Risk Factors Comparison 2023-10-12 to 2022-10-13 Form: 10-K

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We seek to identify, manage and mitigate risks to our business, but risk and uncertainty cannot be eliminated or necessarily predicted. You should consider the following factors carefully, in addition to other information contained in this Annual Report on Form 10- K, before making an investment decision with respect to our securities. The risks described below are not the only risks we face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial in our operations. Risks Related to Our Business Our future growth and financial performance **is meaningfully impacted by** ~~depend in large part on~~ successful new product introductions. A significant portion of our net sales comes from the sale of products in mature categories, some of which have had, at times, experienced little or no volume growth or have had volume declines in recent fiscal years. A significant part of our future growth and financial performance will require that we successfully introduce new products or extend existing product offerings to meet emerging customer needs, technological trends and product market opportunities. We cannot be certain that we will achieve these goals. The development and introduction of new products generally require substantial and effective research, development and marketing expenditures, some or all of which may be unrecoverable if the new products do not gain market acceptance. New product development itself is inherently risky, as research failures, competitive barriers arising out of the intellectual property rights of others, launch and production difficulties, customer rejection and unexpectedly short product life cycles as well as other factors and events beyond our control may occur even after substantial effort and expense on our part. We may, at times, experience limitations on our ability to conduct plant tests with customers, which may impact our sales. Even in the case of a successful launch of a new product, the ultimate benefit we realize may be uncertain if the new product " cannibalizes " sales of our existing products beyond expected levels. See " Government regulation imposes significant costs on us, and future regulatory changes (or related customer responses to regulatory changes) could increase those costs or limit our ability to produce and sell our products " for a discussion of additional risks associated with new product development and launches ~~and " Our business could be adversely affected by a widespread threat to public health " for a discussion of risks and events beyond our control that could impact our growth and performance~~ . We face intense competition in our markets. Our markets are highly competitive and we expect that both direct and indirect competition will increase in the future. Our overall competitive position depends on a number of factors including price, customer service, marketing, advertising and trade spending, technical support, product quality and delivery. Some of our competitors, particularly in the sale of cat litter (the largest product in our Retail and Wholesale Products Group), have substantially greater financial resources and market presence with established brands. The competition in the future may, in some cases, lead to price reductions, increased promotional spending, or loss of market share or product distribution, any of which could materially and adversely affect our operating results and financial condition. Our periodic results may be volatile. Our operating results have varied on a quarterly basis during our operating history and are likely to fluctuate significantly in the future. Our expense levels are based, in part, on our expectations regarding future net sales, and many of our expenses are fixed, particularly in the short term. We may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall. Any significant shortfall of net sales in relation to our expectations could negatively affect our quarterly operating results. Our operating results may be below the expectations of our investors as a result of a variety of factors, many of which are outside our control. The Company has experienced growth in recent periods, which may not be sustainable or indicative of future growth. Factors that may affect our quarterly operating results include: • fluctuating demand for our products and services, including as a result of changes in the level of pet ownership and spending on pets; • size and timing of sales of our products and services; • the mix of products with varying profitability sold in a given quarter; • changes in our operating costs including raw materials, energy, transportation, packaging, overburden removal, trade spending and marketing, wages and other employee- related expenses such as health care costs, and other costs; • our ability to anticipate and adapt to rapidly changing conditions; • introduction of new products and services by us or our competitors; • our ability to successfully implement price increases and surcharges, **particularly in a timely manner that corresponds with cost increases,** as well as other changes in our pricing policies ~~or those of our competitors~~ ; • variations in purchasing patterns by our customers, including due to weather conditions **, inventory planning,** or other factors outside of our control; • the ability of major customers and other debtors to meet their obligations to us as they come due; • our ability to successfully manage regulatory, intellectual property, tax and legal matters; • litigation and regulatory judgments and charges, settlements, or other litigation and regulatory- related costs; • the overall tax rate of our business, which may be affected by a number of factors, including the use of tax attributes, the financial results of our international subsidiaries and the timing, size and integration of acquisitions we may make from time to time; • the occurrence of a widespread outbreak of an illness or any other communicable disease, any other public health crisis, natural disaster, force majeure event or other catastrophic or unforeseen events; • the incurrence of restructuring, impairment or other charges; and • general economic conditions and specific economic conditions in our industry and the industries of our customers. ~~Additionally, the effects from and the continuation of the COVID- 19 pandemic and its impacts may exacerbate these factors and cause greater fluctuations in our operating results from quarter- to- quarter.