate of Euro-based interest and receives a fixed rate of U.S. dollar interest. During the third quarter of 2022, the Company entered into two cross-currency swaps with notional amounts of \$500 million each, one maturing in September 2027 and the other in September 2029. These swaps were also designated as net investment hedges of the Company's foreign currency exposure of its net investment in certain Euro-functional currency subsidiaries with Euro-denominated net assets, and the Company pays a floating rate of Euro-based interest and receives a floating rate of U.S. dollar interest. The Company has elected the spot method for assessing the effectiveness of these contracts. During the years ended December 31, 2022, 2021 and 2020, the Company recognized income of \$31 million, \$16 million and \$14 million, respectively, in interest expense, net, related to the portion of cross-currency swaps excluded from hedge effectiveness testing.

### Foreign Currency Contracts

The Company uses forward foreign currency contracts to mitigate the foreign currency exchange rate exposure on the cash flows related to forecasted inventory purchases and sales with maturity dates through December 2023. The derivatives used to hedge these forecasted transactions that meet the criteria for hedge accounting are accounted for as cash flow hedges. The effective portion of the gains or losses on these derivatives is deferred as a component of AOCL until it is recognized in earnings at the same time that the hedged item affects earnings and is included in the same caption in the statements of operations as the underlying hedged item.

At December 31, 2022, the Company had approximately \$379 million notional amount outstanding of forward foreign currency contracts that are designated as cash flow hedges of forecasted inventory purchases and sales.

The Company also uses foreign currency contracts, primarily forward foreign currency contracts, to mitigate the foreign currency exposure of certain other foreign currency transactions. At December 31, 2022, the Company had approximately \$926 million notional amount outstanding of these foreign currency contracts that are not designated as effective hedges for accounting purposes and have maturity dates through August 2023. Fair market value gains or losses are included in the results of operations and are classified in other (income) expense, net in the Company's Consolidated Statement of Operations.

The following table presents the fair value of derivative financial instruments at December 31, (in millions):

	Balance Sheet Location	2022		2021	
		Assets (Liabilities)		Assets (Liabilities)	
<b>Derivatives designated as effective hedges:</b>					
<i>Cash Flow Hedges:</i>					
Foreign currency contracts	Prepaid expenses and other current assets	\$	5	\$	12
Foreign currency contracts	Other accrued liabilities		(9)		(2)
<i>Fair Value Hedges:</i>					
Interest rate swaps	Other assets		—		3
Interest rate swaps	Other accrued liabilities		(14)		—
Interest rate swaps	Other noncurrent liabilities		(16)		—
<i>Net Investment Hedges:</i>					
Cross-currency swaps	Prepaid expenses and other current assets		28		18
Cross-currency swaps	Other assets		45		—
Cross-currency swaps	Other noncurrent liabilities		(75)		(41)
<b>Derivatives not designated as effective hedges:</b>					
Foreign currency contracts	Prepaid expenses and other current assets		19		7
Foreign currency contracts	Other accrued liabilities		(10)		(14)
<b>Total</b>		<b>\$</b>	<b>(27)</b>	<b>\$</b>	<b>(17)</b>

The Company recognized income (expense) of \$(13) million, \$13 million and \$(9) million in other (income) expense, net, during 2022, 2021 and 2020, respectively, related to derivatives that are not designated as hedging instruments. Gains and losses on these derivatives are generally offset by foreign currency movement in the underlying exposure.

The Company is not a party to any derivatives that require collateral to be posted prior to settlement.

The following table presents pre-tax gain and (loss) activity for 2022, 2021 and 2020 related to derivative financial instruments designated as effective hedges:

(in millions)	2022		2021		2020	
	Gain/(Loss)		Gain/(Loss)		Gain/(Loss)	
	Recognized in OCL <sup>(1)</sup>	Reclassified from AOCL to Income	Recognized in OCL <sup>(1)</sup>	Reclassified from AOCL to Income	Recognized in OCL <sup>(1)</sup>	Reclassified from AOCL to Income
Interest rate swaps <sup>(2)</sup>	\$ —	\$ (6)	\$ —	\$ (6)	\$ —	\$ (7)
Foreign currency contracts <sup>(3)</sup>	24	27	14	(17)	4	13
Cross-currency swaps <sup>(4)</sup>	21	—	69	—	(92)	—
<b>Total</b>	<b>\$ 45</b>	<b>\$ 21</b>	<b>\$ 83</b>	<b>\$ (23)</b>	<b>\$ (88)</b>	<b>\$ 6</b>

(1) Represents effective portion recognized in Other Comprehensive Loss ("OCL").

(2) Portion reclassified from AOCL to income recognized in interest expense, net.

(3) Portion reclassified from AOCL to income recognized in net sales and cost of products sold.

(4) Portion reclassified from AOCL to income recognized in other (income) expense, net.

At December 31, 2022, deferred net gains of approximately \$10 million within AOCL are expected to be reclassified to earnings over the next twelve months.

## Foreign Currency Operations

Assets and liabilities of foreign subsidiaries are translated into U.S. dollars at the rates of exchange in effect at year-end. The related translation adjustments are made directly to AOCL. Income and expenses are translated at the average monthly rates of exchange in effect during the year. Foreign currency transaction gains and losses are included in the results of operations and are generally classified in other (income) expense, net, in the Consolidated Statements of Operations. Foreign currency transaction net losses for 2022, 2021 and 2020 were \$41 million, \$5 million and \$14 million, respectively.

The Company designates certain foreign currency denominated, long-term intercompany financing transactions as being of a long-term investment nature and records gains and losses on the transactions arising from changes in exchange rates as translation adjustments.

## Footnote 11 — Employee Benefit and Retirement Plans

The Company and its subsidiaries have noncontributory pension, profit sharing and contributory 401(k) plans covering substantially all of their international and domestic employees. Pension plan benefits are generally based on years of service and/or compensation. The Company's funding policy is to contribute not less than the minimum amounts required by the Employee Retirement Income Security Act of 1974, as amended, the Internal Revenue Code of 1986, as amended, or foreign statutes to ensure that plan assets will be adequate to provide retirement benefits.

The funded status of the Company's defined benefit pension plans and postretirement benefit plans is recognized in the Consolidated Balance Sheets. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation at December 31, the measurement date. For defined benefit pension and postretirement benefit plans, the benefit obligation is the projected benefit obligation ("PBO"), which represents the actuarial present value of benefits expected to be paid upon retirement based on employee services already rendered and estimated future compensation levels. The fair value of plan assets represents the current market value of assets held for the sole benefit of participants. Over funded plans, with the fair value of plan assets exceeding the benefit obligation, are aggregated and recorded as a prepaid pension asset equal to this excess. Underfunded plans, with the benefit obligation exceeding the fair value of plan assets, are aggregated and recorded as a retirement and postretirement benefit obligation equal to this excess. The current portion of the retirement and postretirement benefit obligations represents the actuarial present value of benefits payable in the next 12 months exceeding the fair value of plan assets, measured on a plan-by-plan basis. This obligation is recorded in other accrued liabilities in the Consolidated Balance Sheets. Net periodic pension and postretirement benefit cost/(income) is recorded in the Consolidated Statements of Operations and includes service cost, interest cost, expected return on plan assets, amortization of prior service costs/(credits) and (gains)/losses previously recognized as a component of AOCL and amortization of the net transition asset remaining in AOCL. The service cost component of net benefit cost is recorded in cost of products sold and SG&A in the Consolidated Statements of Operations (unless eligible for capitalization) based on the employees' respective functions. The other components of net benefit cost are presented separately from service cost within other (income) expense, net in the Consolidated Income Statement. In 2023, the amount of AOCL expected to be recognized in pension and postretirement benefit (income) expense is an expense of \$6 million and an income of \$6 million, respectively.

(Gains)/losses and prior service costs/(credits) are recognized as a component of OCL in the Consolidated Statements of Comprehensive Income (Loss) as they arise. Those (gains)/losses and prior service costs/(credits) are subsequently recognized as a component of net periodic cost/(income) pursuant to the recognition and amortization provisions of applicable accounting guidance. (Gains)/losses arise as a result of differences between actual experience and assumptions or as a result of changes in actuarial assumptions. Prior service costs/(credits) represent the cost of benefit changes attributable to prior service granted in plan amendments.

The measurement of benefit obligations and net periodic cost/(income) is based on estimates and assumptions approved by the Company's management. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain assumptions, including estimates of discount rates, expected return on plan assets, rate of compensation increases, interest crediting rates and mortality rates.

The Company has a Supplemental Executive Retirement Plan ("SERP"), which is a nonqualified defined benefit and defined contribution plan pursuant to which the Company will pay supplemental benefits to certain key employees upon retirement based upon the employees' years of service and compensation. The SERP is primarily funded through a trust agreement with a trustee that owns life insurance policies on both active and former key employees with aggregate net death benefits of \$298 million. At December 31, 2022 and 2021, the life insurance contracts were accounted for using the investment method and had a cash surrender value of \$141 million and \$142 million, respectively, and are included in other assets in the Consolidated Balance Sheets. All

premiums paid and proceeds received associated with the life insurance policies are included as investing activities in the Consolidated Statements of Cash Flows. The projected benefit obligation was \$81 million and \$109 million at December 31, 2022 and 2021, respectively. The SERP liabilities are included in the pension table below; however, the value of the Company's investments in the life insurance contracts, cash and mutual funds are excluded from the table, as they do not qualify as plan assets.

The Company's matching contributions to the Company's contributory 401(k) plans were \$37 million, \$36 million and \$35 million for 2022, 2021 and 2020, respectively.

#### **U.K. Defined Benefit Plan**

In February 2022, the Company entered into an agreement with an insurance company for a bulk annuity purchase or "buy-in" for one of its U.K. defined benefit pension plans, resulting in an exchange of plan assets for an annuity that matches the plan's future projected benefit obligations to covered participants. The Company anticipates the "buy-out" for the plan to be completed in 2023. The non-cash settlement charge associated with the transaction is expected to be approximately £50 million to £70 million.

#### **U.S. Defined Benefit Plan Partial Buyout**

During the fourth quarter of 2020, the Company entered into an agreement with an insurance company to purchase a group annuity contract to settle approximately \$157 million of projected benefit obligations for approximately 44% of the retirees in one of its U.S. defined benefit pension plans. The irrevocable transaction for the transfer of pension liability to the insurance company was funded with the plan's existing assets. Payments from the insurance company to the beneficiaries commenced on January 1, 2021. In 2020, in connection with this transaction, the Company recorded a pre-tax settlement loss to reclassify approximately \$49 million into earnings from AOCL.

## Defined Benefit Pension Plans

The following provides a reconciliation of benefit obligations, plan assets and funded status of the Company's noncontributory defined benefit pension plans, including the SERP, at December 31, (dollars in millions):

	Pension Benefits				Postretirement Benefits	
	United States		International		2022	2021
	2022	2021	2022	2021		
<b>Change in benefit obligation:</b>						
Benefit obligation at beginning of year	\$ 1,238	\$ 1,357	\$ 623	\$ 668	\$ 41	\$ 51
Service cost	—	—	4	4	—	—
Interest cost	25	20	8	6	1	1
Actuarial (gain) loss	(247)	(53)	(137)	(14)	(8)	(7)
Amendments	—	—	—	1	—	—
Currency translation	—	—	(56)	(16)	—	—
Benefits paid	(80)	(86)	(23)	(25)	(4)	(4)
Acquisitions and dispositions, net	—	—	—	—	—	—
Curtailments, settlements and other	—	—	(2)	(1)	—	—
Benefit obligation at end of year <sup>(1)</sup>	\$ 936	\$ 1,238	\$ 417	\$ 623	\$ 30	\$ 41
<b>Change in plan assets:</b>						
Fair value of plan assets at beginning of year	1,133	1,161	595	627	—	—
Actual return on plan assets	(220)	48	(166)	(7)	—	—
Contributions	10	10	7	10	4	4
Currency translation	—	—	(57)	(9)	—	—
Benefits paid	(80)	(86)	(23)	(25)	(4)	(4)
Settlements and other	—	—	(2)	(1)	—	—
Fair value of plan assets at end of year	\$ 843	\$ 1,133	\$ 354	\$ 595	\$ —	\$ —
Funded status at end of year	\$ (93)	\$ (105)	\$ (63)	\$ (28)	\$ (30)	\$ (41)
<b>Amounts recognized in the Consolidated Balance Sheets:</b>						
Prepaid benefit cost, included in other assets	\$ 7	\$ 29	\$ 23	\$ 102	\$ —	\$ —
Accrued current benefit cost—other accrued liabilities	(11)	(11)	(4)	(4)	(4)	(5)
Accrued noncurrent benefit cost— other noncurrent liabilities	(89)	(123)	(82)	(126)	(26)	(36)
Net amount recognized	\$ (93)	\$ (105)	\$ (63)	\$ (28)	\$ (30)	\$ (41)
<b>Assumptions:</b>						
<b>Weighted-average assumptions used to determine benefit obligation:</b>						
Discount rate	5.20 %	2.64 %	4.07 %	1.60 %	5.11 %	2.34 %
Long-term rate of compensation increase	3.00 %	3.00 %	2.41 %	2.25 %	— %	— %
Current health care cost trend rates	— %	— %	— %	— %	6.65 %	6.21 %
Ultimate health care cost trend rates	— %	— %	— %	— %	4.50 %	4.50 %

(1) The accumulated benefit obligation for all defined benefit pension plans was \$1.4 billion and \$1.9 billion at December 31, 2022 and 2021, respectively.

There are no plan assets associated with the Company's postretirement benefit plans.

The current healthcare cost trend rate gradually declines through 2038 to the ultimate trend rate and remains level thereafter.



