Risk Factors Comparison 2024-02-02 to 2023-02-03 Form: 10-K

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You should carefully read the following discussion of significant factors, events and uncertainties when evaluating our business and the forward- looking information contained in this Annual Report on Form 10- K. The events and consequences discussed in these risk factors could materially and adversely affect our business, operating results, liquidity and financial condition. While we believe we have identified and discussed below the key risk factors affecting our business, these risk factors do not identify all the risks we face, and there may be additional risks and uncertainties that we do not presently know or that we do not currently believe to be significant that may have a material adverse effect on our business, performance or financial condition in the future. Strategic and Operational Risks Commodity and other input prices are volatile and may increase or decrease significantly or availability of commodities may become constrained. We purchase and use large quantities of commodities, including cocoa, dairy, wheat, edible oils, sugar and other sweeteners, flavoring agents and nuts. In addition, we purchase and use significant quantities of product packaging materials, natural gas, fuel and electricity for our factories and warehouses, and we also incur expenses in connection with labor and the transportation and delivery of our products. Costs of raw materials, energy and other supplies and services are volatile and fluctuate due to conditions that are difficult to predict. These conditions include global competition for resources; currency fluctuations; geopolitical conditions or conflicts (including the ongoing war in Ukraine and international sanctions imposed on Russia for its invasion of Ukraine **, developments in the Middle East and rising tensions between China and Taiwan**); inflationary pressures related to domestic and global economic conditions or supply chain issues; transportation and labor disruptions; tariffs or other trade barriers; government intervention to introduce living income premiums or similar requirements such as those announced in 2019 in two of the main cocoa- growing countries; changes in environmental or trade policy and regulations, alternative energy and agricultural programs; severe weather; agricultural productivity; crop disease or pests; water risk; health pandemics ~~including COVID- 19~~ ; forest fires **and other natural disasters; acts of terrorism; cybersecurity incidents** ; supplier capacity; and consumer or industrial demand. Many of these conditions are or could be exacerbated or worsened by climate change. Increased government intervention and consumer or activist responses caused by increased focus on climate change, deforestation, water, plastic waste, animal welfare and human rights concerns and other risks associated with the global food system could adversely affect our or our suppliers' reputation and business and our ability to procure the materials we need to operate our business. Some commodities are grown by smallholder farmers who might not be able to invest to increase productivity or adapt to changing conditions. Our work to monitor our exposure to commodity prices and hedge against input price increases cannot fully protect us from changes in commodity costs due to factors like market illiquidity, specific local regulations and downstream costs. Thus, our hedging strategies have not always protected and will not in the future always protect us from increases in specific raw material costs. Continued volatility in the prices of commodities and other supplies we purchase or changes in the types of commodities we purchase as we continue to evolve our product and packaging portfolio could increase or decrease the costs of our products, and our profitability could suffer as a result. Moreover, increases in the price of our products, including increases to cover inflation and higher input, packaging and transportation costs, may result in lower sales volumes or customer delistings, while decreases in input costs could require us to lower our prices and thereby affect our revenues, profits or margins. Likewise, constraints in the supply or availability of key commodities and necessary services like transportation, such as we experienced across our business, particularly in the United States and United Kingdom, may limit our ability to grow our net revenues and earnings. If our mitigation activities are not effective, if we are unable to price to cover increased costs **(including if we are delayed in** ~~or~~ **our ability to raise prices or unable to raise the prices of our products enough to keep up with the rate of inflation), if we** must reduce our prices, if increased prices affect demand for our products **(including if consumers forego purchasing certain of our products or switch to " private label " or lower- priced product offerings)** , or if we are limited by supply or distribution constraints, our financial condition, results of operations, cash flows and stock price can be materially adversely affected. We are subject to risks from operating globally. We are a global company and generated 73. **4 % of our 2023 net revenues, 73.** 6 % of our 2022 net revenues ~~,~~ **and** 75. 1 % of our 2021 ~~net revenues and 73. 2 % of our 2020~~ net revenues outside the United States. We manufacture and market our products in over 150 countries and have operations in approximately 80 countries. Therefore, we are subject to risks inherent in global operations. Those risks include: • changing macroeconomic conditions in our markets, including as a result of inflation (and related monetary policy actions by governments in response to inflation), volatile commodity prices and increases in the cost of raw and packaging materials, labor, energy and transportation; • compliance with U. S. laws affecting operations outside of the United States, including anti- bribery laws such as the Foreign Corrupt Practices Act (" FCPA "); • the imposition of increased or new tariffs, sanctions, export controls, quotas, trade barriers, price floors or similar restrictions on our sales or key commodities like cocoa, potential changes in U. S. trade programs and trade relations with other countries, or regulations, taxes or policies that might negatively affect our sales or profitability; • compliance with antitrust and competition laws, trade laws, data privacy laws, anti- bribery laws, human rights laws and a variety of other local, national and multinational regulations and laws in multiple regimes; • currency devaluations or fluctuations in currency values, including in developed and emerging markets. This includes events like applying highly inflationary accounting as we did for our Argentinean subsidiaries beginning in July 2018 and for Türkiye beginning in April 2022; • 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; • increased sovereign risk, such as defaults by or deterioration in the economies and credit ratings of governments, particularly in emerging markets; • changes or inconsistencies in local regulations and laws, the uncertainty of enforcement of remedies in non-U. S. jurisdictions, and foreign ownership restrictions and the potential for nationalization or expropriation of property or other resources; • varying abilities to enforce intellectual property and contractual rights; • discriminatory or conflicting fiscal policies; • greater risk of uncollectible accounts and longer collection cycles; and • design, implementation and use of effective control environment processes across our diverse operations and employee base. In addition, increased political and economic changes or volatility, geopolitical regional conflicts, terrorist activity, political unrest, civil strife, acts of war, government shutdowns, travel or immigration restrictions, tariffs and other trade restrictions, public health risks or pandemics ~~including COVID- 19~~ , energy policy or restrictions, public corruption, expropriation and other economic or political uncertainties, including inaccuracies in our assumptions about these factors, could interrupt and negatively affect our business operations or customer demand **. For example, the ongoing developments in the Middle East could impact demand for our products or result in increased supply chain costs or other cost impacts** . High unemployment or the slowdown in economic growth in some markets could constrain consumer spending. Declining consumer purchasing power could result in loss of market share and adversely impact our profitability. The nature and degree of the various risks we face can also differ significantly among our regions and businesses. All of these factors could result in increased costs or decreased revenues and could materially and adversely affect our product sales, financial condition, results of operations, cash flows, stock price, and our relationships with customers, suppliers and employees in the short **-** or long **-** term. The war in Ukraine has impacted and could continue to impact our business operations, financial performance and results of operations. The war in Ukraine has impacted and could continue to impact our business operations, financial performance and results of operations (as discussed below in Recent Developments and Significant Items Affecting Comparability – War in Ukraine under Management' s Discussion and Analysis of Financial Condition and Results of Operations). The scope and duration of the war in Ukraine is uncertain and rapidly changing, and we are unable to predict the full extent to which the war in Ukraine will impact our business operations, financial performance, results of operations and stock price in the future. We have discontinued new capital investments and suspended our advertising spending in Russia. As the business and geopolitical environment continues to change, our operations and activity in Russia, which accounted for ~~4~~ **2** . ~~0~~ **9** % of ~~2022~~ **2023** consolidated net revenues, or Ukraine, which accounted for 0. ~~3~~ **4** % of ~~2022~~ **2023** consolidated net revenues, may decline or be further scaled back. International sanctions, export controls and other measures, including restrictions on the transfer of funds to and from Russia, that have been imposed on Russian entities make it more difficult to operate in Russia, and failure to comply with applicable sanctions and measures could subject us to regulatory penalties and reputational risk. The war could also result in the temporary or permanent loss of assets or our ability to conduct business operations in Russia, and our Russian assets may be partially or fully impaired in future periods, or our business operations terminated, based on actions taken by Russia, other parties or us. In addition, our