Risk Factors Comparison 2023-11-29 to 2022-12-14 Form: 10-K

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

We are subject to a number of risks which could have a material adverse effect on our business, financial condition, results of operations and the value of our securities. You should carefully consider the following risks and all of the information set forth in this report. The risks described below are not the only ones facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition or results of operations. Operational Risks Our mining and industrial operations can involve high- risk activities. Our operations can involve or be subject to significant risks and hazards, including environmental hazards, industrial accidents and natural disasters. Our underground salt mining operations and related processing activities have in the past, and may in the future be subject to hazards such as industrial and mining accidents, fire, natural disasters, explosions, unusual or unexpected geological formations or movements, water intrusion and flooding. For example, MSHA considers our Cote Blanche mine to be a " gaseous mine " and, as a result, is subject to a heightened risk of explosion and fire. These potential risks include damage or impacts from pipeline and storage tank leaks and ruptures; explosions and fires; mechanical failures; earthquakes, tornadoes, hurricanes, flooding and other natural disasters; and chemical spills and other discharges or releases of toxic or hazardous substances or gases at our sites or during transportation. These hazardous activities pose significant management challenges and could result in loss of life, a mine shutdown, damage to or destruction of our properties and surrounding properties, production facilities or equipment, production delays or business interruption. Our insurance coverage may be insufficient to cover all losses or claims associated with our operations, including these operational risks **. Operations at our Ogden, Utah, facility are dependent on ambient brine from the Great Salt Lake, and changes in lake brine levels or any limitations on our continued ability to access ambient lake brine in the Great Salt Lake could adversely affect us. Our Ogden facility produces three mineral salts- specifically, SOP, sodium chloride and magnesium chloride products- from the high mineral concentrations within the ambient lake brine in the Great Salt Lake. In addition, we have been pursuing the development of our identified lithium salt resource at our Ogden facility at the Great Salt Lake. Our ability to produce SOP, sodium chloride and magnesium chloride, as well as any future production of lithium salt, at our Ogden facility, is dependent upon, among other matters, sufficient lake elevations in the Great Salt Lake and our continued ability to maintain, renew or acquire the permits, licenses and approvals required to access ambient lake brine in the Great Salt Lake. In recent years, sustained drought (as a result of climate change or otherwise) has contributed to lower lake levels and increased mineral concentrations in the Great Salt Lake. If this continues, lower lake levels could impact mineral composition and our mineral harvesting process, amount and timing. Lake level fluctuations and other factors, including state or federal actions to manage the salinity of the Great Salt Lake, could alter north arm lake levels and may disrupt our evaporation production cycle, impact our access to ambient lake brine in the Great Salt Lake or increase our related capital expenditures and production costs. We have indefinitely suspended our lithium development project until we have further clarity on the evolving regulatory climate in the State of Utah. If the final rule relating to Great Salt Lake Elements and Minerals creates significant obstacles toward the responsible development of lithium salts from the Great Salt Lake, we may not continue further investment in our lithium development project, which could impact our ability to further develop our lithium project and adversely impact the value of our securities. The proposed rulemaking for mineral extraction on the Great Salt Lake implementing Utah House Bill 513 (now codified as amended Utah Code § 65A- 6- 4), may adversely impact mineral extraction on the Great Salt Lake, including our planned lithium development, as well as existing SOP, sodium chloride and magnesium chloride production. We have evaluated the proposed rule and have been actively engaged with the State of Utah in a collaborative attempt to minimize any adverse impact of the rulemaking on our lithium project. The proposed rule introduces new obstacles to lithium salt production on the Great Salt Lake that have slowed progress and will require resolution prior to proceeding further with our lithium project. As a result, we have suspended indefinitely any further investment in our lithium project beyond certain already committed items associated with the early stages of construction of our commercial scale demonstration unit and are considering seeking partners at the project level with an aim of reducing our share of capital costs and lowering execution risk in the event that the project is restarted. Any continued investment or such partnership would be conditioned on the achievement of an acceptable and predictable regulatory framework in Utah governing the production of lithium on the Great Salt Lake. We cannot make any assurance that we will 142023 FORM 10- KCOMPASS MINERALS INTERNATIONAL, INC. continue investments in our lithium project or whether we will enter into any partnership, and if so, on what terms. If we are not able to further develop our lithium project, our ability to implement our growth strategy and the value of our securities may be adversely impacted. To date, we have capitalized approximately $ 51. 2 million of lithium development, construction and equipment costs on our Consolidated Balance Sheets which may become impaired if we determine not to pursue the lithium development or they are not recoverable** . Geological conditions could lead to a mine shutdown, increased costs, production delays and product quality issues, which could adversely affect results of our operations. Our salt mining operations involve complex processes, which are affected by the mineralogy of the mineral deposits and structural geologic conditions and are subject to related risks. For example, unexpected geological conditions could lead to significant water inflows and flooding at any of our underground mines, which could result in a mine shutdown, serious injuries, loss of life, increased operational costs, production delays, damage to our mineral deposits and equipment damage. We have minor water inflows at our Cote Blanche and Goderich salt mines that we actively monitor and manage. Underground mining also poses the potential risk of mine collapse or ceiling collapse (such as the September 2017 partial ceiling collapse at our Goderich mine) because of the mine geology and the rate and volume of minerals extracted, among other potential causes. We could also have a ceiling collapse in the brine wells used to extract salt for mechanical evaporation, which could increase costs and cause production delays. Variations in the mineralogy and geology of our mineral deposits have limited, and could continue to limit, our ability to extract these deposits, increase our extraction costs and impact the purity and suitability of extracted minerals to create products for sale and to meet customer specifications. This could adversely impact our ability to fulfill our contracts, resulting in significant contractual penalties and loss of customers. Our operations are conducted primarily through a limited number of key production and distribution facilities, and we are also dependent on critical equipment. We conduct our operations through a limited number of key production and distribution facilities. These facilities include our underground salt mines, our evaporation plants, our solar evaporation ponds and facilities and the distribution facilities, depots and ports owned by us and third parties. Many of our products are produced at one or two of these facilities. Any disruption of operations at one of these facilities could significantly affect production of our products, distribution of our products or our ability to fulfill our contractual obligations, which could damage our customer relationships. For example, our two North American salt mines together constituted approximately ~~71~~ **70** % of our salt production capacity as of September 30, ~~2022~~ **2023** , and supply most of the salt sold by our North American highway deicing business and significant portions of the salt sold by our consumer and industrial business. A production interruption at one of our salt mines could adversely affect our ability to fulfill our salt contracts and our ability to secure future contracts in affected markets or other markets or could lead to increased costs to service customers from alternative supply sources. Our salt mines also have limited access ways and shafts and any inability to use these access ways and shafts could impede our ability to operate or cause a production interruption. In addition, we only have a limited number of distribution facilities in the markets in which we sell our salt products. Failure to have our salt products at a specific distribution facility when needed (for example during a snow event) ~~142022 FORM 10- KCOMPASS MINERALS INTERNATIONAL, INC.