Summary of under-funded or non-funded pension benefit plans with projected benefit obligations in excess of plan assets at December 31, (in millions):

	Pension Benefits	
	2022	2021
Projected benefit obligation	\$ 311	\$ 469
Fair value of plan assets	125	205

Summary of pension plans with accumulated obligations in excess of plan assets at December 31, (in millions):

	Pension Benefits	
	2022	2021
Accumulated benefit obligation	\$ 303	\$ 454
Fair value of plan assets	123	205

### Pension and Postretirement Benefit Expense

The components of pension and postretirement benefit expense for the periods indicated are as follows (dollars in millions):

	Pension Benefits					
	United States			International		
	2022	2021	2020	2022	2021	2020
Service cost	\$ —	\$ —	\$ —	\$ 4	\$ 4	\$ 4
Interest cost	25	20	35	8	6	9
Expected return on plan assets	(47)	(51)	(59)	(6)	(3)	(6)
Amortization:						
Prior service cost	—	—	—	1	1	1
Net actuarial loss	16	22	23	2	3	3
Curtailment, settlement and termination costs	—	—	52	—	—	1
Total (income) expense	\$ (6)	\$ (9)	\$ 51	\$ 9	\$ 11	\$ 12

#### Assumptions

Weighted average assumption used to calculate net periodic cost:

Effective discount rate for benefit obligations	2.64 %	2.16 %	3.06 %	1.61 %	1.22 %	1.79 %
Effective rate for interest on benefit obligations	2.13 %	1.54 %	2.65 %	1.46 %	0.92 %	1.55 %
Effective rate for service cost	2.94 %	2.63 %	3.43 %	0.96 %	0.71 %	0.92 %
Effective rate for interest on service cost	2.97 %	2.61 %	3.41 %	0.78 %	0.54 %	0.75 %
Long-term rate of return on plan assets	4.75 %	5.25 %	5.50 %	1.06 %	0.51 %	1.08 %
Long-term rate of compensation increase	3.00 %	3.00 %	3.00 %	2.27 %	2.18 %	2.32 %

#### Postretirement Benefits

	2022	2021	2020
	Interest cost	\$ 1	\$ 1
Amortization:			
Prior service credit	—	—	(2)
Net actuarial gain	(5)	(3)	(4)
Total income	\$ (4)	\$ (2)	\$ (5)

#### Assumptions

Weighted average assumption used to calculate net periodic cost:

Effective discount rate for benefit obligations	2.34 %	1.80 %	2.80 %
Effective rate for interest on benefit obligations	1.77 %	1.18 %	2.41 %
Effective rate for service cost	1.98 %	1.32 %	2.52 %
Effective rate for interest on service cost	1.67 %	1.02 %	2.27 %

The components of net periodic pension and postretirement costs other than the service cost component are included in other (income) expense, net in the Consolidated Statements of Operations.

## Plan Assets

The Company employs a total return investment approach for its pension plans whereby a mix of equities and fixed income investments are used to optimize the long-term return of pension plan assets. The intent of this strategy is to minimize plan expenses by outperforming plan liabilities over the long run. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and the Company's financial condition. The domestic investment portfolios contain a diversified blend of equity and fixed-income investments. The domestic equity investments are diversified across geography and market capitalization through investments in U.S. large-capitalization stocks, U.S. small-capitalization stocks and international securities. The domestic fixed income investments are primarily comprised of investment-grade and high-yield securities through investments in corporate and government bonds, government agencies and asset-backed securities. The Level 1 investments are primarily based upon quoted market prices. The domestic Level 3 investments are primarily comprised of insurance contracts valued at contract value. The investments excluded from the fair value hierarchy are net asset value-based ("NAV-based") hedge fund investments that generally have a redemption frequency of 90 days or less, with various redemption notice periods that are generally less than a month. The notice periods for certain investments may vary based on the size of the redemption. The international Level 2 investments are primarily comprised of insurance contracts whose fair values are estimated based on the future cash flows to be received under the contracts discounted to the present using a discount rate that approximates the discount rate used to measure the associated pension plan liabilities. The international Level 3 investments are primarily comprised of insurance contracts valued at contract value. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset/liability studies and quarterly investment portfolio reviews.

The expected long-term rate of return for plan assets is based upon many factors, including expected asset allocations, historical asset returns, current and expected future market conditions, risk and active management premiums. The expected long-term rate of return is adjusted when there are fundamental changes in expected returns on the Company's defined benefit pension plan's investments. The target asset allocations for the Company's domestic pension plans may vary by plan, based in part on plan demographics, funded status and liability duration. In general, the Company's target asset allocations are as follows: equities approximately 10% to 30%; fixed income approximately 70% to 90%; and cash, alternative investments and other, approximately zero to 10% at December 31, 2022. Actual asset allocations may vary from the targeted allocations for various reasons, including market conditions and the timing of transactions. The Company maintains numerous international defined benefit pension plans. The asset allocations for the international investment may vary by plan and jurisdiction and are primarily based upon the plan structure and plan participant profile.

The composition of domestic pension plan assets at December 31, 2022 and 2021 is as follows (in millions):

Plan Assets — Domestic Plans						
December 31, 2022						
Fair Value Measurements						
Asset Category	Level 1	Level 2	Level 3	Subtotal	NAV-based assets	Total
Equity securities and funds	\$ —	\$ —	\$ —	\$ —	\$ 158	\$ 158
Fixed income securities and funds	369	—	—	369	303	672
Alternative investments	—	—	—	—	2	2
Cash and other	8	3	—	11	—	11
Total	\$ 377	\$ 3	\$ —	\$ 380	\$ 463	\$ 843

Plan Assets — Domestic Plans						
December 31, 2021						
Fair Value Measurements						
Asset Category	Level 1	Level 2	Level 3	Subtotal	NAV-based assets	Total
Equity securities and funds	\$ —	\$ —	\$ —	\$ —	\$ 220	\$ 220
Fixed income securities and funds	455	—	—	455	403	858
Alternative investments	—	—	—	—	22	22
Cash and other	19	13	1	33	—	33
Total	\$ 474	\$ 13	\$ 1	\$ 488	\$ 645	\$ 1,133

The composition of international pension plan assets at December 31, 2022 and 2021 is as follows (in millions):

Plan Assets — International Plans						
December 31, 2022						
Asset Category	Fair Value Measurements				NAV-based assets	Total
	Level 1	Level 2	Level 3	Subtotal		
Equity securities and funds	\$ 3	\$ 3	\$ —	\$ 6	\$ —	\$ 6
Fixed income securities and funds	6	5	—	11	—	11
Cash and other	3	140	194	337	—	337
<b>Total</b>	<b>\$ 12</b>	<b>\$ 148</b>	<b>\$ 194</b>	<b>\$ 354</b>	<b>\$ —</b>	<b>\$ 354</b>

Plan Assets — International Plans						
December 31, 2021						
Asset Category	Fair Value Measurements				NAV-based assets	Total
	Level 1	Level 2	Level 3	Subtotal		
Equity securities and funds	\$ 4	\$ 3	\$ —	\$ 7	\$ —	\$ 7
Fixed income securities and funds	314	4	—	318	—	318
Cash and other	22	240	8	270	—	270
<b>Total</b>	<b>\$ 340</b>	<b>\$ 247</b>	<b>\$ 8</b>	<b>\$ 595</b>	<b>\$ —</b>	<b>\$ 595</b>

A reconciliation of the change in fair value of the defined benefit plans' assets using significant unobservable inputs (Level 3) for 2022 and 2021 is as follows (in millions):

	Total
Balance December 31, 2020	\$ 10
Unrealized losses	(1)
Balance December 31, 2021	9
Unrealized losses	(101)
Purchases, sales, settlements and other, net	286
<b>Balance December 31, 2022</b>	<b>\$ 194</b>

### Contributions and Estimated Future Benefit Payments

During 2023, the Company expects to make cash contributions of approximately \$15 million and \$7 million to its domestic and international defined benefit plans, respectively.

Estimated future benefit payments under the Company's defined benefit pension plans and postretirement benefit plans are as follows at December 31, 2022 (in millions):

	2023	2024	2025	2026	2027	Thereafter
Pension benefits	\$ 110	\$ 108	\$ 107	\$ 107	\$ 106	\$ 507
Postretirement benefits	4	4	4	4	3	11

## Footnote 12 — Income Taxes

The components of income (loss) before income taxes for the years ended December 31, (in millions):

	2022	2021	2020
Domestic	\$ (698)	\$ (353)	\$ (923)
Foreign	855	1,113	(78)
<b>Total</b>	<b>\$ 157</b>	<b>\$ 760</b>	<b>\$ (1,001)</b>

The provision for income taxes consists of the following for the years ended December 31, (in millions):

	2022	2021	2020
<b>Current:</b>			
Federal	\$ (245)	\$ 48	\$ (50)
State	6	17	1
Foreign	102	97	74
<b>Total current</b>	<b>(137)</b>	<b>162</b>	<b>25</b>
<b>Deferred:</b>			
Federal	163	(26)	(136)
State	(34)	(20)	(32)
Foreign	(32)	22	(92)
<b>Total deferred</b>	<b>97</b>	<b>(24)</b>	<b>(260)</b>
<b>Total income tax provision (benefit)</b>	<b>\$ (40)</b>	<b>\$ 138</b>	<b>\$ (235)</b>

A reconciliation of the U.S. statutory rate to the effective income tax rate on a continuing basis is as follows for the years ended December 31:

	2022	2021	2020
Statutory rate	21.0 %	21.0 %	21.0 %
Add (deduct) effect of:			
State income taxes, net of federal income tax effect	(14.8)	(0.5)	2.5
U.S. foreign inclusions and foreign tax credit <sup>(1)</sup>	(43.5)	3.6	3.7
Foreign rate differential	(47.2)	(11.6)	2.7
Change in uncertain tax positions	16.7	0.1	4.5
Change in valuation allowance reserve	(13.8)	(3.8)	2.9
Impairments	20.7	—	(4.4)
Sale of businesses	(21.2)	—	—
Capital loss	—	(2.1)	3.0
Reversal of outside basis difference	1.6	0.4	(5.2)
Non-deductible compensation	1.9	0.4	(1.2)
Other taxes	4.5	1.3	(0.9)
U.S. income inclusions on asset transfers	50.3	11.1	(6.9)
Foreign exchange	2.0	—	—
Other	(3.7)	(1.7)	1.8
<b>Effective rate</b>	<b>(25.5)%</b>	<b>18.2 %</b>	<b>23.5 %</b>

(1) The Company accounts for tax on global intangible low-taxed income (“GILTI”) as a period cost and the effects are included herein.

At December 31, 2022, the Company has accumulated unremitted earnings generated by our foreign subsidiaries of approximately \$6.0 billion. A portion of these earnings were subject to U.S. federal taxation with the one-time toll charge. The Company does not assert indefinite reinvestment on a portion of its unremitted earnings of certain foreign subsidiaries as of December 31, 2022 and is recognizing deferred income taxes of approximately \$8 million, primarily related to the future withholding tax effects of those unremitted foreign earnings. With respect to unremitted earnings of \$6.0 billion and any other additional outside basis differences where the Company is continuing to assert indefinite reinvestment, any future reversals could be subject to additional foreign withholding taxes, U.S. state taxes and certain tax impacts relating to foreign currency exchange effects on any future repatriations

of the unremitted earnings. The determination of any unrecognized deferred tax liabilities on the amount of unremitted earnings and other outside basis differences where the Company is asserting indefinite reinvestment is not practicable.

Deferred tax assets (liabilities) consist of the following at December 31, (in millions):

	2022	2021
Deferred tax assets:		
Accruals	\$ 153	\$ 156
Inventory	84	56
Pension and postretirement benefits	49	32
Net operating losses	295	330
Foreign tax credits	27	150
Capital loss carryforward	41	257
Operating lease liabilities	169	169
Other	180	158
Total gross deferred tax assets	998	1,308
Less valuation allowance	(148)	(186)
Net deferred tax assets after valuation allowance	850	1,122
Deferred tax liabilities:		
Accelerated depreciation	(119)	(107)
Amortizable intangibles	(114)	(260)
Outside basis differences	(96)	(96)
Operating lease assets	(154)	(152)
U.S. foreign inclusion recapture	(6)	(62)
Other	(71)	(59)
Total gross deferred tax liabilities	(560)	(736)
Net deferred tax assets	<u>\$ 290</u>	<u>\$ 386</u>

The net deferred tax amounts have been classified in the balance sheet at December 31, (in millions):

	2022	2021
Noncurrent deferred tax assets	\$ 810	\$ 814
Noncurrent deferred tax liabilities	(520)	(428)
Total	<u>\$ 290</u>	<u>\$ 386</u>

At December 31, 2022, the Company has net operating losses (“NOLs”) of approximately \$1.1 billion, comprised of \$162 million in the U.S. and \$941 million outside of the U.S. Approximately \$886 million of these NOLs do not expire and approximately \$217 million expire between 2023 and 2042. Additionally, approximately \$15 million of U.S. federal NOLs are subject to varying limitations on their use under Section 382 of the Internal Revenue Code of 1986, as amended. Of these U.S. federal NOLs, approximately \$12 million are not reflected in the consolidated financial statements and approximately \$32 million were utilized in the current year. At December 31, 2022, the Company has approximately \$1.4 billion of post-apportioned state NOLs, which expire between 2023 and 2042. Additionally, approximately \$2 million of post-apportioned state NOLs are subject to varying limitations on their use under Section 382 of the Internal Revenue Code of 1986, as amended. Of these post-apportioned state NOLs, approximately \$2 million are not reflected in the consolidated financial statements.

The majority of the U.S. foreign tax credits are recognized as a deferred tax asset at December 31, 2022 and were generated at December 31, 2018 and can be carried back one year and carried forward ten years. The Company has approximately \$101 million of U.S. capital loss carryforwards of which approximately \$16 million were generated at December 31, 2020, \$85 million were generated at December 31, 2021, and can be carried back three years and carried forward five years. The Company has approximately \$273 million of post-apportioned state capital loss of which \$128 million was generated at December 31, 2018, \$139 million was generated at December 31, 2020 and \$6 million was generated at December 31, 2021. Of these post-apportioned state capital loss carryforwards, \$100 million can be carried back three years and carried forward five years, and \$172 million can be carried forward five years.

