**Risk Factors Comparison 2023-09-21 to 2022-09-22 Form: 10-K**

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

In addition to the factors discussed elsewhere in this Report, the following risks and uncertainties could materially adversely affect our business, financial condition and results of operations. Although the risks are organized and described separately, many of the risks are interrelated. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations and financial condition. Business and Operational Risks We may not be able to increase prices to fully offset inflationary pressures on costs, such as raw and packaging materials, labor and distribution costs **.** As a manufacturer of food and beverage products, we rely on plant labor, distribution resources and raw and packaging materials including tomato paste, grains, beef, poultry, dairy, vegetable oil, wheat, potatoes and other vegetables, steel, aluminum, glass, paper and resin. During ~~2022~~ **2023** , we **continued to** ~~experienced~~ - **experience** significantly elevated commodity and supply chain costs including the costs of labor, raw materials, energy, fuel, packaging materials and other inputs necessary for the production and distribution of our products **. As 2023 progressed, we experienced some moderation in input cost inflation** , and we expect **modestly** elevated levels of inflation to continue ~~in~~ **into** ~~2023~~ **2024** . In addition, many of these ~~materials~~ **items** are subject to price fluctuations from a number of factors, including but not limited to changes in crop size, cattle cycles, herd and flock disease, crop disease, crop pests, product scarcity, demand for raw materials, commodity market speculation, energy costs, currency fluctuations, supplier capacities, government- sponsored agricultural programs and other government policy, import and export requirements (including tariffs), drought and excessive rain, temperature extremes and other adverse weather events, water scarcity, scarcity of suitable agricultural land, scarcity of organic ingredients, pandemic illness (such as the COVID- 19 pandemic), ~~armed hostilities~~ **geopolitical conflicts** (including the ongoing conflict between Russia and Ukraine) **, environmental and other sustainability regulations** and other factors that may be beyond our control. We try to mitigate some or all cost increases through increases in the selling prices of, or decreases in the packaging sizes of, some of our products. Higher product prices or smaller packaging sizes may result in reductions in sales volume. Consumers may be less willing to pay a price differential for our branded products and may increasingly purchase lower- priced offerings, or may forego some purchases altogether, during an economic downturn or times of increased inflationary pressure. To the extent that price increases or packaging size decreases are not sufficient to offset these increased costs adequately or in a timely manner, and / or if they result in significant decreases in sales volume **or a shift in sales mix to lower- margin offerings** , our business results and financial condition may be adversely affected. Furthermore, we may not be able to fully offset any cost increases through productivity initiatives or through our commodity hedging activity. Disruption to our supply chain could adversely affect our business **.** Our ability to manufacture and / or sell our products may be impaired by damage or disruption to our manufacturing, warehousing or distribution capabilities, or to the capabilities of our suppliers, contract manufacturers, logistics service providers or independent distributors. This damage or disruption could result from execution issues, as well as factors that are hard to predict or beyond our control such as increased temperatures due to climate change, water stress, extreme weather events, natural disasters, product or raw material scarcity, fire, terrorism, pandemics (such as the COVID- 19 pandemic), ~~armed hostilities~~ **geopolitical conflicts** (including the ongoing conflict between Russia and Ukraine), strikes, labor shortages, cybersecurity breaches, government shutdowns, disruptions in logistics, supplier capacity constraints or other events. Commodity prices continue to be volatile and **have** generally increased ~~due to the COVID- 19 pandemic, supply chain disruptions and labor and transportation shortages~~ . Production of the agricultural commodities used in our business may also be adversely affected by drought and excessive rain, temperature extremes and other adverse weather events, water scarcity, scarcity of suitable agricultural land, scarcity of organic ingredients, crop size, cattle cycles, herd and flock disease, crop disease and crop pests. Failure to take adequate steps to mitigate the likelihood or potential impact of such events, or to effectively manage such events if they occur, may adversely affect our business or financial results, particularly in circumstances when a product is sourced from a single supplier or location. Disputes with significant suppliers, contract manufacturers, logistics service providers or independent distributors, including disputes regarding pricing or performance, may also adversely affect our ability to manufacture and / or sell our products, as well as our business or financial results. **Deterioration of global macroeconomic conditions, including economic recession or periods of higher inflation in key markets may adversely affect consumer spending and demand for our products. Global macroeconomic conditions can be uncertain and volatile.