~~ To the extent these factors slow or change, consumer demand for our products may not be sustained or may reverse, and our results could be adversely affected. Accordingly, we believe that quarter- to- quarter comparisons of our operating results are not necessarily meaningful. Investors should not rely on the results of one quarter as an indication of our future performance. Uncertainties in economic conditions and their impact on consumer spending patterns could adversely impact our business, financial condition, and results of operations. The United States has from time to time experienced challenging economic conditions ~~, including in connection with the COVID- 19 pandemic,~~ and the global financial markets have recently undergone and may continue to experience significant volatility and disruption. Our business, financial condition and results of operations may be materially adversely affected by changes in consumer confidence, levels of unemployment, inflation, interest rates, tax rates and general uncertainty regarding the overall future economic environment. The keeping of pets and the purchase of pet-related products may constitute discretionary spending for some consumers and any material decline in the amount of consumer discretionary spending may reduce overall levels of pet ownership or spending on pets. As a result, a recession or slowdown in the economy may cause a decline in demand for our products. If economic conditions result in decreased spending on pets and have a negative impact on our retail customers and suppliers, our business, financial condition and results of operations may be materially adversely affected. Acquisitions involve a number of risks, any of which could cause us not to realize the anticipated benefits. We intend, from time to time, to strategically explore potential opportunities to expand our operations and reserves through acquisitions. Identification of good acquisition candidates is difficult and highly competitive. If we are unable to identify attractive acquisition candidates, complete acquisitions, and successfully integrate the companies, businesses or properties that we acquire, our profitability may decline and we could experience a material adverse effect on our business, financial condition, or operating results. Acquisitions involve a number of inherent risks, including: • uncertainties in assessing the value, strengths, and potential profitability of acquisition candidates, and in identifying the extent of all weaknesses, risks, contingent and other liabilities (including environmental, legacy product or mining safety liabilities) of those candidates; • the potential loss of key customers, management and employees of an acquired business; • the ability to achieve identified operating and financial synergies anticipated to result from an acquisition; • problems that could arise from the integration of the acquired business, ~~it~~ **its** ~~' s~~ management or other unanticipated problems or liabilities; and • unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying our rationale for pursuing the acquisition. Any one or more of these factors could cause us not to realize the benefits we anticipate to result from an acquisition. Moreover, acquisition opportunities we pursue could materially affect our liquidity and capital resources and may require us to incur indebtedness, seek equity capital or both and there can be no assurances that we can obtain indebtedness or equity capital on terms acceptable to the Company. Increased borrowings would correspondingly increase the Company' s financial leverage ~~,~~ and could result in lower credit ratings and increased future borrowing costs. These risks could also reduce the Company' s flexibility to respond to changes in its industry or in general economic conditions. In addition, future acquisitions could result in our assuming more long- term liabilities relative to the value of the acquired assets than we have assumed in our previous acquisitions. We depend on a limited number of customers for a large portion of our net sales. A limited number of customers account for a large percentage of our net sales, as described in Item 1 “ Business ” above. The loss of, or a substantial decrease in the volume of, purchases by Walmart, or any of our other top customers could harm our sales and profitability. In addition, an adverse change in the terms of our dealings with, or in the financial wherewithal or viability of, one or more of our significant customers could harm our business, financial condition and results of operations. We expect that a significant portion of our net sales will continue to be derived from a small number of customers and that the percentage of net sales represented by these customers may increase. As a result, changes in the strategies of our largest customers may reduce our net sales. These strategic changes may include a reduction in the number of brands or variety of products they carry or a shift of shelf space to private label products or increased use of global or centralized procurement