~~ could adversely impact our ability to fulfill our highway deicing sales contracts, resulting in significant contractual penalties and loss of customers. Similarly, our plant nutrition product, SOP, is only produced at two locations: our solar evaporation ponds and facilities located adjacent to the Great Salt Lake near Ogden, Utah, and our facility near Big Quill Lake in Saskatchewan, Canada. SOP production from these facilities could be disrupted or negatively impacted by structural damage, as a result of dike failure or other factors, which could result in reduced sales. A production interruption or disruption at one or more of our facilities could result in a loss of customers, a loss in revenue or subject us to fines or penalties. Our operations depend upon critical equipment, such as continuous mining machines, hoists, conveyor belts, bucket elevators, loading equipment, baghouses, compactors and dryers. This equipment could be damaged or destroyed, suffer breakdowns or failures or deteriorate due to wear and tear sooner than we estimate, and we may be unable to replace or repair the equipment in a timely manner or at a reasonable cost. If these events occur, we may incur additional maintenance and capital expenditures, our operations could be materially disrupted and we may not be able to produce and ship our products. The results of our operations are dependent on and vary due to weather conditions. Additionally, adverse weather conditions or significant changes in weather patterns could adversely affect us. Weather conditions, including amounts, timing and duration of wintry precipitation and snow events, excessive hot or cold temperatures, rainfall and drought, can significantly impact our sales, production, costs and operational results and impact our customers. From year to year, sales of our deicing products and profitability of the Salt segment are affected by weather conditions in our markets. Any prolonged change in weather patterns in our markets, as a result of climate change or otherwise, could have a material impact on the results of our operations. **152023 FORM 10- K** In addition, our ability to produce SOP, ~~salt~~ **sodium chloride** and magnesium chloride, as well as any future production of lithium **salt** , from our solar evaporation ponds located near Ogden, Utah, is dependent upon sufficient lake brine levels in the Great Salt Lake and hot, arid summer weather conditions. Prolonged periods of precipitation, lack of sunshine, cooler weather or increased mountain water run- off during the evaporation season could reduce mineral concentrations and evaporation rates, leading to decreases in our production levels. Similarly, in recent years drought or decreased mountain snowfall and associated fresh water run- off have reduced brine levels, which could also impact mineral composition and our mineral harvesting process, amount and timing. Lake level fluctuations and other factors could alter brine levels or mineral concentration levels, which may disrupt our typical two- to three- year evaporation production cycle. Similar factors could negatively impact the lake level and concentration of sulfates at the Big Quill Lake, impacting the operations at our Wynyard, Saskatchewan, Canada, facility. The occurrence of these events at the Great Salt Lake or Big Quill Lake (as a result of climate change or otherwise) could lead to decreased production levels, increased operating costs and significant additional capital expenditures. Weather conditions have historically caused volatility in the agricultural industry (and indirectly in our results of operations) by causing crop failures or significantly reduced harvests, which can adversely affect application rates, demand for our SOP products and our customers' creditworthiness. Weather conditions can also lead to a reduction in farmable acres, flooding, drought or **wildfires** ~~wild fires~~ , which could also adversely impact the number of acres planted, growers' crop yields and the uptake of plant nutrients, reducing the need for application of plant nutrition products for the next planting season, which could result in lower demand for our SOP products and impact sale prices **Our business is capital** intensive,and the inability to fund necessary capital expenditures or successfully complete our capital projects could have an adverse effect on our growth and profitability.In recent years,we have made significant expenditures on large capital projects,including a shaft relining project at our Goderich mine and upgrading the barge dock at the Cote Blanche mine.In addition,maintaining our existing facilities requires significant capital expenditures,which may fluctuate materially.We also may make significant capital expenditures in the future to expand or modify our existing operations,including projects to expand or improve our facilities (including new mine level development and mine expansion to access additional mineral deposits,or to augment our Ogden facility' s pond storage capacity) or equipment and projects to improve our computer systems,information technology and operations technology.In addition,we ~~may~~ **intend to** make significant capital expenditures in the future to advance the development of our identified lithium ~~salt~~ resource at our Ogden facility and ~~the Great Salt Lake,if we achieve an acceptable and predictable regulatory framework in Utah governing the production of lithium on~~ the Great Salt Lake.These activities or other capital improvement projects may require the temporary suspension of production at our facilities,which could have a material adverse effect on the results of our operations.Any capital project we undertake involves risks,including cost overruns,delays and performance uncertainties,and could interrupt our ongoing operations.The expected benefits from any of our capital projects may not be realized in accordance with our projections.Our capital projects may also result in other unanticipated adverse consequences,such as the diversion of management’ s attention from other operational matters or significant disruptions to our ongoing operations.Although we currently finance most of our capital expenditures through cash provided by operations,we also may depend on increased borrowing or other financing arrangements to fund future capital expenditures.If we are unable to obtain suitable financing on favorable terms or at all,we may not be able to complete future capital projects and our ability to maintain or expand our operations may be limited.The occurrence of these **events could have a material adverse effect on our business,financial condition and results of operations.** . We face numerous uncertainties in estimating our economically recoverable reserves and resources, and inaccuracies in our estimates could result in lower than expected revenues, higher than expected costs and decreased profitability. A mineral is economically recoverable when the price at which it can be sold exceeds the costs and expenses of mining, processing and selling the mineral. Forecasts of our future performance are based on, among other things, estimates of our mineral reserves and resources. Our mineral reserve and resource estimates of the remaining tons of minerals in our mines and other mining properties are based on many factors, including engineering, economic and geological data assembled and analyzed by our staff and third parties, which include various engineers and geologists, the area and volume covered by our mining rights, assumptions regarding our extraction rates and duration of mining operations, and the quality of in- place reserves and resources. The reserve and resource estimates as to both quantity and quality are updated on a routine basis to reflect, among other matters, production of minerals from our mining properties and new mining or other data received. There are numerous uncertainties inherent in estimating quantities and qualities of minerals and costs to mine recoverable reserves and resources, including many factors beyond our control. Estimates of mineral reserves and resources necessarily depend upon a number of variable factors and assumptions, any one of which may, if incorrect, result in an estimate that varies considerably from actual results. These factors and assumptions include: **162023 FORM 10- K** • geologic and mining conditions, including our ability to access certain mineral deposits as a result of the nature of the geologic formations of our salt mines or other factors, which may not be fully identified by available exploration data and may differ from our experience in areas we currently mine; • demand for our minerals; • current and future market prices for our minerals, contractual arrangements, operating costs and capital expenditures; • taxes and development and reclamation costs; ~~152022 FORM 10- K~~ • mining technology and processing improvements, including process technology for the extraction of lithium **salt** from brines; • the effects of **legislation or interpretations thereof, or** regulation by governmental agencies; • the ability to obtain, maintain and renew all required permits; • employee health and safety; • historical production from the area compared with production from other producing areas; and • our ability to convert all or any part of our resources, including our lithium **salt** and lithium carbonate equivalent (“ LCE ”) mineral resources, to economically extractable mineral reserves. As a result, actual tonnage recovered from identified mining properties and revenues and expenditures with respect to our reserves and resources may vary materially from estimates. Thus, these estimates may not accurately reflect our actual reserves and resources. Any material inaccuracy in our estimates related to our reserves or resources could result in lower than expected revenues, higher than expected costs or decreased profitability, which could materially and adversely affect our business, results of operations, financial position and cash flows. Additionally, our reserve and resource estimates may be adversely affected in the future by interpretations of, or changes to, the SEC’ s property disclosure