** We have ~~experienced temporary workforce disruptions~~ in ~~our~~ **the past been, and may continue to be, adversely affected by changes in global macroeconomic conditions, including inflation, rising interest rates, consumer spending rates, energy availability and costs, global** supply chain **challenges, labor shortages, geopolitical conflicts (including the ongoing conflict between Russia and Ukraine), pandemics (such** as ~~a result of~~ the COVID- 19 pandemic **)** ~~. We have implemented employee safety measures, which exceed guidance from the Centers for Disease Control~~ and **growing recession** ~~Prevention and World Health Organization, across all our supply chain facilities. Even with these measures, and the availability of vaccines, given the emergence and spread of COVID- 19 variants, there is continued~~ risk ~~that COVID- 19 may spread through our workforce~~ . **Volatility** ~~Illness, labor shortages, absenteeism, or other workforce disruptions could negatively affect our supply chain, manufacturing, distribution, or other business processes. We may face additional production disruptions~~ in ~~the future, which may place constraints on our ability to produce products in a timely manner or may increase our costs. Short- term or sustained increases in consumer demand at our retail customers may exceed our production capacity or otherwise strain our supply chain. Our failure to meet the demand for our products could adversely affect our business and results of operations. The COVID- 19 pandemic and related ongoing implications could adversely impact our business and results of operations The COVID- 19~~

~~pandemic has had, and could continue to have, a negative impact on~~ financial markets ~~, economic conditions,~~ and ~~portions~~ **deterioration** of **global** ~~our industry as a result of changes in consumer behavior, retailer inventory levels, cost inflation, manufacturing and supply chain disruption, vaccination rates and effectiveness, and overall~~ macroeconomic conditions ~~. Although our business has benefited from increased at- home consumption due to COVID- 19, our ability to sustain heightened sales is dependent on consumer purchasing behavior. The continued availability and effectiveness of vaccines may partially mitigate the risks around the continued spread of COVID- 19, however, with the spread of the COVID- 19 variants, the ongoing implications of the COVID- 19 pandemic~~ could ~~adversely~~ impact our business and results of operations in a number of ways, including but not limited to **, the following** : • **higher commodity prices and other increased input costs could continue due to** ~~a shutdown of one or more of our manufacturing, warehousing or distribution facilities, or disruption in our~~ supply chain **shortages or supply chain disruptions** , ~~including but~~ **which may** not **be sufficiently mitigated by** ~~limited to, as a result of illness, labor shortages, government restrictions or~~ **our** ~~other workforce disruptions~~ **current commodity contracts** ; • the failure of third parties on which we rely, including but not limited to, those that supply our packaging, ingredients, equipment and other necessary operating materials, co- manufacturers and independent contractors, to meet their obligations to us, or significant disruptions in their ability to do so; • a ~~strain on~~ **shift in consumer spending during periods of economic uncertainty** ~~our~~ - **or inflation that** ~~supply chain, which~~ could result ~~from short- term or sustained changes and volatility~~ in ~~consumer~~ **consumers moving to private label** ~~purchasing and consumption patterns that increase demand at our~~ - **or lower price** ~~retail customers and exceed our production capacity for our~~ products; • ~~continued volatility~~ **a change** in **demand for** ~~commodity and other input costs, which may not be sufficiently offset by our~~ - **or** ~~commodity hedging activities~~ **availability of our products, as a result of retailers, distributors, or carriers modifying their inventory, fulfillment or shipping practices** ; • a disruption to our distribution capabilities or ~~to~~ our distribution channels, including those of our suppliers, contract manufacturers, logistics service providers or independent distributors; **and** • ~~new~~ **future volatility** or **disruption** ~~escalated government or regulatory responses~~ in **the capital and credit** markets ~~where we manufacture, sell or distribute our products, or in the markets of third parties on which we rely,~~ could ~~prevent~~ **negatively impact** ~~or~~ **our** ~~disrupt~~ **liquidity** ~~our~~ - **or** ~~business operations~~ **increase costs of borrowing** ; ~~• a significant portion of our workforce, including our management team, could become unable to work as a result of illness, or the attention of our management team could be diverted if key employees become ill and become unable to work; • a change in demand for or availability of our products as a result of retailers, distributors, or carriers modifying their inventory, fulfillment or shipping practices; • an inability to effectively modify our trade promotion and advertising activities to reflect changing consumer shopping habits due to, among other things, reduced in- store visits and travel restrictions; • a shift in consumer spending during periods of economic uncertainty or inflation could result in consumers moving to private label or lower price products; and • additional business disruptions and uncertainties related to the COVID- 19 pandemic could result in additional delays or modifications to our strategic plans and other initiatives.~~ These and other impacts of **global macroeconomic conditions** ~~the COVID- 19 pandemic~~ could also ~~have the effect of heightening~~ --- **heighten** many of the other risk factors ~~included~~ **discussed** in this Item 1A. ~~The ultimate~~ **Our sensitivity to global macroeconomic conditions could materially** impact ~~depends on the severity and duration of the COVID- 19 pandemic, including the emergence and spread of COVID- 19 variants, the continued availability and effectiveness of vaccines and actions taken by governmental authorities and other third parties in response to the pandemic, each of which is uncertain, rapidly changing and difficult to predict. Any of these disruptions could adversely impact~~ our business ~~and~~ **,** results of operations ~~. Our results of operations can be adversely affected by labor shortages~~ , **financial condition** ~~turnover and labor cost increases Labor is a primary component of operating our business. A number of factors may adversely affect the labor force available to us or increase labor costs~~ , ~~including high employment levels, federal unemployment subsidies, and other government regulations. During 2022, we observed an~~ **and** overall tightening and increasingly competitive labor market...... s operations, results of operations, liquidity ~~or cash flows~~ . Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our products and brands **.** We consider our intellectual property rights, particularly our trademarks, to be a significant and valuable aspect of our business. We protect our intellectual property rights through a combination of trademark, patent, copyright and trade secret protection, contractual agreements and policing of third- party misuses of our intellectual property **in traditional retail and digital environments** . Our failure to obtain or adequately protect our intellectual property or any change in law that lessens or removes the current legal protections of our intellectual property may diminish our competitiveness and adversely affect our business and financial results. Competing intellectual property claims that impact our brands or products may arise unexpectedly. Any litigation or disputes regarding intellectual property may be costly and time- consuming and may divert the attention of our management and key personnel from our business operations. We also may be subject to significant damages or injunctions against development, launch and sale of certain products. Any of these occurrences may harm our business and financial results. Our results may be adversely impacted if consumers do not maintain their favorable perception of our brands **.** We have a number of iconic brands with significant value. Maintaining and continually enhancing the value of these brands is critical to the success of our business. Brand value is primarily based on consumer perceptions. Success in promoting and enhancing brand value depends in large part on our ability to provide high- quality products. Brand value could diminish significantly due to a number of factors, including consumer perception that we have acted in an irresponsible manner, adverse publicity about our products, packaging ~~or~~ **,** ingredients ~~(whether~~ **, or** ~~or~~ **our** ~~not valid)~~ **environmental, social, human capital or governance practices** , our failure to maintain the quality of our products, the failure of our products to deliver consistently positive consumer experiences, or the products becoming unavailable to consumers. The growing use of social and digital media by consumers increases the speed and extent that information and opinions can be shared. Negative posts or comments about us, our brands, products or packaging on social or digital media could seriously damage our brands and reputation **. In addition, we might fail to appropriately target our marketing efforts, anticipate consumer preferences, or invest sufficiently in maintaining our brand image** . If we do not maintain the favorable perception of our brands, our results could be adversely impacted. We may be adversely impacted by a disruption, failure or security breach of our information technology systems **.** Our information technology systems are critically important to our operations. We rely on our information technology systems (some of which are outsourced to third parties) to manage our data, communications and business processes, including our marketing, sales, manufacturing, procurement, ~~logistics~~ **supply chain** , customer service, accounting and administrative functions and the importance of such networks and systems has increased due to an increase in our employees working remotely. If we do not obtain and effectively manage the resources and materials necessary to build, sustain and protect appropriate information technology systems, our business or financial results could be adversely impacted. Furthermore, our information technology systems are subject to attack or other security breaches (including the access to or acquisition of customer, consumer, employee or other confidential information), service disruptions or other system failures. If we are unable to prevent or adequately respond to and resolve these breaches, disruptions or failures, our operations may be impacted, and we may suffer other adverse consequences such as reputational damage, litigation, remediation costs, ransomware payments and / or penalties under various data protection laws and regulations. To address the risks to our information technology systems and the associated costs, we maintain an information security program that includes updating technology and security policies, cyber insurance, employee awareness training, and monitoring and routine testing of our information technology systems. We believe that these preventative actions provide adequate measures of protection against security breaches and generally reduce our cybersecurity risks, however, cyber threats are constantly evolving, are becoming more frequent and more sophisticated and are being made by groups of individuals with a wide range of expertise and motives, which increases the difficulty of detecting and successfully defending against them. Additionally, continued geopolitical turmoil, including the ongoing conflict between Russia and Ukraine, has heightened the risk of cyberattacks. We have experienced threats **and breaches** to our data and systems and although we have not experienced a **breach that had a** material ~~incident to date~~ **impact on our operations or business** , there can be no assurance that these measures will prevent or limit the impact of a future incident. **For example, at the end of the fourth quarter of 2023, we identified unauthorized activity on some of our information technology systems. Upon detecting the attack, we took immediate action to investigate, contain and remediate the threat, retaining the services of leading third- party cybersecurity experts and contacting federal law enforcement. The incident had a limited impact on our business operations and was not material to the company' s results of operations or financial condition. In addition, the rapid evolution and increased adoption of artificial intelligence technologies may intensify our cybersecurity risks.