operations may be subject to increased disruptions to our information systems, including through network failures, malicious or disruptive software or cyberattacks by hackers, criminal groups or nation- state organizations. There is a possibility of loss of life and physical damage and destruction of property. We may not be able to operate in certain areas due to damage and safety concerns. We might also face questions or negative scrutiny from stakeholders about our operations in Russia despite our role as a food company and our public statements about Ukraine and Russia. The war in Ukraine has continued to result in worldwide geopolitical and macroeconomic uncertainty. The war ~~has materially~~ **continues to** ~~disrupted~~ -- **disrupt** commodity markets, including for wheat, energy and energy- related commodities, and ~~is~~ **continues to** ~~contributing~~ **contribute** to supply chain disruption and inflation. Other ongoing consequences of the war have included increased volatility of input prices, including for packaging materials, energy, commodities, other raw materials, labor and transportation; adverse changes in international trade policies and relations; increased exposure to foreign currency fluctuations, including volatility of the Russian ruble; constraints, volatility or disruptions in the credit and capital markets; increased costs to ensure compliance with global and local laws and regulations; **difficulty protecting and enforcing our intellectual property rights;** and heightened risk to employee safety **including health and safety risks related to securing and maintaining facilities** . We expect continued volatility with respect to commodity and other input prices, and our hedging activities might not sufficiently offset this volatility. These and other impacts of the war in Ukraine could have the effect of heightening many of the other risks described in the risk factors presented in this filing, including but not limited to those relating to our reputation, brands, product sales, sanctions, trade relations in countries in which we operate, input price inflation and volatility, results of operations and financial condition. We might not be able to predict or respond to all impacts on a timely basis to prevent near- or long- term adverse impacts to our results. The ultimate impact of these disruptions also depends on events beyond our knowledge or control, including the scope and duration of the war and actions taken by parties other than us to respond to them. Any of these disruptions could have a negative impact on our business operations, financial performance, results of operations and stock price, and this impact could be material. Additionally, the war in Ukraine, or related developments in Russia, Europe or elsewhere, may also materially adversely affect our operating results and financial position in a manner that is not currently known to us or that we do not currently consider to be a significant risk. ~~Global or regional health pandemics or epidemics, including COVID- 19, could negatively impact our business operations, financial performance and results of operations. Our business and financial results could be negatively impacted by COVID- 19 or other pandemics or epidemics. The severity, magnitude and duration of global or regional pandemics or epidemics are uncertain and hard to predict. Since 2020, COVID- 19 has significantly impacted economic activity and markets around the world, and it could negatively impact our business in numerous ways. For example, the COVID- 19 pandemic has disrupted and could materially disrupt our global supply chain, operations and routes to market or those of our suppliers, their suppliers, our external manufacturing partners, distributors or other business partners. The COVID- 19 pandemic has resulted in broader supply, transportation and labor disruptions resulting in inflation and generally higher operating costs in our business. Relatedly, commodity and transportation costs have become more volatile and generally increased due to the COVID- 19 pandemic, supply chain disruptions, and transportation and labor shortages. Additionally, government or regulatory responses to pandemics could~~

~~negatively impact our business. Mandatory lockdowns or other restrictions on operations in some countries temporarily disrupted our ability to distribute our products in some markets. Resumption, continuation or expansion of these disruptions could materially adversely impact our operations and results. These and other impacts of the COVID- 19 or other global or regional health pandemics or epidemics could have the effect of heightening many of the other risks described in the risk factors presented in this filing, including but not limited to those relating to our reputation, brands, consumer preferences, supply chain, product sales, pricing actions, results of operations or financial condition. We might not be able to predict or respond to all impacts on a timely basis to prevent near- or long- term adverse impacts to our results. The ultimate impact of these disruptions also depends on events beyond our knowledge or control, including the duration and severity of the COVID- 19 and other pandemics or epidemics and actions taken by parties other than us to respond to them, and in the case of COVID- 19, on the emergence and spread of COVID- 19 variants and the effectiveness of vaccines. Any of these disruptions could have a negative impact on our business operations, financial performance, results of operations and stock price, and this impact could be material.~~ We operate in a highly competitive industry ~~and~~ **where** we face risks related to the execution of our strategy ~~and~~ **as well as our ability** ~~our~~ - **or willingness to respond,** timely ~~response~~ **or otherwise,** to channel shifts ~~and~~ **,** pricing and other competitive pressures. The food and snacking industry is highly competitive. Our principal competitors ~~include~~ **are** food, snack and beverage companies that operate globally, regionally and locally **, and, in many markets, include retailers with their own branded and private label products** . Failure to effectively respond to **actions, innovations or other** challenges from our competitors could adversely affect our business. Competitor and customer pressures require that we timely and effectively respond to changes in **relevant markets, including changes to** distribution channels and technological developments ~~that may require changes in our prices~~ . These pressures could affect our **prices, including our** ability to ~~increase prices~~ - **price** in response to commodity and other cost increases. Failure to effectively and timely assess new or developing trends, technological advancements **(including advancements such as artificial intelligence, machine learnings and augmented reality, which may become critical in understanding consumer preferences in the future)** or changes in distribution methods and set proper pricing, including as a result of inflation or weak economic conditions or recessions, or effective trade incentives could negatively impact **availability of or** demand for our products, our operating results, achievement of our strategic and financial goals and our ability to capitalize on new revenue or value- producing opportunities. The rapid growth of some channels, such as discounters as well as digital commerce which has expanded significantly following the onset of the COVID- 19 pandemic, may impact our current operations or strategies more quickly than we planned for, create consumer price deflation, alter the buying behavior of consumers or disrupt our retail customer relationships. We may need to increase or reallocate spending on existing and new distribution channels and technologies, marketing, advertising and new product innovation to ~~protect~~ **maintain** or increase revenues, market share and brand significance. These expenditures may not be successful, including those related to our digital commerce and other technology- focused efforts, and might not result in trade and consumer acceptance of our efforts, which could materially and adversely affect our product sales, financial condition, results of operations and cash flows. We will be disadvantaged if we are not able to effectively leverage developing online channels such as direct- to- consumer and electronic business- to- business commerce. New distribution channels, as well as growing opportunities to utilize external manufacturers, lower the barriers to entry and allow smaller competitors to gain market share more effectively. Additionally, if we adjust pricing but cannot maintain or increase sales volumes, or our labor or other costs increase but we cannot increase prices to offset those changes, our financial condition and results of operations will suffer. **Further, our ability to compete may be limited by an inability to secure new retailers or maintain or add shelf and / or retail space for our products. There can be no assurance that retailers will provide sufficient, or any, shelf space, nor that online retailers will provide online access to, or adequate product visibility on, their platform. Unattractive placement or pricing may put our products at a disadvantage compared to those of our competitors. Even if we obtain shelf space or preferable shelf placement, our new and existing products may fail to achieve the sales or pricing expectations set by our retailers, potentially causing these retailers to remove our products from their shelves.