requirements for mining companies. Our business is capital intensive, and...... financial condition and results of operations. Strikes, other forms of work stoppage or slowdown and other union activities could disrupt our business and negatively impact our financial results. Nearly 50 % of our workforce in the U. S., Canada and the U. K. is represented by collective bargaining agreements. Of our 12 collective bargaining agreements in effect on September 30, ~~2022, six will expire in fiscal~~ 2023, one will expire in fiscal 2024, ~~three~~ **six** will expire in fiscal 2025 (including ~~for~~ our Cote Blanche mine), **four will expire in fiscal 2026 (including our Goderich mine),** and one will expire in ~~each of~~ fiscal ~~2026 (for our Goderich mine) and~~ 2027. Unsuccessful contract negotiations, adverse labor relations at any of our locations or other factors have in the past, and could in the future, result in strikes, work stoppages, work slowdowns, dissatisfied employees or other actions, which could disrupt our business and operations. These disruptions could negatively impact our business, our operations, our ability to produce or sell our products, our ability to service our customers and our ability to recruit and retain personnel and could result in significant additional costs as well as adversely affect our reputation, financial condition and operating results. Our production processes rely on the consumption of natural gas, electricity and certain other raw materials. A significant interruption in the supply or an increase in the price of any of these could adversely affect our business. Energy costs, primarily natural gas and electricity, represent a substantial part of our total production costs. Our profitability is impacted by the price and availability of natural gas and electricity we purchase from third parties. Natural gas is a primary energy source used in the mechanically evaporated salt production process. Our contractual arrangements for the supply of natural gas have terms of up to three years, do not specify quantities and are automatically renewed unless either party elects not to do so. We do not have arrangements in place with back- up suppliers. We use natural gas derivatives to hedge some of our financial exposure to the price volatility of natural gas. A significant increase in the price of energy that is not recovered through an increase in the price of our products or covered through our hedging arrangements, or an extended interruption in ~~162022 FORM 10- K~~ the supply of natural gas or electricity to our production facilities, could have a material adverse effect on our business, financial condition and results of operations. We use KCl in our salt and plant nutrition operations. Large price fluctuations in KCl can occur without a corresponding change in the sales price of our products sold to our customers. This could change the profitability of our products that require KCl, which could materially affect the results of our operations. In certain cases, we also source raw materials from a sole supplier and cannot guarantee that any supplier will be able to meet our requirements and any changes in their operations, including prolonged outages, could have a material adverse effect on our business. Financial Risks Our indebtedness and any inability to pay our indebtedness could adversely affect our business and financial condition. We have a significant amount of indebtedness and may incur additional debt in the future. As of September 30, ~~2022~~ **2023** , we had $ ~~955~~ **811** . ~~9~~ **2** million of outstanding indebtedness, including $ ~~168~~ **280** . ~~4~~ **3** million of borrowings under our senior secured credit facilities, which are further described in Part II, Item 8, Note ~~12~~ **13** of our Consolidated Financial Statements. We pay significant interest on our indebtedness, with variable interest on our borrowing under our senior secured credit facilities based on **172023 FORM 10- K** prevailing interest rates. Significant increases in interest rates will increase the interest we pay on our debt. Our indebtedness could: • require us to agree to less favorable terms, including higher interest rates, in order to incur additional debt, and otherwise limit our ability to borrow additional money or sell our stock to fund our working capital, capital expenditures and debt service requirements; • impact our ability to implement our business strategy and limit our flexibility in planning for, or reacting to, changes in our business as well as changes to economic, regulatory or other competitive conditions; • place us at a competitive disadvantage compared to our competitors with greater financial resources; • make us more vulnerable to a downturn in our business or the economy; • require us to dedicate a substantial portion of our cash flow from operations to the repayment of our indebtedness, thereby reducing the availability of our cash flow for other purposes; • restrict us from making strategic acquisitions or cause us to make non- strategic divestitures; and • materially and adversely affect our business and financial condition if we are unable to meet our debt service requirements or obtain additional financing. In the future, we may incur additional indebtedness or refinance our existing indebtedness. If we incur additional indebtedness or refinance, the risks that we face as a result of our leverage could increase. Financing may not be available when needed or, if available, may not be available on commercially reasonable or satisfactory terms. Any downgrades from credit rating agencies such as Moody' s or Standard & Poor' s may adversely impact our ability to obtain financing or the terms of such financing. Our ability to make payments on our indebtedness, refinance our indebtedness and fund planned capital expenditures will depend on our ability to generate future cash flows from operations. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. There can be no assurance that our business will generate sufficient cash flows from operations or that future borrowings will be available to us under our revolving credit facility in an amount sufficient to enable us to make payments with respect to our indebtedness or to fund our other liquidity needs. If this were the case, we might need to refinance all or a portion of our indebtedness on or before maturity, sell assets, reduce or delay capital expenditures or seek additional equity financing. Our inability to obtain needed financing or generate sufficient cash flows from operations may require us to abandon or curtail capital projects, strategic initiatives or other investments, cause us to divest our business or impair our ability to make acquisitions, enter into joint ventures or engage in other activities, which could materially impact our business. The agreements governing our indebtedness impose restrictions that may limit our ability to operate our business or require accelerated debt payments. Our agreements governing our indebtedness contain covenants that limit our ability to: • incur additional indebtedness or contingent obligations or grant liens; • pay dividends or make distributions to our stockholders; • repurchase or redeem our stock; • make investments or dispose of assets; • prepay, or amend the terms of, certain junior indebtedness; • engage in sale and leaseback transactions; • make changes to our organizational documents or fiscal periods; • create or permit certain liens on our assets; • create or permit restrictions on the ability of certain subsidiaries to make certain intercompany dividends, investments or asset transfers; ~~172022 FORM 10- K~~ • enter into new lines of business; • enter into transactions with our stockholders and affiliates; and • acquire the assets of, or merge or consolidate with, other companies. The credit agreement governing our senior secured credit facilities also requires us to maintain financial ratios, including an interest coverage ratio and a total leverage ratio, which we may be unable to maintain. As of September 30, ~~2022~~ **2023** , our total **net** leverage ratio (as calculated under the terms of our credit agreement) was ~~4~~ **3** . ~~59x~~ **70x** . We would be in default under our credit agreement if our **net** leverage ratio ~~exceeded~~ **exceeds** 5. ~~5x~~ **0x** as of **December 31,** ~~the last day of any quarter through fiscal 2022~~ **2023** , gradually stepping down to 4. 5x for the fiscal quarter ended June 30, 2024 **and thereafter** . Various risks, uncertainties and events beyond our control could affect our ability to comply with the covenants, financial tests and ratios required by the agreements governing our indebtedness. If we default under our agreements governing our indebtedness, our lenders could cease to make further extensions of credit, accelerate payments under our other debt instruments (including hedging instruments) that contain cross- acceleration or cross- default provisions and foreclose upon any collateral securing that debt as well as restrict our ability to make certain investments and payments, pay dividends, repurchase our stock, enter into transactions with affiliates, make acquisitions, merge and consolidate, or transfer or dispose of assets. **182023 FORM 10- K** If our lenders were to require immediate repayment, we may need to obtain new financing to be able to repay them immediately, which may not be available or, if available, may not be available on commercially reasonable or satisfactory terms. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations. We are subject to tax liabilities which could adversely impact our profitability, cash flow and liquidity. We are subject to income tax primarily in the U. S., Canada and the U. K. Our effective tax rate could be adversely affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities and the discovery of new information in the course of our tax return preparation process. Our effective tax rate, tax expense and cash flows could also be adversely affected by changes in tax laws. We are also subject to audits in various jurisdictions and may be assessed additional taxes as a consequence of an audit. Canadian provincial tax authorities have challenged our tax positions and assessed additional taxes on us, which are described in Part II, Item 8, Note ~~10~~ **11** to our Consolidated Financial Statements. These tax assessments and future tax assessments could be material if the disputes are not resolved in our favor. In the ordinary course of our business, there are many transactions and calculations that could be challenged by taxing authorities. This includes the values charged on the transfer of products between our subsidiaries. Although we believe our tax estimates and calculations are reasonable, they have been challenged by taxing authorities in the past. The final determination of any tax audits and litigation may take several years and be materially different from our historical income tax provisions and accruals in our consolidated financial statements. If additional taxes are assessed as a result of an audit, assessment or litigation, there could be a material adverse effect on our financial condition, income tax provision and net income in the affected periods as well as future profitability, cash flows and our ability to pay dividends and service our debt. If our customers are unable to access credit, they may not be able to purchase our products. In addition, we extend trade credit to customers and the results of our operations may be adversely affected if customers default on these obligations. Some of our customers require access to credit in order to purchase our products. A lack of available credit to customers, due to global or local economic conditions or for other reasons, could adversely affect demand for our products and the sales of our products. We extend trade credit to our customers in the U. S. and throughout the world, in some cases for extended periods of time. If these customers are unable to repay the trade credit from us, the results of our operations could be adversely affected. Our customers may be unable to repay the trade credit from us as a result of supply chain disruptions, market conditions in the agricultural sector, adverse weather conditions and increases in prices for other products and inputs that could increase the working capital requirements, indebtedness and other liabilities of our customers. We may not be able to limit our credit and collectability risk or avoid losses. We may not pay cash dividends or pay smaller cash dividends on our common stock in the future. We have declared and paid quarterly cash dividends on our common stock consistently since becoming a public company. Any future payment and the amount of any future payment of cash dividends will depend upon our financial condition, earnings, legal requirements, restrictions in our debt agreements, capital allocation strategy and other factors deemed relevant by our Board of Directors. We may not pay cash dividends or may reduce the amount of our cash dividends (as the Board of Directors did in November 2021). Although our operations are conducted through our subsidiaries, none of our subsidiaries is obligated to make funds available to pay dividends on our common stock. Accordingly, our ability to pay dividends to our stockholders is dependent on the earnings and the distribution of funds from our subsidiaries. Certain agreements governing our indebtedness contain limitations on our ability to pay dividends (including regular annual dividends), as described under “ — The agreements governing our indebtedness impose restrictions that may limit our ability to operate our business or require ~~182022 FORM 10- K~~ accelerated debt payments. ” We cannot provide assurances that the agreements governing our current and future indebtedness will permit us to pay dividends on our common stock. We are subject to financial assurance requirements and failure to satisfy these requirements could materially affect our business, results of our operations and our financial condition. In connection with our dispute of tax assessments made by Canadian provincial tax authorities (described in more detail in **Part II, Item 7,** “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Investments, Liquidity and Capital Resources ” and Part II, Item 8, Note ~~10~~ **11** of our Consolidated Financial Statements), we are required to post and maintain financial performance bonds. In addition, as part of our business operations, we are required to maintain financial surety or performance bonds with certain of our North American deicing customers and to fund reclamation and site cleanup following the ultimate closure of our mines and certain other facilities. We incur costs to maintain these financial assurance bonds and failure to satisfy these financial assurance requirements could materially affect our business, the results of our operations and our financial condition. Competition, Sales and Pricing Risks Our...... could increase costs to deliver our 192022 **192023** FORM 10- K **Competition** ~~products and adversely impact our ability to fulfill our contracts~~ , **Sales** ~~resulting in significant contractual penalties and loss of customers. In addition, diesel fuel is a significant component of our transportation costs. Some of our customer contracts allow for full or partial recovery of changes in diesel fuel costs through an~~ **and Pricing Risks** ~~adjustment to the selling price. However, a significant increase in the price of diesel fuel that is not passed through to our customers could materially increase our costs and adversely affect our financial results. Significant transportation costs relative to the cost of certain of our products, including our salt products, limit our ability to increase our market share or serve new markets.~~ The demand for our products is seasonal. The demand for our salt ~~and~~ **,** plant nutrition **and fire retardant** products is seasonal, and the degree of seasonality can change significantly from year to year due to weather conditions, including the number of snow events, rainfall **, drought** and other factors. Our salt deicing business is seasonal. On average, in each of the last three years, approximately two- thirds of our deicing product sales occurred during the North American and European winter months of November through March. Winter weather events are not predictable, yet we must stand ready to deliver deicing products to local communities with little advance notice under the requirements of our highway deicing contracts. As a result, we attempt to stockpile our highway deicing salt throughout the year to meet estimated demand for the winter season. Failure to deliver under our highway deicing contracts may result in significant contractual penalties and loss of customers. Servicing markets typically serviced by one production facility with product from an alternative facility may add logistics and other costs and reduce profitability. Our plant nutrition business is also seasonal. As a result, we and our customers generally build inventories during the low demand periods of the year (which are typically winter and summer, but can vary due to weather and other factors) to ensure timely product availability during the peak sales seasons (which are typically spring and autumn, but can also vary due to weather and other factors). **Demand for fire retardant products is also seasonal, being highest in summer months.** If seasonal demand is greater than we expect, **or** we ~~may~~ experience increased costs and product shortages, and our customers may turn to our competitors for products that they would otherwise have purchased from us. If seasonal demand is less than we expect, we may have excess inventory to be stored (in which case we may incur increased storage costs) or liquidated (in which case the selling price may be below our costs). If prices for our products rapidly decrease, we may be subject to inventory write- downs. Our inventories may also become impaired through obsolescence or the quality may be impaired if our inventories are not stored properly. Low seasonal demand could also lead to increased unit costs. Risks associated with our international operations and...... us. 202022 FORM 10- K Anticipated changes in potash prices and customer application rates can have a significant effect on the demand and price for our plant nutrition products. When customers anticipate increasing potash selling prices, they tend to accumulate inventories in advance of the expected price increase. Similarly, customers tend to delay their purchases when they anticipate future selling prices for potash products will stabilize or decrease. These customer expectations can lead to a lag in our ability to realize price increases for our SOP products and adversely impact our sales volumes and selling prices. Growers' decisions to purchase plant nutrition products and the application rate for potash products depend on many factors, including expected grower income, crop prices, plant nutrition product prices, commodity prices, input prices and nutrient levels in the soil. Customers are more likely to decrease purchases and application rates when they expect declining agricultural economics or relatively high plant ~~nutrition~~ **nutrient** costs, other **input** costs ~~and~~ **or elevated** soil nutrient levels. This variability can materially impact our prices and volumes sold ~~to the cost of certain of our products,including our salt products,limit our ability to increase our market share or serve new markets.