** We may incur significant costs in protecting against or remediating cyberattacks or other cyber incidents **. As cyberattacks increase in frequency and magnitude around the world, we may be unable to obtain cyber insurance in the amounts and on the terms we view as appropriate and favorable for our operations** . In addition, in the event our suppliers or customers experience a breach or system failure, their businesses could be disrupted or otherwise negatively affected, which may result in a disruption in our supply chain or reduced customer orders, which would adversely affect our business and financial results. We have also outsourced several information technology support services and administrative functions to third- party service providers, and may outsource other functions in the future to achieve cost savings and efficiencies. Our information security program includes capabilities designed to evaluate and mitigate cyber risks arising from third- party service providers. We believe that these capabilities provide insights and visibility to the security posture of our third- party service providers, however, cyber threats to those organizations are beyond our control. If these service providers do not perform effectively due to breach or system failure, we may not be able to achieve the expected benefits and our business may be disrupted. We may not be able to attract and retain the highly skilled people we need to support our business **.** We depend on the skills and continued service of key personnel, including our experienced management team. In addition, our ability to achieve our strategic and operating goals depends on our ability to identify, hire, train and retain qualified individuals **, including all levels of skilled labor in our manufacturing facilities** . We also compete with other companies both within and outside of our industry for talented personnel, and we may lose key personnel or fail to attract, train and retain other talented personnel. Any such loss or failure may adversely affect our business or financial results. In addition, activities related to identifying, recruiting, hiring and integrating qualified individuals may require significant time and expense. We may not be able to locate suitable replacements for any key employees who leave, or offer employment to potential replacements on reasonable terms, each of which may adversely affect our business and financial results. **Over the past few years,we have experienced an increasingly competitive** labor market.A sustained labor shortage or increased turnover rates within our employee base, ~~caused by the continued spread of COVID- 19 or~~ as a result of general macroeconomic factors,could lead to increased costs,such as increased overtime to meet demand and increased wage rates to attract and retain employees,and could negatively affect our ability to efficiently operate our manufacturing and distribution facilities and overall business.If we are unable to hire and retain employees capable of performing at a high- level,or if mitigation measures we may take to respond to a decrease in labor availability,such as overtime and third- party outsourcing,have unintended negative effects,our business could be adversely affected. ~~In addition~~ If we do not fully realize the expected cost savings and / or operating efficiencies associated with our strategic initiatives, our profitability could suffer **.** 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 cost inputs. We continuously pursue initiatives to reduce costs and increase effectiveness. See" Management' s Discussion and Analysis of Financial Condition and Results of Operations- Restructuring Charges and Cost Savings Initiatives" for additional information on these initiatives. We also regularly pursue cost productivity initiatives in procurement, manufacturing and logistics. Any failure or delay in implementing our initiatives in accordance with our plans could adversely affect our ability to meet our long-term growth and profitability expectations and could adversely affect our business. If we do not continue to effectively manage costs and achieve additional efficiencies, our competitiveness and our profitability could decrease. Our results may be adversely affected by our inability to complete or realize the projected benefits of acquisitions, divestitures and other strategic transactions **.** We have historically made strategic acquisitions of brands and businesses and we may undertake additional acquisitions or other strategic transactions in the future. Our ability to meet our objectives with respect to acquisitions and other strategic transactions may depend in part on our ability to identify suitable counterparties, negotiate favorable financial and other contractual terms, obtain all necessary regulatory approvals on the terms expected and complete those transactions. Potential risks also include: • the inability to integrate acquired businesses into our existing operations in a timely and cost- efficient manner, including implementation of enterprise- resource planning systems; • diversion of management' s attention from other business concerns; • potential loss of key employees, **co- manufacturers,** suppliers and / or customers of acquired businesses; • assumption of unknown risks and liabilities; • the inability to achieve anticipated benefits, including revenues or other operating results; • operating costs of acquired businesses may be greater than expected; • the inability to promptly implement an effective control environment; and • the risks inherent in entering markets or lines of business with which we have limited or no prior experience. In addition, we have previously made strategic divestitures and may do so in the future. Any businesses we decide to divest in the future may depend in part on our ability to identify suitable buyers, negotiate favorable financial and other contractual terms and obtain all necessary regulatory approvals on the terms expected. Potential risks of divestitures may also include: • loss of key suppliers and / or customers of divested businesses; • the inability to separate divested businesses or business units effectively and efficiently from our existing business operations; and • the inability to reduce or eliminate associated overhead costs. If we are unable to complete or realize the projected benefits of future acquisitions, divestitures or other strategic transactions, our business or financial results may be adversely impacted. Competitive and Industry Risks We face significant competition in all our product categories, which may result in lower sales and margins **.