During the year ended December 31, 2022, the Company amended its 2017 U.S. federal income tax return to carryback foreign tax credits generated in 2018 and capital losses generated in 2018 and 2020. The Company also paid \$10 million of tax for the one-time toll charge incurred in 2017 related to the Tax Credits and Jobs Act due to the IRS (defined below) not yet processing the amended 2017 tax return. This resulted in an increase in noncurrent income tax receivable of approximately \$271 million, a decrease in income taxes payable of approximately \$95 million, and an increase in deferred tax liabilities of approximately \$356 million.

The Company routinely reviews valuation allowances recorded against deferred tax assets on a more likely than not basis as to whether the Company will realize the deferred tax assets. In making such a determination, the Company takes into consideration all available and appropriate positive and negative evidence, including projected future taxable income, future reversals of existing taxable temporary differences, the ability to carryback net operating losses, and available tax planning strategies. Although realization is not assured, based on this existing evidence, the Company believes it is more likely than not that the Company will realize the benefit of existing deferred tax assets, net of the valuation allowances.

At December 31, 2022, the Company has a valuation allowance recorded against certain deferred tax assets, primarily state and foreign NOLs and various income tax credits, which the Company believes do not meet the more likely than not threshold to be realized due to uncertainty of future taxable income within the applicable tax jurisdictions. A valuation allowance of \$148 million and \$186 million was recorded against certain deferred tax asset balances at December 31, 2022 and 2021, respectively. For 2022, the Company recorded a net valuation allowance decrease of \$38 million, primarily related to NOLs in Brazil, China and Luxembourg, and other miscellaneous changes in the U.S., state and non-U.S. valuation allowances related to ongoing operations. For 2021, the Company recorded a net valuation allowance decrease of \$27 million, primarily related to NOLs in the U.K. and Luxembourg and other miscellaneous changes in the U.S., state and non-U.S. valuation allowance related to ongoing operations.

The following table summarizes the changes in gross unrecognized tax benefits periods indicated are as follows (in millions):

	2022	2021	2020
Unrecognized tax benefits, January 1,	\$ 457	\$ 452	\$ 474
Increases (decreases):			
Increases in tax positions for prior years	1	1	4
Decreases in tax positions for prior years	(3)	(4)	—
Increase in tax positions for the current period	44	23	40
Settlements with taxing authorities	(13)	(2)	—
Lapse of statute of limitations	(10)	(12)	(66)
Cumulative translation adjustments	—	(1)	—
Unrecognized tax benefits, December 31,	<u>\$ 476</u>	<u>\$ 457</u>	<u>\$ 452</u>

If recognized, \$412 million of unrecognized tax benefits at December 31, 2022, and \$387 million at December 31, 2021, and 2020 would affect the effective tax rate. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as a component of income tax expense. During 2022, 2021, and 2020 the Company recognized income tax expense on interest and penalties of \$5 million, \$7 million and \$5 million, respectively, due to the accrual of current year interest on existing positions offset by the resolution of certain tax contingencies.

The Company anticipates approximately \$6 million of unrecognized tax benefits will reverse within the next 12 months. It is reasonably possible due to activities of various worldwide taxing authorities, including proposed assessments of additional tax and possible settlement of audit issues, that additional changes to the Company's unrecognized tax benefits could occur. In the normal course of business, the Company is subject to audits by worldwide taxing authorities regarding various tax liabilities. The Company's U.S. federal income tax returns for 2011 to 2015 and 2017 to 2019, as well as certain state and non-U.S. income tax returns for various years, are under examination.

The Company files numerous consolidated and separate income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. The statute of limitations for the Company's U.S. federal income tax returns has expired for years prior to 2011 and for 2016. With few exceptions, the Company is no longer subject to other income tax examinations for years before 2016.

On June 18, 2019, the U.S. Treasury and the Internal Revenue Service ("IRS") released temporary regulations under IRC Section 245A ("Section 245A") as enacted by the 2017 U.S. Tax Reform Legislation ("2017 Tax Reform") and IRC Section 954(c)(6) (the "Temporary Regulations") to apply retroactively to the date the 2017 Tax Reform was enacted. On August 21, 2020, the U.S. Treasury and IRS released finalized versions of the Temporary Regulations (collectively with the Temporary Regulations, the "Regulations"). The Regulations seek to limit the 100% dividends received deduction permitted by Section 245A for certain dividends received from controlled foreign corporations and to limit the applicability of the look-through exception to foreign

personal holding company income for certain dividends received from controlled foreign corporations. Before the retroactive application of the Regulations, the Company benefited in 2018 from both the 100% dividends received deduction and the look-through exception to foreign personal holding company income. The Company analyzed the Regulations and concluded the relevant Regulations were not validly issued. Therefore, the Company has not accounted for the effects of the Regulations in its Consolidated Financial Statements for the period ending December 31, 2022. The Company believes it has strong arguments in favor of its position and believes it has met the more likely than not recognition threshold that its position will be sustained. However, due to the inherent uncertainty involved in challenging the validity of regulations as well as a potential litigation process, there can be no assurances that the relevant Regulations will be invalidated or that a court of law will rule in favor of the Company. If the Company's position on the Regulations is not sustained, the Company would be required to recognize an income tax expense of approximately \$180 million to \$220 million related to an income tax benefit from fiscal year 2018 that was recorded based on regulations in existence at the time. In addition, the Company may be required to pay any applicable interest and penalties. The Company intends to vigorously defend its position. On April 4, 2022, in a case not involving the Company, the United States District Court for the District of Colorado granted the taxpayer's motion for summary judgment that the Temporary Regulations were not validly issued on the basis of improper promulgation. The Company is monitoring the impact of this decision and intends to continue to vigorously defend its position.

### Footnote 13 — Leases

The Company recognizes a right of use ("ROU") asset and a liability for all leases whose term is more than 12 months at the lease inception date. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term, which includes any extension the Company reasonably expects to exercise. The Company assesses whether certain service arrangements contain embedded leases where the contract conveys the right to use an asset but is not explicitly identified as a lease arrangement; examples include information technology, third-party logistics and original equipment manufacturers. The Company uses incremental borrowing rates, updated quarterly, that reflect its own external unsecured borrowing rates that are risk-adjusted to approximate secured borrowing rates over similar terms.

For certain non-real estate leases, the portfolio approach is used. The Company also has lease agreements with lease and non-lease components, which are accounted for as a single lease component.

Operating lease expense is recognized on a straight-line basis over the lease term. Operating lease assets and operating lease liabilities are reported as separate lines in the Consolidated Balance Sheets. The current portion of operating lease liabilities is reported in other accrued liabilities in the Consolidated Balance Sheets.

For finance leases, lease payments are allocated between interest expense and reduction of the liability in accordance with an amortization schedule. The ROU asset is amortized on a straight-line basis over the lease term. Assets acquired under finance leases are reported in property, plant and equipment, net.

The depreciable life of leasehold improvements and other lease-related assets are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

Supplemental consolidated balance sheet information for leases at December 31, is as follows (in millions):

	Classification	2022	2021
<b>Assets</b>			
Operating leases	Operating lease assets	\$ 578	\$ 558
Finance leases	Property, plant and equipment, net <sup>(1)</sup>	2	5
Total lease assets		<u>\$ 580</u>	<u>\$ 563</u>
<b>Liabilities</b>			
Current			
Operating leases	Other accrued liabilities	\$ 121	\$ 122
Finance leases	Short-term debt and current portion of long-term debt	1	3
Noncurrent			
Operating leases	Operating lease liabilities	512	500
Finance leases	Long-term debt	1	2
Total lease liabilities		<u>\$ 635</u>	<u>\$ 627</u>

(1) Net of accumulated depreciation of \$18 million and \$16 million, respectively.

Components of lease expense for the years ended December 31, are as follows (in millions):

	2022	2021
<b>Operating lease cost:</b>		
Operating lease cost <sup>(1)</sup>	\$ 172	\$ 166
Variable lease costs <sup>(2)</sup>	21	23
<b>Finance lease cost</b>		
Amortization of leased assets	4	4

(1) Includes short-term leases, which are immaterial.

(2) Consists primarily of additional payments for non-lease components, such as maintenance costs, payments of taxes and additional rent based on a level of the Company's retail store sales.

Remaining lease term and discount rates at December 31, are as follows:

	2022	2021
<b>Weighted-average remaining lease term (years):</b>		
Operating leases	8	8
Finance leases	1	2
<b>Weighted-average discount rate:</b>		
Operating leases	4.6%	3.4%
Finance leases	0.8%	3.6%

Supplemental cash flow information related to leases for the years ended December 31, are as follows (in millions):

	2022	2021
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash flows from operating leases	\$ 160	\$ 163
Financing cash flows from finance leases	3	4

**Right of use assets obtained in exchange for lease liabilities:**

Operating leases	135	144
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Maturities of lease liabilities at December 31, 2022, are as follows (in millions):

	Operating Leases	Finance Leases
2023	\$ 145	\$ 1
2024	121	1
2025	98	—
2026	80	—
2027	63	—
Thereafter	216	—
Total lease payments	723	2
Less: imputed interest	(90)	—
Present value of lease liabilities	<u>\$ 633</u>	<u>\$ 2</u>

**Footnote 14 — Earnings Per Share**

The computations of the weighted average shares outstanding for the years ended December 31, are as follows (in millions):

	2022	2021	2020
Basic weighted-average shares outstanding	415.7	425.3	424.1
Dilutive securities <sup>(1)</sup>	1.7	2.7	—
Diluted weighted-average shares outstanding	<u>417.4</u>	<u>428.0</u>	<u>424.1</u>

(1) For 2020, 1.1 million potentially dilutive share-based awards were excluded as their effect would be anti-dilutive.



At December 31, 2022, there were 0.1 million potentially dilutive restricted stock awards with performance-based targets that were not met and as such, have been excluded from the computation of diluted earnings per share. At December 31, 2021 and 2020, there were no potentially dilutive restricted stock awards with performance-based targets that were not met.

For 2022, 2021 and 2020 dividends and equivalents for share-based awards expected to be forfeited did not have a material impact on net income for basic and diluted earnings per share.

### Share Repurchase Program

On February 6, 2022, the Company's Board of Directors authorized a \$375 million Share Repurchase Program ("SRP"), effective immediately through the end of 2022. Under the SRP, the Company may purchase its common shares in the open market, in negotiated transactions or in other manners, as permitted by federal securities laws and other legal requirements. On February 25, 2022, the Company repurchased \$275 million of its shares of common stock beneficially owned by Carl C. Icahn and certain of his affiliates (collectively, "Icahn Enterprises"), at a purchase price of \$25.86 per share, the closing price of the Company's common shares on February 18, 2022. During the three months ended June 30, 2022, the Company repurchased approximately \$50 million of its shares of common stock at an average purchase price of \$22.01 per share.

### Footnote 15 — Share-Based Compensation

Stock-based compensation expense is adjusted for estimated forfeitures and is recognized on a straight-line basis over the requisite service period of the award, which is generally three years for stock options and one to three years for restricted stock units and performance-based restricted stock units. The Company estimates future forfeiture rates based on its historical experience.

The Company maintains a 2013 Incentive Plan and a 2022 Incentive Plan (collectively, the "Incentive Plans"), which allow for grants of stock-based awards. At December 31, 2022, there were approximately 51 million share-based awards collectively available for grant under the Incentive Plans. The 2013 Incentive Plan generally provides for stock-based awards to employees to vest over a minimum of three years, although some awards may vest earlier if granted to a new employee or if tied to the achievement of specified market or performance conditions, in which case such awards vest no earlier than one year from the date of grant. The 2022 Incentive Plan generally provides for stock-based awards to employees to vest no earlier than one year from the date of grant, subject to a *de minimis* exception. The stock-based awards granted to employees include stock options and time-based and performance-based restricted stock units, as follows:

#### Stock Options

In years in which the Company has elected to grant stock options, it has issued them at exercise prices equal to the Company's common stock price on the date of grant with contractual terms of ten years. Stock options issued by the Company generally vest and are expensed ratably over three years. Stock option grants are generally subject to forfeiture if employment terminates prior to vesting, except upon retirement, death or disability, in which case the options may remain outstanding and exercisable for a specified period not to exceed the remaining contractual term of the option.

The following table summarizes the changes in the number of shares of common stock for 2022 (shares and aggregate intrinsic value in millions):

	Shares	Weighted-Average Exercise Price Per Share	Weighted Average Remaining Life (years)	Aggregate Intrinsic Value
Outstanding at December 31, 2021	4.8	\$ 21		
Granted	2.2	26		
Exercised	(0.1)	21		
Forfeited	(0.4)	24		
Outstanding at December 31, 2022	<u>6.5</u>	<u>\$ 23</u>	8.0	0
Options exercisable, end of year	2.7	\$ 20	7.1	0

During 2022, the Company awarded 2.2 million time-based stock options with an aggregate grant date fair value of \$14 million. These stock options entitle recipients to purchase shares of the Company's common stock at an exercise price equal to the fair market value of the underlying shares as of the grant date and vest in equal installments over a three-year period.

The weighted average assumptions used to determine the fair value of stock options granted for the years ended December 31, are as follows:

	2022	2021
Expected life in years	6	6
Risk-free interest rate	1.9 %	0.8 %
Expected volatility	42.0 %	44.2 %
Expected dividend yield	5.1 %	5.1 %

The total intrinsic value of options exercised was immaterial in 2022, \$2 million in 2021 and immaterial in 2020.

#### *Time-Based and Performance-Based Restricted Stock Units*

Time-based restricted stock unit awards (“Time-Based RSUs”) represent the right to receive unrestricted shares of stock based on continued employment and are generally subject to forfeiture if employment terminates prior to vesting, except a termination for death, disability or retirement. Time-based RSU awards to employees generally cliff-vest in three years or vest ratably over three years from the date of grant. In the case of retirement (as defined in the award agreement), awards vest in part depending on the employee’s age and years of service.

Time-based RSUs have dividend equivalents credited to the recipient and are paid only to the extent the applicable service criteria is met and the time-based restricted stock units vest and the related stock is issued.