** During ~~2022~~ **2023** , we continued to operate under our strategy to drive long- term growth by focusing on four strategic priorities: accelerating consumer- centric growth, driving operational excellence, creating a winning growth culture and scaling sustainable snacking. If our strategy is not effective, we fail to achieve our goals and objectives or identify or prioritize the areas most important to achieving our goals, or we fail to effectively operate under our strategy in a way that minimizes disruptions to our business, it could materially and adversely affect our financial condition, results of operations, cash flows and stock price. Promoting and protecting our reputation and brand image is essential to our business success. Our success depends on our ability to maintain and enhance our brands, expand to new geographies and new distribution platforms such as digital commerce, and evolve our portfolio with new product offerings that meet consumer needs and expectations. We seek to strengthen our brands through investments in our product quality, product renovation, innovation and marketing investments, including consumer- relevant advertising, digital communication and consumer promotions. **Actual or perceived** ~~Failure~~ **failure** to effectively address the continuing global focus on well- being, including changing consumer acceptance of certain ingredients, industrial manufacturing and processing, nutritional expectations of our products ~~and~~ **,** the sustainability of our ingredients, our supply chain **(including human rights and animal welfare issues)** and our packaging (including plastic packaging and its ability to be recycled and other environmental impacts) could adversely affect our brands. Increased negative attention from the media, academics and online influencers, governments, shareholders and other stakeholders in these areas as well as on the role of food marketing, our response to political and social issues or catastrophic events, and other environmental, social, human capital or governance practices, including our diversity, equity and inclusion initiatives, could adversely affect our brand image. Undue caution or our failure to react timely in addressing these challenges and trends could weaken our competitive position. Such pressures could also lead to stricter regulations, industry self- regulation that is unevenly adopted among companies, increased transparency in public disclosures, and increased focus on food and snacking marketing and labeling practices. Increasing and disparate legal or regulatory restrictions on our labeling, advertising and consumer promotions, or our response to those restrictions, could limit our efforts to maintain, extend and expand our brands. This includes regulations such as front- of- pack labeling and selective food taxes in multiple jurisdictions as well as age- based restrictions on sales of products with certain nutritional profiles enacted in some states in Mexico. In the United Kingdom, a ban on specific types of TV and online advertising of food containing levels of fat, sugar or salt above specified thresholds is expected to go into effect in October 2025, and new measures restricting certain promotions **and** ~~are expected to go into effect in October 2023. Restrictions on~~ in- store placement of some of those products **recently** went into effect ~~in October 2022~~ . Moreover, adverse publicity, regulatory developments or legal action against us, our employees or our licensees related to product quality and safety, where and how we manufacture our products, environmental risks including climate change, human and workplace rights across our supply chain, labor relations, or antitrust, anti- bribery and anti- corruption compliance could damage our reputation and brand health. Such actions could undermine our customers' and shareholders' confidence and reduce demand for our products, even if the regulatory or legal action is unfounded or these matters are immaterial to our operations. Our product sponsorship relationships, including those with celebrity spokespersons, influencers or group affiliations, could also subject us to negative publicity. In addition, our success in maintaining and enhancing our brand image depends on our ability to anticipate change and adapt to a rapidly changing marketing and media environment, including our increasing reliance on established and emerging social media and online platforms, digital and mobile dissemination of marketing and advertising campaigns, targeted marketing and the increasing accessibility and speed of dissemination of information. A variety of legal and regulatory restrictions as well as our own policies and participation in industry self- regulation initiatives limit how and to whom we market our products. These restrictions may limit our brand renovation, innovation, marketing and promotion plans, particularly as social media and the communications environment continue to evolve. The social media platforms we use to market our products may change their marketing rules or algorithms or may fall out of favor with certain consumer groups, and we may fail to effectively adapt our marketing strategies or may decide to no longer utilize certain platforms for marketing. We might also fail to sufficiently evolve our digital marketing efforts to effectively utilize consumer data. Negative posts or comments about Mondelēz International, our brands or our employees on social media or web sites (whether factual or not) or security breaches related to use of our social media accounts and failure to respond effectively to these posts, comments or activities could damage our reputation and brand image across the various regions in which we operate **. Placement of our advertisements in social media may also result in damage to our brands if the media itself experiences negative publicity** . Our brands may be associated with or appear alongside harmful content before these platforms or our own social media monitoring can detect this risk to our brand. In addition, we might fail to invest sufficiently in maintaining, extending and expanding our brands, our marketing efforts might not achieve desired results and we might be required to recognize impairment charges on our brands or related intangible assets or goodwill. Third parties may sell counterfeit or imitation versions of our products that are inferior or pose safety risks. When consumers confuse these counterfeit products for our products or have a bad experience with the counterfeit brand, they might refrain from purchasing our brands in the future, which could harm our brand image and sales. Third parties might also improperly use our brands as part of phishing or other scams, which could negatively affect our brand image. Failure to successfully maintain and enhance our reputation and brand health could materially and adversely affect our company and product brands as well as our product sales, financial condition, results of operations, cash flows and stock price. We must correctly predict, identify, interpret and meet changes in consumer preferences and demand and offer new and improved products that meet those changes. Consumer preferences for food and snacking products change continually. Our success depends on our ability to predict, identify, interpret and meet the tastes, dietary habits, packaging, sales channel and other preferences of consumers around the world and to offer products that appeal to these preferences in the places and ways consumers want to shop. There may be further shifts in the relative size of shopping channels in addition to the increasing role of digital commerce for consumers. Our success relies upon managing this complexity to promote and bring our products to consumers effectively. Weak economic conditions, recessions, inflation, equity market volatility or other factors, such as global or local pandemics ~~and~~ **,** severe or unusual weather **events, and our response to political and social issues or catastrophic** events, may affect consumer preferences and demand in ways that are hard to predict. In connection with the COVID- 19 pandemic, rapid changes in lifestyles and consumption patterns ~~,~~ were accompanied by increased demand for biscuits and decreased demand for gum. Failure to offer and deliver products that appeal to consumers or to correctly judge consumer demand for our products will impact our ability to meet our growth targets, and our sales and market share could decrease and our profitability could suffer. We must distinguish between short- term fads and trends and long- term changes in consumer preferences. Our sales can be adversely affected when we do not accurately predict which shifts in consumer preferences or category trends will be long- term or we fail to introduce new and improved products to satisfy changing preferences. In addition, because of our varied and geographically diverse consumer base, we must be responsive to local consumer needs, including with respect to when and how consumers snack and their desire for premium or value offerings. We must also provide an array of products that satisfy the broad spectrum of consumer preferences and use marketing and advertising effectively to reach consumers at the right time with the right message. Increasing and disparate legal or regulatory restrictions on our labeling, advertising and consumer promotions, or our response to those restrictions, could limit our efforts to offer and deliver products that appeal to consumers. Demand for our products could decrease and our profitability could suffer if we fail to expand our product offerings successfully across product categories, rapidly develop products in faster growing and more profitable categories or reach consumers in efficient and effective ways leveraging data and analytics. Negative perceptions concerning the health, environmental and social implications of certain food products, ingredients, packaging materials, and sourcing or production methods could influence consumer preferences and acceptance of some of our products and marketing programs. For example, consumers have increasingly focused on well- being, including reducing sodium and added sugar consumption **or using weight- loss drugs to reduce consumption overall or change consumption patterns** , as well as the source and authenticity of ingredients in the foods they consume. Continuing to focus on and expand our well- being offerings while refining the ingredient and nutrition profiles of existing products is important to our growth, as is maintaining focus on ethical sourcing and supply chain management opportunities to address evolving consumer preferences. In addition, consumer preferences differ by region, and we must monitor and adjust our use of ingredients and other activities to respond to these regional preferences. We might be unsuccessful in our efforts to effectively respond to changing consumer preferences and social expectations. Continued negative perceptions or failure to satisfy consumer preferences could materially and adversely affect our reputation, brands, product sales, financial condition, results of operations, cash flows and stock price. Our operations in certain emerging markets expose us to political, economic and regulatory risks. Our growth strategy depends in part on our ability to expand our operations in emerging markets, including among others Brazil, China, India, Mexico, Argentina, Eastern Europe, the Middle East, Africa and Southeast Asia. However, some emerging markets have greater political, economic and currency volatility and greater vulnerability to infrastructure and labor disruptions than more established markets. In many countries, particularly those with emerging economies, engaging in business practices prohibited by laws and regulations with extraterritorial reach, such as the FCPA and the U. K. Bribery Act, or local anti- bribery laws may be more common. These laws generally prohibit companies and their employees, contractors or agents from making improper payments to government officials, including in connection with obtaining permits or engaging in other actions necessary to do