** We operate in the highly competitive food and beverage industry mainly in the North American market and experience competition in all of our categories. The principal areas of competition are brand recognition, taste, nutritional value, price, promotion, innovation, shelf space and customer service. A number of our primary competitors are larger than us and have substantial financial, marketing and other resources, and some of our competitors may spend more aggressively on advertising and promotional activities than we do. In addition, reduced barriers to entry and easier access to funding are creating new competition. A strong competitive response from one or more of these competitors to our marketplace efforts, or a continued shift towards private label offerings, particularly during periods of economic uncertainty or significant inflation, could result in us reducing prices **and / or increasing promotions** , increasing marketing or other expenditures, and / or losing market share, each of which may result in lower sales and margins. Our ability to compete also depends upon our ability to predict, identify, and interpret the tastes and dietary habits of consumers and to offer products that appeal to those preferences. There are inherent marketplace risks associated with new product or packaging introductions, including uncertainties about trade and consumer acceptance. If we do not succeed in offering products that consumers want to buy, our sales and market share will decrease, resulting in reduced profitability. If we are unable to accurately predict which shifts in consumer preferences will be long- lasting, or are unable to introduce new and improved products to satisfy those preferences, our sales will decline. Weak economic conditions, recessions, significant inflation and other factors, such as pandemics, could effect consumer preferences and demand. In addition, given the variety of backgrounds and identities of consumers in our consumer base, we must offer a sufficient array of products to satisfy the broad spectrum of consumer preferences. As such, we must be successful in developing innovative products across a multitude of product categories. ~~In addition, the COVID- 19 pandemic has altered, and in some cases, delayed product innovation efforts.~~ Finally, if we fail to rapidly develop products in faster- growing and more profitable categories, we could experience reduced demand for our products, or fail to expand margins. We may be adversely impacted by a changing customer landscape and the increased significance of some of our customers **.** Our businesses are largely concentrated in the traditional retail grocery trade, which has experienced slower growth than other retail channels, such as dollar stores, drug stores, club stores and e- commerce retailers. We expect this trend away from traditional retail grocery to alternate channels to continue in the future. These alternative retail channels may also create consumer price deflation, affecting our retail customer relationships and presenting additional challenges to increasing prices in response to commodity or other cost increases. In addition, retailers with increased buying power and negotiating strength are seeking more favorable terms, including increased promotional programs and customized products funded by their suppliers. These customers may also use more of their shelf space for their private label products, which are generally sold at lower prices than branded products. If we are unable to use our scale, marketing, product innovation and category leadership positions to respond to these customer dynamics, our business or financial results could be adversely impacted. In ~~2022~~ **2023** , our five largest customers accounted for approximately 47 % of our consolidated net sales ~~from continuing operations~~ , with the largest customer, Wal- Mart Stores, Inc. and its affiliates, accounting for approximately 22 % of our consolidated net sales ~~from continuing operations~~ . There can be no assurance that our largest customers will continue to purchase our products in the same mix or quantities, or on the same terms as in the past. Disruption of sales to any of these customers, or to any of our other large customers, for an extended period of time could adversely affect our business or financial results. Financial and Economic Risks An impairment of the carrying value of goodwill or other indefinite- lived intangible assets could adversely affect our financial results and net worth **.** As of July ~~31~~ **30** , ~~2022~~ **2023** , we had goodwill of $ 3. ~~979~~ **965** billion and other indefinite- lived intangible assets of $ 2. ~~549~~ **541** billion. Goodwill and indefinite- lived intangible assets are initially recorded at fair value and not amortized, but are tested for impairment at least annually in the fourth quarter or more frequently if impairment indicators arise. We test goodwill at the reporting unit level by comparing the carrying value of the net assets of the reporting unit, including goodwill, to the unit' s fair value. Similarly, we test indefinite- lived intangible assets by comparing the fair value of the assets to their carrying values. Fair value for both goodwill and other indefinite- lived intangible assets is determined based on ~~a~~ discounted cash flow ~~analysis~~ **analyses** . If the carrying values of the reporting unit or indefinite- lived intangible assets exceed their fair value, the goodwill or indefinite- lived intangible assets are considered impaired. Factors that could result in an impairment include a change in revenue growth rates, operating margins, weighted average cost of capital, future economic and market conditions or assumed royalty rates. If current expectations for growth rates for sales and profits are not met, or other market factors and macroeconomic conditions ~~that could be affected by the COVID- 19 pandemic or otherwise~~ were to change, we may be required in the future to record impairment of the carrying value of goodwill or other indefinite- lived intangible assets, which could adversely affect our financial results and net worth. We may be adversely impacted by increased liabilities and costs related to our defined benefit pension plans **.