

## Risk Factors Comparison 2024-07-24 to 2023-07-25 Form: 10-K

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Our business is subject to various risks and uncertainties. Any of the risks and uncertainties described below could materially and adversely affect our business, financial condition, and results of operations and should be considered in evaluating us. Although the risks are organized by heading, and each risk is described separately, many of the risks are interrelated. While we believe we have identified and discussed below the material risks affecting our business, there may be additional risks and uncertainties that we do not presently know or that we do not currently believe to be material that may adversely affect our business, financial condition, or results of operations in the future.

**Business and Operating Risks** We may not be able to offset cost increases due to inflationary pressures on inputs necessary for the production and distribution of our products, such as labor, raw materials, energy, fuel, and packaging materials. A significant portion of our cost of goods comes from commodities such as raw potatoes, edible oil, grains, starches, and energy. These commodities are subject to price volatility and fluctuations in availability caused by many factors, including: changes in global supply and demand, weather conditions (including any potential effects of climate change), fire, natural disasters (such as a hurricane, tornado, earthquake, wildfire or flooding), disease or pests, agricultural uncertainty, water stress, health epidemics or pandemics or other contagious outbreaks, such as the COVID- 19 pandemic, governmental incentives and controls (including import / export restrictions, such as new or increased tariffs, sanctions, quotas or trade barriers including the financial and economic sanctions imposed by the U. S. and certain foreign governments in response to the war in Ukraine), limited or sole sources of supply, inflation, political uncertainties, acts of terrorism, governmental instability, war **or other conflicts (such as the war in Ukraine and conflicts in the Middle East)**, or currency exchange rates. During fiscal ~~2023-2024~~, we **continued to experience** ~~experienced~~ significantly elevated commodity and supply chain costs, including the costs of labor, raw materials **(such as edible oil, grain and starch)**, energy, fuel, packaging materials, and other inputs necessary for the production and distribution of our products. ~~For example~~ **As fiscal 2024 progressed**, labor shortages and inflation have increased our costs. Additionally, we **experienced some moderation in input** ~~expect to face continued industry-wide cost inflation for various inputs~~, **however including commodities**, **we expect modestly elevated levels of inflation to continue into fiscal 2025** ~~ingredients, packaging materials, other raw materials, transportation, warehousing, and labor~~. Commodity price increases, or a sustained interruption or other constraints in the supply or availability of key commodities, including necessary services such as transportation and warehousing, could adversely affect our business, financial condition, and results of operations. Our attempts to offset these cost pressures, such as through increases in the selling prices of some of our products, may not **continue to** be successful. Higher product prices may result in reductions in sales volume. To the extent that price increases 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, our business, financial condition, or results of operations may be adversely affected. We also may not be successful in mitigating the effects of these cost increases through productivity initiatives or through our commodity hedging activity. Our future success and earnings growth depend in part on our ability to maintain the appropriate cost structure and operate efficiently in the highly competitive value- added frozen potato product category. We continue to implement profit- enhancing initiatives that improve the efficiency of our supply chain and general and administrative functions. These initiatives are focused on cost- saving opportunities in procurement, manufacturing, logistics, and customer service, as well as general and administrative functions. However, gaining additional efficiencies may become more difficult over time. In addition, there is currently no active derivatives market for potatoes in the U. S. Although we have experience in hedging against commodity price increases, these practices and experience reduce, but do not eliminate, the risk of negative profit impacts from commodity price increases. As a result, the risk management procedures that we use may not always work as we intend. To the extent we are unable to offset present and future cost increases, our business, financial condition, and results of operations could be materially and adversely affected. Disruption to our supply chain could adversely affect our business. Our ability to manufacture 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, logistics service providers, or independent distributors. This damage or disruption could result from execution issues, as well as factors that are difficult 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 (including the ongoing war in Ukraine **and conflicts in the Middle East**), strikes, labor shortages, cybersecurity breaches, governmental restrictions or mandates, disruptions in logistics, supplier capacity constraints, or other events. 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, financial condition, and results of operations. Further, the inability of any supplier, **including, but not limited to, those that supply our packaging, ingredients, equipment and other necessary operating materials, co- manufacturer, independent contractor**, logistics service provider, or independent distributor to deliver or perform for us in a timely or cost- effective manner could cause our operating costs to increase and our profit margins to decrease. We have experienced, and may continue to experience, disruptions in our supply chain, including as a result of temporary ~~workforce~~ **systems** disruptions, labor shortages, increased transportation and warehousing costs, **longer shipping times**, and other factors related to the effects of **pandemics or other public health crisis, such as** the COVID- 19 pandemic ~~and~~, the ongoing war in Ukraine **and the conflicts in the Middle East**. **For example, in fiscal 2024 after our transition to a new ERP system in North America, we experienced temporary reduced visibility into finished goods inventories at our distribution centers, which affected our ability to fill customer orders and reduced our sales and increased costs**. In