~~ Risks associated with our international operations and sales and changes in economic and political environments could adversely affect our business and earnings.We have significant operations in Canada and the U.K.Our fiscal ~~2023~~ **2022** sales outside the U.S.were ~~29~~ **28** % of our total fiscal ~~2023~~ **2022** sales.Our overall success as a global business depends on our ability to operate successfully in differing economic,political and cultural conditions.Our international operations and sales are subject to numerous risks and uncertainties,including:• economic developments including changes in currency exchange rates,inflation risks,exchange controls,tariffs,economic sanctions,other trade protection measures and import or export licensing requirements;• difficulties and costs associated with complying with laws,treaties and regulations,including tax,labor and data privacy laws,treaties and regulations,and changes to laws,treaties and regulations;• restrictions on our ability to own or operate subsidiaries,make investments or acquire new businesses;• restrictions on our ability to repatriate earnings from our non-U.S.subsidiaries to the U.S.or the imposition of withholding taxes on remittances and other payments by our subsidiaries;• political developments **(including uncertainty,labor shortages and potential trade difficulties caused by the U.K.' s exit from the EU,commonly referred to as " Brexit ")** ,government deadlock,political instability,political activism,terrorist activities,civil unrest and international conflicts (including impacts from the current war in Ukraine);and • uncertain and varying enforcement of laws and regulations and weak protection of intellectual property rights.A significant portion of our cash flow is generated in Canadian dollars and British pounds sterling and our consolidated financial results are reported in U.S.dollars.Our reported results can significantly increase or decrease based on exchange rate volatility after translation of our results into U.S.dollars.Exchange rate fluctuations could also impact our ability to meet interest and principal payments on our U.S.dollar-denominated debt.In addition,we incur currency transaction risk when we enter into a purchase or a sales transaction using a currency other than the local currency of the transacting entity.We may not be able to effectively manage our currency risks.For more information,see ~~Part II,~~ Item 7," Management' s Discussion and Analysis of Financial Condition and Results of Operations — Effects of Currency Fluctuations and Inflation," and ~~Part II,~~ Item 7A," Quantitative and Qualitative Disclosures About Market Risk." ~~212023 FORM 10- K~~ In addition,we may face more competition in periods when foreign currency exchange rates are favorable to our competitors.A relatively strong U.S.dollar increases the attractiveness of the U.S.market for some of our international competitors while decreasing the attractiveness of other markets to us **.202022 FORM 10- K** . Conditions in the sectors where we sell products and supply and demand imbalances for competing products can impact the price and demand for our products. Conditions in the North American agricultural sectors can significantly impact our plant nutrition business. The agricultural sector can be affected by a number of factors, including weather conditions, field conditions (particularly during periods of traditionally high plant nutrition application), government policies, tariffs and import and export markets. Demand for our products in the agricultural sector is affected by crop prices, crop selection, planted acreage, application rates, crop yields, product acceptance, population growth, livestock consumption and changes in dietary habits, among other things. Supply is affected by available capacity, operating rates, raw material costs and availability, feasible transportation, government policies, tariffs and global trade. In addition, the demand and price of our SOP products can be affected by factors such as plant disease. MOP is the least expensive form of potash fertilizer and, consequently, it is the most widely used potassium source for most crops. SOP is utilized by growers for many high- value crops, especially crops for which low- chloride content fertilizers or the presence of sulfur improves quality and yield, such as almonds and other tree nuts, avocados, citrus, lettuce, tobacco, grapes, strawberries and other berries. Lower prices or demand for these crops could adversely affect demand for our products and the results of our operations. When the demand and price of potash are high, our competitors are more likely to increase their production and invest in increased production capacity. An over- supply of MOP or SOP domestically or worldwide could unfavorably impact the prices we can charge for our SOP, as a large price disparity between potash products could cause growers to choose MOP or other less- expensive alternatives, which could adversely impact our sales volume and the results of our operations. Similarly, conditions in the Salt sector can significantly impact our Salt segment. These conditions include weather conditions as well as import and export markets. Supply and demand imbalances can be caused by a number of factors, including weather conditions, operating rates, transportation costs and global trade. Legal, Regulatory and Compliance Risks Our operations depend on our rights and governmental authorizations to mine and operate our properties. We hold numerous environmental and mineral extraction permits, water rights and other permits, licenses and approvals from governmental authorities authorizing operations at each of our facilities. A decision by a governmental agency to revoke, substantially modify, deny or delay renewal of or apply conditions to an existing permit, license or approval could have a material adverse effect on our ability to continue operations at the affected facility and result in significant costs. For example, certain indigenous groups have challenged the Canadian government' s ownership of the land under which our Goderich mine is operated. There can be no assurances that the Canadian government' s ownership will be upheld or that our existing mining and operating permits will not be revoked or otherwise affected. In addition, although we do not engage in fracking, laws and regulations targeting fracking could lead to increased permit requirements and compliance costs for non- fracking operations, including our salt operations, which require permitted wastewater disposal wells **. Proposed rulemaking implementing Utah House Bill 513 (now codified as amended Utah Code § 65A- 6- 4) may adversely impact mineral extraction on the Great Salt Lake, including our existing SOP, sodium chloride and magnesium chloride production** . Furthermore, many of our facilities are located on land leased from governmental authorities or third parties. Our leases generally require us to continue mining in order to retain the lease, the loss of which could have a material adverse effect on our ability to continue operations at the affected facility and result in significant costs. In some instances, we have received access rights or easements from third parties which allow for a more efficient operation than would exist without the access or easement. Loss of these access rights or easements could have a material adverse effect on us. In addition, many of our facilities are located near existing and proposed third- party industrial operations that could affect our ability to fully extract, or the manner in which we extract, the mineral deposits to which we have mining rights. For example, certain neighboring operations or land uses may require setbacks that could prevent us from mining portions of our mineral reserves or resources or using certain mining methods. ~~212022 FORM 10- K~~ Expansion of our existing operations or production capacity, or preservation of existing rights in some cases, is also predicated upon securing any necessary permits, licenses and approvals. For example, **if we decide to continue further investment in our lithium project at some point in the future,** we may require additional permits, licenses and approvals ~~to continue diverting water from the Great Salt Lake based on lake conditions or to further expand our production capacity at our Ogden facility. In addition, we may require additional permits, licenses and approvals~~ in connection with the potential development **and subsequent commercial sale** of our identified lithium **salt** resource at our Ogden facility and the Great Salt Lake. We may not be granted the necessary permits, licenses and approvals. A decision by a governmental agency to deny, delay issuing or apply conditions to any new permits, licenses and approvals could adversely affect our ability to operate and the results of our operations, as well as our ability to develop our identified lithium **salt** brine and LCE resources. **222023 FORM 10- K** Unanticipated litigation or investigations, or negative developments in pending litigation or investigations or with respect to other contingencies, could adversely affect us. We are currently, and may in the future become, subject to litigation, arbitration or other legal proceedings with other parties. Any claim that is successfully asserted against us in these legal proceedings, or others that could be brought against us in the future, may adversely affect our financial condition, results of operations or prospects. For example, on October 21, 2022 we, certain of our former officers and one current officer were named as defendants in a putative securities class action lawsuit filed in the United States District Court for the District of Kansas, alleging that we and such officers made misleading statements damaging shareholders. We intend to vigorously defend these allegations. At this