Risk Factors Comparison 2023-07-13 to 2022-07-21 Form: 10-K

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

Our business **is subject** ~~, financial condition and results of operations could be adversely affected by disruptions in the global economy caused by the ongoing conflict between Russia and Ukraine or other geopolitical conflict. The global economy has been negatively impacted by the military conflict between Russia and Ukraine. Furthermore, governments in the U. S., United Kingdom, and European Union have each imposed export controls on certain products and financial and economic sanctions on certain industry sectors and parties in Russia. Although we have no operations in Russia or Ukraine, we have experienced shortages in materials and increased costs for transportation, energy, and raw material 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 military conflict, including increased trade barriers or restrictions on global trade, could result in, among other things, cyberattacks, 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. In addition, the effects of the ongoing conflict could heighten many of our known risks described in this Item 1A, Risk Factors. Deterioration of general economic conditions could harm our business and results of operations. Our business and results of operations have in the past been and may continue to be adversely affected by changes in national or global economic conditions, including inflation, rising interest rates, availability of capital markets, consumer spending rates, energy availability and costs (including fuel surcharges), the negative impacts caused by pandemics and public health crises (including the COVID- 19 pandemic), and the effects of governmental initiatives to manage economic conditions. Volatility in financial markets, including rising interest rates, and deterioration of national and global economic conditions has impacted and could continue to impact our business and operations in~~ a variety of ~~ways~~ **governmental laws and regulations** , including **food and drug laws** ~~as follows: • consumers shifting purchases to more generic~~ , ~~lower~~ **environmental laws, laws related to advertising and marketing practices, accounting standards, taxation requirements, competition laws, employment laws, data privacy laws, human rights laws, and anti** - ~~priced~~ **corruption laws** , ~~or~~ **among** ~~other~~ **others** ~~value offerings~~ , ~~or foregoing certain purchases altogether during economic downturns, which could result~~ in ~~a reduction in sales of higher margin products or a shift in our product mix to lower margin offerings adversely affecting the results of our operations; • decreased demand in the restaurant business (including due to the COVID- 19 pandemic), particularly casual~~ and **outside of** ~~fine dining, may adversely affect our Foodservice operations; • volatility in commodity and other~~ -- **the United States** ~~input costs could substantially impact our result of operations; • volatility in the equity markets or interest rates could substantially impact our pension costs and required pension contributions; • rising interest rates may adversely impact our results of operations; and • it may become more costly or difficult to obtain debt or equity financing to fund operations or investment opportunities, or to refinance our debt in the future, in each case on terms and within a time period acceptable to us~~ . ~~Credit Risks~~ Our ~~existing and future debt may limit cash flow available to invest in the ongoing needs of our business and could prevent us from fulfilling our debt obligations or returning cash to stockholders. As of May 29, 2022, we had total debt of approximately $ 8. 98 billion, including approximately $ 8. 71 billion aggregate principal amount of outstanding senior notes. Our ability to make payments on our debt, fund our other liquidity needs, make planned capital expenditures, and return cash to stockholders, will depend on our ability to generate cash in the future. Our historical financial results have been, and we anticipate that our future financial results will be, subject to fluctuations. Our ability to generate cash, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond our control. We cannot guarantee that our business will generate sufficient cash flow from our operations or that future borrowings will be available to us in an amount sufficient to enable us to make payments of our debt, fund other liquidity needs, make planned capital expenditures, or return cash to stockholders. Our level of debt could have important consequences. For example, it could: • make it more difficult for us to satisfy our debt service obligations; • restrict us from making strategic acquisitions or taking advantage of favorable business opportunities; • restrict us from repurchasing shares of our common stock; • negatively impact our ability to pay a cash dividend at an attractive level; • limit flexibility to plan for, or react to, changes in the businesses and industries in which we operate, which may adversely affect our operating results and ability to meet our debt service obligations; • limit our ability to refinance our indebtedness or increase the cost of such indebtedness; • require us to dedicate a substantial portion of our cash flow from operations to the payment of debt service, reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions, and other general corporate purposes; • increase our vulnerability to adverse economic or industry conditions, including changes in interest rates; • limit our ability to obtain additional financing in the future to fund our working capital requirements, capital expenditures, acquisitions, investment, debt service obligations, and other general operating requirements or to enable us to react to changes in our business; or • place us at a competitive disadvantage compared to businesses in our industry that have less debt. Additionally, any failure to meet required payments on our debt, or failure to comply with any covenants in the instruments governing our debt, could result in an event of default under the terms of those instruments and a downgrade to our credit ratings. In the event of a default, the holders of our debt could elect to declare all the amounts outstanding under such instruments to be due and payable. Any default under the agreements governing our debt and the remedies sought by the holders of such debt could render us unable to pay principal and interest on our debt. Recently, we have increasingly accessed the commercial paper markets for ongoing funding requirements. A downgrade in our credit ratings would increase our borrowing costs and could affect our ability to issue commercial paper. Additionally, disruptions in the commercial paper market or other effects of volatile economic conditions on the credit markets could also reduce the amount of commercial paper that we could issue and raise our borrowing costs. A significant portion of our~~