addition, the occurrence of a significant supply chain disruption or the inability to access or deliver products that meet requisite quality and safety standards in a timely and efficient manner, could lead to increased warehouse and other storage costs or otherwise adversely affect our profitability and weaken our competitive position or harm our business. Labor shortages or stoppages, an inability to attract and retain key personnel, increased turnover or increases in labor costs could adversely affect our business, financial condition, and results of operations. 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 **the shift towards hybrid or remote work arrangements, high higher employment levels, federal unemployment subsidies, including unemployment benefits offered other government regulations, and general macroeconomic factors. The labor market has been increasingly tight and competitive, and we may face sudden and unforeseen challenges** in response to **the availability of labor, such as we experienced in fiscal 2022 and 2023 at some of our production facilities, which reduced our production run- rates and increased our manufacturing costs. As we experienced with** the COVID- 19 pandemic, **and other government regulations. The labor market has become increasingly tight and competitive, and we may face sudden and unforeseen challenges in the availability of labor, such as we have experienced during fiscal 2022 and 2023 at some of our production facilities, which reduced our production run- rates and increased our manufacturing costs. A sustained labor shortage shortages** or increased turnover rates within our workforce, **caused by COVID- 19 or as a result of general macroeconomic factors, have led and could in the future** lead to production or shipping delays, 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 production and distribution facilities and overall business. Further, our success depends on our ability to attract, retain, and develop effective leaders and personnel with professional and technical expertise, such as agricultural and food manufacturing experience, as well as finance, marketing, and other senior management professionals. The loss of the services of these persons could deplete our institutional knowledge and could have a material adverse effect on our business, financial condition, and results of operations. The market for these employees is competitive, and we could experience difficulty from time to time in hiring and retaining the personnel necessary to support our business. Our ability to recruit and retain a highly skilled workforce could also be materially impacted if we fail to adequately respond to rapidly changing employee expectations regarding fair compensation, an inclusive and diverse workplace, flexible working, or other matters. If we are unable to hire and retain employees capable of performing at a high- level, develop adequate training and succession plans for leadership positions, 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. Similarly, we have been negatively impacted and may in the future continue to be negatively impacted by labor shortages or increased labor costs experienced by our third- party business partners, including our logistics providers, suppliers, and customers. For example, reduced availability of trucking capacity due to shortages of drivers, primarily as a result of the COVID- 19 pandemic, caused an increase in the cost of transportation for us and our suppliers in fiscal 2022. An overall labor shortage, lack of skilled labor, increased turnover, or labor inflation ~~caused by COVID- 19 or as a result of general macroeconomic factors,~~ could have a material adverse impact on our business, financial condition, and results of operations. In addition, health care and workers' compensation costs **are have been** increasing. Inflationary pressures and any shortages in the labor market could continue to increase labor costs, which could have a material adverse effect on our business, financial condition, or results of operations. Our labor costs include the cost of providing employee benefits in the U. S. and foreign jurisdictions, including pension, health and welfare, and severance benefits. Changes in interest rates, mortality rates, health care costs, early retirement rates, investment returns, and the market value of plan assets can affect the funded status of our defined benefit plans and cause volatility in the future funding requirements of the plans. A significant increase in our obligations or future funding requirements could have a negative impact on our results of operations and cash flows from operations. Additionally, the annual costs of benefits vary with increased costs of health care and the outcome of collectively bargained wage and benefit agreements. Furthermore, we may be subject to increased costs or experience adverse effects on our operating results if we are unable to renew collectively bargained agreements on satisfactory terms as they expire. Our financial condition and ability to meet the needs of our customers could be materially and adversely affected if strikes or work stoppages or interruptions occur as a result of delayed negotiations with union- represented employees within or outside the U. S. Changes in our relationships with our growers could adversely affect us. We expend considerable resources to develop and maintain relationships with many potato growers. In some instances, we have entered into long- term agreements with growers; however, a portion of our potato needs are sourced on an annual contracted basis. To the extent we are unable to maintain positive relationships with our long- term growers, contracted growers deliver less supply than we expect, or we are unable to secure sufficient potatoes from uncontracted growers in a given year, we may not have sufficient potato supply to satisfy our business opportunities. To obtain sufficient potato supply, we may be required to purchase potatoes at prices substantially higher than expected, or forgo sales to some market segments, which would reduce our profitability. If we forgo sales to such market segments, we may lose customers and may not be able to regain or replace them later. ~~Pandemics or other contagious outbreaks and government actions taken in response thereto, may adversely impact, and in the case of the COVID- 19 pandemic, have adversely impacted and may continue to adversely impact, our business, financial condition, and results of operations. The ultimate impact that the COVID- 19 pandemic and any future pandemic or other contagious outbreak will have on our business, financial condition, and results of operations is uncertain. Although COVID- 19- related restrictions, such as quarantines, travel bans, shutdowns and shelter- in- place orders, have generally been lifted, these restrictions and measures, and our efforts to act in the best interests of our employees, customers, suppliers, vendors, joint ventures, and other business partners, have affected and may continue to affect our business and operations. Some of the impacts our business has experienced, and may continue to experience, as a result of the COVID- 19 pandemic, or any future pandemic or other contagious outbreak, include, but are not limited to, the following:~~ ● decreased sales to our foodservice customers resulting from the closure or reduction in capacity of many full- service restaurants and other

commercial operations (e. g., hotels, schools and universities, sporting venues), which caused and can cause a significant reduction in consumer traffic; • reduced demand at quick service restaurants, in particular in our international markets where most consumption is dine-in or carry-out as drive-thru options are more limited; • shutdowns of one or more of our production facilities or lines, or disruption in our production timing and operations, including but not limited to, as a result of illness, labor shortages, government restrictions, or other workforce disruptions; • continued commodity cost volatility, including higher edible oil, grain, and starch costs, which may not be sufficiently offset by our commodity hedging activities; • increased transportation and warehousing costs, as well as disruptions in the transport of goods, including limited availability of shipping containers, from our supply chain to us and from us to our customers, which caused us to rely more heavily on higher cost transportation to maintain customer service levels; • disruptions to our distribution capabilities or to our distribution channels, including those of our suppliers, logistics service providers, or independent distributors; • 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 change in demand for, or availability of, one or more of our products as a result of restaurants, other foodservice providers, retailers, or distributors, modifying their inventory, fulfillment or shipping practices; • increased reliance on our information technology system as a result of work-from-home Company policies, causing us to be more vulnerable to cyberattacks or other disruptions as a result of team members accessing our networks and systems from off-site; and • business disruptions and uncertainties related to a future pandemic for a sustained period of time could result in delays or modifications to our strategic plans, capital expansion projects and other initiatives and hinder our ability to achieve anticipated cost savings and productivity initiatives on the original timelines. These impacts have caused, and may continue to cause, changes in the mix of products sold, decreases in revenue, and increases in costs resulting in decreased profitability and cash flows from operations, which have caused, and may continue to cause, an adverse effect on our business, financial condition, and results of operations that may be material. COVID-19 has disrupted, and the spread of future pandemics or other contagious outbreaks may also disrupt, our customers, suppliers, vendors and joint venture and other business partners, and each of their financial conditions. Any material adverse effect on these parties could adversely impact us. In this regard, the potential duration and impacts of pandemics or other contagious outbreaks such as the COVID-19 pandemic, including the emergence and spread of COVID-19 variants and the continued availability and effectiveness of vaccines in the markets where we operate, on the global economy and on our business, financial condition, and results of operations are difficult to predict and cannot be estimated with any degree of certainty. The pandemic has resulted in significant disruption of global financial markets, labor shortages, supply chain interruptions, increased commodity costs, inflation, and economic uncertainty, which has adversely impacted our business and may continue to do so. Our business, financial condition, and results of operations could be adversely affected by the political and economic conditions of the countries in which we conduct business and other factors related to our international operations, including foreign currency risks and trade barriers. We conduct a substantial and growing amount of business with customers located outside the U. S., including through our joint ventures. During each of fiscal 2024, 2023, and 2022 and 2021, net sales outside the U. S., primarily in Australia, Canada, China, Europe, Japan, Korea, Mexico, and Taiwan, accounted for approximately 34 %, 23 %, and 17 %, and 17 % of our net sales, respectively. The amounts amount for fiscal 2022 does and 2021 do not include any impact of unconsolidated net sales associated with LWAMSA and LW EMEA, which are also subject to risks associated with international operations. In fiscal 2023, we acquired additional equity interests in LWAMSA and LW EMEA, thereby increasing our ownership in LWAMSA and LW EMEA to 90 % and 100 %, respectively. We began consolidating the financial results of LWAMSA and LW EMEA in our consolidated Consolidated financial Financial statements Statements in the first quarter and fourth quarter of fiscal 2023, respectively. Factors relating to our domestic and international sales and operations, many of which are outside of our control, have had, and could continue to have, a material adverse impact on our business, financial condition, and results of operations, including: • pandemics and other public health crises, such as the flu, which may lead, and in the case of the COVID-19 pandemic, have led, to measures that decrease revenues, disrupt our supply chain or otherwise increase our storage, production or distribution costs and adversely affect our workforce, local suppliers, customers and consumers of our products; • foreign exchange rates, foreign currency exchange and transfer restrictions, which may unpredictably and adversely impact our combined operating results, asset and liability balances, and cash flow in our consolidated Consolidated financial Financial statements Statements, even if their value has not changed in their original currency; • our consolidated financial statements are presented in U. S. dollars, and we must translate the assets, liabilities, revenue and expenses into U. S. dollars for external reporting purposes; • changes in trade, monetary and fiscal policies of the U. S. and foreign governments, including modification or termination of existing trade agreements or treaties (e. g., the U. S. —Mexico—Canada Agreement), creation of new trade agreements or treaties, trade regulations, and increased or new tariffs, sanctions, quotas, import or export licensing requirements, and other trade barriers imposed by governments. In particular, changes in U. S. trade programs and trade relations with other countries, including the imposition of trade protection measures by foreign countries in favor of their local producers of competing products, such as governmental subsidies, tax benefits, and other measures giving local producers a competitive advantage over Lamb Weston, may adversely affect our business and results of operations in those countries; • changes in capital controls, including currency exchange controls, government currency policies or other limits on our ability to import raw materials or finished products into various countries or repatriate cash from outside the United States; • negative economic developments in economies around the world and the instability of governments, including the actual or threat of wars, terrorist attacks, epidemics or civil unrest, including the war in Ukraine and conflicts in the Middle East; • currency devaluations or fluctuations in currency values, including in developed and emerging markets, such as the highly inflationary environment in Argentina; • earthquakes, tsunamis, droughts, floods or other major disasters that may limit the supply of raw materials that are purchased abroad for use in our international operations or domestically; • volatile commodity prices and increased costs of raw and packaging