time, we are unable to assess with any certainty, what, if any **,** damages could be awarded in this matter. We are also involved periodically in other reviews, inquiries, investigations and other proceedings initiated by or involving government agencies (including litigation brought by Canadian provincial tax authorities as described in Part II, Item 8, Note ~~10~~ **11** to our Consolidated Financial Statements), some of which may result in adverse judgments, settlements, fines, penalties, injunctions or other relief. In these types of matters, it is inherently difficult to determine whether any loss is probable or whether it is possible to estimate the amount of any reasonably possible loss. We cannot predict with certainty if, how or when such proceedings will be resolved or what the eventual judgment, settlement, fine, penalty or other relief, conditions or restrictions, if any, may be. Any eventual judgment, settlement, fine, penalty or other relief, conditions or restrictions could have a material impact on us. For further discussion of pending litigation and governmental proceedings and investigations, see Part II, Item 8, Note ~~10~~ **11** and Note ~~13~~ **14** to our Consolidated Financial Statements. We are subject to EHS laws and regulations which could become more stringent and adversely affect our business. Our operations are subject to an evolving set of federal, state, local and foreign EHS laws and regulations. New or proposed EHS regulatory programs, as well as future interpretations and enforcement of existing EHS laws and regulations, may require modification to our facilities, require substantial increases in equipment and operating costs, subject us to fines, penalties or lead to interruptions, modifications or a termination of operations, which could involve significant capital costs, increases in operating costs or other significant impacts. For example, we are impacted by the Clean Air Act and other EHS laws and regulations that regulate air emissions. These regulatory programs may subject us to fines or penalties or require us to install expensive emissions abatement equipment, modify our operational practices, obtain additional permits or make other expenditures. Our Ogden facility is located in an area expected to be of continued scrutiny by the Environmental Protection Agency and Utah Division of Air Quality with respect to certain air emissions and related issues under the Clean Air Act. In addition, if new Clean Water Act regulations are adopted or increased compliance obligations are imposed on existing regulations, we could be adversely affected. For example, a significant portion of our salt products are distributed through salt depots owned and operated by third parties. If these depots are required to adopt more stringent stormwater management practices or are subject to increased compliance requirements under existing Clean Water Act regulations, these depots may pass on any increased costs to us, exit the depot business (requiring us to find new depot partners or establish Company- owned depots) or otherwise cause an adverse impact to our ability to deliver salt to our customers. Additionally, governmental agencies could restrict or limit the use of road salt for highway deicing purposes or adopt laws and regulations to address climate change and greenhouse gases, which could have a material impact on us. See **Item 1,** " Business — Environmental, Health and Safety and Other Regulatory Matters " for more information about EHS laws and regulations affecting us and their potential impact on us. We could incur significant environmental liabilities with respect to our current, future or former facilities, adjacent or nearby third- party facilities or off- site disposal locations. Risks of environmental liabilities is inherent in our current and former operations. At many of our past and present facilities, releases and disposals of regulated substances have occurred and could occur in the future, which could require us to investigate, undertake or pay for remediation activities under CERCLA and other similar EHS laws and regulations. The use, handling, disposal and remediation of hazardous substances currently or formerly used by us, or the liabilities arising from past releases of, or exposure to, hazardous substances may result in future expenditures that could materially and adversely affect our financial results, cash flows or financial condition. Our facilities are also subject to laws and regulations which require us to ~~222022 FORM 10- K~~ monitor and detect potential environmental hazards and damages. Our procedures and controls may not be sufficient to timely identify and protect against potential environmental damages and related costs. We record accruals for contingent environmental liabilities when we believe it is probable that we will be responsible, in whole or in part, for environmental investigation or remediation activities and the expenditures for these activities are reasonably estimable. However, the extent and costs of any environmental investigation or remediation activities are inherently uncertain and difficult to estimate and could exceed our expectations, which could materially affect our financial condition and operating results. **232023 FORM 10- K** Additionally, we previously sold a portion of our U. K. salt mine to a third party, which operates a waste management business. The third party' s business, under governmental permits, is allowed to securely dispose certain hazardous waste at the property they own and they pay us fees for engaging in this activity. See **Item 1,** " Business — Environmental, Health and Safety and Other Regulatory Matters " for more information. Compliance with import and export requirements, the FCPA and other applicable anti- corruption laws may increase the cost of doing business. Our operations and activities inside and outside the U. S., as well as the shipment of our products across international borders, require us to comply with a number of federal, state, local and foreign laws and regulations, which are complex and increase our cost of doing business. These laws and regulations include import and export requirements, economic sanctions laws, customs laws, tax laws and anti- corruption laws, such as the FCPA, the U. K. Bribery Act and the Canadian Corruption of Foreign Public Officials Act. We cannot predict how these or other laws or their interpretation, administration and enforcement will change over time. There can be no assurance that our employees, contractors, agents, distributors, customers, payment parties or third parties working on our behalf will not take actions in violation of these laws. Any violations of these laws could subject us to civil or criminal penalties, including fines or prohibitions on our ability to offer our products in one or more countries, debarment from government contracts (and termination of existing contracts) and could also materially damage our reputation, brand, international expansion efforts, business and operating results. In addition, changes to trade or anti- corruption laws and regulations could affect our operating practices or impose liability on us in a manner that could materially and adversely affect our business, financial condition and results of operations. We are subject to costs and risk associated with a complex regulatory, compliance and legal environment, and we may be adversely affected by changes in laws, industry standards and regulatory requirements. Our global business is subject to complex requirements of federal, state, local and foreign laws, regulations, treaties and regulatory authorities as well as industry standard- setting authorities. These requirements are subject to change. Changes in the standards and requirements imposed by these laws, regulations, treaties and authorities or adoption of any new laws, regulations or treaties could negatively affect our ability to serve our customers or our business. In the event that we are unable to meet any existing, new or modified standards when adopted, our business could be adversely affected. Some of the federal, state, local and foreign laws and regulations that affect us include those relating to EHS matters; taxes; antitrust and anti-competition laws; data protection and privacy; advertisement and marketing; labor and employment; import, export and anti-corruption; product liability; product registrations and labeling requirements; and intellectual property. If significant import duties were imposed on the salt we import into the U. S. from our Goderich mine, or if we were unable to include the transfer price of such salt in the cost of goods sold for U. S. tax purposes, our financial condition and operating results would be materially and adversely affected. We could also be adversely impacted by changes in tariffs imposed by countries or other trade protection measures, which could decrease our sales in markets where we sell our products. Certain U. S. states have either enacted or proposed legislation that would provide a preference for their agencies or municipalities to use salt mined in the U. S., their home state or selected states. If such legislation is adopted, it could adversely impact the amount of salt sales contracts awarded to us for salt supplied from our Goderich or Cote Blanche mines in the applicable state. ~~In addition~~ **Proposed rulemaking implementing Utah House Bill 513 (now codified as amended Utah Code § 65A- 6- 4) may adversely impact mineral extraction on the Great Salt Lake** , **including our existing SOP, sodium chloride and magnesium chloride production.