initiatives ~~. Further, the continued impact of COVID- 19 may result in a change in demand for or availability of our products as a result of customers modifying their restocking, fulfillment, or shipping practices in response to, or recovery from, the global pandemic~~. In addition, our business is based primarily upon individual sales orders placed by customers rather than contracts with a fixed duration. Accordingly, most of our customers could reduce their purchasing levels or cease buying products from us on relatively short notice. While we do have long- term contracts with certain of our customers, ~~including Clorox,~~ even these agreements are subject to termination in certain circumstances. In addition, the degree of profit margin contribution of our significant customers varies. If a significant customer with a more favorable profit margin was to terminate its relationship with us or shift its mix of product purchases to lower-margin products, it would have a disproportionately adverse impact on our results of operations. Price or trade concessions, or the failure to make them to retain customers, could adversely affect our sales and profitability. The products we sell are subject to significant price competition and the price may fluctuate for a variety of reasons. From time to time, we may need to reduce the prices for some of our products to respond to competitive and customer pressures and to maintain market share. These pressures are often exacerbated during an economic downturn. Additionally, we have, from time to time, experienced customer-driven price deductions on our products as a result of delayed shipments of products. Any reduction in prices to respond to these pressures would reduce our profit margins. In addition, if our sales volumes fail to grow sufficiently to offset any reduction in margins, our results of operations would suffer. Because of the competitive environment facing many of our customers, particularly our high- volume mass merchandiser customers, these customers have increasingly sought to obtain price reductions, deductions, specialized packaging or other concessions from product suppliers. These business demands may relate to inventory practices, logistics or other aspects of the customer- supplier relationship. To the extent we provide these concessions, our profit margins are reduced. Further, if we are unable to maintain terms that are acceptable to our customers, these customers could reduce purchases of our products and increase purchases of products from our competitors, which would harm our sales and profitability. Increases in energy, commodity, transportation, labor and other costs would increase our operating costs, and we may be unable to pass all these increases on to our customers in the form of higher prices and surcharges. If our energy, commodity, transportation, labor and / or other costs increase disproportionately to our net sales, our earnings could be significantly reduced. Increases in our operating costs may reduce our profitability if we are unable to pass all the increases on to our customers through price increases or surcharges. Sustained price increases, surcharges or price inflation (or inflation pressure generally), in turn, may lead to declines in volume, and while we seek to project tradeoffs between price increases, surcharges and inflation, on the one hand, and volume, on the other, there can be no assurance that our projections will prove to be accurate. ~~In particular,~~ **We are subject to volatility in the price and availability of natural** ~~as~~ **gas ,** ~~a result of increased demand in trucking the United States~~ as well as **as well as** other sources of energy.Such volatility could be intensified by geopolitical tensions,including war and terrorism,as well as other disruptions and market reactions to such events. ~~During the fiscal year ended July 31,2023,we purchased several forward fuel contracts to cover a portion of our fuel needs in Georgia and California and from~~ **From** time to time,we may use ~~additional~~ forward purchase contracts or financial instruments to moderate the volatility of a portion of our energy costs.The success or failure of any such transactions depends on a number of factors,including our ability to anticipate and manage volatility in energy prices,the general demand for fuel by the manufacturing sector,seasonality and the weather patterns throughout the United States and the world.The prices of other commodities such as paper,plastic resins,synthetic rubber,lumber,and steel significantly influence the costs **of packaging,replacement parts and equipment we use in the manufacture of our products and the maintenance of our facilities.Similarly,transportation prices impact** increased **costs** ~~shipping demand globally~~ , ~~which~~ **such** ~~has~~ - **as** ~~impacted overseas vessel deliveries, the Company has experienced significant increases~~ **increased wage rates to attract and retain employees, and could negatively affect our ability to efficiently operate our facilities and overall business. Fluctuations** in **the availability of** transportation **options within the United States and internationally, including trucking and ocean freight, could increase** costs ~~, decreases in the availability of shipping,~~ **. These could be exacerbated by volatile oil** and **gas markets as well as** other global **factors which** ~~supply chain complexities and~~ could ~~experience~~ **impact both the availability and cost of transportation. Additionally, issues in transportation could result in** ~~delays~~ **delayed** ~~in~~ customer shipments and increased customer deductions for late shipments ~~. Such increase in transportation costs may be further exacerbated by volatile global oil and gas markets. It is possible