materials, labor, energy and transportation, disruptions in shipping or reduced availability of freight transportation and warehousing, such as the reduced availability of shipping containers that we encountered in fiscal 2022; **• pandemics and other public health crises, which may lead, and in the case of the COVID- 19 pandemic, have led, to measures that decrease revenues, disrupt our supply chain or otherwise increase our storage, production or distribution costs and adversely affect our workforce, local suppliers, customers and consumers of our products;** • differing employment practices and labor standards in the international markets in which we operate; • differing levels of protection of intellectual property across the international markets in which we operate; • difficulties and costs associated with complying with U. S. laws and regulations applicable to entities with overseas operations, including the Foreign Corrupt Practices Act; • the threat that our operations or property could be subject to nationalization and expropriation; • varying regulatory, tax, judicial and administrative practices in the international markets in which we operate; • difficulties associated with operating under a wide variety of complex foreign laws, treaties and regulations; and • potentially burdensome taxation. The nature and degree of the various risks we face can differ significantly among our regions and businesses. All of these factors could result in increased costs or decreased revenues and could have an adverse effect on our business, financial condition, and results of operations. ~~Our business, financial condition, and results of operations could be adversely affected by disruptions in the global economy related to the ongoing war in Ukraine. The global economy has been negatively impacted by the ongoing war in Ukraine. Further, the U. S. and certain foreign governments, including those of the European Union, have imposed financial and economic sanctions on certain industry sectors and parties in Russia. In this regard, in September 2022, LW EMEA completed its previously announced withdrawal from its joint venture that operated a production facility in Russia. Increased trade barriers or restrictions on global trade also could adversely affect our business, financial condition, and results of operations. Although LW EMEA has exited the Russian market and 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 war in Ukraine on the global economy. The scope and duration of the war in Ukraine is uncertain, rapidly changing and hard to predict. Further escalation of geopolitical tensions related to the military conflict could result in cyberattacks, supply disruptions, plant closures and an inability to obtain key supplies and materials, as well as adversely affect our business and our supply chain, our international subsidiaries and joint ventures, business partners or customers in the broader region, including our European growing regions for potatoes. We operate processing facilities in Europe, including Austria, the Netherlands and the United Kingdom. In many instances, these sites depend on the availability of natural gas for use in the production of products, which may originate from Russia. Destabilizing effects that the military conflict may pose for the European continent or the global oil and natural gas markets could adversely impact our ability to operate these facilities. In addition, the effects of the military conflict could heighten many of our other risks described in this Form 10-K.~~ Changes in our relationships with significant customers could adversely affect us. We maintain a diverse customer base across our reporting segments. Customers include global, national and regional quick service and fast casual restaurants as well as small, independently operated restaurants, multinational, broadline foodservice distributors, regional foodservice distributors, and major food retailers. Some of these customers independently represent a meaningful portion of our sales. In addition, we depend on foodservice distributors to help us create end- customer demand, provide technical support and other value- added services to customers, fill customer orders, and stock our products. A material change in our relationship with one or more of these distributors or their failure to perform as expected could reduce our revenue. The foodservice distributors also sell products that compete with our products, and we sometimes need to reduce prices or provide rebates and other incentives to focus them on the sale of our products. There can be no assurance that our customers will continue to purchase our products in the same quantities or on the same terms as in the past. The loss of a significant customer or a material reduction in sales to a significant customer could materially and adversely affect our business, financial condition, and results of operations. In addition, the financial condition of our significant customers, including restaurants, distributors and retailers, are affected by events that are largely beyond our control, such as the impacts of the COVID- 19 pandemic and possible future pandemics or other contagious outbreaks, and political or military conflicts, such as the war in Ukraine **or conflicts in the Middle East**. Specifically, **in 2022**, some customers, including McDonald’ s Corporation, ~~have~~ exited from Russia. Deterioration in the financial condition of significant customers could materially and adversely affect our business, financial condition, and results of operations. Disruption of our access to export mechanisms could have an adverse impact on our business, financial condition, and results of operations. To serve our customers globally, we rely in part on our international ~~joint venture and~~ operations, but also on exports from the U. S. During fiscal **2024, 2023, and 2022**, ~~and 2021~~, export sales from the U. S. accounted for approximately **6 %, 11 % and 12 % and 13 %**, respectively, of our total net sales. Circumstances beyond our control, such as a labor dispute at a port, or workforce ~~disruption~~ **disruptions ( including those due to pandemics such as disruptions that occurred due to the COVID- 19 pandemic ) or other contagious outbreaks**, could prevent us from exporting our products in sufficient quantities to meet customer opportunities. **For example, During during** the latter half of fiscal 2022, limited shipping container availability along the U. S. West Coast and disruptions to ocean freight networks across the Pacific Ocean resulted in lower export volumes in our **Global International** segment. We have access to production outside of the U. S. through our facilities in **Argentina, Australia, Austria, Canada, China, the Netherlands, and the United Kingdom**, ~~and a joint venture in Argentina~~, but we may be unsuccessful in mitigating any future disruption to export mechanisms. If this occurs, we may be unable to adequately supply all our existing customers’ needs and new customer opportunities, which could adversely affect our business, financial condition, and results of operations. Our operations are dependent on a wide array of third parties. The success of our end- to- end supply chain relies on the continued performance of a wide array of third parties. Suppliers, co- packers, third- party outsourcers, warehousing partners, and transportation providers are among our critical partners. Although we take steps to qualify and audit third parties with whom we do business, we cannot guarantee that all third parties will perform dependably or at all. It is possible that events beyond our control, such as operational failures, labor issues, heightened inflation, recession, financial and