** ~~failure~~ **Failure** to comply with applicable laws, regulations or treaties or to comply with any of contracts we have with governmental entities could preclude us from conducting business with governmental entities and lead to penalties, injunctions, civil remedies or fines **. For example, our fire retardant products are subject to extensive government regulation, including the USFS qualification process and laws and regulations relating to the award, administration and performance of U. S. government contracts** . We may face significant product liability claims and product recalls, which could harm our business and reputation. We face exposure to product liability and other claims if our products cause harm, are alleged to have caused harm or have the potential to cause harm to consumers or their property. In addition, our products or products manufactured by our customers using our products could be subject to a product recall as a result of product contamination, our failure to meet product specifications or other causes. For example, our customers use our food- grade salt products in food items they produce, such as cheese and bread, which could be subject to a product recall if our products are contaminated or adulterated. Similarly, the use and application of our animal feed and plant nutrition products could result in a product recall if it were alleged that they were contaminated. **If our fire retardant products fail to provide the intended protection, they could be subject to a product recall or subject us to liability.** A product recall could result in significant losses due to the costs of a recall, the destruction of product inventory and production delays to identify the underlying cause of the recall. We could be held liable for costs related to our customers' ~~232022 FORM 10- K~~ product recall if our products cause the recall or other product liability claims if our products cause harm to our customers or their property. Additionally, a significant product liability case, product recall or failure to meet product specifications could **242023 FORM 10- K** result in adverse publicity, harm to our brand and reputation and significant costs, which could have a material adverse effect on our business and financial performance. Our intellectual property may be misappropriated or subject to claims of infringement. Intellectual property rights, including patents, trademarks, and trade secrets, are a valuable aspect of our business. We attempt to protect our intellectual property rights primarily through a combination of patent, trademark, and trade secret protection. The patent rights that we obtain may not provide meaningful protection to prevent others from selling competitive products or using similar production processes. Pending patent applications may not result in an issued patent. If we do receive an issued patent, we cannot guarantee that our patent rights will not be challenged, invalidated, circumvented, or rendered unenforceable. We also rely on trade secret protection to guard confidential unpatented technology, manufacturing expertise, and technological innovation. Although we generally enter into confidentiality agreements with our employees, third- party consultants and advisors to protect our trade secrets, we cannot guarantee that these agreements provide meaningful protection or that adequate remedies will be available in the event of an unauthorized use or disclosure of our trade secrets. Our brand names and the goodwill associated therewith are an important part of our business. We seek to register our brand names as trademarks where it makes business sense. Our trademark registrations may not prevent our competitors from using similar brand names. Many of our brand names are registered as trademarks in the U. S. and foreign countries. The laws in certain foreign countries in which we do business do not protect trademark rights to the same extent as U. S. law. As a result, these factors could weaken our competitive advantage with respect to our products, services and brands in foreign jurisdictions, which could adversely affect our financial performance. Our intellectual property rights may not be upheld if challenged. Such claims, if proven, could materially and adversely affect our business and may lead to the impairment of the amounts recorded for goodwill and other intangible assets. If we are unable to maintain the proprietary nature of our technologies, we may lose any competitive advantage provided by our intellectual property. In addition, although any such claims may ultimately prove to be without merit, the necessary management attention to and legal costs associated with defending our intellectual property rights could be significant. Strategic and Other Business Risks We may not successfully implement our strategies. Our success depends, to a significant extent, on successful implementation of our business strategies, including the development of our lithium **salt or lithium chloride** brine and LCE resources, the successful commercialization of Fortress North America' s portfolio of next generation fire retardants, our cost savings initiatives, our ~~enterprise optimization~~ **continuous improvement** initiatives and any other strategies described in the " Business " section of this report. We cannot assure that we will be able to successfully implement our strategies or, if successfully implemented, we may not realize the expected benefits of our strategies. **Recently, we have suspended indefinitely any further investment in our lithium project beyond certain already committed items associated with the early stages of construction of our commercial scale demonstration unit and are considering seeking partners at the project level with an aim of reducing our share of capital costs and lowering execution risk in the event that the project is restarted. Any continued investment or such partnership would be conditioned on the achievement of an acceptable and predictable regulatory framework in Utah governing the production of lithium on the Great Salt Lake. We cannot make any assurance that we will continue investments in our lithium project or whether we will enter into any partnership, and if so, on what terms. See " — We have indefinitely suspended our lithium development project until we have further clarity on the evolving regulatory climate in the State of Utah. If the final rule relating to Great Salt Lake Elements and Minerals creates significant obstacles toward the responsible development of lithium salts from the Great Salt Lake, we may not continue further investment in our lithium development project, which could impact our ability to further develop our lithium project and adversely impact the value of our securities " for more information. Additionally,** ~~Although~~ **although** we have completed an initial assessment to define the lithium resource at our existing operations, mineral resources are not mineral reserves and do not have demonstrated economic viability. The process technology for commercial extraction of lithium **chloride** from brines with low lithium and high impurity is still developing. We have not realized any revenues to date from the sale of lithium ~~,~~ and ~~do not expect to before 2025~~ **have suspended indefinitely any further investment beyond certain already committed items associated with the early stages of construction of our commercial scale demonstration unit** . **If we were to recommence investment in our lithium project,** ~~There~~ **there** is no certainty that all or any part of the lithium mineral resource identified by the company' s initial assessment will be converted into an economically extractable mineral reserve. Although we make ~~substantial~~ investments in product innovation, we cannot be certain that we will be able to develop, obtain or successfully implement new products or technologies on a timely basis or that they will be well- received by our customers. Moreover, our investments in new products and technologies involve certain risks and uncertainties and could disrupt our ongoing business. New investments may not generate sufficient revenue, may incur unanticipated liabilities and may divert our limited resources and distract management from our current operations. We cannot be certain that our ongoing investments in **252023 FORM 10- K** new products and technologies will be successful, will meet our expectations and will not adversely affect our reputation, financial condition and operating results. Our business is dependent upon personnel, including highly skilled personnel. A labor shortage or the loss of key personnel may have a material adverse effect on our performance. Our business is dependent on our ability to attract, develop and retain personnel. We may encounter difficulty recruiting sufficient numbers of personnel at acceptable wage and benefit levels due to the competitive labor market. If we are unable to attract, develop and retain the personnel necessary for the efficient operation of our business, this could result in higher costs and decreased productivity and efficiency, which may have a material adverse effect on our performance. Our business is also dependent on the ability to attract, develop and retain highly skilled personnel. An inability to attract, develop and retain personnel with the necessary skills and experience could result in decreased productivity and efficiency, ~~242022 FORM 10- K~~ higher costs, the use of less- qualified personnel and reputational harm, which may have a material adverse effect on our performance. To help attract, retain and motivate qualified personnel, we use stock- based incentive awards such as restricted stock units and performance stock units. If the value of these stock awards does not appreciate as measured by our common stock price, performance conditions in these awards are not met or if our stock- based compensation otherwise ceases to be viewed as a valuable benefit, our ability to attract, retain and motivate personnel could be weakened, which could harm our business. The