that significant disruptions could occur if the effects of the COVID- 19 pandemic and other global factors continue to put pressure on transportation and shipping as a result of an imbalance of supply and demand or if there are continued increases in costs that we are unable to recover. The duration and magnitude of the increased transportation costs cannot be predicted at this time and there can be no assurances that such costs and / or shipping disruptions will not continue to increase. We are subject to volatility in the price and availability of natural gas~~ , **ultimately** as well as other sources of energy...... facilities. Similarly, transportation prices impact **impacting** our **profitability** ~~cost of packaging and raw materials we purchase, as well as our cost to deliver finished products to our customers. We have also experienced increases in prices of non- commodity materials we purchase. As a result, increases in the prices of commodities, transportation and other materials may increase our cost of sales and present the same types of risks as described above. Further, the Company has experienced an increasingly competitive labor market, changes in the availability of our workers, and labor shortages in our supply chain, which could result in increased costs, such as increased wage rates to attract and retain employees, and could negatively affect our ability to efficiently operate our facilities and overall business~~ . To the extent that we experience increased costs in any of these areas, we may increase our prices, pass the increases along to customers, or otherwise take actions to offset the impact. However, competitive pressures and other factors may also limit our ability to quickly raise prices in response to increased costs. Accordingly, we may not be able to **timely** offset increased costs fully or at all, and there can be no assurances that increasing prices will fully mitigate the impact of these increases, which could adversely impact our results. Our business could be negatively affected by supply, capacity, labor, information technology, logistics and other disruptions or the costs incurred to avoid these disruptions. Supply, capacity, information technology and logistics disruptions (which may be caused by a variety of factors, including public health crises such as ~~the COVID- 19 outbreak or other~~ outbreaks of diseases or illnesses, weather conditions, governmental controls, tariffs, national emergencies, natural or man- made disasters, other force majeure events, abrupt political change or other political, civil or social unrest or instability, mass or other physical violence (or threats thereof), including terrorist activity and armed conflict, or other similar events) or our failure to mitigate such disruptions could adversely affect our ability to manufacture, package or transport our products or require additional resources to maintain or restore our supply chain ~~. In addition, labor shortages or an increase in the cost of labor could adversely affect our profit margins and results of operations. As a result of the effects of and the continuation of the COVID- 19 pandemic, there could be continued or renewed restrictions on our ability to travel or disruptions in our supply chain or ability to manufacture our products, as well as temporary closures of our facilities or those of our suppliers or customers, any of which could impact our sales and operating results~~ . Some of our products require raw materials and / or packaging that are provided by a limited number of suppliers ~~,~~ or are demanded by other industries or are simply not available at times. Problems or delays experienced by these suppliers as a result of labor shortages or other events could lead to shortages in our production capacity, which could impact our ability to meet customer demand. In addition, as we grow or experience increased customer demand, our existing suppliers may not be able to meet our increasing demand, and we may need to find additional suppliers. We may not be able to secure suppliers who provide materials at, or services to, the specification, quantity and quality levels that we demand (or at all) or be able to negotiate acceptable fees and terms of services with any such suppliers. Additionally, such disruptions have resulted in challenges in addressing ~~or~~ **our** backlogs and further backlog could develop in the event of continued disruptions. Disruptions arising from the foregoing or other events could adversely impact our results. Further, some of our products are manufactured on equipment at or near its capacity thus limiting our ability to sell additional volumes of such products until more capacity is obtained. **As** ~~Additionally, as~~ with all manufacturing facilities, equipment and infrastructure age and become subject to increasing maintenance and repair ~~and the~~ costs **which** ~~associated with such maintenance and repair~~ may be significant. We have experienced increased costs and shortages in repair parts ~~and our~~ **. Our** ability to procure components to repair equipment essential for our manufacturing processes could ~~also~~ be negatively impacted by various restrictions or disruptions in supply chains ~~, among other items. In addition, an increase in truck or ocean freight costs may reduce our profitability, and a decrease in transportation availability may affect our ability to deliver our products to our customers and consequently decrease customer satisfaction and future orders~~ . See " Increases in energy, commodity, transportation, labor and other costs would increase our operating costs, and we may be unable to pass all these increases on to our customers in the form of higher prices and surcharges