credit market disruptions, or other economic conditions, cybersecurity events, global geopolitical conflict, such as the war in Ukraine **and conflicts in the Middle East**, pandemics or other health issues, such as **was the case with the COVID-19 pandemic**, or other issues could impact our third parties. If our third parties fail to deliver on their commitments, introduce unplanned risk to our operations (e. g., through cyber activity), or are unable to fulfill their obligations, we could experience manufacturing challenges, shipment delays, increased costs, or lost revenue, which could also impact our relationships with customers and our brand image. In addition to our own production facilities, we source a portion of our products under co-packing agreements. The success of our business depends, in part, on maintaining a strong sourcing and manufacturing platform. We believe that there are a limited number of competent, high-quality co-packers in the industry, and if we were required to obtain additional or alternative co-packing agreements or arrangements in the future, we can provide no assurance that we would be able to do so on satisfactory terms or in a timely manner. Our inability to enter into satisfactory co-packing agreements could limit our ability to implement our business plan or meet customer demand. Damage to our reputation as a trusted partner to customers and good corporate citizen could have a material adverse effect on our business, financial condition, and results of operations. Our customers rely on us and our co-manufacturers to manufacture safe, high quality food products. Product contamination or tampering, the failure to maintain high standards for product quality, safety, and integrity, or allegations of product quality issues, mislabeling or contamination, even if untrue, may damage the reputation of our customers, and ultimately our reputation as a trusted industry partner. Damage to either could reduce demand for our products or cause production and delivery disruptions. Our reputation could also be adversely impacted by any of the following, or by adverse publicity (whether or not valid) relating thereto: the failure to maintain high ethical, social, and environmental standards for our operations and activities, including the health, safety, and security of our employees **and our supply chain**; our research and development efforts; our environmental impact, including use of agricultural materials, packaging, energy **and water** use, and waste management, and the failure **to set certain goals, or** to achieve any stated goals, with respect to such matters; our failure to comply with local laws and regulations; our failure to maintain an effective system of internal controls; or our failure to provide accurate and timely financial information. Moreover, the growing use of social and digital media by consumers and other stakeholders has greatly increased the speed and extent that information or misinformation and opinions can be shared.

**Negative posts or comments about us, our brands, or our products on social or digital media could damage our reputation and our brands.** Damage to our reputation or loss of customer confidence in our products for any of these or other reasons could result in decreased demand for our products and could have a material adverse effect on our business, financial condition, and results of operations, as well as require additional resources to rebuild our reputation. If we are unable to execute on large capital projects, our business, financial condition, and results of operations could be materially and adversely affected.

**We believe global Demand demand** for frozen potato products ~~is growing, and we believe that this demand~~ will continue to grow over the long-term. To support our customers' growth, we believe we must invest in our production capabilities either through capital expansion or acquisitions. In **fiscal 2021-2024 and 2022**, we ~~announced capital investments in~~ **completed the construction of a new french fry processing lines-- line in American Falls, Idaho, and a new processing facility in Ulanqab, Inner Mongolia, China. We are also currently investing in** new french fry processing facilities in Argentina, ~~China,~~ and the Netherlands. If we are unable to complete these or other large capital projects, or encounter unexpected delays, higher costs or other challenges, including those related to supply chain disruptions and availability of necessary labor, materials, and equipment, our business, financial condition, and results of operations could be materially and adversely affected. Our results may be adversely affected by our inability to complete or realize the projected benefits of acquisitions, divestitures and other strategic transactions. 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 our recent acquisition of the remaining equity interests in LW EMEA~~; ● diversion of management's attention from other business concerns; ● potential loss of key employees, 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; ● difficulties integrating personnel and financial and other systems; ● inaccurate estimates of fair value made in the accounting for acquisitions and amortization of acquired intangible assets, which would reduce future reported earnings; ● indemnities and potential disputes with the sellers; and ● the inability to promptly implement an effective control environment. If we are unable to complete or realize the projected benefits of recent or future acquisitions, ~~including our acquisition of LW EMEA~~, divestitures or other strategic transactions, our business or financial results may be adversely impacted.