Performance-based restricted stock unit awards (“Performance-Based RSUs”) represent the right to receive unrestricted shares of stock based on continuous employment plus the achievement of Company performance objectives and/or individual performance goals established by the Compensation and Human Capital Committee of the Board of Directors. Such awards are generally subject to forfeiture if employment terminates prior to vesting, except a termination for death, disability or retirement.

The Performance-Based RSUs generally entitle recipients to shares of common stock if performance objectives are achieved, and typically vest no earlier than one year from the date of grant and primarily, no later than three years from the date of grant. The actual number of shares that will ultimately vest is dependent on the level of achievement of the specified performance conditions. For restricted stock units with performance conditions that are based on stock price (“Stock-Price Based RSUs”), the grant date fair value of certain Stock-Price based RSUs is estimated using a Monte Carlo simulation, with the primary input into such valuation being the expected future volatility of the Company’s common stock, and if applicable, the volatilities of the common stocks of the companies in the Company’s peer group, upon which the relative total shareholder return performance is measured. Performance-based RSUs are generally subject to forfeiture if employment terminates prior to vesting. In the case of retirement (as defined in the award agreement), awards vest in part depending on the employee’s age and years of service, subject to the satisfaction of the applicable performance criteria.

The Company accounts for stock-based compensation pursuant to relevant authoritative guidance, which requires measurement of compensation cost for all stock awards at fair value on the date of grant and recognition of compensation, net of estimated forfeitures, over the longer of the derived service period or explicit requisite service period for awards expected to vest. For non-stock-price based Performance-Based RSUs, the Company assesses the probability of achievement of the performance conditions each period and records expense for the awards based on the probable achievement of such metrics.

With respect to Performance-Based RSUs, dividend equivalents are credited to the recipient and are paid only to the extent the applicable performance criteria are met and the Performance-Based RSUs vest and the related stock is issued.

The following table summarizes the changes in the number of outstanding restricted stock units for 2022 (shares in millions):

	Restricted Stock Units	Weighted- Average Grant Date Fair Value Per Share
Outstanding at December 31, 2021	4.3	\$ 22
Granted	1.9	26
Grant adjustment <sup>(1)</sup>	0.3	17
Vested	(1.5)	18
Forfeited	(0.5)	25
Outstanding at December 31, 2022	<u>4.5</u>	<u>\$ 24</u>
Expected to vest at December 31, 2022	2.5	\$ 24

(1) The Grant Adjustment primarily relates to an adjustment in the quantity of Stock-Price Based RSUs ultimately vested during 2022 that were dependent on the level of achievement of the specified performance conditions.

The weighted-average grant-date fair values of awards granted were \$25 and \$21 per share in 2021 and 2020, respectively. The fair values of awards that vested were \$39 million, \$32 million and \$23 million in 2022, 2021 and 2020, respectively.

During 2022, the Company awarded 0.8 million Time-Based RSUs, which had an aggregate grant date fair value of \$21 million, that generally cliff-vest in three years or vest in equal annual installments over a three-year period.

During 2022, the Company also awarded 1.1 million Performance-Based RSUs with an aggregate grant date fair value of \$30 million, that generally entitle the recipients to shares of the Company's common stock at the end of a three-year vesting period. The actual number of shares that will ultimately vest is dependent on the level of achievement of the specified performance conditions.

The following table summarizes the Company's total unrecognized compensation cost related to stock-based compensation at December 31, 2022:

(in millions)	Unrecognized Compensation Cost	Weighted Average Period of Expense Recognition (in years)
Restricted stock units	\$ 18	1
Stock options	8	1
Total	<u>\$ 26</u>	1

Excess tax benefits (detriments) related to stock-based compensation for 2022, 2021 and 2020 were \$2 million, \$1 million and \$(8) million, respectively.

#### Footnote 16 — Fair Value Disclosures

Accounting principles generally accepted in the U.S. define fair value as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. As the basis for evaluating such inputs, a three-tier value hierarchy prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices for identical assets or liabilities in active markets.

Level 2: Observable inputs other than quoted prices that are directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets; quoted prices for similar or identical assets or liabilities in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

### Recurring Fair Value Measurements

The Company's financial assets and liabilities adjusted to fair value at least annually are its money market fund investments included in cash and cash equivalents, its mutual fund investments included in other assets, and its derivative instruments, which are primarily included in prepaid expenses and other, other assets, other accrued liabilities and other noncurrent liabilities.

The following tables present the Company's non-pension financial assets and liabilities, which are measured at fair value on a recurring basis (in millions):

	December 31, 2022				December 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivatives:								
Assets	\$ —	\$ 97	\$ —	\$ 97	\$ —	\$ 40	\$ —	\$ 40
Liabilities	—	(124)	—	(124)	—	(57)	—	(57)
Investment securities, including mutual funds	14	—	—	14	13	—	—	13

For publicly-traded investment securities, including mutual funds, fair value is determined on the basis of quoted market prices and, accordingly, such investments are classified as Level 1. Other investment securities are primarily comprised of money market accounts that are classified as Level 2. The Company determines the fair value of its derivative instruments using standard pricing models and market-based assumptions for all significant inputs, such as yield curves and quoted spot and forward exchange rates. Accordingly, the Company's derivative instruments are classified as Level 2.

During 2019, the Company acquired an equity investment for \$18 million, which is traded on an active exchange and therefore has a readily determinable fair value. At December 31, 2022, the fair value of the equity investment was \$12 million. For equity investments with readily determinable fair values, the Company recorded unrealized gain of \$1 million for 2022 and \$2 million for 2021 and immaterial unrealized loss in 2020, within other (income) expense, net in the Consolidated Statement of Operations.

The Company adjusts its pension asset values to fair value on an annual basis (See *Footnote 11*).

### Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, derivative instruments, notes payable and short and long-term debt. The carrying values for current financial assets and liabilities, including cash and cash equivalents, accounts receivable, accounts payable and short-term debt approximate fair value due to the short maturity of such instruments. The fair values of the Company's debt and derivative instruments are disclosed in *Footnote 9* and *Footnote 10*, respectively.

### Nonrecurring Fair Value Measurements

The Company's non-financial assets which are measured at fair value on a nonrecurring basis include property, plant and equipment, goodwill, intangible assets and certain other assets.

The Company's goodwill and indefinite-lived intangibles are fair valued using discounted cash flows. Goodwill impairment testing requires significant use of judgment and assumptions including the identification of reporting units; the assignment of assets and liabilities to reporting units; and the estimation of future cash flows, business growth rates, terminal values and discount rates. The testing of indefinite-lived intangibles under established guidelines for impairment also requires significant use of judgment and assumptions, such as the estimation of cash flow projections, terminal values, royalty rates, contributory cross charges, where applicable, and discount rates. Accordingly, these fair value measurements fall in Level 3 of the fair value hierarchy. These assets and certain liabilities are measured at fair value on a nonrecurring basis as part of the Company's annual impairment testing and as circumstances require.

The following table summarizes the assets that are measured at fair value on a nonrecurring basis at December 1, (in millions):

	2022	2021
	Level 3	
Indefinite-lived intangibles	129	47
	<b>\$ 129</b>	<b>\$ 47</b>

At December 31, 2022 and 2021, goodwill and intangible assets of certain reporting units are recorded at fair value based upon the Company's impairment testing. The most significant unobservable inputs (Level 3) used to estimate the fair values of the Company's reporting unit goodwill and indefinite-lived intangible assets are discount rates, which range from 8.0% to 10.0% for reporting unit goodwill and 8.0% to 11.5% for indefinite-lived intangible assets.

During the fourth quarter of 2022, two tradenames in the Home Solutions segment and one tradename in the Learning and Development segment were measured at fair values of \$25 million, \$68 million and \$36 million, respectively. During the fourth quarter of 2021, a tradename within the Learning and Development segment was measured at fair value of \$47 million. See *Footnotes 1 and 7* for further information.

The Company reviews long-lived assets for impairment whenever events or circumstances indicate that carrying amounts may not be recoverable through future undiscounted cash flows. If the Company concludes that impairment exists, the carrying amount is reduced to fair value.

#### Footnote 17 — Segment Information

On March 31, 2022, the Company sold its CH&S business unit to Resideo Technologies, Inc. The results of operations for CH&S continued to be reported in the Consolidated Statements of Operations as part of the Commercial Solutions segment through March 31, 2022.

The Company's five primary operating segments are as follows:

Segment	Key Brands	Description of Primary Products
<b>Commercial Solutions</b>	Mapa, Quickie, Rubbermaid, Rubbermaid Commercial Products, and Spontex	Commercial cleaning and maintenance solutions; closet and garage organization; hygiene systems and material handling solutions
<b>Home Appliances</b>	Calphalon, Crockpot, Mr. Coffee, Oster and Sunbeam	Household products, including kitchen appliances
<b>Home Solutions</b>	Ball <sup>(1)</sup> , Calphalon, Chesapeake Bay Candle, FoodSaver, Rubbermaid, Sistema, WoodWick and Yankee Candle	Food and home storage products; fresh preserving products; vacuum sealing products; gourmet cookware, bakeware and cutlery and home fragrance products
<b>Learning and Development</b>	Aprica, Baby Jogger, Dymo, Elmer's, EXPO, Graco, Mr. Sketch, NUK, Paper Mate, Parker, Prismacolor, Sharpie, Tigex, Waterman and X-Acto	Baby gear and infant care products; writing instruments, including markers and highlighters, pens and pencils; art products; activity-based adhesive and cutting products and labeling solutions
<b>Outdoor and Recreation</b>	Campingaz, Coleman, Contigo, ExOfficio, and Marmot	Products for outdoor and outdoor-related activities

(1)  and Ball®, TM of Ball Corporation, used under license.

This structure reflects the manner in which the chief operating decision maker (“CODM”) regularly assesses information for decision-making purposes, including the allocation of resources. The Company also provides general corporate services to its segments which is reported as a non-operating segment, Corporate.

The Company’s segment and geographic results are as follows at and for the years ended December 31, (in millions):

	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Net sales <sup>(1)</sup></b>			
Commercial Solutions <sup>(3)</sup>	\$ 1,691	\$ 1,953	\$ 1,859
Home Appliances	1,390	1,738	1,539
Home Solutions	2,113	2,386	2,138
Learning and Development	2,950	3,028	2,557
Outdoor and Recreation	1,315	1,484	1,292
	<u>\$ 9,459</u>	<u>\$ 10,589</u>	<u>\$ 9,385</u>

	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Operating income (loss) <sup>(2)</sup></b>			
Commercial Solutions <sup>(3)</sup>	\$ 143	\$ 159	\$ (89)
Home Appliances	(47)	70	(238)
Home Solutions	(308)	337	(4)
Learning and Development	593	600	364
Outdoor and Recreation	86	90	(418)
Corporate	(155)	(243)	(244)
	<u>\$ 312</u>	<u>\$ 1,013</u>	<u>\$ (629)</u>

	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Depreciation and amortization</b>			
Commercial Solutions <sup>(3)</sup>	\$ 43	\$ 57	\$ 57
Home Appliances	18	24	20
Home Solutions	84	88	93
Learning and Development	60	57	64
Outdoor and Recreation	34	35	39
Corporate	57	64	84
	<u>\$ 296</u>	<u>\$ 325</u>	<u>\$ 357</u>

	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Impairment of goodwill and intangible assets</b>			
Commercial Solutions	\$ —	\$ 29	\$ 320
Home Appliances	15	—	287
Home Solutions	429	—	302
Learning and Development	30	31	100
Outdoor and Recreation	—	—	482
	<u>\$ 474</u>	<u>\$ 60</u>	<u>\$ 1,491</u>

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Capital expenditures</b>			
Commercial Solutions <sup>(3)</sup>	\$ 50	\$ 67	\$ 72
Home Appliances	12	18	12
Home Solutions	45	46	42
Learning and Development	70	73	69
Outdoor and Recreation	21	24	24
Corporate	114	61	40
	<u>\$ 312</u>	<u>\$ 289</u>	<u>\$ 259</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<b>Segment assets</b>		
Commercial Solutions <sup>(3)</sup>	\$ 1,902	\$ 2,589
Home Appliances	811	1,055
Home Solutions	2,530	3,140
Learning and Development	4,494	4,395
Outdoor and Recreation	920	905
Corporate	2,605	2,185
	<u>\$ 13,262</u>	<u>\$ 14,269</u>

#### Geographic area information

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Net Sales <sup>(1)(4)</sup></b>			
United States	\$ 6,144	\$ 6,921	\$ 6,260
Canada	375	444	413
Total North America	6,519	7,365	6,673
Europe, Middle East and Africa	1,408	1,647	1,394
Latin America	837	810	657
Asia Pacific	695	767	661
Total International	2,940	3,224	2,712
	<u>\$ 9,459</u>	<u>\$ 10,589</u>	<u>\$ 9,385</u>

(1) All intercompany transactions have been eliminated.

(2) Operating income (loss) by segment is net sales less cost of products sold, SG&A, restructuring and impairment of goodwill, intangibles and other assets. Certain headquarters expenses of an operational nature are allocated to business segments primarily on a net sales basis. Corporate depreciation and amortization is allocated to the segments on a percentage of sales basis, and the allocated depreciation and amortization are included in segment operating income (loss).

(3) Commercial Solutions net sales, operating income, depreciation and amortization, capital expenditures and segment assets exclude the CH&S business as a result of the sale of this business starting from the end of the first quarter of 2022.

(4) Geographic sales information is based on the region from which the products are shipped and invoiced. Long-lived assets by geography are not presented because it is impracticable to do so.

The Company's largest customer, Walmart Inc. and subsidiaries ("Walmart"), accounted for approximately 14% of net sales in 2022 and 15% of net sales in each of 2021 and 2020. Amazon, the Company's second largest customer, accounted for approximately 13% of net sales in each of 2022 and 2021 and 12% of net sales in 2020.