business. Failure to comply with these laws could subject us to civil and criminal penalties that could materially and adversely affect our reputation, financial condition, results of operations and stock price. In addition, competition in emerging markets is increasing as our competitors grow their global operations and low- cost local manufacturers improve and expand their production capacities. Our success in emerging markets is critical to achieving our growth strategy. Failure to successfully increase our business in emerging markets and manage associated political, economic and regulatory risks could adversely affect our product sales, financial condition, results of operations, cash flows and stock price. Our use of information technology and third- party service providers exposes us to cybersecurity breaches and other business disruptions. We use information technology and third- party service providers to support our global business processes and activities, including supporting critical business operations such as manufacturing and distribution; communicating with our suppliers, customers and employees; maintaining effective accounting processes and financial and disclosure controls; executing mergers and acquisitions and other corporate transactions; conducting research and development activities; meeting regulatory, legal and tax requirements; and executing various digital marketing and consumer promotion activities. Global shared service centers managed by third parties provide an increasing number of services important to conducting our business, including accounting, internal control, human resources and computing functions. Continuity of business applications and services has been, and may in the future be, disrupted by events such as infection by viruses or malware; other cybersecurity attacks; issues with or errors in systems' maintenance or security; power outages; hardware or software failures; denial of service attacks; telecommunication failures; natural disasters; terrorist attacks; and other catastrophic occurrences. Our use of new and emerging technologies such as cloud- based services and mobile applications continues to evolve, presenting new and additional risks in managing access to our data, relying on third parties to manage and safeguard data, ensuring access to our systems and availability of third- party systems. In addition, we are experiencing new and more frequent attempts by third parties to gain access to our systems, such as through increased email phishing of our workforce. **We leverage third parties for various technology and business services who may experience** ~~Cybersecurity~~ **cybersecurity** breaches ~~of our or third- party systems~~ , whether from circumvention of security systems, denial- of- service attacks or other cyberattacks such as hacking, phishing attacks, computer viruses, ransomware or malware, cyber extortion, employee or insider error, malfeasance, social engineering, physical breaches or other actions or attempts to exploit vulnerabilities may cause confidential information or Personally Identifiable Information belonging to us or our employees, customers, consumers, partners, suppliers, or governmental or regulatory authorities to be misused or breached. These risks could be magnified since the number of employees, contractors and others working outside of offices increased **since** ~~as a result of~~ the COVID- 19 pandemic. Additionally, continued geopolitical turmoil, including the ongoing war in Ukraine, has heightened the risk of cyberattacks. When risks such as these materialize, the need for us to coordinate with various third- party service providers and for third- party service providers to coordinate amongst themselves might increase challenges and costs to resolve related issues. Our information security program includes capabilities designed to evaluate and mitigate cyber risks arising from third- party service providers. **Cyber threats** ~~We believe that these capabilities provide insights and visibility~~ to **externally** ~~the security posture of our third- party~~ **hosted technology and business** ~~service~~ **services** ~~providers, however, cyber threats to those organizations~~ are beyond our control. Additionally, new initiatives, such as those related to digital commerce and direct sales, that increase the amount of confidential information that we process and maintain increase our potential exposure to a cybersecurity breach **. Furthermore, the rapid evolution and increased adoption of artificial intelligence technologies may intensify our cybersecurity risks** . If our controls, disaster recovery and business continuity plans or those of our third- party providers do not effectively respond to or resolve the issues related to any such disruptions in a timely manner, our product sales, financial condition, results of operations and stock price may be materially and adversely affected, and we might experience delays in reporting our financial results, loss of intellectual property and damage to our reputation or brands. We continue to ~~devote focused resources to~~ **invest and augment our cybersecurity program and posture with enhanced identity and access management solutions, multi- factor authentication, risk- based access for remote connectivity, privileged access management,** network security, backup and disaster recovery, ~~enhanced~~ training and **awareness** ~~other security measures to protect our systems and data~~ , ~~such as~~ **in addition to** ~~advanced~~ - **advance threat protection emanating from sophisticated, persistent and state- sponsored threat actors, including from internet browsing to** email ~~protection to reduce the~~ **, further reducing our attack surface and** likelihood of credential thefts and **compromise** ~~electronic fraud attempts~~ . ~~We also focus on~~ **Further, we have 24 / 7 security operations,** enhancing the monitoring and detection of threats in our environment, including but not limited to the manufacturing environment and operational technologies, as well as adjusting information security controls based on **our** ~~the updated~~ threat **intelligence information** . However, security measures cannot provide absolute security or guarantee that we will be successful in preventing or responding to every breach or disruption on a timely basis. Due to the constantly evolving and complex nature of ~~security~~ **cyber** ~~threats~~ - **threat actors** , we cannot predict the form and impact of any future incident, and the cost and operational expense of implementing, maintaining and enhancing protective measures to guard against increasingly complex and sophisticated cyber threats could increase significantly. Moreover, as cyberattacks increase in frequency and magnitude around the world, we may be unable to obtain cybersecurity insurance in the amounts and on terms we view as appropriate and favorable for our operations. We transfer data across local, regional, and national borders to conduct our operations, and we are subject to a variety of continuously evolving and developing laws and regulations in numerous jurisdictions regarding privacy, data protection and data security, including those related to the collection, storage, handling, use, disclosure, transfer and security of personal data. Privacy and data protection laws may be interpreted and applied differently from jurisdiction to jurisdiction and may create inconsistent or conflicting requirements. The European Union' s General Data Protection Regulation (" GDPR ") has greatly increased the jurisdictional reach of E. U. law, added a broad array of requirements for handling personal data including the public disclosure of significant data breaches, and imposes substantial penalties for non- compliance of up to 4 % of global annual revenue for the preceding financial year in addition to potential restrictions on data transfer and processing. **Laws recently passed in other jurisdictions, such as the Personal Information Protection Law of 2021, enacted in China, and the Digital Personal Data Protection Act of 2023, enacted in India, similarly impose significant regulatory requirements.** The California Consumer Privacy Act (" CCPA ") requires greater transparency in handling personal information from consumers by imposing new responsibilities for the handling, disclosure and deletion of personal information for consumers, permits California to assess potentially significant fines for violating CCPA and creates a right for individuals to bring class action suits seeking damages for violations. In addition, **similar legislation in Virginia** ~~the California Privacy Rights Act~~ , **Colorado, Utah and Connecticut, all of** which **have gone** ~~grants a private right of action to individuals and expands rights and obligations, and the Virginia Consumer Data Protection Act became effective on January 1, 2023, and the Colorado Privacy Act will enter~~ into effect ~~on July 1,~~ **or will go into effect during** 2023 **, impose transparency and other obligations with respect to personal data of their respective residents and provide residents with similar rights** . Our efforts to comply with multijurisdictional privacy and data protection laws and the uncertainty of new laws and regulations will likely increase the complexity of our processes and may impose significant costs and challenges that are likely to increase over time, and we could incur substantial penalties or be subject to litigation related to violation of existing or future data privacy laws and regulations. We are subject to risks from unanticipated business disruptions. We manufacture and source products and materials on a global scale. We utilize an interdependent supply chain – a complex network of suppliers and material needs, owned and leased manufacturing locations, external manufacturing partners, distribution networks, shared service delivery centers and information systems that support our ability to provide our products to our customers consistently. Factors that are hard to predict or beyond our control, like weather, natural disasters, water and energy availability, supply and commodity shortages, port congestions or delays, transport capacity constraints, terrorism, political unrest or armed hostilities (including the ongoing war in Ukraine **and developments in the Middle East**), cybersecurity incidents, labor shortages, strikes **or work stoppages** , operational and / or financial instability of our key suppliers and other vendors or service providers, government shutdowns or health pandemics ~~such as COVID- 19~~ , including any potential impact of climate change on these factors, could damage or disrupt our operations or those of our suppliers, their suppliers, our external manufacturing partners, distributors or other business partners. Failure to effectively prepare