" for additional risks related to increased transportation costs and logistics disruptions ~~. Changes in inventory strategy by our customers as well as other external factors could adversely affect our sales and increase our inventory risk. From time to time, customers in both our Retail and Wholesale Products Group and our Business to Business Products Group have changed inventory levels as part of managing their working capital requirements. Any decrease in inventory levels by our customers would harm our operating results for the financial periods affected by the reductions. In particular, continued consolidation within the retail industry could potentially reduce inventory levels maintained by our retail customers, which could adversely affect our results of operations for the financial periods affected by the reductions. The value of our inventory may decline as a result of surplus inventory, packaging changes driven by regulatory requirements or market refreshment, price reductions or obsolescence. We must identify the right product mix and maintain sufficient inventory on hand to meet customer orders. Failure to do so could adversely affect our revenue and operating results. If circumstances change (for example, an unexpected shift in market demand, pricing or customer defaults) there could be a material impact on the net realizable value of our inventory. We maintain an inventory valuation reserve account against diminution in the value or saleability of our inventory; however, there is no guaranty that these arrangements will be sufficient to avoid write- offs in excess of our reserves~~ . We depend on our mining operations for a majority of our supply of sorbent minerals. Most of our principal raw materials are sorbent minerals mined by us or independent contractors on land that we own or lease. While our mining operations are conducted in surface mines, which do not present many of the risks associated with deep underground mining, our mining operations are nevertheless subject to many conditions beyond our control. Our mining operations are affected by weather and natural disasters (such as earthquakes, tornadoes, hurricanes, heavy rains and flooding), power outages, equipment failures and other unexpected maintenance problems, variations in the amount of rock and soil overlying our reserves, variations in geological conditions, fires and other accidents, fluctuations in the price or availability of supplies, landowner disputes, permit requirements and other matters. Any of these risks could result in significant damage to our mining properties or processing facilities, personal injury to our employees, environmental damage, delays in mining or processing, losses or possible legal liability. We cannot predict whether or the extent to which we will suffer the impact of these and other conditions in the future **. Additionally, we are impacted by the clay quality in our mines. Although we use drilling and surveying to assess the expected composition of our clay, we cannot always predict with certainty the clay quality. Poor quality or unexpected differences in our clay composition could increase our processing costs, reduce production, or impact product performance** . We may not be successful in acquiring adequate additional reserves in the future. We have an ongoing program of exploration for additional reserves on existing properties as well as through the potential acquisition of new owned or leased properties; however, there can be no assurance that our attempts to acquire additional reserves in the future will be successful. Our ability to acquire additional reserves in the future could be limited by competition ~~from~~ **by others to be used either for mining or** other **uses** ~~companies for attractive properties~~ , the lack of suitable properties that can be acquired on terms acceptable to us or restrictions under our existing or future debt facilities. We may not be able to negotiate new leases or obtain mining contracts for properties containing additional reserves or renew our leasehold interests in properties on which operations are not commenced during the term of the lease. Also, requirements for environmental compliance may restrict exploration or use of lands that might otherwise be utilized as a source of reserves. Failure to effectively utilize or successfully assert intellectual property rights, and the loss or expiration of such rights, could materially adversely affect our competitiveness. Infringement of third- party intellectual property rights could result in costly litigation and / or the modification or discontinuance of our products. We rely on intellectual property rights based on trademark, trade secret, patent and copyright laws to protect our brands, products and packaging for our products. We cannot be certain that these intellectual property rights will be maximized or that they can be successfully asserted. There is a risk that we will not be able to obtain and perfect our own intellectual property rights or, where appropriate, license intellectual property rights necessary to support new product introductions. We cannot be certain that these rights, if obtained, will not later be invalidated, circumvented or challenged, and we could incur significant costs in connection with legal actions to assert our intellectual property rights or to defend those rights from assertions of invalidity. In addition, even if such rights are obtained in the United States or in other countries, the laws of some of the other countries in which our products are or may be sold may not protect intellectual property rights to the same extent as the laws of the United States. If other parties infringe our intellectual property rights, they may dilute the value of our brands in the marketplace, which could diminish the value that consumers associate with our brands and harm our