The following table disaggregates revenue by major product grouping source and geography for the years ended December 31, (in millions):

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Commercial	\$ 1,582	\$ 1,558	\$ 1,502
Connected Home and Security	109	395	357
<b>Commercial Solutions</b>	<b>1,691</b>	<b>1,953</b>	<b>1,859</b>
<b>Home Appliances</b>	<b>1,390</b>	<b>1,738</b>	<b>1,539</b>
Food	1,228	1,295	1,220
Home Fragrance	885	1,091	918
<b>Home Solutions</b>	<b>2,113</b>	<b>2,386</b>	<b>2,138</b>
Baby	1,197	1,265	1,112
Writing	1,753	1,763	1,445
<b>Learning and Development</b>	<b>2,950</b>	<b>3,028</b>	<b>2,557</b>
<b>Outdoor and Recreation</b>	<b>1,315</b>	<b>1,484</b>	<b>1,292</b>
<b>TOTAL</b>	<b>\$ 9,459</b>	<b>\$ 10,589</b>	<b>\$ 9,385</b>
<b>North America</b>			
Commercial Solutions	\$ 1,232	\$ 1,452	\$ 1,387
Home Appliances	678	976	901
Home Solutions	1,715	1,891	1,735
Learning and Development	2,156	2,172	1,845
Outdoor and Recreation	738	874	805
	<b>\$ 6,519</b>	<b>\$ 7,365</b>	<b>\$ 6,673</b>
<b>International</b>			
Commercial Solutions	\$ 459	\$ 501	\$ 472
Home Appliances	712	762	638
Home Solutions	398	495	403
Learning and Development	794	856	712
Outdoor and Recreation	577	610	487
	<b>\$ 2,940</b>	<b>\$ 3,224</b>	<b>\$ 2,712</b>
<b>TOTAL</b>			
Commercial Solutions	\$ 1,691	\$ 1,953	\$ 1,859
Home Appliances	1,390	1,738	1,539
Home Solutions	2,113	2,386	2,138
Learning and Development	2,950	3,028	2,557
Outdoor and Recreation	1,315	1,484	1,292
	<b>\$ 9,459</b>	<b>\$ 10,589</b>	<b>\$ 9,385</b>



Beginning in January 2023, the Company will combine its previously reported Commercial Solutions, Home Appliances and Home Solutions operating segments into one operating segment, Home and Commercial Solutions. This change by the CODM was driven by the implementation of a new operating model which is intended to drive further simplification and unlock additional efficiencies and synergies within the Company. The Learning and Development and Outdoor and Recreation operating segments will remain as the Company's other two operating segments. The Company will recast prior period comparable results in its first quarter 2023 reporting to conform to this operating segment change.

#### **Footnote 18 — Litigation and Contingencies**

The Company is subject to various claims and lawsuits in the ordinary course of business, including from time to time, contractual disputes, employment and environmental matters, product and general liability claims, claims that the Company has infringed on the intellectual property rights of others, and consumer and employment class actions. Some of the legal proceedings include claims for punitive as well as compensatory damages. In the ordinary course of business, the Company is also subject to legislative requests, regulatory and governmental examinations, information requests and subpoenas, inquiries, investigations, and threatened legal actions and proceedings. In connection with such formal and informal inquiries, the Company receives numerous requests, subpoenas, and orders for documents, testimony and information in connection with various aspects of its activities. The Company previously disclosed that it had received a subpoena and related informal document requests from the SEC, primarily relating to its sales practices and certain accounting matters for the time period beginning from January 1, 2016. The Company cooperated with the SEC in connection with its investigation and requests for documents, testimony and information. In late January 2023, the Company began discussing with the SEC the possibility of reaching a settlement to resolve the investigation, which now focuses on the time period from the third quarter of 2016 through second quarter of 2017. Although the Company cannot predict the ultimate outcome of the SEC investigation with certainty, it believes that the resolution of the SEC investigation will not have a material effect on the Company's Consolidated Financial Statements. Further, on June 30, 2021, the Company received a subpoena from the SEC requesting the production of documents related to its disclosure of the potential impact of the U.S. Treasury regulations described in *Footnote 12 - Income Taxes*.

#### ***Securities Litigation***

Certain of the Company's current and former officers and directors have been named in shareholder derivative lawsuits filed in October 2018. The complaints allege, among other things, violations of the federal securities laws, breaches of fiduciary duties, unjust enrichment, and waste of corporate assets. The factual allegations underlying these claims are similar to the factual allegations made in the *In re* Newell Brands, Inc. Securities Litigation that was previously pending in the United States District Court for the District of New Jersey. That matter was dismissed by the District Court on January 10, 2020, and the dismissal was affirmed by the United States District Court of Appeals for the Third Circuit on December 1, 2020. The October 2018 complaints seek damages and restitution for the Company from the individual defendants, the payment of costs and attorneys' fees, and that the Company be directed to reform certain governance and internal procedures. These actions have been consolidated and the case is known as *In re* Newell Brands Inc. Derivative Litigation (the "Newell Brands Derivative Action"), which is pending in the United States District Court for the District of Delaware. On March 22, 2021, the United States District Court for the District of Delaware stayed the Newell Brands Derivative Action pending the resolution of any motions for summary judgment filed in *Oklahoma Firefighters Pension and Retirement System v. Newell Brands Inc., et al.* (described below). On December 30, 2020, two shareholders filed a putative derivative complaint, *Weber, et al. v. Polk, et al.*, in the United States District Court for the District of Delaware (the "Weber Derivative Action"), purportedly on behalf of the Company against certain of the Company's current and former officers and directors. The complaint in the Weber Derivative Action alleges, among other things, breaches of fiduciary duty and waste of corporate assets. The factual allegations underlying these claims are similar to the factual allegations made in the Newell Brands Derivative Action. On March 19, 2021, the United States District Court for the District of Delaware stayed the Weber Derivative Action pending final disposition of *Oklahoma Firefighters Pension and Retirement System v. Newell Brands Inc., et al.* (described below).

The Company and certain of its current and former officers and directors have been named as defendants in a securities class action lawsuit filed in the Superior Court of New Jersey, Hudson County, on behalf of all persons who acquired Company common stock pursuant to the S-4 registration statement and prospectus issued in connection with the April 2016 acquisition of Jarden Corporation (the "Registration Statement"). The action was filed on September 6, 2018 and is captioned *Oklahoma Firefighters Pension and Retirement System v. Newell Brands Inc., et al.*, Civil Action No. HUD-L-003492-18. The operative complaint alleges certain violations of the securities laws, including, among other things, that the defendants made certain materially false and misleading statements and omissions in the Registration Statement regarding the Company's financial results, trends, and metrics. In October 2022, the Company entered into a settlement agreement to resolve the claims asserted in this lawsuit. Under the settlement, the Company agreed to create a settlement fund of approximately \$103 million for the benefit of the class, subject to certain exclusions, which is predominantly funded by insurance proceeds. Both the settlement and the insurance receivable were recorded during the third quarter of 2022. The amount not funded by available insurance proceeds, which is not material to the Company, was expensed during the third quarter of 2022. In the fourth quarter of 2022, the Court granted the plaintiff's motion for preliminary approval of

the settlement, and the Company and its insurers paid the required amount into the settlement fund. On February 10, 2023, the Court granted the plaintiff's motion for final approval of the settlement.

### ***Environmental Matters***

The Company is involved in various matters concerning federal and state environmental laws and regulations, including matters in which the Company has been identified by the U.S. Environmental Protection Agency ("U.S. EPA") and certain state environmental agencies as a potentially responsible party ("PRP") at contaminated sites under the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA") and equivalent state laws. In assessing its environmental response costs, the Company has considered several factors, including the extent of the Company's volumetric contribution at each site relative to that of other PRPs; the kind of waste; the terms of existing cost sharing and other applicable agreements; the financial ability of other PRPs to share in the payment of requisite costs; the Company's prior experience with similar sites; environmental studies and cost estimates available to the Company; the effects of inflation on cost estimates; and the extent to which the Company's, and other parties' status as PRPs is disputed.

The Company's estimate of environmental remediation costs associated with these matters at December 31, 2022 was \$34 million which is included in other accrued liabilities and other noncurrent liabilities in the Consolidated Balance Sheet. No insurance recovery was taken into account in determining the Company's cost estimates or reserves, nor do the Company's cost estimates or reserves reflect any discounting for present value purposes, except with respect to certain long-term operations and maintenance CERCLA matters. Because of the uncertainties associated with environmental investigations and response activities, the possibility that the Company could be identified as a PRP at sites identified in the future that require the incurrence of environmental response costs and the possibility that sites acquired in business combinations may require environmental response costs, actual costs to be incurred by the Company may vary from the Company's estimates.

### ***Lower Passaic River Matter***

#### *Background*

The U.S. EPA has issued General Notice Letters to over 100 entities, including the Company and its subsidiary, Berol Corporation (together, the "Company Parties"), alleging that they are PRPs at the Diamond Alkali Superfund Site (the "Site") pursuant to CERCLA. The Site is the subject of investigation and remedial activities (the "CERCLA Administrative Actions") and related settlement negotiations with the U.S. EPA. In addition, the Company Parties are defendants in related litigation, and the Site is also subject to a Natural Resource Damage Assessment.

#### *CERCLA Administrative Actions*

The Site is divided into four "operable units," and the Company Parties have received General Notice Letters in connection with operable unit 2, which comprises the lower 8.3 miles of the Lower Passaic River and its tributaries ("Unit 2"), and operable Unit 4, which comprises a 17-mile stretch of the Lower Passaic River and its tributaries ("Unit 4"). Unit 2 is geographically subsumed within Unit 4.

#### *Unit 4 Investigation*

The Company received its first general notice letter pertaining to Unit 4 in 2003. Beginning in 2004, the Company Parties, together with numerous other PRPs, entered into several administrative agreements with the U.S. EPA to fund and perform various investigation and clean-up activities in Unit 4. Pursuant to a 2007 Administrative Order on Consent, over 70 PRPs, including the Company Parties, have been performing or funding the remedial investigation and feasibility study for Unit 4. Activity under the 2007 Administrative Order on Consent remains underway. The parties performing the remedial investigation and feasibility study submitted the results of their remedial investigation to the U.S. EPA in July 2019 and submitted a final remedial investigation report to the U.S. EPA in January 2023. They also submitted an interim remedy feasibility study focused on the upper 9 miles of Unit 4 in September 2021.

In October 2021, the U.S. EPA issued a Record of Decision for an interim remedy for the upper 9 miles of Unit 4, selecting a combination of dredging and capping as the remedial alternative, which the U.S. EPA estimates will cost \$441 million in the aggregate.

## *Unit 2 Investigation*

Concurrent with activities under the remedial investigation and feasibility study for Unit 4, the U.S. EPA performed a Source Control Early Action Focused Feasibility Study for Unit 2, which culminated in a Record of Decision in 2016. The U.S. EPA estimates that the selected remedy for Unit 2 set forth in its Record of Decision will cost \$1.4 billion in the aggregate. The U.S. EPA then issued a General Notice Letter for Unit 2 to the Company Parties and over 100 other entities, including those that received a General Notice Letter in connection with Unit 4. The Unit 2 General Notice Letter requested that Occidental Chemical Corporation (“OCC”) perform the remedial design for Unit 2, which OCC subsequently agreed to perform. The General Notice Letter indicated that, following execution of a remedial design consent decree, the U.S. EPA would begin negotiating a remedial action consent decree for Unit 2 with OCC and other major PRPs.

### *2016 Record of Decision and 2021 Record of Decision Remedy Performance*

In March 2022, U.S. EPA issued a Notice of Potential Liability and Notice of Consent Decree Negotiations to OCC and several other entities, excluding the Company Parties, encouraging those parties to finance and perform the remedies selected in the 2016 and 2021 Records of Decision. The U.S. EPA specifically identified OCC and four other companies as “work parties” in connection with Units 2 and 4. The Company Parties were not recipients of this notice and were not identified as work parties.

### *The U.S. EPA Settlement*

In September 2017, the U.S. EPA announced an allocation process involving roughly 80 Unit 2 General Notice Letter recipients, with the intent of offering cash-out settlements to a number of parties (the “U.S. EPA Settlement”). The allocation process has concluded, and the Company Parties were placed in the lowest tier of relative responsibility among allocation parties. On December 16, 2022, the U.S. EPA simultaneously filed a complaint and lodged a Consent Decree to resolve the liability of the Company Parties and other settlement parties for past and future CERCLA response costs at Unit 2 and Unit 4. The proposed Consent Decree is undergoing public notice and comment, and it remains subject to court entry.

### *The OCC Litigation*

In June 2018, OCC sued over 100 parties, including the Company Parties, in the U.S. District Court in New Jersey pursuant to CERCLA, requesting cost recovery, contribution, and a declaratory judgement. The defendants, in turn, filed claims against 42 third-party defendants, and filed counterclaims against OCC (collectively, the “OCC Litigation”). The primary focus of the OCC Litigation has been certain past and future costs for investigation, design and remediation of Units 2 and 4. However, OCC has stated that it anticipates asserting claims against defendants regarding Newark Bay, which is also part of the Site, after the U.S. EPA has selected the Newark Bay remedy. OCC has also stated that it may broaden its claims in the future after completion of the Natural Resource Damage Assessment described below.

In a Motion for Stay of Proceedings filed in December 2022, certain defendants and all third-party defendants in the OCC Litigation moved to stay the case for a six-month period to allow the final stage of the U.S. EPA settlement to conclude. OCC did not oppose the motion to stay. There has been no ruling on the motion yet.

The Company Parties continue to vigorously defend the OCC Litigation. At this time, the Company cannot predict the eventual outcome.

### *The Natural Resource Damage Assessment*

In 2007, the National Oceanic and Atmospheric Administration (“NOAA”), acting as the lead administrative trustee on behalf of itself and the U.S. Department of the Interior, issued a Notice of Intent to Perform a Natural Resource Damage Assessment to the Company Parties, along with numerous other entities, identifying the recipients as PRPs. The federal trustees (who now include the United States Department of Commerce, represented by NOAA, and the Department of the Interior, represented by the United States Fish and Wildlife Service) are presently undertaking the Natural Resource Damage Assessment.