** We sponsor a number of defined benefit pension plans for certain employees in the U. S. and certain non- U. S. locations. The major defined benefit pension plans are funded with trust assets invested in a globally diversified portfolio of securities and other investments. Changes in regulatory requirements or the market value of plan assets, investment returns, interest rates and mortality rates may affect the funded status of our defined benefit pension plans and cause volatility in the net periodic benefit cost, future funding requirements of the plans and the funded status as recorded on the balance sheet. A significant increase in our obligations, future funding requirements, or net periodic benefit costs could have a material adverse effect on our financial results. We face risks related to heightened inflation, recession, financial and credit market disruptions and other economic conditions **.** Customer and consumer demand for our products may be impacted by weak economic conditions, recession, equity market volatility or other negative economic factors in the U. S. or other nations. For instance in ~~2022~~ **2023** , the U. S. experienced significantly heightened inflationary pressures which we expect to continue into ~~2023~~ **2024** . We may not be able to fully mitigate the impact of inflation through **continued** price increases, productivity initiatives and cost savings, which could have a material adverse effect on our financial results. **We implemented a series of price increases in the last year in response to inflationary pressures, and although price elasticities have remained below historical levels this may not continue and result in lower sales in 2024.** In addition, if the U. S. economy enters a recession in ~~2023~~ **2024** , we may experience sales declines and may have to decrease prices, all of which could have a material adverse impact on our financial results. Similarly, disruptions in financial and / or credit markets may impact our ability to manage normal commercial relationships with our customers, suppliers and creditors and might cause us to not be able to continue to have access to preferred sources of liquidity when needed or on terms we find acceptable, and our borrowing costs could increase. An economic or credit crisis could occur and impair credit availability and our ability to raise capital when needed. A disruption in the financial markets may have a negative effect on our derivative counterparties and could impair our banking or other business partners, on whom we rely for access to capital and as counterparties to our derivative contracts. In addition, changes in tax or interest rates in the U. S. or other nations, whether due to recession, economic disruptions or other reasons, may adversely impact us. Legal and Regulatory Risks We may be adversely impacted by legal and regulatory proceedings or claims **.** We are a party to a variety of legal and regulatory proceedings and claims arising out of the normal course of business. See Note ~~18~~ **17** to the Consolidated Financial Statements for information regarding reportable legal proceedings. Since these actions are inherently uncertain, there is no guarantee that we will be successful in defending ourselves against such proceedings or claims, or that our assessment of the materiality or immateriality of these matters, including any reserves taken in connection with such matters, will be consistent with the ultimate outcome of such proceedings or claims. In particular, the marketing of food products has come under increased scrutiny in recent years, and the food industry has been subject to an increasing number of proceedings and claims relating to alleged false or deceptive marketing under federal, state and foreign laws or regulations, including claims relating to the presence of heavy metals in food products. Additionally, the independent contractor distribution model, which is used in our Snacks segment, has also come under increased regulatory scrutiny. Our independent contractor distribution model has also been the subject of various class and individual lawsuits in recent years. In the event we are unable to successfully defend ourselves against these proceedings or claims, or if our assessment of the materiality of these proceedings or claims proves inaccurate, our business or financial results may be adversely affected. In addition, our reputation could be damaged by allegations made in proceedings or claims (even if untrue). Increased regulation or changes in law could adversely affect our business or financial results **.** The manufacture and marketing of food products is extensively regulated. Various laws and regulations govern the processing, packaging, storage, distribution, marketing, advertising, labeling, quality and safety of our food products, as well as the health and safety of our employees and the protection of the environment. In the U. S., we are subject to regulation by various federal government agencies, including but not limited to the Food and Drug Administration, the Department of Agriculture, the Federal Trade Commission, the Department of Labor, the Department of Commerce, the Occupational Safety and Health Administration and the Environmental Protection Agency, as well as various state and local agencies. We are also regulated by similar agencies outside the U. S. Governmental and administrative bodies within the U. S. are considering a variety of tax, trade and other regulatory reforms. Trade reforms include tariffs on certain materials used in the manufacture of our products and tariffs on certain finished products. We regularly move data across national and state borders to conduct our operations and, consequently, are subject to a variety of laws and regulations in the U. S. 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. There is significant uncertainty with respect to compliance with such privacy and data protection laws and regulations because they are continuously evolving and developing and may be interpreted and applied differently from country to country and state to state and may create inconsistent or conflicting requirements. Changes in legal or regulatory requirements (such as new food safety requirements and revised regulatory requirements for the labeling of nutrition facts, serving sizes and genetically modified ingredients), or evolving interpretations of existing legal or regulatory requirements, **or an increased focus regarding environmental policies relating to climate change, regulating greenhouse gas emissions, energy policies and sustainability,** may result in increased compliance cost, capital expenditures and other financial obligations that could adversely affect our business and financial results. **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. 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.** If our food products become adulterated or are mislabeled, we might need to recall those items, and we may experience product liability claims and damage to our reputation **.**

