

Risk Factors Comparison 2024-09-19 to 2023-09-21 Form: 10-K

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In addition to the factors discussed elsewhere in this Report, the following risks and uncertainties could **have a materially--** ~~materially adversely~~ **adversely** affect **on** 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 **or sustain price increases** 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 **tomatoes**, tomato paste, grains, beef, poultry, dairy, **olive oil**, vegetable oil, wheat, potatoes and other vegetables, steel, aluminum, glass, paper and resin. During ~~2023~~ **2024**, we ~~continued to experience~~ **experienced** significantly ~~significantly~~ **moderately** 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. **We expect** ~~As 2023 progressed, we experienced some moderation in~~ **input cost inflation in 2025 to remain at similar levels as 2024, as we continue to see improvement across certain ingredients and packaging materials; however, we could experience unexpectedly high input cost inflation in various categories and in other areas of persistent inflation, such as labor and distribution costs**, and we expect modestly elevated levels of inflation to continue into ~~2024~~ **2025**. In addition, many of these 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~~ **pandemics or illness (such as the other COVID-19 pandemic)** **local or global health issues**, 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 **private label or other** 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 **private label or other** 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 ~~or (such as the other COVID-19 pandemic)~~ **local or global health issues**, 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~~. 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 **or produced at a single location**. **For example, the substantial majority of our Rao' s tomato- based sauce products are produced by a third- party contract manufacturer at a single facility in Italy and the remainder of our Rao' s tomato- based sauce products are produced by a third- party contract manufacturer at a single facility in the U. S. If a dispute arises with such contract manufacturer, or if the contract manufacturer experiences financial, operational or other issues, we may be required to make alternative arrangements to produce Rao' s sauce products, such as assuming manufacturing operations on our own or finding one or more alternative contract manufacturing arrangements, which could be costly or time- consuming. In addition,** ~~Disputes~~ **disputes** with significant suppliers, contract manufacturers, logistics service providers or independent distributors, including disputes regarding pricing ~~or~~, performance **or production**, 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 in 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 the COVID-19~~

pandemic) and growing recession risk. Volatility in financial markets and deterioration of global macroeconomic conditions could 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 supply chain shortages or supply chain disruptions, which may not be sufficiently mitigated by our 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 shift in consumer spending during periods of economic uncertainty or inflation that could result in consumers moving to private label or lower price products; • 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; • a disruption to our distribution capabilities or our distribution channels, including those of our suppliers, contract manufacturers, logistics service providers or independent distributors; and • future volatility or disruption in the capital and credit markets could negatively impact our liquidity or increase costs of borrowing; These and other impacts of global macroeconomic conditions could also heighten many of the other risk factors discussed in this Item 1A. Our sensitivity to global macroeconomic conditions could materially impact our business, results of operations, financial condition, and liquidity. 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, ingredients, or our 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, 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 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, 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. 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.

. Specifically, the anticipated benefits of the Sovos Brands acquisition may not be fully realized, and we may experience unexpected difficulties or expenses in integrating the Sovos Brands business . 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. **If we are unable to complete acquisitions or successfully integrate and develop acquired businesses into our existing operations in a timely, including the effective management of integration activities, we could fail to achieve the anticipated synergies and cost savings in an efficient manner, or the expected increases in revenues and operating results. Additional acquisition risks including include the implementation of enterprise resource planning systems; diversion of management's attention from other our existing business concerns; potential loss of key employees, co-manufacturers, suppliers, and/or customers of from the acquired businesses; assumption of unknown risks and liabilities, greater than; the inability to achieve anticipated benefits, including revenues or other operating results; operating costs of the acquired businesses; business, 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. 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 2023, our five largest customers accounted for approximately 47 % of our consolidated net sales, with the largest customer, Wal-Mart Stores, Inc. and its affiliates, accounting for approximately 22 % of our consolidated net sales. 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 30, 2023, we had goodwill of \$ 3.965 billion and other indefinite-lived intangible assets of \$ 2.541 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 discounted cash flow 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 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 2023, the U. S. experienced significantly heightened inflationary pressures which we expect to continue into 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 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 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 **March 12** 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 **2024**, 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 **completed**, consumers might reduce their **the** 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. 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 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 to an increasing focus on sustainability matters. From time to time we establish and publicly announce goals and commitments, including reducing 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, the availability of suppliers and products that can meet our sustainability and other standards, and changing business dynamics including acquisitions - **acquisition**. 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. Additionally, we might fail to effectively address increased attention from the media, stockholders, activists and other 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 adverse publicity and negatively affect our business and reputation. 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 **resulting in the expansion of or our** 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 - **portfolio** of the purchase price of the pending acquisition at interest rates higher than currently expected. **Achieving the** 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 **transaction** 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 As a result, we will be required to devote significant management attention and resources to integrating Sovos Brands' business practices and operations. The integration process may experience disrupt the businesses and, if implemented ineffectively or if impacted by unforeseen negative economic or market conditions or other factors, we may not realize the full**