As of the date of this filing, based on the agreement in principle noted above, the Company does not expect that its allocation in the U.S. EPA Settlement relating to Unit 2 and Unit 4, if the settlement is finalized, will be material to the Company. With respect to the OCC Litigation and Natural Resource Damage Assessment, the Company is currently unable to reasonably estimate the range of possible losses.

Based on currently known facts and circumstances, the Company does not believe that the Lower Passaic River matter is reasonably likely to have a material impact on the Company’s results of operations. However, in the event of one or more adverse

determinations related to this matter, it is possible that the ultimate liability resulting from this matter and the impact on the Company's results of operations could be material.

Because of the uncertainties associated with environmental investigations and response activities, the possibility that the Company could be identified as a PRP at sites identified in the future that require the incurrence of environmental response costs and the possibility that sites acquired in business combinations may require environmental response costs, actual costs to be incurred by the Company may vary from the Company's estimates.

### ***Other Matters***

In the normal course of business and as part of its acquisition and divestiture strategy, the Company may provide certain representations and indemnifications related to legal, environmental, product liability, tax or other types of issues. Based on the nature of these representations and indemnifications, it is not possible to predict the maximum potential payments under all of these agreements due to the conditional nature of the Company's obligations and the unique facts and circumstances involved in each particular agreement. Historically, payments made by the Company under these agreements did not have a material effect on the Company's business, financial condition or results of operations. In connection with the 2018 sale of The Waddington Group, Novolex Holdings, Inc. (the "Buyer") filed suit against the Company in October 2019 in the Superior Court of Delaware. The Buyer generally alleged that the Company fraudulently breached certain representations in the Equity Purchase Agreement between the Company and Buyer, dated May 2, 2018, resulting in an inflated purchase price for The Waddington Group. In the year ended December 31, 2021, the Company recorded an immaterial reserve in its Consolidated Financial Statements based on its best estimate of probable loss associated with this matter. Further, in connection with the Company's sale of The United States Playing Card Company ("USPC"), Cartamundi, Inc. and Cartamundi España, S.L., (the "Buyers") have notified the Company of their contention that certain representations and warranties in the Stock Purchase Agreement, dated June 4, 2019, were inaccurate and/or breached, and have sought indemnification to the extent that the Buyers are required to pay related damages arising out of a third party lawsuit that was recently filed against USPC.

During the fourth quarter of 2022, the Company recorded an immaterial reserve based on the outcome of a judicial ruling relating to indirect taxes in an international entity. Although the Company cannot predict the ultimate outcome of this contingency with certainty, it believes that any amounts it may be required to pay in excess of the amounts already reserved will not have a material effect on the Company's Consolidated Financial Statements.

Although the Company cannot predict the ultimate outcome of other proceedings with certainty, it believes that the ultimate resolution of the Company's proceedings, including any amounts it may be required to pay in excess of amounts reserved, will not have a material effect on the Company's Consolidated Financial Statements, except as otherwise described in this *Footnote 18*.

At December 31, 2022, the Company had approximately \$44 million in standby letters of credit primarily related to the Company's self-insurance programs, including workers' compensation, product liability and medical expenses.

### **Footnote 19 — Supplementary Quarterly Financial Data (Unaudited)**

#### ***Revisions of Previously Issued Financial Statements***

During the fourth quarter of 2022, the Company identified that it changed the designation to a new functional currency incorrectly for one of its legal entities at the beginning of 2022. Consequently, the Company should have recorded mark to market adjustments for certain account balances in other (income) expense, net in the Condensed Consolidated Statement of Operations. The impact of this change resulted in additional expense of \$6 million, \$13 million and \$16 million for the three months ended March 31, 2022, June 30, 2022 and September 30, 2022, respectively. This change also resulted in reclassifications between Accumulated Other Comprehensive Loss and Retained Deficit in the Condensed Consolidated Balance Sheets of \$6 million, \$19 million and \$35 million at March 31, 2022, June 30, 2022 and September 30, 2022, respectively.

The Company concluded the above referenced effects were not material to its previously issued Condensed Consolidated Statements of Operations for the three months ended March 31, 2022, June 30, 2022 and September 30, 2022, respectively, and the Condensed Consolidated Balance Sheets at March 31, 2022, June 30, 2022 and September 30, 2022, respectively, included in the Company's Quarterly Reports on Form 10-Q filed with the SEC on April 29, 2022, July 29, 2022 and October 28, 2022. The adjustments did not result in a change to net cash provided by operating activities in the Company's Condensed Consolidated Statement of Cash Flows for the three, six and nine months ended March 31, 2022, June 30, 2022 and September 30, 2022, respectively.

The following table presents the unaudited Condensed Consolidated Statements of Operations for each quarter of 2022 and 2021 to reflect the impact of the change from LIFO to FIFO (see *Footnote 5*) and for each quarter of 2022 the recast associated with the functional currency revisions (in millions, except per share data):

**For the three months ended (Unaudited)**

	<b>March 31, 2022</b>				<b>June 30, 2022</b>			
	As	Impact	Impact	As	As	Impact	Impact	As
	Reported	of Revision	of Change to FIFO	Adjusted	Reported	of Revision	of Change to FIFO	Adjusted
Net sales	\$ 2,388	\$ —	\$ —	\$ 2,388	\$ 2,534	\$ —	\$ —	\$ 2,534
Cost of products sold	1,648	—	—	1,648	1,709	—	(11)	1,698
Operating income	217	—	—	217	317	—	11	328
Other (income) expense, net	(124)	6	—	(118)	8	13	—	21
Income (loss) before income taxes	282	(6)	—	276	254	(13)	11	252
Income tax provision	48	—	—	48	50	—	3	53
<b>Net income (loss)</b>	<b>\$ 234</b>	<b>\$ (6)</b>	<b>\$ —</b>	<b>\$ 228</b>	<b>\$ 204</b>	<b>\$ (13)</b>	<b>\$ 8</b>	<b>\$ 199</b>

Weighted average common shares outstanding:

Basic	421.9	421.9	413.8	413.8
Diluted	424.7	424.7	415.7	415.7

Earnings per share:

Basic	\$ 0.55	\$ 0.54	\$ 0.49	\$ 0.48
Diluted	\$ 0.55	\$ 0.54	\$ 0.49	\$ 0.48

**For the three months ended (Unaudited)**

	<b>September 30, 2022</b>				<b>December 31, 2022</b>			
	As	Impact	Impact	As	As Computed	Impact	Impact	As
	Reported	of Revision	of Change to FIFO	Adjusted	Under LIFO	of Revision	of Change to FIFO	Reported
Net sales	\$ 2,252	\$ —	\$ —	\$ 2,252	\$ 2,285	\$ —	\$ —	\$ 2,285
Cost of products sold	1,599	—	(5)	1,594	1,681	—	4	1,685
Operating income (loss)	35	—	5	40	(269)	—	(4)	(273)
Other (income) expense, net	8	16	—	24	(8)	—	—	(8)
Income (loss) before income taxes	(30)	(16)	5	(41)	(326)	—	(4)	(330)
Income tax provision (benefit)	(61)	—	1	(60)	(80)	—	(1)	(81)
<b>Net income (loss)</b>	<b>\$ 31</b>	<b>\$ (16)</b>	<b>\$ 4</b>	<b>\$ 19</b>	<b>\$ (246)</b>	<b>\$ —</b>	<b>\$ (3)</b>	<b>\$ (249)</b>

Weighted average common shares outstanding:

Basic	413.6	413.6	413.6	413.6
Diluted	414.6	414.6	413.6	413.6

Earnings (loss) per share:

Basic	\$ 0.07	\$ 0.05	\$ (0.59)	\$ (0.60)
Diluted	\$ 0.07	\$ 0.05	\$ (0.59)	\$ (0.60)

**Three Months Ended (Unaudited)**

	March 31, 2021			June 30, 2021			September 30, 2021			December 31, 2021		
	As Reported Under LIFO	Impact of Change to FIFO	As Adjusted	As Reported Under LIFO	Impact of Change to FIFO	As Adjusted	As Reported Under LIFO	Impact of Change to FIFO	As Adjusted	As Reported Under LIFO	Impact of Change to FIFO	As Adjusted
<b>Consolidated Statement of Operations</b>												
Net sales	\$ 2,288	\$ —	\$ 2,288	\$ 2,709	\$ —	\$ 2,709	\$ 2,787	\$ —	\$ 2,787	\$ 2,805	\$ —	\$ 2,805
Cost of products sold	1,557	(6)	1,551	1,827	(24)	1,803	1,939	(35)	1,904	1,970	(2)	1,968
Operating income	192	6	198	305	24	329	281	35	316	168	2	170
Income before income taxes	126	6	132	243	24	267	215	35	250	109	2	111
Income tax provision	37	2	39	46	5	51	25	10	35	13	—	13
<b>Net income</b>	<b>\$ 89</b>	<b>\$ 4</b>	<b>\$ 93</b>	<b>\$ 197</b>	<b>\$ 19</b>	<b>\$ 216</b>	<b>\$ 190</b>	<b>\$ 25</b>	<b>\$ 215</b>	<b>\$ 96</b>	<b>\$ 2</b>	<b>\$ 98</b>
Weighted average common shares outstanding:												
Basic	424.9		424.9	425.4		425.4	425.4		425.4	425.5		425.5
Diluted	427.6		427.6	427.8		427.8	428.5		428.5	428.3		428.3
Earnings per share:												
Basic	\$ 0.21		\$ 0.22	\$ 0.46		\$ 0.51	\$ 0.45		\$ 0.51	\$ 0.23		\$ 0.23
Diluted	\$ 0.21		\$ 0.22	\$ 0.46		\$ 0.50	\$ 0.44		\$ 0.50	\$ 0.22		\$ 0.23

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

Not applicable.

**ITEM 9A. CONTROLS AND PROCEDURES**

**Evaluation of Disclosure Controls and Procedures**

The Company maintains disclosure controls and procedures that are designed to provide reasonable assurance that information, which is required to be disclosed by the issuer in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms, and that such information is accumulated and communicated to management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company’s Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company’s disclosure controls and procedures (as required by Rule 13a-15(b) of the Exchange Act) and concluded that the Company’s disclosure controls and procedures were effective as of December 31, 2022, the end of the period covered by this Annual Report on Form 10-K.

**Management’s Report on Internal Control Over Financial Reporting**

The Company’s management is responsible for establishing and maintaining adequate internal control over financial reporting. Newell Brands Inc.’s internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company’s management assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2022. In making its assessment, the Company’s management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework* (2013). Based on the results of its evaluation, the Company’s management concluded that, as of December 31, 2022, the Company’s internal control over financial reporting is effective based on those criteria.

The Company's independent registered public accounting firm, PricewaterhouseCoopers LLP, has audited the effectiveness of Newell Brands Inc.'s internal control over financial reporting as of December 31, 2022. Their attestation report is presented in Item 8.

### **Changes in Internal Control Over Financial Reporting**

During the quarter ended December 31, 2022, there were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

### **ITEM 9B. OTHER INFORMATION**

None.

### **ITEM 9C. DISCLOSURES REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

None.

## **PART III**

### **ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Information required under this Item with respect to Directors will be contained in the Company's Proxy Statement for the Annual Meeting of Stockholders (the "2023 Proxy Statement") under the captions "Election of Directors" and "Information Regarding Board of Directors and Committees and Corporate Governance," which information is incorporated by reference herein.

Information required under this Item with respect to Executive Officers of the Company is included as a supplemental item at the end of Part I of this report.

If applicable, information required under this Item with respect to compliance with Section 16(a) of the Exchange Act will be included in the 2023 Proxy Statement under the caption "Delinquent Section 16(a) Reports," which information is incorporated by reference.

Information required under this Item with respect to the audit committee and audit committee financial experts will be included in the 2023 Proxy Statement under the caption "Information Regarding Board of Directors and Committees and Corporate Governance — Committees — Audit Committee," which information is incorporated by reference herein.

Information required under this Item with respect to communications between security holders and Directors will be included in the Proxy Statement under the caption "Information Regarding Board of Directors and Committees and Corporate Governance — Director Nomination Process," and "Information Regarding Board of Directors and Committees and Corporate Governance — Communications with the Board of Directors," which information is incorporated by reference herein.

The Board of Directors has adopted a "Code of Ethics for Senior Financial Officers," which is applicable to the Company's senior financial officers, including the Company's principal executive officer, principal financial officer, principal accounting officer and controller. The Company also has a separate "Code of Conduct" that is applicable to all Company employees, including each of the Company's directors and officers. Both the Code of Ethics for Senior Financial Officers and the Code of Conduct are available under the "Corporate Governance" link on the Company's website at [www.newellbrands.com](http://www.newellbrands.com). The Company posts any amendments to or waivers of its Code of Ethics for Senior Financial Officers or to the Code of Conduct (to the extent applicable to the Company's directors or executive officers) at the same location on the Company's website. In addition, copies of the Code of Ethics for Senior Financial Officers and of the Code of Conduct may be obtained in print without charge upon written request by any stockholder to the office of the Corporate Secretary of the Company at 6655 Peachtree Dunwoody Road, Atlanta, Georgia 30328.

### **ITEM 11. EXECUTIVE COMPENSATION**

Information required under this Item will be included in the 2023 Proxy Statement under the captions "Compensation and Human Capital Committee Report," "Executive Compensation," and "Compensation Committee Interlocks and Insider Participation," which information is incorporated by reference herein.

## **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

Information required under this Item will be included in the 2023 Proxy Statement under the captions “Certain Beneficial Owners” and “Equity Compensation Plan Information,” which information is incorporated by reference herein.

## **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

Information required under this Item with respect to certain relationships and related transactions will be included in the 2023 Proxy Statement under the caption “Certain Relationships and Related Transactions,” which information is incorporated by reference herein.

Information required under this Item with respect to director independence will be included in the 2023 Proxy Statement under the caption “Information Regarding Board of Directors and Committees and Corporate Governance — Director Independence,” which information is incorporated by reference herein.

## **ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

Information required under this Item will be included in the 2023 Proxy Statement under the caption “Ratification of Appointment of Independent Registered Public Accounting Firm,” which information is incorporated by reference herein.