We have in the past and we may, in the future, need to recall some of our products if they become adulterated or if they are mislabeled, and we may also be liable if the consumption of any of our products causes sickness or injury to consumers. A widespread product recall could result in significant losses due to the costs of a recall, the destruction of product inventory, and lost sales due to the unavailability of product for a period of time. We could also suffer losses from a significant adverse product liability judgment. A significant product recall or product liability claim could also result in adverse publicity, damage to our reputation, and a loss of consumer confidence in the safety and / or quality of our products, ingredients or packaging. In addition, if another company recalls or experiences negative publicity related to a product in a category in which we compete, consumers might reduce their overall consumption of products in that category. 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** potatoes ~~, cashews and almonds~~ . 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 storing and transporting our raw materials, or disrupt production schedules. We 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 physical effects and transitional costs of climate change and the legal, regulatory or market initiatives to address climate change could have a negative impact on our business, financial condition, and results of operations.** There is an increased focus by foreign, federal, state and local regulatory and legislative bodies regarding environmental policies relating to climate change, regulating greenhouse gas emissions **(including carbon pricing, cap and trade systems or a carbon tax)** , energy policies, and sustainability. Increased compliance costs and expenses due to the impacts of climate change and additional legal or regulatory requirements regarding climate change ~~or~~ **that are** designed to reduce or mitigate the effects of carbon dioxide and other greenhouse gas emissions on the environment may cause disruptions in, or an increase in the costs associated with, the running of our manufacturing facilities and our business, as well as increase distribution and supply chain costs. Moreover, compliance with any such legal or regulatory requirements may require us to make significant changes in our business operations and strategy, which will likely require us to devote substantial time and attention to these matters and cause us to incur additional costs. Even if we make changes to align ourselves with such legal or regulatory requirements, we may still be subject to significant penalties or potential litigation if such laws and regulations are interpreted and applied in a manner inconsistent with our practices. The effects of climate change and legal or regulatory initiatives to address climate change could have a long- term adverse impact on our business and results of operations. **Our business is subject** ~~Additionally, we might fail~~ to ~~effectively address increased attention from the media, stockholders, activists and~~ - **an** ~~other stakeholders~~ **increasing focus** on ~~climate change and related environmental~~ sustainability matters. ~~Such failure, or the perception that we have failed to act responsibly regarding climate change, whether or not valid, could result in adverse publicity and negatively affect our business and reputation. Moreover, from~~ **From** time to time we establish and publicly announce goals and commitments, including **reducing** ~~to reduce~~ our impact on the environment **and relating to animal welfare** . For example, in 2022, we established science- based targets for Scope 1, 2 and 3 greenhouse gas emissions. Our ability to achieve any stated goal, target or objective is subject to numerous factors and conditions, many of which are outside of our control. Examples of such factors include evolving regulatory requirements affecting sustainability standards or disclosures or imposing different requirements, the pace of changes in technology, the availability of requisite financing ~~and~~ **,** the availability of suppliers **and products** that can meet our sustainability and other standards **, and changing business dynamics including acquisitions. Furthermore, standards for tracking and reporting such matters continue to evolve. Our selection of voluntary disclosure frameworks and standards, and the interpretation or application of those frameworks and standards, may change from time to time or differ from those of others. Methodologies for reporting these data may be updated and previously reported data may be adjusted to reflect improvement in availability and quality of third- party data, changing assumptions, changes in the nature and scope of our operations (including from acquisitions and divestitures), and other changes in circumstances, which could result in significant revisions to our current goals, reported progress in achieving such goals, or ability to achieve such goals in the future** . If we fail to achieve, or are perceived to have failed or been delayed in achieving, or improperly report our progress toward achieving these goals and commitments, it could negatively affect consumer **or customer** preference for our products or investor confidence in our stock, as well as expose us to enforcement actions and litigation. ~~Actions of~~ **Additionally, we might fail to effectively address increased attention from the