operations are **subject** ~~conducted through our subsidiaries. As a result, our ability~~ to **various laws** ~~generate sufficient cash flow for our needs is dependent to some extent on the earnings of our subsidiaries~~ and **regulations administered** ~~the payment of those earnings to us in the form of dividends, loans, or advances and through repayment of loans or advances from us. Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on our debt to provide us with funds to meet our cash flow needs, whether in the form of dividends, distributions, loans, or other payments. In addition, any payment of dividends, loans, or advances~~ by **federal, state, local** ~~our subsidiaries could be subject to statutory or contractual restrictions. Payments to us by our subsidiaries will also be contingent upon our subsidiaries' earnings~~ and **foreign government agencies** ~~business considerations. Our right to receive any assets of any of our subsidiaries upon their liquidation or reorganization will be effectively subordinated to the claims of that subsidiary' s creditors~~ , including ~~trade creditors. In addition~~ , ~~even if we are a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us. Finally, changes in the laws of foreign jurisdictions in which we operate may adversely affect the ability of some of our foreign subsidiaries to repatriate funds to us. Competition Risks Increased competition may result in reduced sales or profits. The food industry is highly competitive, and further consolidation in the industry would likely increase competition. Our principal competitors have substantial financial, marketing, and other resources. Increased competition can reduce our sales due to loss of market share or the need to reduce prices to respond to competitive and customer pressures. Competitive pressures also may restrict our ability to increase prices, including in response to commodity and other cost increases. We sell branded, private brand, and customized food products, as well as commercially branded foods. Our branded products have an advantage over private brand products primarily due to advertising and name recognition, although private brand products typically sell at a discount to those of branded competitors. In addition, when branded competitors focus on price and promotion, the environment for private brand producers becomes more challenging because the price difference between private brand products and branded products may become less significant. In most product categories, we compete not only with other widely advertised branded products, but also with other private label and store brand products that are generally sold at lower prices. A strong competitive response from one or more of our competitors to our marketplace efforts, or a consumer shift towards more generic, lower- priced, or other value offerings, could result in us reducing pricing, increasing marketing or other expenditures, or losing market share. Our margins and profits could decrease if a reduction in prices or increased costs are not counterbalanced with increased sales volume. In addition, substantial growth in e- commerce has encouraged the entry of new competitors and business models, intensifying competition by simplifying distribution and lowering barriers to entry. The expanding presence of e- commerce retailers has impacted, and may continue to impact, consumer preferences and market dynamics, which in turn may negatively affect our sales or profits. If we do not achieve the appropriate cost structure in the highly competitive food industry, our profitability could decrease. Our future success and earnings growth depend in part on our ability to achieve the appropriate cost structure and operate efficiently in the highly competitive food industry, particularly in an environment of volatile input costs. We continue to implement profit- enhancing initiatives that impact our supply chain and general and administrative functions. These initiatives are focused on cost- saving opportunities in procurement, manufacturing, logistics, and customer service, as well as general and administrative overhead levels. Gaining additional efficiencies may become more difficult over time. Our failure to reduce costs through productivity gains or by eliminating redundant costs resulting from acquisitions could adversely affect our profitability and weaken our competitive position. If we do not continue to effectively manage costs and achieve additional efficiencies, our competitiveness and our profitability could decrease. Commodity Risks We are subject to increases in the price of raw materials, labor, manufacturing, distribution, and other inputs necessary for the production and distribution of our products, and we may not be able to fully offset this input cost inflation on a timely basis or at all. Many of the components of our cost of goods sold are subject to price increases that are attributable to factors beyond our control, including~~ but not limited to, ~~global economic conditions~~ **the United States Department of Agriculture** , **the Federal Food and Drug Administration, the Federal** ~~trade~~ **Trade Commission** ~~barriers or restrictions~~ , ~~supply chain disruptions, changes in crop size, product scarcity, demand dynamics, currency rates, water supply, weather conditions, import and export requirements, and other~~ -- **the Occupational Safety and Health Administration** ~~factors. The cost of raw materials~~ , **the Environmental Protection Agency, and the Department of** ~~labor~~ **Labor . In particular** , **the processing** ~~manufacturing, energy, fuel~~ , packaging ~~materials~~ , **transportation, storage,** ~~and other inputs related to the production and~~ distribution **, advertising, labeling, quality, and safety** of ~~our~~ **food** products ~~have increased and may continue to increase unexpectedly. In the latter part of fiscal 2021 and throughout fiscal 2022~~ , ~~input costs increased materially and at a rapid rate. We expect the pressures of input cost inflation to continue into fiscal 2023. The Company uses a variety of strategies to seek to offset this input cost inflation. However, we may not be able to generate sufficient productivity improvements, price increases or commodity hedging benefits to fully offset these~~ -- **the health** ~~costs, or do so on an~~ **and** ~~acceptable timeline. To~~ **safety of our employees, and** the ~~extent we~~ **protection of the environment** are ~~unable~~ **each subject** to **governmental regulation** ~~offset present and future input cost increases, our operating results could be materially and adversely affected~~ . **Additionally** ~~Increases in commodity costs may have a negative impact on profits. We use many different commodities such as wheat~~ , **we** ~~corn, oats, soybeans, beef, pork, poultry, steel, aluminum, and energy. Commodities~~ are subject to **data privacy** ~~price volatility caused by global economic conditions, trade barriers or restrictions, supply chain disruptions, commodity market fluctuations, supply~~ and **security** ~~demand, currency fluctuations, external conditions such as weather, and changes in governmental agricultural and energy policies and~~ regulations ~~. In addition~~ , **tax** ~~recent world events have increased the risks posed by international trade disputes, tariffs,~~ and **securities regulations** ~~sanctions. We procure a wide spectrum of commodities globally and could potentially face increased prices for commodities sourced from nations that could be impacted by trade disputes~~ , ~~tariffs, or sanctions. Commodity price increases have resulted and may in the future result in increases in raw material, packaging, and energy costs and operating costs. We have implemented pricing actions that have, in part, offset these increased costs, but we may not be able to increase our product prices and achieve cost savings~~