sales. Accordingly, we have taken and may need to continue to take legal action in the future to protect our patents, trade secrets or know- how or to assert them against claimed infringement by others. Any legal action of that type could be costly and time consuming and no assurances can be made that any lawsuit will be successful. The failure to perfect or successfully assert our intellectual property rights could make us less competitive and could have a material adverse effect on our business, operating results, and financial condition. In addition, if our products are found to infringe intellectual property rights of others, the owners of those rights could bring legal actions against us claiming substantial damages for past infringement and seeking to enjoin manufacturing and marketing of the affected products. If these legal actions are successful, in addition to any potential liability for damages from past infringement, we could be required to obtain a license in order to continue to manufacture or market the affected products, potentially adding significant costs. Similarly, we have asserted that products sold by our competitors infringe patents owned or licensed by us. We may not prevail in any action brought against us or we may be unsuccessful in securing any license for continued use and therefore have to discontinue the marketing and sale of a product. This could make us less competitive and could have a material adverse impact on our business, operating results and financial condition. The loss of any key member of our senior management team may impede the implementation of our business plans in a timely manner. The execution of our business plans depends in part upon the continued service of our senior management team, who possess unique and extensive industry knowledge and experience. The loss or other unavailability of one or more of the key members of our senior management team could adversely impact our ability to manage our operations effectively and / or pursue our business strategy. No Company- owned life insurance coverage has been obtained on current team members. Risks Related to Regulatory Compliance Environmental, health and safety matters create potential compliance and other liability risks. We are subject to a variety of federal, state, local and foreign laws and regulatory requirements relating to the environment and to health and safety matters. For example, our mining operations are subject to extensive governmental regulation on matters such as permitting and licensing requirements, workplace safety, plant and wildlife protection, wetlands and other environmental protection, reclamation and restoration of mining properties after mining is completed, the discharge, storage and disposal of materials in the environment, and the effects that mining has on air or groundwater quality and water availability. We believe we have obtained all material permits and licenses required to conduct our present operations. We will, however, need additional permits and renewals of permits in the future. The expense, liabilities and requirements associated with environmental, health and safety laws and regulations are costly and time- consuming and may delay commencement or continuation of exploration, mining or manufacturing operations. We have incurred, and will continue to incur, significant capital and operating expenditures and other costs, along with management focus and efforts, in complying with environmental, health and safety laws and regulations. In recent years, **there has been an increase in** regulation and enforcement of environmental, health and safety matters ~~has grown increasingly stringent~~ , a trend that we expect will continue. Substantial penalties and other costs may be imposed if we violate certain of these laws and regulations even if the violation was inadvertent or unintentional. Failure to maintain or achieve compliance with these laws and regulations or with the permits required for our operations could result in substantial operating costs and capital expenditures, in addition to fines and administrative, civil or criminal sanctions, third- party claims for property damage or personal injury, cleanup and site restoration costs **, site modification (such as the modification to address capacity issues at our sole landfill located in Ochlocknee, Georgia),** and liens, the issuance of injunctions to limit or cease operations, the suspension or revocation of permits and other enforcement measures that could have the effect of limiting our operations or otherwise requiring a change to our operations. Under the " joint and several " liability principle of certain environmental laws, we may be held liable for all remediation costs at a particular site and the amount of that liability could be material. In addition, future environmental laws and regulations could restrict our ability to expand our facilities or extract our existing reserves or could require us to acquire costly equipment or to incur other significant expenses in connection with our business. Furthermore, our reputation could be adversely impacted by the failure (or perceived failure) to maintain high environmental, health and safety practices for operations or negative perceptions of these practices in our industry or for our operations or products. There can be no assurance that future events, including changes in any environmental requirements and the costs associated with complying with such requirements, will not have a material adverse effect on us. Government regulation imposes significant costs on us, and future regulatory changes (or related customer responses to regulatory changes) could increase those costs or limit our ability to produce and sell our products. In addition to the regulatory matters described above, our operations