**PART IV**  
**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES**

(a)(1) The following is a list of the financial statements of Newell Brands Inc. included in this report on Form 10-K, which are filed herewith pursuant to Item 8:

Reports of Independent Registered Public Accounting Firms - PricewaterhouseCoopers LLP (PCAOB ID 238)

Consolidated Statements of Operations — Years Ended December 31, 2022, 2021 and 2020

Consolidated Statements of Comprehensive Income (Loss) — Years Ended December 31, 2022, 2021 and 2020

Consolidated Balance Sheets — December 31, 2022 and 2021

Consolidated Statements of Cash Flows — Years Ended December 31, 2022, 2021 and 2020

Consolidated Statements of Stockholders' Equity — Years Ended December 31, 2022, 2021 and 2020

Notes to Consolidated Financial Statements — December 31, 2022, 2021 and 2020

(2) The following consolidated financial statement schedule of the Company included in this report on Form 10-K is filed herewith pursuant to Item 15(c) and appears after the signature pages at the end of this Form 10-K:

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS—Years Ended December 31, 2022, 2021 and 2020

All other financial schedules are not required under the related instructions or are inapplicable and, therefore, have been omitted.

(3) The exhibits filed herewith are listed on the Exhibit Index filed as part of this report on Form 10-K. Each management contract or compensatory plan or arrangement of the Company listed on the Exhibit Index is separately identified by an asterisk.

(b) EXHIBIT INDEX

**Exhibit  
Number**

**Description of Exhibit**

ITEM 3—ARTICLES OF INCORPORATION AND BY-LAWS

- 3.1 Restated Certificate of Incorporation of Newell Brands Inc. as of April 15, 2016 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated April 15, 2016, File No. 001-09608).
- 3.2 Certificate of Amendment to the Restated Certificate of Incorporation of Newell Brands Inc., as amended as of May 7, 2019 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated May 10, 2019, File No. 001-09608).
- 3.3 By-Laws of Newell Brands Inc., as amended May 7, 2019 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated May 10, 2019, File No. 001-09608).

ITEM 4 — INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES

- 4.1† Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.
- 4.2 Indenture, dated as of June 14, 2012, between Newell Rubbermaid Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated June 11, 2012, File No. 001-09608).
- 4.3 Indenture, dated as of November 19, 2014, between Newell Rubbermaid Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated November 14, 2014, File No. 001.09608).

- 4.4 Specimen Stock Certificate for Newell Brands Inc. (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, File No. 001-09608).
- 4.5 Form of 4.000% Note due 2022 issued pursuant to the Indenture, dated as of June 14, 2012, between Newell Rubbermaid Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K dated June 11, 2012, File No. 001-09608).
- 4.6 Form of 4.000% Note due 2024 issued pursuant to the Indenture, dated as of November 19, 2014, between Newell Rubbermaid Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K dated November 14, 2014, File No. 001-09608).
- 4.7 Form of 3.900% Note due 2025 issued pursuant to the Indenture, dated as of November 19, 2014, between Newell Rubbermaid Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated October 14, 2015, File No. 001-09608).
- 4.8 Form of 3.150% note due 2021 issued pursuant to the Indenture, dated as of November 19, 2014, between the Company and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated March 18, 2016, File No. 001-09608).
- 4.9 Form of 3.850% note due 2023 issued pursuant to the Indenture, dated as of November 19, 2014, between the Company and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K dated March 18, 2016, File No. 001-09608).
- 4.10 Form of 4.200% note due 2026 issued pursuant to the Indenture, dated as of November 19, 2014, between the Company and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K dated March 18, 2016, File No. 001-09608).
- 4.11 Form of 5.375% note due 2036 issued pursuant to the Indenture, dated as of November 19, 2014, between the Company and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.5 to the Company's Current Report on Form 8-K dated March 18, 2016, File No. 001-09608).
- 4.12 Form of 5.500% note due 2046 issued pursuant to the Indenture, dated as of November 19, 2014, between the Company and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.6 to the Company's Current Report on Form 8-K dated March 18, 2016, File No. 001-09608).
- 4.13 Form of 3 3/4% note due 2021 issued pursuant to the Indenture, dated as of November 19, 2014, between the Company and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.19 to Newell's Annual Report on Form 10-K for the year ended December 31, 2016, File No. 001-09608).
- 4.14 Form of 4.875% Note due 2025 issued pursuant to the Indenture, dated as of November 19, 2014, between Newell Rubbermaid Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 26, 2020, File No. 001-09608).
- 4.15 Form of 6.375% note due 2027 issued pursuant to the Indenture, dated as of November 19, 2014, between the Company and U.S. Bank Trust Company, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated September 14, 2022, File No. 001-09608).
- 4.16 Form of 6.625% note due 2029 issued pursuant to the Indenture, dated as of November 19, 2022, between the Company and U.S. Bank Trust Company, as trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated September 14, 2022, File No. 001-09608).

Pursuant to item 601(b)(4)(iii)(A) of Regulation S-K, the Company is not filing certain documents. The Company agrees to furnish a copy of each such document upon the request of the Commission.

#### ITEM 10 — MATERIAL CONTRACTS

- 10.1\* 2021 Long Term Incentive Plan Terms and Conditions (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 17, 2021, File No. 001-09608).
- 10.2\* Amended and Restated Newell Brands Inc. Management Bonus Plan, effective January 1, 2021, (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated February 17, 2021, File No. 001-09608).
- 10.3\* 2022 Long Term Incentive Plan Terms and Conditions (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 11, 2022, File No. 001-09608).

- 10.4\* Purchase Agreement dated February 21, 2022, by and between the Company and the Icahn Parties (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 22, 2022, File No. 001-09608).
- 10.5\* Form of 2022 Restricted Stock Unit Award Agreement under the Newell Rubbermaid Inc. 2013 Incentive Plan (as amended February 14, 2018, and July 26, 2019) for Awards to the Chief Executive Officer (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022, File No. 001-09608).
- 10.6\* Form of 2022 Restricted Stock Unit Award Agreement under the Newell Rubbermaid Inc. 2013 Incentive Plan, as amended, for Awards to Employees (Vice President Level and above) (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022, File No. 001-09608).
- 10.7\* Form of 2022 Restricted Stock Unit Award Agreement under the Newell Rubbermaid Inc. 2013 Incentive Plan, as amended, for Awards to Employees (Director Level) (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022, File No. 001-09608).
- 10.8\* Form of 2022 Non-Qualified Stock Option Agreement under the Newell Rubbermaid Inc. 2013 Incentive Plan, as amended, for Awards to the Chief Executive Officer (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarterly report period ended March 31, 2022, File No. 001-09608).
- 10.9\* Form of 2022 Non-Qualified Stock Option Agreement under the Newell Rubbermaid Inc. 2013 Incentive Plan, as amended, for Awards to Employees (incorporated by reference to Exhibit 10.8 to The Company's Quarterly Report on Form 10-Q for the quarterly report period ended March 31, 2022, File No. 001-09608).
- 10.10\* Form of 2022 Restricted Stock Unit Award Agreement under the Newell Brands Inc. 2022 Incentive Plan for Non-Employee Directors (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarterly report period ended June 30, 2022, File No. 001-09608).
- 10.11\* Newell Brands Inc. 2022 Incentive Plan, (incorporated by reference to Appendix B to the Company's Proxy Statement dated March 23, 2022, File No. 001-09608).
- 10.12\* 2022 Restricted Stock Unit Award Agreement under the 2022 Incentive Plan (incorporated by reference to 10.1 of the Company's Current Report on Form 8-K dated May 6, 2022, File No. 001-09608).
- 10.13\* 2022 Non-Qualified Stock Option Agreement under the 2022 Incentive Plan (incorporated by reference to 10.2 of the Company's Current Report on Form 8-K dated May 6, 2022, File No. 001-09609).
- 10.14\* Offer Letter, dated March 4, 2021, between the Company and Michal Geller (incorporated by reference to Exhibit 10.10 to The Company's Quarterly Report on Form 10-Q for the quarterly report period ended March 31, 2022, File No. 001-09608).
- 10.15\* Newell Rubbermaid Inc. 2008 Deferred Compensation Plan as amended and restated August 5, 2013 (Incorporated by reference to Exhibit 10.5 of the Company's Quarterly Report Form 10-Q for the quarter period ended June 30, 2013).
- 10.16\* First Amendment to the Newell Rubbermaid Inc. 2008 Deferred Compensation Plan, as amended, dated August 9, 2017 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 9, 2017, File No. 001-09608).
- 10.17\* Second Amendment to the Newell Rubbermaid Inc. 2008 Deferred Compensation Plan, as amended, dated November 8, 2017 (incorporated by reference to Exhibit 10.4 to the Company's Report on Form 10-K for the year ended December 31, 2018, File No. 001-09608).
- 10.18\* Third Amendment to the Newell Rubbermaid Inc. 2008 Deferred Compensation Plan, as amended, dated December 19, 2018 (incorporated by reference to Exhibit 10.3 to the Company's Report on Form 10-K for the year ended December 31, 2018, File No. 001-09608).
- 10.19\* Amendment to the Newell Rubbermaid Inc. 2008 Deferred Compensation Plan effective January 1, 2019 (incorporated by reference to Exhibit 10.2 to the Company's Report on Form 10-K for the year ended December 31, 2018, File No. 001-09608).
- 10.20\* Fifth Amendment to the Newell Rubbermaid Inc. 2008 Deferred Compensation Plan effective August 10, 2022 (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022).

- 10.21\* Newell Rubbermaid Inc. Deferred Compensation Plans Trust Agreement, effective as of June 1, 2013 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013, File No. 001-09608).
- 10.22\* Newell Rubbermaid Inc. Supplemental Executive Retirement Plan, effective January 1, 2008 (incorporated by reference to Exhibit 10.7 to the Company's Report on Form 10-K for the year ended December 31, 2007, File No. 001-09608).
- 10.23\* First Amendment to the Newell Rubbermaid Supplemental Executive Retirement Plan dated August 5, 2013 (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013, File No. 001-09608).
- 10.24\* Amendment to the Newell Rubbermaid Supplemental Executive Retirement Plan, dated October 30, 2018 (incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, File No. 001-09608).
- 10.25\* Amendment to the Newell Brands Inc. Supplemental Employee Savings Plan effective January 1, 2019 (incorporated by reference to Exhibit 10.11 to the Company's Report on Form 10-K for the year ended December 31, 2018, File No. 006-09608).
- 10.26\* Newell Brands Employee Savings Plan, as amended and restated, effective January 1, 2018, as entered into on December 20, 2018 (incorporated by reference to Exhibit 10.17 to the Company's Report on Form 10-K for the year ended December 31, 2018, File No. 006-09608).
- 10.27\* Amendment No. 1 to the Newell Brands Employee Savings Plan, effective January 1, 2019, First Amendment to the Newell Brands Employee Savings Plan, effective January 1, 2018 (incorporated by reference to Exhibit 10.2 to the Company's Report on Form 10-Q for the quarterly period ended June 30, 2020, File No. 006-09608).
- 10.28\* Amendment No. 2 dated December 30, 2021, to the Newell Brands Employee Savings Plan (as amended and restated effective January 1, 2018, and amended by the First Amendment effective January 1, 2019) (incorporated by reference to Exhibit 10.9 of the Company's Quarterly Report Form 10-Q for the quarterly period ended March 31, 2022, File No. 001-09608).
- 10.29\* Amendment No. 3, dated June 7, 2022, to the Newell Brands Employee Savings Plan, (effective January 1, 2018, and most recently amended by the Second Amendment effective January 1, 2022) (incorporated by reference to Exhibit 10.4 of the Company's Quarterly Report Form 10-Q for the quarterly period ended June 30, 2022, File No. 001-09608).
- 10.30\*† Amendment No. 4, dated December 27, 2022, to the Newell Brands Employee Savings Plan, effective January 1, 2018, and most recently amended by the Third Amendment effective March 1, 2022.
- 10.31\* Newell Brands Supplemental Employee Savings Plan, dated January 1, 2018 (incorporated by reference to Exhibit 10.7 to the Company's Report on Form 10-K for the year ended December 31, 2017, File No. 001-09608).
- 10.32\* Amendment to the Newell Brands Supplemental Employee Savings Plan, effective January 1, 2018 (incorporated by reference to Exhibit 10.12 to the Company's Report on Form 10-K for the year ended December 31, 2018, File No. 006-09608).
- 10.33\* Amendment No. 2, dated June 7, 2022, to the Newell Brands Supplemental Employee Savings Plan, (effective January 1, 2018, and amended by the First Amendment effective January 1, 2020) (incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report Form 10-Q for the quarterly period ended June 30, 2022).
- 10.34\* Newell Rubbermaid Severance Plan and Summary Plan Description for Directors and above, as amended and restated effective January 1, 2018 (incorporated by reference to Exhibit 10.18 to the Company's Report on Form 10-K for the year ended December 31, 2018, File No. 006-09608).
- 10.35\*† Newell Brands Employee Severance Plan and Summary Plan Description for Salary Band 6 and above, amendment and restatement of the Newell Rubbermaid Severance Plan, effective as of January 1, 2023.
- 10.36\* Newell Rubbermaid Inc. 2010 Stock Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 11, 2010, File No. 001-09608).
- 10.37\* Newell Rubbermaid Inc. 2013 Incentive Plan (incorporated by reference to Appendix B to the Company's Proxy Statement dated March 28, 2013, File No. 001-09608).