for and respond to disruptions in our operations, for example, by not finding alternative suppliers or replacing capacity at key or sole manufacturing or distribution locations or by not quickly repairing damage to our information, production or supply systems, can cause delays in delivering or the inability to deliver products to our customers, and the quality and safety of our products might be negatively affected. Moreover, disputes with significant customers or suppliers, including disputes regarding pricing or performance, could adversely affect our sales, financial condition, and results of operations. The occurrence of a material or extended disruption may cause us to lose our customers' or business partners' confidence or suffer damage to our reputation, and long- term consumer demand for our products could decline. We use insurance to transfer our financial risk related to these exposures, but some of the risks we face are difficult or impossible to insure and the timing of insurance recoveries may not match the timing of the financial loss we incur. We are subject to risk related to operational safety, including risk of fire, explosion or accidental contamination. We could also fail to achieve our strategic objectives due to capability or technology deficiencies related to our ongoing reconfiguration of our supply chain to drive efficiencies and fuel growth. Further, our ability to supply multiple markets with a streamlined manufacturing footprint may be negatively impacted by portfolio complexity, significant changes in trade policies, changes in volume produced and changes to regulatory restrictions or labor- related or other constraints on our ability to adjust production capacity in the markets in which we operate. These events could materially and adversely affect our product sales, financial condition, results of operations, cash flows and stock price. We may not successfully identify, complete or manage strategic transactions. We regularly evaluate a variety of potential strategic transactions globally, including acquisitions, divestitures, joint ventures, equity method investments and other strategic alliances that could further our strategic business objectives, and acquisitions and joint ventures are an important part of our strategy to increase our exposure to fast- growing snacking segments, fill geographic white spaces and expand into adjacent categories. For example, in 2022 we acquired Chipita, Clif Bar and Ricolino **and in 2023, we completed the sale of our developed market gum business in the United States, Canada and Europe and sold our remaining equity investment in Kuerig Dr Pepper Inc** . Such transactions and investments present significant challenges and risks. We may not successfully identify potential strategic transactions to pursue, may not have counterparties willing to transact with us, or we may not successfully identify or manage the risks presented by these strategic transactions, or complete such transactions. Our success depends, in part, upon our ability to identify suitable transactions; negotiate favorable contractual terms; comply with applicable regulations and receive necessary consents, clearances and approvals (including regulatory and antitrust clearances and approvals **that may face increased scrutiny**); integrate or separate businesses; manage or achieve performance of ESG goals and initiatives; realize the full extent of the benefits, cost savings or synergies presented by strategic transactions; offset loss of revenue associated with divested brands or businesses; effectively implement control environment processes; minimize adverse effects on existing business relationships with suppliers and customers; achieve accurate estimates of fair value; minimize potential loss of customers or key employees; and minimize indemnities and potential disputes with buyers, sellers and strategic partners. In addition, execution or oversight of strategic transactions may result in the diversion of management attention from our existing business and may present financial, managerial and operational risks. With respect to acquisitions and joint ventures in particular, we are also exposed to potential risks based on our ability to conform standards, controls, policies and procedures, and business cultures; consolidate and streamline operations and infrastructures; identify and eliminate, as appropriate, redundant and underperforming operations and assets; manage inefficiencies associated with the integration of operations; and coordinate timely and ongoing compliance with applicable laws, including antitrust and competition, anti- bribery and corruption and import / export laws. Equity investments such as our investments in JDE Peet' s N. V. ~~and Keurig Dr Pepper Inc.,~~ joint ~~ventures~~ - **venture** and other strategic alliances pose additional risks, as we could share ownership in both public and private companies and in some cases management responsibilities with one or more other parties whose objectives for the alliance may diverge from ours over time, who may not have the same priorities, strategies or resources as we do, or whose interpretation of applicable policies may differ from our own. Transactions or ventures into which we enter might not meet our financial and non- financial control and compliance expectations or yield the anticipated benefits. Depending on the nature of the business ventures, including whether they operate globally, these ventures could also be subject to many of the same risks we are, including political, economic, regulatory and compliance risks, currency exchange rate fluctuations, and volatility of commodity and other input prices. Either partner might fail to recognize an alliance relationship that could expose the business to higher risk or make the venture not as productive as expected. Furthermore, we may not be able to complete, on terms favorable to us, desired or proposed divestitures of businesses that do not meet our strategic objectives or our growth or profitability targets. Our divestiture activities, or related activities such as reorganizations, restructuring programs and transformation initiatives, may require us to provide or receive transitional support and / or ongoing commercial relationships, recognize impairment charges or take action to reduce costs that remain after we complete a divestiture. Gains or losses on the sales of, or lost operating income from, those businesses may also affect our profitability. Any of these risks could materially and adversely affect our business, product sales, financial condition, results of operations, cash flows and stock price. Macroeconomic and Industry Risks Our business is subject to an increasing focus on sustainability matters. We have announced, and may from time to time announce, certain initiatives, including goals, targets and other objectives, related to sustainability matters. These statements reflect our current plans and do not constitute a guarantee that they will be achieved. Our efforts to research, establish, accomplish, and accurately report on these goals, targets and other objectives expose us to numerous operational, reputational, financial, legal and other risks. 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 reliance on other value chain actors to implement the required changes, the pace of changes in technology and the availability of suppliers that can meet our sustainability and other standards. In addition, statements about our sustainability goals, targets and other objectives, and progress against those goals, targets and other objectives, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future. **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, 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.** Further, developing and collecting, measuring and reporting ESG- related information and metrics can be costly, difficult and time consuming and is subject to evolving reporting standards, including **recent legislation in California related to reporting greenhouse gas emissions and climate- related financial risk,** the SEC' s proposed climate- related reporting requirements, and similar proposals by other international regulatory bodies **such as the Corporate Sustainability Reporting Directive in the European Union, especially to the extent these standards are not harmonized or consistent** . Our business may face increased scrutiny from the investment community, customers, consumers, employees, activists, media, regulators and other stakeholders related to our sustainability initiatives, including the goals, targets and objectives that we announce, and our methodologies and timelines for pursuing them. **At the same time, stakeholders and regulators have increasingly expressed or pursued opposing views, legislation and investment expectations with respect to sustainability initiatives, including the enactment or proposal of " Anti- ESG " legislation or policies.** If our sustainability practices do not meet evolving investor or other stakeholder expectations and standards **or if we are unable to satisfy all stakeholders** , our reputation, our ability to attract or retain employees **, our sales** and our attractiveness as an investment, business partner or as an acquiror could be negatively impacted. Similarly, our failure or perceived failure to pursue or fulfill our goals, targets and objectives, to comply with ethical, environmental or other standards, regulations or expectations, or to satisfy various reporting standards with respect to these matters, within the timelines we announce, or at all, could have the same negative impacts, as well as expose us to government enforcement actions **, fines** and private litigation. Even if we achieve our goals, targets and objectives, we may not realize all of the benefits that we expected at the time they were established. Climate change might adversely impact our supply chain or our operations. Scientific evidence collected by the Intergovernmental Panel on Climate Change demonstrates that carbon dioxide and other greenhouse gases in the atmosphere have caused and will in the future cause changes in weather patterns around the globe that expose us to physical and transition risk. Physical risks include the increasing frequency of extreme weather events and natural disasters and effects on water availability and quality and biodiversity loss. These impacts increase risks to the global food production and distribution system and to the safety and resilience of the communities where we live, work and source our ingredients, and could further decrease food security for communities around the world. Decreased agricultural productivity caused by climate change ~~might~~ **has and in the future may continue to** limit the availability of the commodities we purchase and use and increase the costs of such products. These include