media, stockholders,** ~~activist~~ **activists and other** ~~shareholders~~ **stakeholders on climate change and related environmental sustainability matters or animal welfare goals. Such failure, or the perception that we have failed to act responsibly regarding climate change or animal welfare, whether or not valid,** could **result in** ~~cause us to incur substantial costs, divert management' s attention and resources and have an~~ adverse **publicity and negatively** ~~effect~~ **affect** ~~on~~ our business ~~We were the target of activist shareholder activities in 2019. If a new activist investor purchased our stock, our business could be adversely affected because responding to proxy contests~~ and **reputation** ~~reacting to other actions by activist shareholders can be costly and time consuming, disruptive to our operations and divert the attention of management and our employees. In addition, perceived uncertainties as to our future direction, strategy or leadership created as a consequence of activist shareholder initiatives may result in the loss of potential business opportunities, harm our ability to attract new investors, customers, employees, suppliers and strategic partners, and cause our share price to experience periods of volatility or stagnation~~ . Our business, 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. 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. The scope and duration of the military conflict in Ukraine is uncertain, rapidly changing and hard to predict. 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 also heighten many of the other risk factors discussed in this Item 1A. Risk Factors Related to the Pending Sovos Brands Acquisition The Sovos Brands acquisition is subject to certain closing conditions that, if not satisfied or waived, could delay closing or prevent it from occurring at all. The closing of the Sovos Brands acquisition is subject to certain customary mutual conditions, including (i) the absence of any injunction or other order issued by a court of competent jurisdiction in the United States or applicable law or legal prohibition in the United States that prohibits or makes illegal the consummation of the merger, (ii) the approval of Sovos Brands' shareholders holding at least a majority of the outstanding shares of Sovos Brands common stock entitled to vote on the adoption of the merger agreement and (iii) the expiration or termination of any waiting period (and any extension thereof) applicable to the consummation of the merger under the Hart- Scott- Rodino Antitrust Improvements Act of 1976, as amended. If the closing of the acquisition is not effective by May 7, 2024, we could be required to pay an additional $ 0. 00182 per share per day beginning May 8, 2024 until the merger becomes effective. We and Sovos Brands may also terminate the merger agreement under certain circumstances, and we may be required, in certain circumstances, to pay a termination fee of $ 145 million. For additional information on the merger agreement, see our Form 8- K filed with the U. S. Securities and Exchange Commission on August 7, 2023. There are also several pending lawsuits filed by purported shareholders of Sovos Brands seeking, among other things, to enjoin the acquisition. If we do not complete the acquisition, or if the closing is significantly delayed, our business or financial results may be adversely affected. Our obligation to complete the pending acquisition of Sovos Brands is not subject to a financing condition, and financing for the Sovos Brands acquisition may not be obtained on favorable terms, or at all. Our obligation to complete the pending acquisition of Sovos Brands is not subject to a financing condition. We intend to finance the acquisition of Sovos Brands with the issuance of new debt. There can be no assurance that we will obtain financing on terms we find acceptable and we may be required to finance a portion of the purchase price of the pending acquisition at interest rates higher than currently expected. Limitations on our ability to obtain financing, a reduction in our liquidity or an increase in our borrowing costs may adversely affect our business or financial results. The anticipated benefits of the Sovos Brands acquisition may not be fully realized. We expect that the acquisition of Sovos Brands will result in various benefits including, among other things, cost savings, cost synergies and revenue opportunities. Achieving these anticipated benefits is subject to uncertainties, including whether we integrate in an efficient and effective manner, and general competitive factors in the marketplace. Integrating Sovos Brands will be a complex, time- consuming and expensive process. We may experience unanticipated difficulties or expenses related to the integration, including: • diversion of management' s attention from ongoing business concerns; • managing a larger combined business; • perceived adverse changes in product offerings to consumers, whether or not these changes actually occur; • assumption of unknown risks and liabilities; • the retention of key suppliers and customers of Sovos Brands; • attracting new business and operational relationships; • retaining and integrating key employees and maintaining employee morale; and • unforeseen expenses or delays. After the acquisition, we may seek to combine certain operations, functions, systems and processes, which we may be unsuccessful or delayed in implementing. While we have assumed that a certain level of expenses would be incurred in connection with the Sovos Brands acquisition, transaction costs, acquisition- related costs, costs for synergies and integration costs may be more than anticipated. In addition, there are many factors beyond our control and the control of Sovos Brands that could affect the total amount or the timing of these expenses. Although we expect that the elimination of duplicative costs and realization of other efficiencies related to the integration of the businesses will offset incremental costs over time, any net benefit may not be achieved in the near term or at all. The failure to effectively address any of these risks, or any other risks related to the integration of the Sovos Brands acquisition, may adversely affect our business or financial results.**