**Industry Risks** Our business is affected by potato crop performance. Our primary input is potatoes and every year, we must procure potatoes that meet the quality standards for processing into value-added products. Environmental and climate conditions, such as soil quality, moisture, and temperature, affect the yield and quality of the potato crop on a year-to-year basis. As a result, we source potatoes from specific regions of the U. S. and specific countries abroad, including Argentina, Australia, Austria, Belgium, Canada, China, France, Germany, the Netherlands, and the United Kingdom, where we believe the optimal potato growing conditions exist. However, severe weather conditions, including protracted periods of extreme heat or cold, during the planting and growing season in these regions can significantly affect potato crop performance, such as the extreme heat in the Pacific Northwest in the summer of 2021 and the drought in Europe during fiscal 2019, both of which resulted in poor crop and significantly limited supply. Further, because of the poor quality of the crop in the Pacific Northwest that was harvested in fall 2021, we encountered lower raw potato utilization rates in our production facilities during the second half of fiscal 2022 and early fiscal 2023, which increased our production costs. On the other hand, too much water, such as in times of prolonged heavy rainfalls or flooding, can promote harmful crop conditions like mildew growth and increase risks of diseases, as well as **delay planting or** affect our ability to harvest the potatoes. **For**

**example, wet conditions in Europe delayed planting in 2024**. Potatoes are also susceptible to pest diseases and insects that can cause crop failure, decreased yields, and negatively affect the physical appearance of the potatoes. We have deep experience in agronomy and actively work to monitor the potato crop. However, if a weather or pest-related event occurs in a particular crop year, and our agronomic programs are insufficient to mitigate the impacts thereof, we may have insufficient potatoes to meet our existing customers' needs and new customer opportunities, or we may experience manufacturing inefficiencies and higher costs, and our competitiveness and profitability could decrease. Alternatively, overly favorable growing conditions can lead to high per acre yields and over-supply. An increased supply of potatoes could lead to overproduction of finished goods and associated increased storage costs or destruction of unused potatoes at a loss. **For example, in fiscal 2024, we had an oversupply of potatoes, largely attributable to soft restaurant traffic trends in North America and other key international markets and a higher-than-expected impact on customer order fulfillment rates related to the ERP transition, as well as a solid potato crop in the Company's growing regions in North America, which resulted in the write-off of excess raw potatoes that adversely affected our financial results.** Our business relies on a potato crop that has a concentrated growing region. Ideal growing conditions for the potatoes necessary for our value-added products (e. g., french fries) are concentrated in a few geographic regions globally. In the U. S., most of the potato crop used in value-added products is grown in Washington, Idaho, and Oregon. European growing regions for the necessary potatoes are concentrated in Austria, Belgium, Germany, France, the Netherlands, and the United Kingdom. Recent agronomic developments have opened new growing regions, but the capital-intensive nature of our industry's production processes has kept production highly concentrated in the historical growing regions noted above. Unfavorable crop conditions in any one region could lead to significant demand on the other regions for production, which occurred in connection with the drought in Europe during fiscal 2019. Our inability to mitigate any such conditions by leveraging our production capabilities in other regions could negatively impact our ability to meet existing customers' needs and new customer opportunities and could decrease our profitability. See also "Legal and Regulatory Risks- Climate change, or legal, regulatory, or market measures to address climate change, may negatively affect our business and operations," in this Item 1A. Risk Factors below. The sophistication and buying power of some of our customers could have a negative impact on profits. Some of our customers are large and sophisticated, with buying power and negotiating strength. These customers may be more capable of resisting price increases and more likely to demand lower pricing, increased promotional programs, or specialty tailored products. In addition, some of these customers (e. g., larger distributors and supermarkets) have the scale to develop supply chains that permit them to operate with reduced inventories or to develop and market their own brands. Shelf space at food retailers is not guaranteed, and large retail customers may choose to stock their own retailer and other economy brands that compete with some of our products. This could be exacerbated with a shift in consumer spending as a result of an economic downturn and consumers moving to private label or lower priced products. If the initiatives we undertake to counteract these pressures, including efficiency programs and investments in innovation and quality, are unsuccessful and we are unable to counteract the negotiating strength of these customers, our profitability could decline. Increased competition may result in reduced sales or profits. Our business, value-added frozen potato products, is highly competitive. Competitors include large North American and European frozen potato product companies that compete globally, local and regional companies, and retailers and foodservice distributors with their own branded and private label products. Some of our competitors are larger and have substantial financial, sales and marketing, and other resources. We compete based on, among other things, customer service, value, product innovation, product quality, brand recognition and loyalty, price, and the ability to identify and satisfy customer preferences. A strong competitive response from one or more of our competitors to our marketplace efforts could result in us reducing pricing, increasing spend on promotional activity, or losing market share. Competitive pressures may restrict our ability to increase prices, including in response to commodity and other input cost increases or additional improvements in product quality. Our profits could decrease if a reduction in prices or increased costs are not counterbalanced with increased sales volume. Increased industry capacity may result in reduced sales or profits. In recent years, market demand for value-added frozen potato products has exceeded industry capacity to produce these products. **However, in fiscal 2024, we experienced declines in sales volume as a result of a slowdown in restaurant traffic in North America and other key international markets as our customers and consumers respond to the cumulative effect of inflation on the cost of food consumed away from home.** As additional industry capacity comes online, **restaurant traffic declines**, or market demand otherwise decreases, including as a result of inflation or pandemics such as the COVID-19 pandemic or other contagious outbreaks, we may face competitive pressures that would restrict our ability to increase or maintain prices, or we may lose market share. For example, during fiscal ~~2021~~ **2024**, we **have** faced increased pricing pressure **as additional industry** for private label products due to excess production capacity in Europe that resulted from decreased **becomes operational, which capacity is also impacted by softening** demand following government-imposed COVID-related social restrictions, which caused us to lose some private label volume. Our profits would decrease as a result of a reduction in prices or sales volume. We must identify changing consumer preferences and consumption trends and develop and offer food products to our customers that help meet those preferences and trends. Consumer preferences evolve over time and our success depends on our ability to identify the **priorities**, tastes and dietary habits of consumers and offer products that appeal to those preferences. We need to continue to respond to these changing consumer preferences and support our customers in their efforts to evolve to meet those preferences. For example, as consumers continue to focus on freshly prepared foods, some restaurants may choose to limit the frying capabilities of their kitchens. As a result, we must evolve our product offering to provide alternatives that work in such a preparation environment. In addition, our products contain carbohydrates, sodium, genetically modified ingredients, added sugars, saturated fats, and preservatives, the diet and health effects of which remain the subject of public scrutiny. **For example, the increased use and / or prevalence of certain weight loss drugs, which may suppress a person's appetite and / or impact a person's preferences, may impact the demand or consumption patterns for certain of our products.** We must continue to reformulate our products, introduce new products and create product extensions without a

loss of the taste, texture, and appearance that consumers demand in value-added potato products. All of these efforts require significant research and development and marketing investments. If our products fail to meet consumer preferences or customer requirements, or we fail to introduce new and improved products on a timely basis, then the return on those investments will be less than anticipated, which could materially and adversely affect our business, financial condition, and results of operations. In addition, we compete against branded products as well as private label products. Our products must provide higher value and / or quality to our customers and consumers than alternatives, particularly during periods of economic uncertainty. Consumers may not buy our products if relative differences in value and / or quality between our products and private label products change in favor of competitors' products or if consumers perceive this type of change. If consumers prefer private label products, which are typically sold at lower prices, then we could lose market share or sales volumes or shift our product mix to lower margin offerings. During an economic downturn, **some of the effects of which are present in our current environment**, factors such as increased unemployment, decreases in disposable income, inflation, and declines in consumer confidence could cause a decrease in demand for our overall product offerings, particularly higher priced products, which could materially and adversely affect our business, financial condition, and results of operations. Distributors, restaurants, and retailers may also become more conservative in response to these conditions and seek to reduce their inventories. A change in consumer preferences could also cause us to increase capital, marketing, and other expenditures, which could materially and adversely affect our business, financial condition, and results of operations.