loss of certain key employees could result in the loss of vital institutional knowledge, experience and expertise, damage critical customer relationships and impact our ability to successfully operate our business and execute our business strategy. We may not be able to find qualified replacements for these key positions and the integration of replacements may be disruptive to our business. In addition, the loss of our key employees who have in- depth knowledge of our mining, manufacturing, engineering or research and development processes could lead to increased competition to the extent that those employees are hired by a competitor and are able to recreate our processes or share our confidential information. If our computer systems, information technology or operations technology are disrupted or compromised, our ability to conduct our business will be adversely impacted. We rely on computer systems, information technology and operations technology to conduct our business, including cash management, order entry, invoicing, plant operations, vendor payments, employee salaries and recordkeeping, inventory and asset management, shipping of products, and communication with employees and customers. We also use our systems to analyze and communicate our operating results and other data to internal and external recipients. While we maintain some of our critical computer and information technology systems, we are also dependent on third parties to provide important computer and information technology services. We continue to make updates and improvements to our enterprise resource planning system, network and other core applications, which could impact substantially all of our key processes. Any implementation issues could have adverse effects on our ability to properly capture, process and report financial transactions, distribute our products, invoice and collect from our customers and pay our vendors and could lead to increased expenditures or operational disruptions. We are susceptible to cyber- attacks, computer viruses and other technological disruptions, which generally continue to increase due to evolving threats and our expanding information technology footprint. We have experienced attempts by unauthorized agents to gain access to our computer systems through the internet, e- mail and other access points. To date, none have resulted in any material adverse impact to our business or operations. While we have programs, policies and procedures in place to identify, prevent and detect any unauthorized access, this does not guarantee that we will be able to detect or prevent unauthorized access to our computer systems. In addition, remote work arrangements for our employees could strain our technology resources and introduce operational risks, including heightened cybersecurity risk. Remote working environments may be less secure and more susceptible to hacking attacks, including phishing and other social engineering attempts. These risks have also impacted, and may in the future impact the third parties on which we rely, and security measures employed by these third parties may also prove to be ineffective at countering threats. A material failure or interruption of access to our computer systems for an extended period of time or the loss of confidential or proprietary data could adversely affect our operations, reputation and regulatory compliance. While we have mitigation and data recovery plans in place, it is possible that significant expenditures, capital investments and time may be required to correct any of these issues. Additional capital investment and expenditures needed to address, prevent, correct or respond to any of these issues may negatively impact our business, financial condition and results of operations. Climate change and related laws and regulations could adversely affect us. The potential impact of climate change on our resources, operations, product demand and the needs of our customers remains uncertain. Scientists have proposed that the impacts of climate change could include changes in rainfall patterns, water shortages, changing sea levels, changes to the water levels of lakes and other bodies of water, changing storm patterns and intensities and changing temperature levels. These changes could be severe and vary by geographic location. These changes could negatively impact customer demand for our products as well as our costs and ability to produce and distribute our **262023 FORM 10- K** products. For example, prolonged period of mild winter weather could reduce the market for deicing products. Drought conditions could similarly impact demand for our plant nutrition products. Climate change could also lead to disruptions in the production or distribution of our products due to major storm events or prolonged adverse conditions, changing temperature levels, lake or river level fluctuations or flooding from sea level changes. See " — The results of our operations are dependent on and vary due to weather conditions. Additionally, adverse weather conditions or significant changes in weather patterns could adversely affect us. " for more information. ~~252022 FORM 10- K~~ In addition, legislative and regulatory measures to address climate change and greenhouse gas emissions (including carbon or emissions taxes) have been enacted and are also in various phases of consideration at both the state and federal level, as well as internationally. These measures could restrict our operations, require us to make capital expenditures to be compliant with these initiatives, increase our costs, impact our ability to compete or negatively impact efforts to obtain permits, licenses and other approvals for existing and new facilities. These measures could also result in increased cost of fuel and other consumables used in our operations or in transporting our products. Our inability to timely respond to the risks posed by climate change and the costs of compliance with climate change laws and regulations could have a material impact on us. We may not be able to expand our business through acquisitions and investments, and acquisitions and investments may not perform as expected. We may not successfully integrate acquired businesses and anticipated benefits may not be realized. Our business strategy includes supplementing organic growth with acquisitions of and investments in complementary businesses. We may not have acquisition or investment opportunities because we may not identify suitable businesses to acquire or invest in, we compete with other potential buyers and investors, we may not have or be able to obtain suitable financing for an acquisition or investment and we may be hindered by competition and regulatory laws. If we cannot make acquisitions or investments, our business growth may be limited. Acquisitions of new businesses and investments in businesses (including our ~~investment in~~ **acquisition of** Fortress ~~North America~~) may not perform as expected, may lose value, may not positively impact our financial performance and could increase our debt obligations. Acquisitions and investments involve significant risks and uncertainties, including diversion of management attention, greater than expected liabilities and expenses, inadequate return on capital and unidentified issues not discovered in our due diligence. The success of any acquisition will also depend on our ability to successfully combine and integrate the acquired business. We may fail to integrate acquired businesses in a timely and efficient manner. The integration process could result in the loss of key employees, higher than expected costs, ongoing diversion of management attention from other strategic opportunities or operational matters, the disruption of our ongoing businesses or increased risk that our internal controls are found to be ineffective. Outbreaks of contagious disease or similar public health threats could materially and adversely affect our business, financial condition and results of operations. Outbreaks of contagious disease, including COVID- 19, or other adverse public health developments in the U. S. or worldwide could have a material adverse effect on our business, financial condition and results of operations. For example, the emergence and spread of COVID-19 variants could adversely impact our business and results of operations. Outbreaks of contagious disease, including COVID-19, or other adverse public health developments could affect our business in a number of ways, including but not limited to: • Disruptions or restrictions on our employees' ability to work effectively due to illness. • Temporary closures or disruptions at our facilities or the facilities of our customers or suppliers could reduce demand for our products or affect our ability to timely meet our customer' s orders and negatively impact our supply chain. • Our mining and manufacturing facilities rely on raw materials and components provided by our suppliers. Outbreaks of contagious disease could cause delays or disruptions in our supply chain and we could experience a mining or manufacturing slow- down or seek to obtain alternate sources of supply, which may not be available or may be more expensive. • The failure of third parties on which we rely, including our suppliers, customers, contractors, commercial banks, transportation service providers and external business partners, to meet their respective obligations to us, or significant disruptions in their ability to do so, which may be caused by their own financial or operational difficulties, could have an adverse impact on our business, financial condition or results of operations. The impact of contagious disease or other adverse public health developments could also exacerbate other risks discussed elsewhere in this section of this report, any of which could have a material adverse effect on us.