unanticipated— anticipated benefits of the acquisition. Our failure to meet the challenges involved in integrating the business and to realize the anticipated benefits of the acquisition could cause an interruption of, or a loss of momentum in, our activities and could adversely affect our results of operations or cash flows, cause dilution to our earnings per share, decrease or delay any accretive effect of the acquisition, and negatively impact the market price of our common shares. Specifically, the difficulties or expenses related to the integration, may including include: • diversion of management's attention from ongoing business concerns; • managing a larger combined business; • difficulties in the integration of operations and systems, inclusive of internal controls; • perceived adverse changes in product offerings to consumers customers, whether or not these changes actually occur; • assumption of unknown risks and liabilities; • maintaining current contractual relationships with third- party manufacturers; • 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— delay resulting from: 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 activities 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 timing or total amount of the timing of these integration- related 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. 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: • diversion of management's attention from other business concerns; • 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. Our inability to complete or realize the projected benefits of future acquisitions, divestitures or other strategic transactions may adversely affect our business or financial results. Deterioration of global macroeconomic conditions, including economic recession or slow growth 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 in the past been, and may continue to be, adversely affected by changes in global macroeconomic conditions, including inflation, recession, rising interest rates, consumer spending rates, energy availability and costs, global supply chain challenges, labor shortages, geopolitical conflicts, pandemics or other local or global health issues. Volatility in financial markets and deterioration of global macroeconomic conditions could 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 supply chain shortages or supply chain disruptions, which may not be sufficiently mitigated by our 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, contract manufacturers and independent contractors, to meet their obligations to us, or significant disruptions in their ability to do so; • a shift in consumer spending during periods of economic uncertainty or inflation that could result in consumers purchasing private label or other lower price products; • 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; • a disruption to our distribution capabilities or our distribution channels, including those of our suppliers, contract manufacturers, logistics service providers or independent distributors; and • future volatility or disruption in the capital and credit markets could negatively impact our liquidity or increase costs of borrowing. These and other impacts of global macroeconomic conditions could also heighten many of the other risk factors discussed in this Item 1A. Our sensitivity to global macroeconomic conditions could materially impact our business, results of operations, financial condition, and liquidity. 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, including in response to developing artificial intelligence technologies, 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, waste management, ingredients, or our

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, 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 disruptions, failures or breaches, 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. Cyber threats are constantly evolving, are becoming more frequent and more sophisticated and are being made by groups of individuals and state actors with a wide range of expertise and motives. Additionally, continued geopolitical turmoil has heightened the risk of cyberattacks. We have previously experienced threats and breaches to our data and systems and although we have not experienced a breach that had a material impact on our operations or business, there can be no assurance that these measures will prevent or limit the impact of a future incident. 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. New and emerging technologies that could result in greater operational efficiency may further expose our computer systems to the risk of cyberattacks. Our initiatives to continue to modernize our operations, increase data digitalization and improve our production facilities may increase potential exposure to cybersecurity risks and increase the complexity of our cybersecurity program. In addition, the rapid evolution and increased adoption of artificial intelligence technologies may intensify our cybersecurity risks. We may incur increased 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 cybersecurity insurance in the amounts and on the terms we view as appropriate and favorable for our operations. 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, cybersecurity insurance, employee awareness training and monitoring and routine testing of our information technology systems. We believe that these preventative and detective actions provide adequate measures of protection against security breaches and generally reduce our cybersecurity risks and enhance our ability to prevent, detect and respond to disruptive events. 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, particularly related to manufacturing, we have experienced an increasingly competitive labor market. A sustained labor shortage or increased turnover rates within our employee base, 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 have unintended negative effects, our business could be adversely affected. 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, Cost Savings Initiatives and Other Optimization 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.