**Financial and Economic Risks** Our substantial debt may limit cash flow available to invest in the ongoing needs of our business and could prevent us from fulfilling our debt obligations. We have incurred substantial indebtedness. As of May 28-26, 2023-2024, we had approximately \$ 3. 5-8 billion of debt, including current portion, and short-term borrowings, recorded on our Consolidated Balance Sheet. Our level of debt could have important consequences. For example, it could: ● make it more difficult for us to make payments on our debt; ● require us to dedicate a substantial portion of our cash flow from operations to the payment of debt service, reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions, and other general corporate purposes; ● increase our vulnerability to adverse economic or industry conditions; ● limit our ability to obtain additional financing in the future to enable us to react to changes in our business; or ● place us at a competitive disadvantage compared to businesses in our industry that have less debt. The agreements governing our debt contain various covenants that impose restrictions on us that may affect our ability to operate our business. The credit agreements governing our term loans and revolving credit facilities and the indentures governing our senior notes contain covenants that, among other things, limit our ability to: ● borrow money or guarantee debt; ● create liens; ● pay dividends on or redeem or repurchase stock; ● make specified types of investments and acquisitions; ● enter into agreements that limit the ability of our subsidiaries to pay dividends or other payments to us; ● enter into transactions with affiliates; and ● sell assets or merge with other companies. These restrictions on our ability to operate our business could harm our business by, among other things, limiting our ability to take advantage of financing, merger and acquisition, or other corporate opportunities. Various risks, uncertainties, and events beyond our control could affect our ability to comply with these covenants. Failure to comply with any of the covenants in our existing or future financing agreements could result in a default under those agreements and under other agreements containing cross-default provisions. A default would permit lenders to accelerate the maturity of the debt under these agreements and to foreclose upon any collateral securing the debt. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations. Also, the limitations imposed by these financing agreements on our ability to incur additional debt and to take other actions might significantly impair our ability to obtain other financing. In addition, the restrictive covenants in our credit agreements require us to maintain specified financial ratios and satisfy other financial condition tests. We cannot provide assurance that we will continue to be in compliance with these ratios and tests. Our ability to continue to meet those financial ratios and tests will depend on our ongoing financial and operating performance, which, in turn, will be subject to economic conditions and to financial, market, and competitive factors, many of which are beyond our control. A breach of any of these covenants could result in a default under one or more of our debt instruments, including as a result of cross default provisions and, in the case of our revolving credit facility, permit the lenders thereunder to cease making loans to us. Upon the occurrence of an event of default under our credit facilities, the lenders could elect to declare all amounts outstanding thereunder to be immediately due and payable and terminate all commitments to extend further credit. Such action by the lenders could cause cross-defaults under our senior notes indentures. Any failure to meet required payments on our debt, or failure to comply with any covenants in the instruments governing our debt, could result in a downgrade to our credit ratings. A downgrade in our credit ratings could limit our access to capital and increase our borrowing costs. 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 countries. For example, the U. S. **has experienced significantly heightened inflationary pressures in since 2022. In fiscal , which have continued into 2023-2024 , we experienced declines in sales volume as a result of a slowdown in restaurant traffic in North America and other key international markets as our customers and consumers respond to the cumulative effect of inflation on the cost of food consumed away from home**. In addition, if the **restaurant traffic trends continue to soften U. S. economy enters a recession in fiscal 2024**, we may experience sales declines and may have to decrease prices, all of which could have a material adverse impact on our business, financial condition, and results of operations. 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. In addition, disruptions in financial and / or credit markets could result in some of our customers experiencing a significant decline in profits and / or reduced liquidity. A significant adverse change in the financial and / or credit position of a customer could require us to assume greater credit risk relating to that