~~that fully offset these increased costs; and increasing prices may result in reduced sales volume, reduced margins, and profitability. We have experience in hedging against commodity price increases; however, these practices and experience reduce, but do not eliminate, the risk of negative profit impacts from commodity price increases. We do not fully hedge against changes in commodity prices, and the risk management procedures that we use may not always work as we intend. Volatility in the market value of derivatives we use to manage exposures to fluctuations in commodity prices will cause volatility in our gross margins and net earnings. We utilize derivatives to manage price risk for some of our principal ingredients and energy costs, including grains (wheat, corn, and oats), oils, beef, pork, poultry, and energy. Changes in the values of these derivatives are generally recorded in earnings currently, resulting in volatility in both gross margin and net earnings. These gains and losses are reported in cost of goods sold in our Consolidated Statements of Earnings and in unallocated general corporate expenses in our segment operating results until we utilize the underlying input in our manufacturing process, at which time the gains and losses are reclassified to segment operating profit. We may experience volatile earnings as a result of these~~ accounting **and reporting standards, and** ~~treatments. Strategic Transaction Risks We may not realize the~~ **other financial laws** ~~benefits that we anticipated from the Pinnacle Foods acquisition. The benefits that are expected to result from the Pinnacle acquisition will continue to depend, in part, on our ability to realize the anticipated growth opportunities~~ and **regulations** ~~cost synergies as the result of the acquisition~~. Our ~~success in realizing these growth opportunities and cost synergies, and the timing of this realization, depends on the successful integration of Pinnacle. In fiscal 2019, we announced a restructuring and integration plan related to the ongoing integration of Pinnacle for the purpose of achieving significant cost synergies (the" Pinnacle Integration Restructuring Plan"). We expect to continue incurring material charges over a multi- year period for exit and disposal activities under U. S. generally accepted accounting principles. We recognized charges of $ 19. 6 million, $ 31. 7 million, and $ 73. 8 million in connection with the Pinnacle Integration Restructuring Plan in fiscal 2022, 2021, and 2020, respectively. The successful implementation of the Pinnacle Integration Restructuring Plan has presented significant organizational design and infrastructure challenges. In many cases, it has required successful negotiations with third parties, including labor organizations, suppliers, business partners, and other stakeholders. In addition, implementation of aspects of the Pinnacle Integration Restructuring Plan going forward may not advance our business strategy as expected. To date, we have generally been successful in implementing the Pinnacle Integration Restructuring Plan without material interruption of momentum in our activities, events and circumstances, such as financial or strategic difficulties, delays, and unexpected costs may occur that could result in our not realizing all or any of the anticipated benefits or our not realizing the anticipated benefits on our expected timetable. If we are unable to realize the anticipated savings and cost synergies of the Pinnacle Integration Restructuring Plan or successfully and cost- effectively implement aspects of the integration of Pinnacle going forward, our ability to fund other initiatives may be adversely affected. Any~~ failure to implement the Pinnacle Integration Restructuring Plan...... to be established. If we fail to comply with applicable laws and regulations ~~, we may be subject to civil remedies, including fines, injunctions, recalls, or seizures, as well as criminal sanctions, any of which could have a material adverse effect on our business, financial condition, or results of operations. Any damage to our reputation could have a material adverse effect on our business, financial condition, and results of operations. Maintaining a good reputation is critical to selling our products. Product contamination or tampering, the failure to maintain high standards for product quality, safety, and integrity, including with respect to raw materials and ingredients obtained from suppliers, or allegations of product quality issues, mislabeling, or contamination, even if untrue, may reduce demand for our products or cause production and delivery disruptions. Our reputation could also be adversely impacted by any of the following, or by adverse publicity (whether or not valid) relating thereto: the failure to maintain high ethical, social, and environmental standards for all of our operations and activities; the failure to achieve any stated goals with respect to the nutritional profile of our products; our research and development efforts; or our environmental impact, including use of agricultural materials, packaging, energy use, and waste management. Moreover, the growing use of social and digital media by consumers has greatly increased the speed and extent that information or misinformation and opinions can be shared. Failure to comply with local laws and regulations, to maintain an effective system of internal controls or to provide accurate and timely financial information could also hurt our reputation. Damage to our reputation or loss of consumer confidence in our products for any of these or other reasons could result in decreased demand for our products and could have a material adverse effect on our business, financial condition, and results of operations, as well as require additional resources to rebuild our reputation. Due to the seasonality of the business, our revenue and operating results may vary from quarter to quarter. Our sales and cash flows are affected by seasonal cyclicality. Sales of frozen foods, including frozen vegetables and frozen complete bagged meals, tend to be marginally higher during the winter months. Seafood sales peak during Lent, in advance of the Easter holiday. Since many of the raw materials we process are agricultural crops, production of these products is predominantly seasonal, occurring during and immediately following the purchase of such crops. For these reasons, sequential quarterly comparisons are not a good indication of our performance or how we may perform in the future. If we are unable to obtain access to working capital or if seasonal fluctuations are greater