cocoa, which is a critical raw material for our chocolate and biscuit portfolios that is particularly sensitive to changes in climate **and has recently had a global decrease in availability and increase in price** , as well as other raw materials such as dairy, wheat, vegetable oils, sugar and nuts. Weather events such as floods, severe storms or water shortages that are partially caused or exacerbated by climate change might disrupt our business operations or those of our suppliers, their suppliers, our external manufacturing partners, distributors or other business partners and could increase our insurance and other operating costs. Transition risks include increased focus by federal, state and local regulatory and legislative bodies globally regarding environmental policies relating to climate change, regulating greenhouse gas emissions (including carbon pricing or a carbon tax), energy policies, disclosure obligations and sustainability ~~,~~ **(** including single use plastics **)** . New legal and regulatory requirements have increased and could continue to increase our operating costs for things like energy or packaging through taxes or regulations, including payments under extended producer responsibility policies, taxes on specific packaging material types and targets to increase the use of reuse / refill delivery models. Increasing regulation of carbon taxes could also substantially increase our product supply chain and distribution 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. Concern about climate change might cause consumer preferences to switch away from products or ingredients considered to have high climate change impact and towards products that are more sustainably grown and made. We expect to incur additional costs as we evolve our portfolio and engage in due diligence, verification and reporting in connection with our ESG and sustainability initiatives. We might not effectively address increased attention from the media, shareholders, activists and other stakeholders on climate change and related environmental sustainability matters, including deforestation, land use, water use and packaging, including plastic. Those stakeholders might also have requests or proposals that are not aligned with the focus of our efforts on climate change and ESG matters. Climate change- related impacts could also reduce demand for our products. If costs for raw materials increase or availability decreases, we raise prices for our products and our competitors respond differently to those cost or availability pressures, demand for our products and our market share could suffer. We have also experienced decreased demand for chocolate during periods when temperatures are warmer. In 2021, we announced our goal of net zero greenhouse gas emissions by 2050. Achieving this goal will require significant transformation of our business, capital investment and the development of technology that might not currently exist. We might incur significant additional expense or be required to recognize impairment charges in connection with our efforts, and we might be unable to achieve **, or be perceived to fail to achieve,** our goal. Any or all of these risks could materially and adversely affect our ability to meet the needs of our customers, reputation, product sales, financial condition, results of operations, cash flows and stock price. Our retail customers are consolidating, and we must leverage our value proposition in order to compete against retailer and other economy brands. Retail customers, such as supermarkets, discounters, digital commerce merchants, warehouse clubs and food distributors in the European Union, the United States and other major markets, continue to consolidate, form buying alliances or be acquired by new entrants in the food retail market, resulting in fewer, larger customers. Large retail customers and customer alliances can delist our products or reduce the shelf space allotted to our products and demand lower pricing, increased promotional programs or longer payment terms. Retail customers might also adopt these tactics in their dealings with us in response to the significant growth in online retailing for consumer products, which is outpacing the growth of traditional retail channels and has increased further **since** ~~in response to~~ the COVID- 19 pandemic. The growth of alternative online retail channels, such as direct- to- consumer and electronic business- to- business, may adversely affect our relationships with our large retail and wholesale customers. In addition, larger retail customers have the scale to develop supply chains that permit them to operate with reduced inventories or to develop and market their own retailer and other economy brands that compete with some of our products. Our products must provide higher quality or value to our consumers than the less expensive alternatives, particularly during periods of economic uncertainty, recessions or significant inflation. Consumers may not buy our products if they perceive little difference between the quality or value of our products and those of retailer or other economy brands. If consumers prefer or otherwise choose to purchase the retailer or other economy brands, we can lose market share or sales volumes, or we may need to shift our product mix to lower margin offerings. Retail consolidation also increases the risk that adverse changes in our customers' business operations or financial performance will have a corresponding material adverse effect on us. For example, if our customers cannot access sufficient funds or financing, then they may delay, decrease or cancel purchases of our products, or delay or fail to pay us for previous purchases. Failure to effectively respond to retail consolidation, increasing retail power and competition from retailer and other economy brands could materially and adversely affect our reputation, brands, product sales, financial condition, results of operations, cash flows and stock price. We are subject to changes in our relationships with significant customers, suppliers and distributors. During ~~2022~~ **2023** , no single customer accounted for more than 10 % of our net revenues. There can be no assurance that our customers will continue to purchase our products in the same mix or quantities or on the same terms as in the past, particularly as increasingly powerful retailers continue to demand lower pricing and develop their own brands. The loss of or disruptions related to a significant customer could result in a material reduction in sales or change in the mix of products we sell to the customer. This could materially and adversely affect our product sales, financial condition, results of operations, cash flows and stock price. Disputes with significant customers, suppliers or distributors, including disputes related to pricing or performance **and any resultant refusal to provide shelf and / or retail spaces for our products** , could adversely affect our ability to supply or deliver products or operate our business and could materially and adversely affect our product sales, financial condition and results of operations. The financial condition of our significant customers and business partners are affected by events that are largely beyond our control ~~such as the COVID- 19 pandemic~~ . New regulations can also affect our commercial practices and our relationship with customers, suppliers or distributors. Deterioration in the financial condition of significant customers, suppliers or distributors or regulations affecting our relationship with these parties could materially and adversely affect our product sales, financial condition, results of operations, cash flows and stock price. We may be unable to hire or retain and develop key personnel or a highly skilled and diverse global workforce or effectively manage changes in our workforce and respond to shifts in labor availability. We must attract, hire, retain and develop effective leaders and a highly skilled and diverse global workforce. We compete to hire new personnel with a variety of capabilities in the many countries in which we manufacture and market our products and then to develop and retain their skills and competencies. We have experienced and could continue to experience unplanned or increased turnover of employees with key capabilities, and we could fail to develop adequate succession plans for leadership positions or hire and retain a workforce with the skills and in the locations we need to operate and grow our business. We could also fail to attract and develop personnel with key emerging capabilities that we need to continue to respond to changing consumer and customer needs and grow our business, including skills in the areas of digital commerce and marketing, data analytics, and procurement and supply chain expertise. Occurrence of any of these conditions could deplete our institutional knowledge base and erode our competitiveness. We are experiencing an increasingly tight and competitive labor market and could face unforeseen challenges in the availability of labor. A sustained labor shortage or increased turnover rates within our employee base ~~caused by COVID- 19 or related issues such as vaccine mandates, or~~ as a result of general macroeconomic factors (including high inflation and hyperinflation in certain markets), have led and in the future could continue to lead to increased costs, such as increased overtime to meet demand and increased wages to attract and retain employees. We have also been negatively affected and could continue to be negatively affected by labor shortages or constraints experienced by our partners, including our external manufacturing partners, freight providers, other strategic suppliers and distributors. Failure to achieve and maintain a diverse workforce and leadership team, compensate our employees competitively and fairly, maintain a safe and inclusive environment or promote the well- being of our employees could affect our reputation and also result in lower performance and an inability to retain valuable employees. We must address changes in, and that affect, our workforce and satisfy the legal requirements associated with how we manage and compensate our employees. This includes our management of employees represented by labor unions or workers' councils, who represent approximately ~~50~~ **55** % of our ~~78~~ **79** , 000 employees outside the United States and approximately ~~28~~ **21** % of our ~~13~~ **12** , 000 U. S. employees. Strikes such as the one we experienced in some of our U. S. manufacturing and distribution facilities in 2021, work stoppages, or other forms of labor unrest by our employees or those of our suppliers, distributors or other business partners, or situations like the renegotiation of collective bargaining agreements, have in the past and may in the future cause disruptions