customer and could limit our ability to collect receivables. A significant adverse change in the financial and / or credit position of a supplier or co-packer could result in an interruption of supply. This could have a material adverse effect on our business, financial condition, results of operations, and liquidity. A disruption in the financial markets may also 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 countries, whether due to recession, economic disruptions, or other reasons, may adversely impact us. Technology Risks **Problems with the transition in North America to a new ERP system, design, as part of our or implementation of multi-year effort to upgrade our information new ERP system could interfere with our business and operations and adversely affect our financial condition. We are in the process of building a new ERP system to replace our existing operating and financial systems and ERP infrastructure across the company. We are designing the next phase of our ERP implementation for our manufacturing facilities in North America.** The ERP system is designed to accurately maintain our financial records, enhance operational functionality, and provide timely information to our management team related to the operation of the business. The ERP system implementation process has required, and will continue to require, the investment of significant personnel and financial resources **.Due to the uncertainty caused by COVID- 19, we paused ERP work in fiscal 2021, after completing the first phase of implementation. We have resumed designing the next phase of our ERP implementation of central functions in North America and are in the test stage. We expect to begin implementing this next phase in fiscal 2024 .** We have experienced, and may continue to experience, difficulties as we transition to new upgraded systems and business processes. For example, after the ERP transition in our fiscal third quarter 2024, we experienced temporary reduced visibility into finished goods inventories at our distribution centers, which affected our ability to fill customer orders. Although we partnered closely with our customers to minimize the impact of the disruptions and resolved the reduced visibility, within the quarter, our sales volume and margins nevertheless declined. In addition, some customers affected by these **These difficulties** disruptions may have **or secured supply from alternative sources, and we must regain their trust and business.** Other difficulties may include loss of data **difficulty in making payments to third- parties**; difficulty in completing financial reporting and filing reports with the SEC in a timely manner; or challenges in otherwise running our business. We may also experience decreases in productivity as our personnel implement and become familiar with new systems and processes. Any disruptions, delays, or deficiencies in the transition, design, and implementation of a new ERP system, particularly any disruptions, delays, or deficiencies that impact our operations, could have a material adverse effect on our business, financial condition, and results of operations. Even if we do not encounter further adverse effects, **the transition, design, and implementation of a new ERP system, may be much more costly than we anticipated.** We are significantly dependent on information technology, and we may be unable to protect our information systems against service interruption, misappropriation of data, or breaches of security. We rely on information technology networks and systems, including the Internet, to process, transmit, and store electronic and financial information, to manage and support a variety of business processes and activities, and to comply with regulatory, legal, and tax requirements. We also depend upon our information technology infrastructure for digital marketing activities and for electronic communications among our locations, personnel, customers, third- party manufacturers and suppliers. The importance of such networks and systems has increased due to our adoption of flexible work- from- home policies for some of our functional support areas, which in turn has heightened our vulnerability to cyberattacks or other disruptions **as a result of team members accessing our networks and systems from off- site**. Despite careful security and controls design, implementation and updating, monitoring and routine testing, independent third- party verification, and annual training of employees on information security and data protection, our information technology systems, some of which are dependent on services provided by third parties, may be vulnerable to, among other things, damage, invasions, disruptions, or shutdowns due to any number of causes such as catastrophic events, natural disasters, infectious disease outbreaks and other public health crises, fires, power outages, systems failures, telecommunications failures, security breaches, computer viruses, ransomware and malware, hackers, employee error or malfeasance, potential failures in the incorporation of artificial intelligence, and other causes. While we have experienced threats to our data and systems, to date, we are not aware that we have experienced a **breach that had a material breach to impact on our operations our or systems- business**. However, third parties, including our partners and vendors, could also be a source of security risk to us, or cause disruptions to our normal operations, in the event of a breach of their own products, components, networks, security systems, and infrastructure. For example, in December 2021, our third- party service provider for our workforce management software, the Ultimate Kronos Group (“ Kronos ”), experienced a ransomware attack that resulted in Kronos temporarily decommissioning the functionality of certain of its cloud software, requiring us to find and implement other procedures to continue our payroll processes, which was time consuming and burdensome but did not have a material adverse impact on our business. In addition, in April 2023, Americold Realty Trust, Inc. (“ Americold ”), a third- party finished goods storage provider, suffered a cyber incident that impacted its operations and resulted in considerable delays in the delivery of our products to our customers and interrupted other key business processes. While the incident impacted our business and we were unable to ship to certain customers for a short period of time, it did not have a material adverse impact on our business. As evidenced by the attacks on Kronos and Americold, 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. Further, continued geopolitical turmoil, including the ongoing war in Ukraine **and conflicts in the Middle East , and geopolitical tensions, such has as between the U. S. and China, have** heightened the risk of cyberattacks. Sophisticated cybersecurity threats, including potential cyberattacks from **China or** Russia targeted against the U. S., pose a potential risk to the security and viability of our information technology systems, as well as the confidentiality, integrity, and availability of the data stored on those systems, including cloud- based platforms. In addition, new technology, such as artificial intelligence, that could result in greater operational efficiency may further expose our computer systems to the risk of cyberattacks. If we do not allocate and effectively manage the resources

necessary to build and sustain the proper technology infrastructure and associated automated and manual control processes, we could be subject to billing and collection errors, business disruptions, or damage resulting from security breaches. If any of our significant information technology systems suffer severe damage, disruption, or shutdown and our business continuity plans do not effectively resolve the issues in a timely manner, our product sales, financial condition, and results of operations may be materially and adversely affected, and we could experience delays in reporting our financial results. Any interruption of our information technology systems could have operational, reputational, legal, and financial impacts that may have a material adverse effect on our business, financial condition, and results of operations. Further, 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. In addition, if we are unable to prevent security breaches or unauthorized disclosure of non- public information, we may suffer financial and reputational damage, litigation or remediation costs, fines, or penalties because of the unauthorized disclosure of confidential information belonging to us or to our partners, customers, or suppliers. Misuse, leakage, or falsification of information could result in violations of data privacy laws and regulations **(including federal, state and international)**, potentially significant fines and penalties, damage to our reputation and credibility, loss of strategic opportunities, and loss of ability to commercialize products developed through research and development efforts and, therefore, could have a negative impact on net sales. In addition, we may face business interruptions, litigation, and financial and reputational damage because of lost or misappropriated confidential information belonging to us, our current or former employees, or to our suppliers or customers, and may become subject to legal action and increased regulatory oversight. We could also be required to spend significant financial and other resources to remedy the damage caused by a security breach or to repair or replace networks and information systems. While we maintain a cyber insurance policy that provides coverage for security incidents, we cannot be certain that our coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on financially reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. There is no assurance that the measures we have taken to protect our information systems will prevent or limit the impact of a future cyber incident.

**Problems with the transition, design,..... much more costly than we anticipated.** We may be subject to product liability claims and product recalls **or withdrawals**, which could negatively impact our relationships with customers and harm our business. We sell food products for human consumption, which involves risks such as product contamination or spoilage, product tampering, other adulteration of food products, mislabeling, and misbranding. We may voluntarily recall or withdraw products from the market in certain circumstances, which would cause us to incur associated costs; those costs could be meaningful. **For example, in June 2024, we had a voluntary product withdrawal, which negatively impacted our financial results in fiscal 2024 and is expected to continue to impact our results in fiscal 2025.** We may also be subject to litigation, requests for indemnification from our customers, or liability if the consumption or inadequate preparation of any of our products causes injury, illness, or death. A significant product liability judgment or a widespread product recall **or withdrawal** may negatively impact our sales and profitability for a period of time depending on the costs of the recall **or withdrawal**, the destruction of product inventory, product availability, competitive reaction, customer reaction, and consumer attitudes. Even if a product liability **or labeling** claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that our products caused illness or injury could adversely affect our reputation with existing and potential customers and our corporate and brand image. **In addition, we could be the target of claims of false or deceptive advertising under U. S. federal and state laws as well as foreign laws, including consumer protection statutes of some states. The marketing of food products has come under increased regulatory 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 labeling and marketing under federal, state and foreign laws or regulations. Changes in legal or regulatory requirements (such as new food safety requirements and revised nutrition facts labeling, including front of pack labeling, and serving size regulations), or evolving interpretations of existing legal or regulatory requirements, may result in increased compliance costs, capital expenditures and other financial obligations that could adversely affect our business or financial results. If we are found to be out of compliance with applicable laws and regulations in these areas, we could be subject to civil remedies, including fines, injunctions, termination of necessary licenses or permits, or recalls or withdrawals, as well as potential criminal sanctions, any of which could have a material adverse effect on our business.** Additionally, as a manufacturer and marketer of food products, we are subject to extensive regulation by the FDA and other national, state and local government agencies. The Food, Drug & Cosmetic Act, the Food Safety Modernization Act, other laws and their respective regulations govern, among other things, the manufacturing, composition and ingredients, packaging, and safety of food products. Some aspects of these laws use a strict liability standard for imposing sanctions on corporate behavior, meaning that no intent is required to be established. If we fail to comply with applicable laws and regulations, we may be subject to civil remedies, including fines, injunctions, recalls, **withdrawals**, or seizures, as well as criminal sanctions, any of which could have a material adverse effect on our business, financial condition, and results of operations. New regulations imposed by the FDA or EFSA around acrylamide formation in potato products could adversely affect us. The regulation of food products, both within the U. S. and internationally, continues to be a focus for governmental scrutiny. The presence and / or formation of acrylamide in potato products cooked at high temperatures has become a global regulatory issue as both the FDA and the European Food Safety Authority (‘ ‘ EFSA ’’) have issued guidance to the food processing industry to work to reduce conditions that favor the formation of this naturally occurring compound. Acrylamide formation is the result of heat processing reactions that give ‘ ‘ browned foods ’’ their desirable flavor. Acrylamide formation occurs in many food types in the human diet, including but not limited to breads, toast, cookies, coffee, crackers, potatoes, and olives. The regulatory approach to acrylamide has generally been to encourage the industry to achieve as low as reasonably achievable content levels through process control (e. g., temperature) and material testing (e. g., low sugar and low asparagine). However, limits for acrylamide exposure have been established in the State of California, and point of sale