than anticipated, there could be a material adverse effect on our financial condition, results of operations, or cash flows. Customer Risks We must identify changing consumer preferences and develop and offer food products to meet their preferences. Consumer preferences evolve over time and the success of our food products depends on our ability to identify the tastes and dietary habits of consumers and to offer products that appeal to their preferences, including concerns of consumers regarding health and wellness, obesity, product attributes, and ingredients. Introduction of new products and product extensions requires significant development and marketing investment. Trends indicate that people have continued to generally cook at home more often even as the COVID- 19 pandemic subsides, and our consumers are repurchasing our products across a number of our leading brands at higher rates. If our products fail to meet changing consumer preferences or habits, or if we fail to introduce new and improved products on a timely basis, then the return on that investment will be less than anticipated and our strategy to grow sales and profits with investments in acquisitions, marketing, and innovation will be less successful. Similarly, demand for our products could be affected by~~

~~consumer concerns or perceptions regarding the health effects of ingredients such as sodium, trans fats, sugar, processed wheat, or other product ingredients or attributes. Additionally, as we have continued to implement pricing action in response to increased costs of goods sold, the elasticity impact from our pricing actions has been favorable to date compared to historical trends, but demand for our products could be affected if elasticities become unfavorable in response to our pricing actions. Changes in our relationships with significant customers or suppliers could adversely affect us. During fiscal 2022, our largest customer, Walmart, Inc. and its affiliates, accounted for approximately 27 % of our consolidated net sales. There can be no assurance that Walmart, Inc. and other significant customers will continue to purchase our products in the same quantities or on the same terms as in the past, particularly as increasingly powerful retailers continue to demand lower pricing. The loss of a significant customer or a material reduction in sales to a significant customer could materially and adversely affect our product sales, financial condition, and results of operations. The sophistication and buying power of our customers could have a negative impact on profits. Our customers, such as supermarkets, warehouse clubs, and food distributors, have continued to consolidate, resulting in fewer customers on which we can rely for business. These consolidations, the growth of supercenters, and the growth of e- commerce customers have produced large, sophisticated customers with increased buying power and negotiating strength who are more capable of resisting price increases and who can demand lower pricing, increased promotional programs, or specialty tailored products. In addition, larger retailers have the scale to develop supply chains that permit them to operate with reduced inventories or to develop and market their own retailer brands. These customers may also in the future use more of their shelf space, currently used for our products, for their store brand products. We continue to implement initiatives to counteract these pressures. However, if the larger size of these customers results in additional negotiating strength and / or increased private label or store brand competition, our profitability could decline. Consolidation also increases the risk that adverse changes in our customers' business operations or financial performance will have a corresponding material adverse effect on us. For example, if our customers cannot access sufficient funds or financing, then they may delay, decrease, or cancel purchases of our products, or delay or fail to pay us for previous purchases. Third- Party Partner Risks Disruption of our supply chain have had and could continue to have an adverse impact on our business, financial condition, and results of operations. Our ability to make, move, and sell our products is critical to our success. During fiscal 2022, we have experienced disruption to our supply and elevated supply chain operating costs due, in part, to disruptions in the availability of labor and certain materials, and input cost inflation. Continued or future damage or disruption to our supply chain, including third- party manufacturing or transportation and distribution capabilities, due to weather, including any potential effects of climate change, natural disaster, fire or explosion, terrorism, pandemics (such as the COVID- 19 pandemic), strikes, government action, geopolitical turmoil, or other reasons beyond our control or the control of our suppliers and business partners, could impair our ability to manufacture or sell our products. Failure to take adequate steps to mitigate the likelihood or potential impact of such events, or to effectively manage such events if they occur, particularly when a product is sourced from a single supplier or location, could adversely affect our business or financial results. In addition, disputes with significant suppliers, including disputes regarding pricing or performance, could adversely affect our ability to supply products to our customers and could materially and adversely affect our product sales, financial condition, and results of operations. In particular, we continue to monitor the COVID- 19 pandemic and its potential impact on our supply chain and our consolidated results of operations. Although our products are manufactured in North America and we source the significant majority of our ingredients and raw materials from North America, due to restrictions resulting from the COVID- 19 pandemic, global supply has at time been and may continue to be constrained, which has caused and may continue to cause the price of certain ingredients and raw materials used in our products to increase and / or we may experience disruptions to our operations. Additionally, although we are a North American company with no operations in our direct exposure to Russia and Ukraine, we have experienced shortages in materials and increased costs for transportation, energy, and raw material due in part to the negative impact of the Russia- Ukraine military conflict on the global economy. To date, the conflict between Russia and Ukraine has not had a material impact on our business, financial condition, or results of operations, but continued geopolitical turmoil, including expansion of the Russia- Ukraine conflict into other countries, or conflicts in other parts of the world, may negatively impact our supply chain and our ability to manufacture or sell our products. The termination or expiration of current co- manufacturing arrangements could reduce our sales volume and adversely affect our results of operations. Our businesses periodically enter into co- manufacturing arrangements with manufacturers of products. The terms of these agreements vary. Although many agreements are for a relatively