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. Attractive pricing, product placement and visibility, securing new retailers, and maintaining or increasing shelf space for our products may also affect our ability to remain competitive. Even if we obtain our desired product visibility and shelf space, we may not achieve retailers' sales expectations, which could cause these retailers to reduce shelf space for our products. 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, each of which may result in lower sales and / or 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 affect 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. We must also be able to respond successfully to technological advances (including artificial intelligence and machine learning, which may become critical in interpreting consumer preferences in the future) and intellectual property rights of our competitors, and failure to do so could compromise our competitive position and negatively impact our product sales. 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 2024, our five largest customers accounted for approximately 47 % of our consolidated net sales, with the largest customer, Wal- Mart Stores, Inc. and its affiliates, accounting for approximately 22 % of our consolidated net sales. 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 28, 2024, we had goodwill of \$ 5. 077 billion and other indefinite- lived intangible assets of \$ 3. 882 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 discounted cash flow 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. See " Critical Accounting Estimates " and Note 6 to the Consolidated Financial Statements for information on impairment charges recognized in 2024. If current expectations for growth rates for sales and profits are not met, or other market factors and macroeconomic conditions 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 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 2024, the U. S. experienced moderate inflationary pressures. 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. In addition, if the U. S. economy enters a recession in 2025, 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. We may be adversely impacted by our substantial indebtedness. As of July 28, 2024, we maintained approximately \$ 7.184 billion of indebtedness, and this level of indebtedness may have important consequences to our business, including but not limited to: • increasing the possibility of a downgrade in our credit rating; • increasing our exposure to fluctuations in interest rates; • subjecting us to new financial and other covenants; • increasing our vulnerability to, and reducing our flexibility to respond to, general adverse economic and industry conditions; • limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate, including undertaking significant capital projects; • placing us at a competitive disadvantage as compared to our competitors, to the extent that they are not as highly leveraged; and • restricting us from pursuing certain business opportunities, including other acquisitions. In addition, we regularly access the commercial paper markets for working capital needs and other general corporate purposes. If our credit ratings are downgraded, we may have difficulty issuing additional debt securities or borrowing money in the amounts and on the terms that might be available if our credit ratings were maintained. See “ Management's Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources ” for additional information regarding our indebtedness. Disruptions in the commercial paper market or other effects of volatile economic conditions on the credit markets may also reduce the amount of commercial paper that we can issue and raise our borrowing costs for both short- and long- term debt offerings. There can be no assurance that we will have access to the capital markets on terms we find acceptable. Limitations on our ability to access the capital markets, a reduction in our liquidity or an increase in our borrowing costs may adversely affect our business and financial results.

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 to the Consolidated Financial Statements for information regarding certain 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). If we fail to comply with the many laws applicable to our business, we may face lawsuits or incur significant fines and penalties. In addition, changes in such laws, regulations or other policies may lead to increased costs. The manufacture and marketing of food products is extensively regulated. Various laws and regulations govern the processing, packaging (including potential impacts of extended producer responsibility (EPR) regulations and laws), waste management, storage, distribution, marketing, advertising, labeling, import / export requirements, 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. See Note 18 to the Consolidated Financial Statements for additional information regarding regulatory matters. Governmental and administrative bodies within the U. S. are considering a variety of tax, trade and other regulatory reforms. Trade reforms could include tariffs on certain materials used in the manufacture of our products and tariffs on certain finished products. A potential change in administration following the 2024 presidential election could further impact trade policies, and could also result in substantial changes to fiscal or tax policies that may impact our business. 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 new EPR regulations and laws), 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, potatoes, cocoa and olive oil. 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 regulations, cap and trade systems or a carbon tax), energy policies and sustainability, including EPR regulations and packaging. Increased compliance costs and expenses due to the impacts of climate change and additional legal or regulatory requirements regarding climate change 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 to an increasing focus on sustainability matters. From time to time we establish and publicly announce sustainability goals and commitments, including reducing 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, 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 to achieve 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. Additionally, we might fail to effectively address increased attention from the media, stockholders, activists and other stakeholders on climate change and related environmental sustainability matters or animal welfare goals, including attention from stakeholders with opposing views on such matters. 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 adverse publicity and negatively affect our business and reputation. Our business, financial condition and results of operations could be adversely affected by disruptions in the global economy caused by ongoing geopolitical conflicts. The global economy has been negatively impacted by ongoing geopolitical conflicts, including the military conflicts between Russia and Ukraine, the war in the Middle East, as well as rising tensions between China and Taiwan. For instance, 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, Ukraine, the Middle East, China or Taiwan, we have experienced shortages in materials and increased costs for transportation, energy and raw material due in part to the negative impact of these ongoing geopolitical conflicts on the global economy. The scope and duration of such conflicts are uncertain, rapidly changing and hard to predict. Further escalation of these geopolitical conflicts, 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 conflicts could also heighten many of the other risk factors discussed in this Item 1A.