consumer warnings are required if products exceed those limits. In addition, the EFSA has promulgated regulations establishing specific mitigation measures, sampling, and analysis procedures and benchmark levels for acrylamide in certain food products. If the global regulatory approach to acrylamide becomes more stringent and additional legal limits are established, our manufacturing costs could increase. In addition, if consumer perception regarding the safety of our products is negatively impacted due to regulation, sales of our products could decrease. If we fail to comply with the many laws and regulations applicable to our business, we may face lawsuits or incur significant fines and penalties. Our facilities and products are subject to many laws and regulations administered by the U. S. Department of Agriculture, the FDA, the Occupational Safety and Health Administration, and other federal, state, local, and foreign governmental agencies relating to the processing, packaging, storage, distribution, advertising, labeling, quality, and safety of food products, and the health and safety of our employees. Our failure to comply with applicable laws and regulations could subject us to additional costs, product detentions, substantial delays or a temporary shutdown in manufacturing, lawsuits, administrative penalties, and civil remedies, including fines, injunctions, and recalls **or withdrawals** of our products. Our operations are also subject to extensive and increasingly stringent regulations administered by foreign government agencies, the U. S. Environmental Protection Agency, and comparable state agencies, which pertain to the protection of human health and the environment, including, but not limited to, the discharge of materials into the environment **, such as the land application of our processed water**, and the handling and disposition of wastes. Failure to comply with these regulations can have serious consequences, including civil and administrative penalties and negative publicity **, while compliance could require seasonal shutdowns in manufacturing and increase costs**. Changes in applicable laws or regulations or evolving interpretations thereof, including increased government regulations to limit the emissions of toxic air pollutants and carbon dioxide and other greenhouse gas emissions as a result of concern over climate change, may result in increased compliance costs, capital expenditures, and other financial obligations for us, which could affect our profitability or impede the production or distribution of our products, which could adversely affect our business, financial condition, and results of operations. 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 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 potatoes and edible oils. Adverse weather conditions and natural disasters can reduce crop size and crop quality, which in turn could reduce our supplies of raw potatoes, lower recoveries of usable raw potatoes, increase the prices of our raw potatoes, increase our cost of transporting and storing raw potatoes, or disrupt our production schedules or efficiencies. Natural disasters and extreme weather conditions may disrupt the productivity of our facilities or the operation of our supply chain. In addition, water is an important part of potato processing. In times of water stress, we may be subject to decreased availability or less favorable pricing for water, which could impact our manufacturing and distribution operations. Further, a decrease in the availability of water in certain regions caused by droughts or other factors could increase competition for land and resources in areas that have more favorable growing conditions, and thereby increase costs for such land and resources. The increasing concern over climate change also may result in more regional, federal, and / or global legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases, as well as more stringent regulation of water rights. In the event that such regulation is enacted and is more aggressive than the sustainability measures that we are currently undertaking to monitor our emissions, improve our energy efficiency, and reduce and reuse water, we may be subject to curtailment or reduced access to resources or experience significant increases in our costs of operation and delivery. ~~In particular, a new regulation in the Netherlands intended to reduce emissions of nitrogen oxide and ammonia mandates the harvest of potatoes grown on sandy soil by October 1, 2023, which is earlier than previous harvests and is expected to reduce potato capacity in the region. As a result, we may experience reduced potato availability and higher costs.~~ In addition, increasing regulation of utility providers, fuel emissions, or fuel suppliers could substantially increase the distribution and supply chain costs of our products. Further, we may experience significant increases in our compliance costs, capital expenditures, and other financial obligations to adapt our business and operations to meet new regulations and standards. 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. Also, consumers and customers may place an increased priority on purchasing products that are sustainably grown and made, requiring us to incur increased costs for additional transparency, due diligence, and reporting. In addition, we might fail to effectively address increased attention from the media, stockholders, activists, and other stakeholders on climate change and related environmental sustainability matters. From time to time, we establish and publicly announce goals and commitments, including those related to reducing our impact on the environment. 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, including evolving regulatory requirements, the pace of scientific and technological developments, and the availability of suppliers that can meet our standards. We may be required to expend significant resources to meet these goals and commitments, which could significantly increase our operational costs. **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 this 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.** There can be no assurance of the extent to which any of our goals or commitments will be achieved, or that any future investments we make in furtherance of achieving these goals will meet customer or investor

expectations. Any delay or failure **(perceived or actual)** to achieve our goals with respect to reducing our impact on the environment or perception of a delay or failure to act responsibly with respect to the environment or to effectively respond to regulatory requirements concerning climate change can lead to adverse publicity, which could damage our reputation, as well as expose us to enforcement actions and litigation. See also “ Industry Risks – Our business is affected by potato crop performance, ” in this Item 1A. Risk Factors above. ~~26~~ **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 to be a significant and valuable aspect of our business. We attempt to 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. Our failure to timely 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. We also license certain intellectual property, most notably Grown in Idaho and Alexia, from third parties. To the extent that we are not able to contract with these third parties on favorable terms or maintain our relationships with these third parties, our rights to use certain intellectual property could be impacted. 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.**