short period of time, some of the co- manufacturing agreements are for extended periods. Volumes produced under each of these agreements can fluctuate significantly based upon the product' s life cycle, product promotions, alternative production capacity, and other factors, none of which are under our direct control. Our future ability to enter into co- manufacturing arrangements is not guaranteed, and a decrease in current co- manufacturing levels could have a significant negative impact on sales volume. As we outsource certain functions, we become more dependent on the third parties performing those functions. As part of a concerted effort to achieve cost savings and efficiencies, we have entered into agreements with third- party service providers under which we have outsourced certain information systems, sales, finance, accounting, and other functions, and we may enter into managed services agreements with respect to other functions in the future. If any of these third- party service providers do not perform according to the terms of the agreements, or if we fail to adequately monitor their performance, we may not be able to achieve the expected cost savings or we may have to incur additional costs to correct errors made by such service providers, and our reputation could be harmed. Depending on the function involved, such errors may also lead to business interruption, damage or disruption of information technology systems, processing inefficiencies, the loss of or damage to intellectual property or non- public company sensitive information, effects on financial reporting, litigation or remediation costs, or damage to our reputation, any of which could have a material adverse effect on our business. If any of our third- party service providers experience a cyber breach or system failure, their businesses could be negatively impacted, and it may result in disruption to our end- to- end supply chain or affect our ability to fulfill customer orders, both of which could have a material adverse effect on~~

~~our business. If our third- party service providers do not respond or perform effectively in connection with a cyber breach or system failure, our business may be impacted. In addition, if we transition functions to one or more new, or among existing, external service providers, we may experience challenges that could have a material adverse effect on our results of operations or financial condition. Our operations are dependent on a wide array of third parties. The success of our end- to- end supply chain relies on the continued performance of a wide array of third parties. Suppliers, co- manufacturers, third- party outsourcers, warehousing partners, and transportation providers are among our critical partners. Although we take steps to qualify and audit third parties with whom we do business, we cannot guarantee that all third parties will perform dependably or at all. It is possible that events beyond our control, such as operational failures, labor issues, cybersecurity events, pandemics or other health issues, such as COVID- 19, or other issues could impact our unaffiliated third parties. If our third parties fail to deliver on their commitments, introduce unplanned risk to our operations (e. g., through cyber activity), or are unable to fulfill their obligations, we could experience manufacturing challenges, shipment delays, increased costs, or lost revenue. Legal, Regulatory, and Environmental Risks If we fail to comply with the many laws applicable to our business, we may face lawsuits or incur significant fines and penalties. In addition, changes in such laws may lead to increased costs. Our business is subject to a variety of governmental laws and regulations, including food and drug laws, environmental laws, laws related to advertising and marketing practices, accounting standards, taxation requirements, competition laws, employment laws, data privacy laws, and anti- corruption laws, among others, in and outside of the United States. Our operations are subject to various laws and regulations administered by federal, state, local and foreign government agencies, including, but not limited to, the United States Department of Agriculture, the Federal Food and Drug Administration, the Occupational Safety and Health Administration, the Environmental Protection Agency, and the Department of Labor. In particular, the processing, packaging, transportation, storage, distribution, advertising, labeling, quality, and safety of food products, the health and safety of our employees, and the protection of the environment are each subject to governmental regulation. Additionally, we are subject to data privacy and security regulations, tax and securities regulations, accounting and reporting standards, and other financial laws and regulations. Our failure to comply with applicable laws and regulations~~ could subject us to lawsuits, administrative penalties, and civil remedies, including fines, injunctions, and recalls of our products **. We may suffer losses if changes to regulations require us to change the ingredients we use or how we process, package, transport, store, distribute, advertise, or label our products or include changes that increase our risk of liability for deceptive advertising. Moreover, depending on the implementation of such regulatory changes, we could have increased risk for a product recall or have existing inventory become unsellable, which could materially and adversely impact our product sales, financial condition and operating results** . In addition, changes in applicable laws and regulations, including changes in taxation requirements and new or increased tariffs on products imported from certain countries, may lead to increased costs and could negatively affect our business, financial condition, and results of operations **. Additionally, we continue to monitor The Inflation Reduction Act of 2022, H. R. 5376 and related regulatory developments to evaluate their potential impact on our business, tax rate, and financial results including whether we are subject to the corporate alternative minimum tax. Other changes in the tax laws can significantly impact our effective tax rate and our financial results** . Our operations are also subject to extensive and increasingly stringent regulations administered by the Environmental Protection Agency, which pertain to the discharge of materials into the environment and the handling and disposition of wastes. Failure to comply with these regulations can have serious consequences, including civil and administrative penalties and negative publicity. Changes in applicable laws or regulations or evolving interpretations thereof, including increased government regulations to limit carbon dioxide and other greenhouse gas emissions as a result of concern over climate change, may result in increased compliance costs, capital expenditures, and other financial obligations for us, which could affect our profitability or impede the production or distribution of our products, and affect our net operating revenues. Climate change, or legal, regulatory, or market measures to address climate change, may negatively affect our business and