to our supply chain, manufacturing or distribution processes. Changes in immigration laws and policies or restrictions ~~such as those imposed in connection with the COVID- 19 pandemic~~ could make it more difficult for us to recruit or relocate skilled employees. We could also fail to effectively respond to evolving perceptions and goals of those in our workforce or whom we might seek to hire ~~, including in response to changes brought on by the COVID- 19 pandemic,~~ with respect to flexible working or other matters. These risks could materially and adversely affect our reputation, ability to efficiently operate our manufacturing facilities and overall business and meet the needs of our customers, product sales, financial condition, results of operations, cash flows and stock price. Legal and Regulatory Risks We face risks related to complying with changes in and inconsistencies among laws and regulations in many countries in which we operate. Our activities around the world are highly regulated and subject to government oversight. Various laws and regulations govern food production, sourcing, packaging and waste management **(including packaging containing PFAS)** , storage, distribution, sales, advertising, labeling and marketing, as well as intellectual property, competition, antitrust, trade and export controls, labor, tax, social and environmental matters, privacy, data protection, and health and safety practices. Government authorities regularly change laws and regulations **,** ~~as well as~~ their interpretations of existing laws and regulations **, and their enforcement priorities** . Our failure to comply with existing laws and regulations **(or allegations thereof)** , or to make changes necessary to comply with new or revised laws and regulations or evolving interpretations and application of existing laws and regulations, and differing or competing laws and regulations across the markets where our products are made, manufactured, distributed and sold, could materially and adversely affect our product sales, financial condition, results of operations and cash flows **, including as a result of higher compliance costs, higher capital expenditures and higher production costs** . For instance, our financial condition, results of operations and cash flows could be negatively affected by the regulatory and economic impact of changes in the corporate tax policies of the United States and other countries; trade relations among the United States and other countries, including China, Mexico and the European Union; and changes within the European Union. Evolving expectations on ESG disclosures and reporting will also result in new regulatory actions. In addition, the results of third- party studies (whether or not scientifically valid) purporting to assess the health implications of consumption of certain ingredients or substances present in certain of our products or packaging materials have resulted in and could continue to result in our being subject to new taxes and regulations or lawsuits that can adversely affect our business. We may decide or be required to recall products or be subjected to product liability claims. We could decide, or laws or regulations could require us, to recall products due to suspected or confirmed deliberate or unintentional product contamination, including contamination of ingredients we use in our products that third parties supply, spoilage or other adulteration, product mislabeling or product tampering. These risks could be heightened in light of increased pressure on our suppliers from supply chain challenges. ~~On- site quality~~ **Additionally, to the extent we are required to perform remote** audits ~~of third parties such as suppliers~~ , **these** ~~external manufacturers and trademark licensees have been limited in some instances by travel restrictions and heightened safety protocols in light of COVID- 19, and remote~~ audits do not fully offset risks from the inability to conduct on- site audits. 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 this category. Any of these events could materially and adversely affect our reputation, brands, product sales, financial condition, results of operations, cash flows and stock price. We may also suffer losses when our products or operations or those of our suppliers violate applicable laws or regulations, or when our or our suppliers' products cause injury, illness or death. In addition, our marketing could face claims of false or deceptive advertising or other criticism. A significant product liability claim or other legal judgment against us, a related regulatory enforcement action, a widespread product recall or attempts to manipulate us based on threats related to the safety of our products could materially and adversely affect our reputation and profitability. Moreover, even if a product liability, consumer fraud or other claim is unsuccessful, has no merit or is not pursued, the negative publicity surrounding assertions against our products or processes could materially and adversely affect our reputation, brands, product sales, product inventory, financial condition, results of operations, cash flows and stock price, and we could incur significant expense responding to such a claim. We face risks related to legal or tax claims or other regulatory enforcement actions. We operate around the world in ~~many regulated~~ environments with constantly evolving legal, tax and regulatory frameworks, and we are subject to risk of litigation, legal or tax claims or other regulatory enforcement actions. Actions by our employees, contractors ~~or~~ **,** agents **or others** in violation of our policies and procedures could lead to deficiencies in our internal or other controls or violations, unintentional or otherwise, of laws and regulations. Furthermore, as a result of the COVID- 19 pandemic and supply chain challenges, there may be investigations, legal claims or litigation against us relating to our actions or decisions in response to these conditions. We could also be subject to litigation, legal claims or regulatory actions in connection with the continued evolution of our sustainability and ESG- related initiatives. **In addition, we may be impacted by litigation trends, including class action lawsuits involving consumers, employees and shareholders.** When litigation, legal or tax claims or regulatory enforcement actions arise out of our failure or alleged failure to comply with applicable laws, regulations or controls, we could be subject to civil and criminal penalties **, and voluntary and involuntary document requests,** that could materially and adversely affect our reputation, product sales, financial condition, results of operations, cash flows and stock price. Even if a claim is unsuccessful, without merit or not pursued to completion, the cost of responding to such a claim, including expenses and management time, could adversely affect us. We could fail to maintain effective internal control over financial reporting or disclosure controls and procedures. The accuracy of our financial reporting depends on the effectiveness of our internal control over financial reporting. Internal control over financial reporting can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements and may not prevent or detect misstatements because of its inherent limitations. These limitations include, among others, the possibility of human error, inadequacy or circumvention of controls and fraud. If we do not maintain effective internal control over financial reporting or design and implement disclosure and other controls sufficient to provide reasonable assurance with respect to the preparation and fair presentation of our financial statements and other disclosures, including in connection with controls executed for us by third parties, we might fail to timely detect any misappropriation of corporate assets or inappropriate allocation or use of funds and could be unable to file financial reports or make other disclosures accurately and on a timely basis. We face challenges as we work to meet our ESG goals and continue to evolve our ESG- related disclosures and reporting considering various existing and developing standards, such as those of the Financial Stability Board' s TCFD, the EU Corporate Sustainability Reporting Directive and the SASB Standards of the Value Reporting Foundation. We might fail to meet our ESG goals or report on them accurately and timely. As a result of any of these factors, our reputation, results of operations and stock price could be materially adversely affected. We face risks related to adequately protecting our valuable intellectual property rights. We consider our intellectual property rights, particularly and most notably our trademarks, but also our patents, copyrights, registered designs, proprietary trade secrets, recipes, technology, know- how and licensing agreements, to be a significant and valuable part of our business. We attempt to protect our intellectual property rights by taking advantage of a combination of patent, trademark, copyright and trade secret laws in various countries, as well as licensing agreements, third- party nondisclosure and assignment agreements and policing of third- party misuses and infringement of our intellectual property **in traditional retail and digital environments** . Our failure to obtain or adequately protect our intellectual property rights **(including in response to developments in artificial intelligence technologies)** , or any change in law or other changes that serve to lessen or remove the current legal protections of our intellectual property, may diminish our competitiveness and could materially harm our business, financial condition and stock price. We may be unaware of potential third- party claims of intellectual property infringement relating to our technology, brands or products. Any litigation regarding patents or other intellectual property could be costly and time- consuming and could divert management' s and other key personnel' s attention from our business operations. Third- party claims of intellectual property infringement might require us to pay monetary damages or enter into costly license agreements. We also may be subject to injunctions against development and sale of certain of our products, which could include removal of existing products from sale. Any of these occurrences could materially and adversely affect our reputation, brand health, ability to introduce new products or improve the quality of existing products, product sales, financial condition, results of operations, cash flows and stock price. Financial Risks We face risks related to tax matters, including changes in tax laws and rates, disagreements with taxing authorities and imposition of new taxes. As a global company, we are subject to taxation in the United States and various other countries and jurisdictions. As a result, our effective tax rate is determined based on the income and applicable tax rates in the various jurisdictions in which we operate. Our future effective tax rates could be affected by changes in the composition of earnings in countries with differing tax rates or other factors, and adverse changes in the underlying profitability or financial outlook of our operations in several jurisdictions could lead to changes in the realizability of our deferred tax assets, resulting in a charge to our effective tax rate. Changes in tax laws in the U. S. or in other countries where we have significant operations **(such as Brazil' s recently passed tax legislation)** , including rate changes or corporate tax provisions that could disallow or tax perceived base erosion or profit shifting payments or subject us to new types of tax, could materially affect our effective tax rate and our deferred tax assets and liabilities. In addition, aspects of U. S. tax laws may lead foreign jurisdictions to respond by enacting additional tax legislation that is unfavorable to us. ~~On August 16~~ **As of December 31** , ~~2022~~ **2023** , **numerous countries have now** ~~the U. S.~~ enacted ~~the Inflation Reduction Act of 2022, which, among other things, implements a 15 %~~