- 10.38\* First Amendment to the Newell Rubbermaid Inc. 2013 Incentive Plan dated as of February 14, 2018 (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018, File No. 001-09608).
- 10.39\* Second Amendment to the Newell Rubbermaid Inc. 2013 Incentive Plan effective as of July 26, 2019. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019, File No. 001-09608).
- 10.40\* 2018 Long Term Incentive Plan Terms and Conditions under the Newell Rubbermaid Inc. 2013 Incentive Plan, as updated February 13, 2018 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 13, 2018, File No. 001-09608).
- 10.41\* 2019 Long-Term Incentive Plan Terms and Conditions under the Newell Rubbermaid Inc. 2013 Incentive Plan, as updated February 6, 2019 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 12, 2019, File No. 001-09608).
- 10.42\* 2020 Long Term Incentive Plan Terms and Conditions under the Newell Rubbermaid Inc. 2013 Incentive Plan, as updated February 13, 2020 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 20, 2020, File No. 001-09608).
- 10.43\* Amended Exhibit A to 2020 Long Term Incentive Plan Terms and Conditions and 2020 Restricted Stock Unit Award Agreements with the CEO and the Management Committee (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 12, 2020, File No. 001-09608).
- 10.44\* Form of Michael B. Polk Stock Option Agreement for July 18, 2011 Award (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated July 18, 2011, File No. 001-09608).
- 10.45\* Form of Award Agreement (awarding restricted stock units) under the 2013 Incentive Plan to Bradford R. Turner (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K dated May 18, 2018, File No. 001-09608).
- 10.46\* Form of 2020 Non-Qualified Stock Option Agreement under the Newell Rubbermaid Inc. 2013 Incentive Plan, as amended, for Awards to Employees (Management Committee) (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020, File No. 001-09608).
- 10.47\* Form of 2020 Non-Qualified Stock Option Agreement under the Newell Rubbermaid Inc. 2013 Incentive Plan, as amended, for Awards to the Chief Executive Officer (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020, File No. 001-09608).
- 10.48\* Form of 2020 Non-Qualified Stock Option Agreement under the Newell Rubbermaid Inc. 2013 Incentive Plan, as amended, for Awards to the Chief Financial Officer (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020, File No. 001-09608).
- 10.49\* Form of Non-Employee Director Restricted Stock Unit Award Agreement, for Annual Awards Issued to Non-Employee Directors under the Newell Rubbermaid Inc. 2013 Incentive Plan, as amended May 7, 2019, (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019, File No. 001-09608).
- 10.50\* Form of 2018 Restricted Stock Unit Award Agreement under the Newell Rubbermaid Inc. 2013 Incentive Plan for Employees, as amended February 13, 2018 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated February 13, 2018, File No. 001-09608).
- 10.51\* Form of 2019 Restricted Stock Unit Award Agreement under the Newell Rubbermaid Inc. 2013 Incentive Plan for Employees, as amended February 14, 2018 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 20, 2019, File No. 001-09608).
- 10.52\* Form of 2020 Restricted Stock Unit Award Agreement under the Newell Rubbermaid Inc. 2013 Incentive Plan (as amended February 14, 2018, and July 26, 2019) for Awards to Employees (Management Committee) (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020, File No. 001-09608).
- 10.53\* Form of 2020 Restricted Stock Unit Award Agreement under the Newell Rubbermaid Inc. 2013 Incentive Plan, as amended, for Awards to the Chief Executive Officer (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020, File No. 001-09608).

- 10.54\* Form of Non-Employee Director Stock Award Agreement under the Newell Rubbermaid 2013 Incentive Plan, for Shares Granted Quarterly to Directors Electing Fee Payments in Stock in Lieu of Cash (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018, File No. 001-09608).
- 10.55\* Form of Employment Security Agreement between the Company and the named executive officers of the Company other than the Chief Executive Officer (incorporated by reference to Exhibit 10.39 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014, File No. 001-09608).
- 10.56\* Form of Waiver and Termination Agreement between Newell Brands Inc. and Executives (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020, File No. 001-09608).
- 10.57\* Newell Rubbermaid Inc. Employment Security Agreements Trust Agreement, effective as of June 1, 2013 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013, File No. 001-09608).
- 10.58\* Compensation Arrangement with Christopher H. Peterson, dated November 21, 2018 (incorporated by reference to Exhibit 10.61 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018, File No. 001-09608).
- 10.59\* Interim CEO Offer Letter dated June 25, 2019 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8 K dated June 25, 2019, File No. 001-09608).
- 10.60\* Amendment to 2019 Offer Letter of Christopher H. Peterson, dated December 28, 2020 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 30, 2020, File No. 001-09608).
- 10.61\* Letter Agreement, dated February 9, 2022, between the Company and Christopher H. Peterson regarding Participation in the Executive Severance Plan (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated February 11, 2022, File No. -001-09608.).
- 10.62\* Letter Agreement, dated May 16, 2018, between Newell Brands Inc. and Bradford R. Turner (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated May 18, 2018, File No. 001-09608).
- 10.63\* Form of Award Agreement (awarding restricted stock units) under the 2013 Incentive Plan to Russell Torres dated March 8, 2019 (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019, File No. 001-09608).
- 10.64\* Relocation Repayment Agreement and Letter Agreement dated March 13, 2019 between Newell Brands Inc. and Bradford R. Turner. (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019, File No. 001-09608).
- 10.65\* Retirement Agreement and General Release, dated as of March 21, 2019, by and between Newell Brands Inc. and Michael B. Polk (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 22, 2019, File No. 001-09608).
- 10.66\* Form of Award Agreement (awarding restricted stock units) under the 2013 Incentive Plan to Russell Torres dated May 26, 2018 (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019, File No. 001-09608).
- 10.67\* Retention Bonus Agreement and Letter Agreement dated May 16, 2018, between Newell Brands Inc. and Russell Torres (incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019, File No. 001-09608).
- 10.68\* 2019 Interim CEO Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated June 25, 2019, File No. 001-09608).
- 10.69\* CEO Offer Letter dated July 29, 2019 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8 K dated July 30, 2019, File No. 001-09608).
- 10.70\* CEO Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated July 30, 2019, File No. 001-09608).
- 10.71\* Newell Brands Executive Severance Plan effective July 26, 2019 (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated July 30, 2019, File No. 001-09608).

- 10.72\* Third Amended and Restated Credit Agreement, dated as of August 31, 2022, among Newell Brands Inc., the Subsidiary Borrowers party thereto, the Guarantors from time to time party thereto, the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent.\*(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated September 6, 2022, File No. 001-09608).
- 10.73 Second Amended and Restated Credit Agreement, dated as of December 12, 2018, among Newell Brands Inc., the Subsidiary Borrowers thereto, the Guarantors from time-to-time borrowers thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 18, 2018, File No. 001-09608).
- 10.74 Amended and Restated Loan and Servicing Agreement, dated as of October 2, 2019, among Jarden Receivables, as Borrower, Newell Brands Inc., as Servicer, the Conduit Lenders, the Committed Lenders and the Managing Agents named therein, PNC Bank, National Association and Royal Bank of Canada, each as an Issuing lender, PNC Bank, National Association, as Administrative Agent, and PNC Capital Markets LLC, as Structuring Agent (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 4, 2019, File No. 001-09608).
- 10.75 Third Amendment to Receivables Contribution and Sale Agreement, dated as of October 31, 2017 among Jarden Receivables, LLC, the Originators party thereto, Newell Brands Inc., as Servicer, PNC Bank, National Association, as Administrative Agent and as a Managing Agent, Wells Fargo Bank, National Association, as Issuing Lender and each Managing Agent party thereto (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017, File No. 001-09608).
- 10.76 Omnibus Amendment, dated as of December 16, 2016, among Jarden Receivables, LLC, Originator parties thereto, Newell Brands Inc., as Servicer, PNC Bank, National Association, as Administrative Agent and as a Managing Agent, Wells Fargo Bank, National Association, as Issuing Lender and each Managing Agent party thereto (incorporated by reference to Exhibit 10.49 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016, File No. 001-09608).
- 10.77 Second Omnibus Amendment, dated as of March 29, 2017 among Jarden Receivables, LLC, the Originators party thereto, Newell Brands Inc., as Servicer, PNC Bank, National Association, as Administrative Agent and as a Managing Agent, Wells Fargo Bank, National Association, as Issuing Lender and each Managing Agent party thereto (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017, File No. 001-09608).
- 10.78 Fourth Omnibus Amendment, dated May 31, 2018 among Jarden Receivables, LLC, the Originators party thereto, Newell Brands Inc., as Servicer, PNC Bank, National Association, as Administrative Agent and as a Managing Agent, Wells Fargo Bank, National Association, as Issuing Lender and each Managing Agent Party thereto (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018, File No. 001-09608).
- 10.79 Sixth Omnibus Amendment, dated as of March 14, 2019, by and among Jarden Receivables, LLC, as Borrower, Newell Brands Inc., as Servicer, the Managing Agents named therein, PNC Bank, National Association, as Administrative Agent, and Wells Fargo Bank, National Association, as Issuing Lender, to Loan and Servicing Agreement, dated as of October 3, 2016, and Receivables Contribution and Sale Agreement, dated as of October 3, 2016 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 15, 2019, File No. 001-09608).
- 10.80 Seventh Omnibus Amendment, dated as of June 18, 2019, by and among Jarden Receivables, LLC, as Borrower, Newell Brands Inc., as Servicer, the Managing Agents named therein, PNC Bank, National Association, as Administrative Agent, and Wells Fargo Bank, National Association, as Issuing Lender, to Loan and Servicing Agreement, dated as of October 3, 2016, and Receivables Contribution and Sale Agreement, dated as of October 3, 2016 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019, File No. 001-09608).
- 10.81 Eighth Omnibus Amendment dated as of March 20, 2020, to Amended and Restated Loan and Servicing Agreement, dated as of October 2, 2019, among Jarden Receivables, as Borrower, Newell Brands Inc., as Servicer, the Conduit Lenders, the Committed Lenders and the Managing Agents named therein, PNC Bank, National Association and Royal Bank of Canada, each as an Issuing lender, PNC Bank, National Association, as Administrative Agent, and PNC Capital Markets LLC, as Structuring Agent, (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020, File No. 001-09608).

10.82 Ninth Omnibus Amendment, dated as of May 26, 2022 is the Second Amendment to Amended and Restated Loan and Servicing Agreement entered into among Jarden Receivables, LLC; Newell Brands Inc.; PNC Bank, National Association and Royal Bank of Canada (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 2, 2022, File No. 001-09608).

ITEM 18 — PREFERABILITY LETTER REGARDING CHANGE IN ACCOUNTING PRINCIPLE

18.1† Preferability letter from PricewaterhouseCoopers LLP dated February 15, 2023.

ITEM 21 — SUBSIDIARIES OF THE REGISTRANT

21.1† Subsidiaries of the Registrant.

ITEM 23 — CONSENT OF EXPERTS AND COUNSEL

23.1† Consent of PricewaterhouseCoopers LLP.

ITEM 31 — RULE 13a-14(a)/15d-14(a) CERTIFICATIONS

31.1† Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2† Certification of Chief Financial Officer Pursuant to Rule 12a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

ITEM 32 — SECTION 1350 CERTIFICATIONS

32.1† Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2† Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

ITEM 101 — INTERACTIVE DATA FILE

101.INS Inline XBRL Instance Document

101.SCH Inline XBRL Taxonomy Extension Schema Document

101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF Inline XBRL Taxonomy Definition Linkbase Document

101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document

101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document

104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

† Filed herewith

\* Represents management contracts and compensatory plans and arrangements.

**ITEM 16. FORM 10-K SUMMARY**

None.



## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEWELL BRANDS INC.

Registrant

By /s/ Mark J. Erceg

Mark J. Erceg

Title Chief Financial Officer

Date February 15, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on February 15, 2023, by the following persons on behalf of the Registrant and in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Ravichandra K. Saligram</u> Ravichandra K. Saligram	Chief Executive Officer and Director
<u>/s/ Mark J. Erceg</u> Mark J. Erceg	Chief Financial Officer
<u>/s/ Jeffrey M. Sesplankis</u> Jeffrey M. Sesplankis	Chief Accounting Officer
<u>/s/ Patrick D. Campbell</u> Patrick D. Campbell	Chairman of the Board
<u>/s/ Bridget Ryan Berman</u> Bridget Ryan Berman	Director
<u>/s/ James R. Craigie</u> James R. Craigie	Director
<u>/s/ Brett Icahn</u> Brett Icahn	Director
<u>/s/ Jay L. Johnson</u> Jay L. Johnson	Director
<u>/s/ Gerardo I. Lopez</u> Gerardo I. Lopez	Director
<u>/s/ Courtney R. Mather</u> Courtney R. Mather	Director
<u>/s/ Judith A. Sprieser</u> Judith A. Sprieser	Director
<u>/s/ Stephanie Stahl</u> Stephanie Stahl	Director
<u>/s/ Robert A. Steele</u> Robert A. Steele	Director

**NEWELL BRANDS INC. AND SUBSIDIARIES**  
**Valuation and Qualifying Accounts**

	<b>Balance at Beginning of Period</b>	<b>Provision</b>	<b>Other</b>	<b>Write-offs/ Disposition</b>	<b>Balance at End of Period</b>
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*(in millions)*

**Reserve for Expected Credit Losses:**

Year Ended December 31, 2022	\$ 27	\$ 11	\$ —	\$ (7)	\$ 31
Year Ended December 31, 2021	36	1	(2)	(8)	27
Year Ended December 31, 2020	29	17	—	(10)	36

	<b>Balance at Beginning of Period</b>	<b>Provision</b>	<b>Other</b>	<b>Write-offs/ Disposition</b>	<b>Balance at End of Period</b>
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*(in millions)*

**Inventory Reserves:  
(including excess, obsolescence and shrink reserves)**

Year Ended December 31, 2022	\$ 92	\$ 61	\$ 2	\$ (77)	\$ 78
Year Ended December 31, 2021	82	78	(2)	(66)	92
Year Ended December 31, 2020	78	68	2	(66)	82

	<b>Balance at Beginning of Period</b>	<b>Provision</b>	<b>Other</b>	<b>Write-offs/ Recoveries</b>	<b>Balance at End of Period</b>
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*(in millions)*

**Income Tax Valuation Allowance**

Year Ended December 31, 2022	\$ 186	\$ 15	\$ (5)	\$ (48)	\$ 148
Year Ended December 31, 2021	213	31	(7)	(51)	186
Year Ended December 31, 2020	271	30	5	(93)	213





NEWELL BRANDS  
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[www.newellbrands.com](http://www.newellbrands.com)