operations. There is growing concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns, and the frequency and severity of extreme weather and natural disasters. In the event that such climate change has a negative effect on agricultural productivity, we may be subject to decreased availability or less favorable pricing for certain commodities that are necessary for our products, such as wheat, tomatoes, and a wide array of vegetables. Adverse weather conditions and natural disasters can reduce crop size and crop quality, which in turn could reduce our supplies of raw materials, lower recoveries of usable raw materials, increase the prices of our raw materials, increase our cost of transporting and storing raw materials, or disrupt our production schedules. ~~We~~ **13We** may also be subjected to decreased availability or less favorable pricing for water as a result of such change, which could impact our manufacturing and distribution operations. In addition, natural disasters and extreme weather conditions may disrupt the productivity of our facilities or the operation of our supply chain. The increasing concern over climate change also may result in more regional, federal, and / or global legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases **including increased mandatory disclosure, carbon pricing or carbon taxes** . In the event that such **additional** ~~regulation~~ **regulations** ~~is~~ **are** enacted and ~~is~~ **are** more aggressive than the climate risk mitigation measures that we are currently undertaking to monitor our emissions and improve our energy efficiency, we may experience significant increases in our costs of operation and delivery. In particular, increasing regulation of fuel emissions could substantially increase the distribution and supply chain costs associated with our products. ~~Additionally, while we continue to take important steps to strive toward mitigation of climate risk and impact on climate change, transitioning our business to adapt to and comply with evolving policy, legal, and regulatory changes may impose substantial operational and compliance burdens.~~ As a result, climate change could negatively affect our business and operations. **While we continue to take important steps to strive toward mitigation of climate risk and impact on climate change, transitioning our business to adapt to and comply with evolving policy, legal, and regulatory changes may impose substantial operational and compliance burdens. As a result, climate change could negatively affect our business and operations. Collecting, measuring and analyzing**

information relating to such matters can be costly, time- consuming, dependent on third- party cooperation and unreliable. Furthermore, methodologies for measuring, tracking and reporting on such matters continue to change over time, which requires our processes and controls for such data to evolve as well. Additionally, we may face increased pressure from customers, consumers, investors, activists and other stakeholders to modify our products or operations away from ingredients or activities that are considered to have a higher impact on climate change. Such changes to methodologies or lack of progress (whether actual or perceived) could adversely affect our business, operations, and reputation, and increase risk of litigation. From time to time, we establish strategies and expectations related to climate change and other environmental matters. Our ability to achieve any such strategies or expectations is subject to numerous factors and conditions, many of which are outside of our control. Examples of such factors include, but are not limited to, evolving regulatory and other standards, processes, and assumptions, the pace of scientific and technological developments, increased costs and the availability of requisite financing, market trends that may alter business opportunities, the conduct of third- party manufacturers and suppliers, constraint or disruptions **to** our supply chain, and changes in carbon markets **or carbon taxes. We may be required to expend significant resources to achieve these strategies and expectations, which could significantly increase our operational costs. There can be no assurance of the extent to which any of our strategies or expectations will be achieved, or that any future investments we make in furtherance of achieving these strategies or expectations will meet customer or investor expectations** . Failures or delays (whether actual or perceived) in achieving our strategies or expectations related to climate change and other environmental matters could adversely affect our business, operations, and reputation, and increase risk of litigation. Cybersecurity and Information Technology Risks Our business operations could be disrupted if our information technology systems fail to perform adequately. We rely on information technology networks and systems, including the Internet, to process, transmit, and store information, to manage and support a variety of business processes and activities, and to comply with regulatory, legal, and tax requirements. Our information technology systems, some of which are dependent on services provided by third parties, may be vulnerable to damage, interruption, or shutdown due to any number of causes outside of our control such as catastrophic events, natural disasters, fires, power outages, systems failures, telecommunications failures, employee error or malfeasance, security breaches, computer viruses or other malicious codes, ransomware, unauthorized access attempts, denial of service attacks, phishing, hacking, and other cyberattacks. **Additionally, the increase in hybrid working where employees, including third- party employees, access technology infrastructure remotely may create additional information technology and data security risks.** While we have experienced threats to our data and systems, to date, we are not aware that we have experienced a **breach that had a** material ~~breach~~ **impact on our operations or business** . Cyberattacks are occurring more frequently, are constantly evolving in nature and are becoming more sophisticated. Additionally, continued geopolitical turmoil, including the Russia- Ukraine military conflict, has heightened the risk of cyberattacks. While we attempt to continuously monitor and mitigate against cyber risks, including through leveraging multi- sourced threat intelligence, investing in new technologies, and developing third- party cybersecurity risk management capability in support of strategic suppliers, we may incur significant costs in protecting against or remediating cyberattacks or other cyber incidents. Sophisticated cybersecurity threats pose a potential risk to the security and viability of our information technology systems, as well as the confidentiality, integrity, and availability of the data stored on those systems, including cloud- based platforms. In addition, new technology that could result in greater operational efficiency may further expose our computer systems to the risk of cyber- attacks. If we do not allocate and effectively manage the resources necessary to build and sustain the proper technology