~~minimum tax on book income of certain large corporations, a 1 % excise tax on net stock repurchases and several tax incentives to promote clean energy. Based on our initial analysis of the provisions, we expect to meet the criteria of a large corporation but we do not believe this legislation will have a material impact on our consolidated financial statements; we will continue to evaluate it as additional guidance and clarification becomes available. We also continue to monitor countries' progress toward enactment of~~ the Organization of Economic Cooperation and Development' s model rules on a global minimum tax ~~. During December 2022~~ , **with** the **earliest** ~~European Union reached agreement on the introduction of a minimum tax directive requiring each member state to enact local legislation. Additionally, South Korea became the first country to enact minimum tax rules, which will be~~ effective **date being** for ~~fiscal~~ **taxable** years beginning **after December 31, 2023. Based** on ~~or after January 1~~ **the guidance available thus far** , **we do** ~~2024. These specific actions did~~ not **expect this legislation to have a material** impact **on** our consolidated financial statements ~~in 2022~~ , but **we will continue to evaluate it as additional guidance and clarification becomes available** ~~future enacted legislation in this area could have a material effect on us if enacted~~ . We are also subject to tax audits by governmental authorities. Although we believe our tax estimates are reasonable, if a taxing authority disagrees with the positions we have taken, we could face additional tax liabilities, including interest and penalties. Unexpected results from one or more such tax audits could significantly adversely affect our effective tax rate, results of operations, cash flows and stock price. We are subject to currency exchange rate fluctuations. At December 31, ~~2022~~ **2023** , we sold our products in over 150 countries and had operations in approximately 80 countries. Consequently, a significant portion of our business is exposed to currency exchange rate fluctuations. Our financial position and operating results are sensitive to movements in currency exchange rates, which have recently been more volatile, because a large portion of our assets, liabilities, revenue and expenses must be translated into U. S. dollars for reporting purposes or converted into U. S. dollars to service obligations such as our U. S. dollar- denominated indebtedness and to pay dividends to our shareholders. In addition, movements in currency exchange rates affect transaction costs because we source product ingredients from various countries. Our efforts to mitigate our exposure to exchange rate fluctuations, primarily on cross- currency transactions, may not be successful. We **factor exchange rate impacts into our local pricing decisions, but there may be lags in implementing pricing changes due to competitive pressures or customer or regulatory constraints. We also** hedge a number of risks including exposures to foreign exchange rate movements and volatility of interest rates that could impact our future borrowing costs. Hedging of these risks could potentially subject us to counter- party credit risk. In addition, local economies, monetary policies and currency hedging availability affect our ability to hedge against currency- related economic losses. We might not be able to successfully mitigate our exposure to currency risks due to factors such as continued global and local market volatility, actions by foreign governments, **trade disputes, economic sanctions,** political uncertainty, inflation **, interest rates** and limited hedging opportunities **. For instance, in December 2023, the Argentinean peso devalued significantly in excess of historic levels** . Accordingly, changes in the currency exchange rates that we use to translate our results into U. S. dollars for financial reporting purposes or for transactions involving multiple currencies could materially and adversely affect future demand for our products, our financial condition, results of operations, cash flows and stock price, and our relationships with customers, suppliers and employees in the short or long- term. Weak financial performance, downgrades in our credit ratings, rising interest rates, illiquid global capital markets and volatile global economic conditions could limit our access to the global capital markets or the effectiveness of our cash management programs, reduce our liquidity and increase our borrowing costs. We access the long- term and short- term global capital markets to obtain financing. Our financial performance, our short- and long- term debt credit ratings, interest rates, the stability of financial institutions with which we partner, the liquidity of the overall global capital markets (which could be impacted by the United States government' s decisions regarding its debt ceiling) and the state of the global economy, including the food industry, could affect our access to, and the availability and cost of, financing on acceptable terms and conditions and our ability to pay dividends in the future. Globally, several central banks in various countries have raised, and may again raise, interest rates to combat inflation. There can be no assurance that we will have access to the global capital markets on terms we find acceptable. We regularly access the commercial paper markets in the United States and Europe for ongoing funding requirements. A downgrade in our credit ratings by a credit rating agency could increase our borrowing costs and adversely affect our ability to issue commercial paper. Disruptions in the global commercial paper market or other effects of volatile economic conditions on the global credit markets also could reduce the amount of commercial paper that we could issue and raise our borrowing costs for both short- and long- term debt offerings. We use cash management programs, such as factoring and supply chain finance arrangements, in our business when circumstances are favorable to manage liquidity. If these programs or underlying customer or supplier terms do not continue and we are unable to secure alternative programs, our cash and working capital may be negatively affected and we may have to utilize our various financing arrangements or increase our long- term borrowings for short- and long- term liquidity requirements. Limitations on our ability to access the global capital markets, a reduction in our liquidity or an increase in our borrowing costs could materially and adversely affect our financial condition, results of operations and stock price. Volatility in the global capital markets, interest rates, inflation rates, our participation in multiemployer pension plans and other factors could increase our costs relating to our employees' pensions. We sponsor defined benefit pension plans for a number of our employees throughout the world and also contribute to other employees' pensions under defined benefit plans that we do not sponsor. At the end of ~~2022~~ **2023** , the projected benefit obligation of the defined benefit pension plans we sponsor was $ 8. ~~1~~ **6** billion and plan assets were $ ~~8~~ **9** . ~~7~~ **2** billion. For defined benefit pension plans that we maintain, the difference between plan obligations and assets, or the funded status of the plans, significantly affects the net periodic benefit costs of our pension plans and the ongoing funding requirements of those plans. Our largest funded defined benefit pension plans are funded with trust assets invested in a globally diversified portfolio of investments, including equities and corporate and government debt. Among other factors, changes in interest rates, inflation rates, mortality rates, early retirement rates, investment returns, funding requirements in the jurisdictions in which the plans operate and the market value of plan assets affect the level of plan funding, cause volatility in the net periodic pension cost and impact our future funding requirements. Legislative and other governmental regulatory actions may also increase funding requirements for our pension plans' benefits obligation. Volatility in the global capital markets may increase the risk that we will be required to make additional cash contributions to these company- sponsored pension plans and recognize further increases in our net periodic pension cost. We also participate in multiemployer pension plans for certain U. S. union-represented employees. As a participating employer under multiemployer pension plans, we may owe more than the contributions we are required to make under the applicable collective bargaining agreements. For example, if we partially or completely withdraw from a multiemployer pension plan, we may be required to pay a partial or complete withdrawal liability, such as the withdrawal liability we are paying in connection with our complete withdrawal from the Bakery and Confectionery Union and Industry International Pension Fund in 2018. This kind of withdrawal liability will generally increase if there is also a mass withdrawal of other participating employers or if the plan terminates. See Note 11, Benefit Plans, to the consolidated financial statements for more information on our multiemployer pension plans. A significant increase in our pension benefit obligations, future funding requirements or net periodic benefit costs could curtail our ability to invest in the business and adversely affect our financial condition, results of operations, cash flows and stock price.