infrastructure and associated automated and manual control processes, we could be subject to billing and collection errors, business disruptions, or damage resulting from security breaches. If any of our significant information technology systems suffer severe damage, disruption, or shutdown, and our business continuity plans do not effectively resolve the issues in a timely manner, our product sales, financial condition, and results of operations may be materially and adversely affected, and we could experience delays in reporting our financial results. In addition, there is a risk of business interruption, violation of data privacy laws and regulations, litigation, and reputational damage from leakage of confidential information. Any interruption of our information technology systems could have operational, reputational, legal, and financial impacts that may have a material adverse effect on our business. **While we maintain a cyber insurance policy that provides coverage for security incidents, we cannot be certain that our coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on financially reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. There is no assurance that the measures we have taken to protect our information systems will prevent or limit the impact of a future cyber incident.** Additionally, we regularly move data across national borders to conduct our operations and, consequently, are subject to a variety of laws and regulations in the United States and other jurisdictions regarding privacy, data protection, and data security, including those related to the collection, storage, handling, use, disclosure, transfer, and security of personal data, including the European Union General Data Protection Regulation **and the California Privacy Rights Act** . Our efforts to comply with privacy and data protection laws may impose significant costs and challenges that are likely to increase over time. ~~Employee~~ **14Employee** Risks We rely on our management team and other key personnel. We depend on the skills, working relationships, and continued services of key personnel, including our experienced management team. In addition, our ability to achieve our operating goals depends on our ability to identify, **attract,** hire, train, ~~and~~ retain **, and develop** qualified individuals **in the locations we need** . If key employees terminate their employment, ~~including by becoming ill as a result of the COVID- 19 pandemic,~~ our business activities may be adversely affected **by shortages of personnel with the skills, knowledge and talent that we need to effectively run and grow our business** . Our business activities may also be adversely affected if we are unable to locate suitable replacements for any key employees who leave or **to** offer employment to potential replacements on reasonable terms **. We offer robust training and development programs to help our employees develop the skills they need. Increased employee turnover results in significant time and expense relating to identifying, recruiting, hiring, relocating and integrating qualified individuals.**

High employee turnover of key personnel may deplete our institutional knowledge base and erode our competitiveness . We compete with other companies both within and outside of our industry for talented personnel. **We continue to experience increased competition for talent and at times, in recent years, have experienced periods of increased employee turnover.** If we do not successfully compete for the best talent, our business activities may be adversely affected. A number of factors may adversely affect the labor force available to us **at our multiple locations** or increase labor costs, including high employment levels, **population migration,** federal unemployment subsidies, **immigration laws** ~~including unemployment benefits offered in response to the COVID- 19 pandemic~~ , and other government regulations, unemployment programs, and volatility in general macroeconomic factors impacting the labor market. Although we have not experienced any material labor shortage to date, **over the past few years,** we have **experienced a tighter** ~~recently observed an overall tightening~~ and increasingly competitive labor market. A sustained labor shortage or increased turnover rates within our employee base (or within the employee base of key suppliers or third- party manufacturers), could negatively affect our supply chain or our ability to efficiently operate our manufacturing and distribution facilities and overall business. Our results could be adversely impacted as a result of increased pension, labor, and people- related expenses. Our labor costs include wages and the cost of providing employee benefits including pension, health and welfare, and severance benefits. The annual cost of providing these benefits varies as a result of factors such as the availability of skilled labor, the costs of health care, and the outcome of collectively bargained wage and benefit agreements. In addition, changes in interest rates, mortality rates, health care costs, early retirement rates, investment returns, and the market value of plan assets can affect the funded status of our defined benefit plans and cause volatility in the future funding requirements of the plans. A significant increase in our wage and benefit costs, pension obligations, or future funding requirements could have a negative impact on our results of operations and cash flows from operations. Goodwill or Other Intangible Assets Risks Impairment in the carrying value of goodwill or other intangibles could result in the incurrence of impairment charges and negatively impact our net worth. As of May ~~29~~ **28** , ~~2022~~ **2023** , we had goodwill of $ 11. ~~33~~ **18** billion and other intangibles of $ 3. ~~85~~ **21** billion. The net carrying value of goodwill represents the fair value of acquired businesses in excess of identifiable assets and liabilities as of the acquisition date (or subsequent impairment date, if applicable). The net carrying value of other intangibles represents the fair value of trademarks, customer relationships, and other acquired intangibles as of the acquisition date (or subsequent impairment date, if applicable), net of accumulated amortization. Goodwill and other acquired intangibles expected to contribute indefinitely to our cash flows are not amortized, but must be evaluated by management at least annually for impairment. Amortized intangible assets are evaluated for impairment whenever events or changes in circumstance indicate that the carrying amounts of these assets may not be recoverable. Impairments to goodwill and other intangible assets may be caused by factors outside our control, such as the inability to quickly replace lost co- manufacturing business, increasing competitive pricing pressures, lower than expected revenue and profit growth rates, changes in industry ~~EBITDA (~~ earnings before interest, taxes, depreciation and amortization **(" EBITDA"**) multiples, changes in discount rates based on changes in cost of capital (interest rates, etc.), or the bankruptcy of a significant customer. Any impairment to goodwill or other intangible assets could negatively impact our net worth ~~to implement the Pinnacle Integration Restructuring Plan in accordance with our expectations could adversely affect our business,financial condition,results of operations,and cash flows~~ . **15Strategic Transactions Risks** If we are unable to **successfully identify,** complete **or realize the benefits from strategic** acquisitions **,divestitures,joint ventures** or **investment** ~~integrate acquired businesses~~ ,our financial results could be materially and adversely affected.From time to time,we evaluate acquisition candidates that may strategically fit our business objectives.If we are unable to complete acquisitions or successfully integrate and develop acquired businesses,our financial results could be materially and adversely affected. **Similarly,we may consider divesting businesses that do not meet our strategic objectives or do not meet our growth or profitability targets.We may not be able to complete desired divestitures on terms favorable to us.If we do complete such desired divestitures,gains or losses on the sales of,or lost operating income from,those businesses may affect our profitability and margins.** Moreover, **in connection with contemplated or completed acquisitions or divestitures,** we may incur **related** asset impairment charges ~~related to acquisitions~~ that reduce our profitability. **For example,in connection with our acquisition of Pinnacle Foods Inc.(" Pinnacle"),we incurred material charges over a multi- year period for exit and disposal activities under accounting principles generally accepted in the U.S.,recognizing charges of $ 2.4 million,$ 19.6 million,and $ 31.7 million in fiscal 2023,2022,and 2021,respectively.** Our acquisition **,joint venture and investment** activities may present financial,managerial,and operational risks. ~~Those~~ **Our acquisition,joint venture and investment activities may present certain** risks **,** ~~include~~ **including** diversion of management attention from existing businesses,difficulties integrating personnel and financial and other systems,effective and immediate implementation of control environment processes across our employee population,adverse effects on existing business relationships with suppliers and customers,inaccurate estimates of fair value made in the accounting for acquisitions and amortization of acquired intangible assets which would reduce future reported earnings,potential loss of customers or key employees ~~of acquired businesses~~ ,and indemnities and potential disputes with ~~the~~ sellers **,joint venture partners and investment targets** .Any of these factors could affect our sales,financial condition, ~~and~~ results of operations ~~.If we are unable to complete certain divestitures,our financial results could be materially~~ and ~~adversely affected~~ **cash flows** . **Similarly** ~~From time to time~~ , ~~we may divest businesses that do not meet our strategic objectives or~~ **our** ~~do not meet our growth or profitability targets.We may not be able to complete desired divestitures on terms favorable to us.Gains or losses on the sales of,or lost operating income from,those businesses may affect our profitability and margins.Moreover,we may incur asset impairment charges related to divestitures that reduce our profitability.Our~~ divestiture activities may present financial,managerial,and operational risks **such as** ~~.Those risks include~~ diversion of management attention from existing businesses **.Additionally** , **divestitures may present** difficulties separating personnel and financial and other systems,possible need for providing transition services to buyers,adverse effects on existing business relationships with suppliers and customers and indemnities and potential disputes with the buyers **and others** .Any of these factors could adversely affect our product sales,financial condition,and results of operations. ~~We may be exposed to claims and liabilities or~~ **For example** ~~incur operational difficulties as a result of our spinoff of the Lamb Weston business.On November 9~~ , **in connection with** ~~2016,we completed~~ the spinoff of Lamb Weston Holdings,Inc.(" Lamb Weston") ~~through a distribution of 100 % of~~ **,we entered into various transition and risk allocation agreements that may give rise to disputes** ~~our~~ - **or** ~~interest in~~ **be challenged by third parties seeking to hold us responsible for liabilities relating to** Lamb Weston ~~to holders of outstanding shares of our common stock (the" Spinoff").The Spinoff involved a number of risks,including,among other things,certain indemnification risks.In connection with the Spinoff,we entered into a separation and distribution agreement and various other agreements (including a transition services agreement,a tax matters agreement,an employee matters~~ . Intellectual Property Risks Our intellectual property rights are valuable, and any inability to protect them could have an adverse impact on our business, financial condition, and results of operations. Our intellectual property rights, including our trademarks, licensing agreements, trade secrets, patents, and copyrights, are a significant and valuable aspect of our business. We attempt to protect our intellectual property rights by pursuing remedies available to us under trademark, copyright, trade secret, and patent laws, as well as entering into licensing, third- party nondisclosure and assignment agreements and policing of third- party misuses of our intellectual property. If we fail to adequately protect the intellectual property rights we have now or may acquire in the future, or if there occurs any change in law or otherwise that serves to reduce or remove the current legal protections of our intellectual property, then our financial results could be materially and adversely affected. Certain of our intellectual property rights, including the P. F. Chang' s ®, Bertolli ®, and Libby' s ® trademarks, are owned by third parties and licensed to us, and others, such as Alexia ®, are owned by us and licensed to third parties. While many of these licensing arrangements are perpetual in nature, others must be periodically renegotiated or renewed pursuant to their terms. If in the future we are unable to renew such a licensing arrangement pursuant to its terms and conditions, or if we fail to renegotiate such a licensing arrangement, then our financial results could be materially and adversely affected. There is also a risk that other parties may have intellectual property rights covering some of our brands, products, or technology. If any third parties bring a claim of intellectual property infringement against us, we may be subject to costly and time- consuming litigation, diverting the attention of management and our employees. If we are unsuccessful in defending against such claims, we may be subject to, among other things, significant damages, injunctions against development and sale of certain products, or we may be required to enter into costly licensing agreements, any of which could have an adverse impact on our business, financial condition, and results of operations.