are subject to various federal, state, local and foreign laws and regulations relating to the mining, manufacture, packaging, labeling, content, storage, distribution and advertising of our products and the conduct of our business operations. For example, in the United States, some of our products, product claims, labeling and advertising are regulated by the Food and Drug Administration, the Consumer Product Safety Commission, the **OSHA** ~~Occupational Safety and Health Administration~~ , the **MSHA** ~~Mine Safety and Health Administration~~ , the **EPA** ~~Environmental Protection Agency~~ and the Federal Trade Commission. Most states have agencies that regulate in parallel to these federal agencies. In addition, our international sales and operations are subject to regulation in each of the foreign jurisdictions in which we manufacture, distribute or sell our products. There is increasing federal and state regulation with respect to the content, labeling, use, and disposal after use of various products we sell. Throughout the world, but particularly in the United States and Europe, there is also increasing government scrutiny and regulation of the food chain and products entering or affecting the food chain. If we are found to be out of compliance with applicable laws and regulations in these or other areas, we could be subject to loss of customers and to civil remedies, including fines, injunctions, recalls or asset seizures, as well as potential criminal sanctions, any of which could have a material adverse effect on our business. Loss of or failure to obtain necessary permits and registrations could delay or prevent us from meeting product demand, introducing new products, building new facilities or acquiring new businesses and could adversely affect operating results ~~. As a result of closures caused by government action taken in response to COVID- 19, the Company experienced some delays in obtaining such permits and registrations for its products. While the Company has taken steps to mitigate such delays, there can be no assurances that there will not be further delays as governments and agencies in the wake of the COVID- 19 outbreak~~ . Further, if applicable laws or regulations are changed or interpreted differently in the future, it may become more difficult or expensive for us to comply. In addition, investigations or evaluations of our products by government agencies may require us to adopt additional labeling, safety measures or other precautions, or may effectively limit or eliminate our ability to market and sell these products. Accordingly, there can be no assurance that we will be able to obtain or renew required governmental permits and registrations in the future. Further, there can be no assurance that current or future governmental regulation or other rule- making (including proposals regarding increased disclosure on climate- related matters) will not have a material adverse effect on our business. Our efforts to comply with new requirements and regulations could result in increased general and administrative expenses and a diversion of substantial management time and attention from revenue- generating activities to compliance activities. We are also experiencing increasing customer scrutiny of the content and manufacturing of our products, particularly our products entering or affecting the food chain, in parallel with the increasing government regulation discussed above. Our customers may impose product specifications, certifications or other requirements that are different from, and more onerous than, applicable laws and regulations. As a result, the failure of our products to meet these additional requirements may result in loss of customers and decreased sales of our products even in the absence of any actual failure to comply with applicable laws and regulations. There can be no assurance that future customer requirements concerning the content or manufacturing of our products will not have a material adverse effect on our business. We face risks to our domestic and international sales and business operations due to political, regulatory, economic and other conditions.

Unstable economic, political, regulatory and other conditions could adversely affect demand for our products or disrupt our operations in the United States and in international markets. The international nature of our operations subjects the Company to numerous risks, including political, civil and / or instability (including acts of terrorism, civil or social unrest, labor unrest, violence in connection with political or social events, and outbreaks of war and pandemics or other disease outbreaks). Both international and domestic operations are also subject to regulatory requirements and issues, including with respect to environmental matters. Any of these matters could result in sudden, and potentially prolonged, changes in domestic and international demand for our products. Further, ongoing developments in ~~the~~ U. S. ~~political~~ **politics** ~~climate~~ **and government** have introduced greater uncertainty with respect to tax policies, trade relations, tariffs and government regulations affecting trade between the U. S. and other countries. **For instance domestic sales may be** ~~In particular, it remains uncertain what effects will continue in connection with the COVID- 19 pandemic, its impacts, and the reactions of governmental authorities and others thereto will have on international trade and what impact~~ **impacted** ~~any~~ **by** changes in ~~international trade will have on the economy~~ **government issued incentives, such as tax rebates and credits,** ~~or~~ **for renewable diesel producers** ~~on the businesses of the Company and those of its customers and its suppliers~~ . In addition to considerations around ~~the~~ U. S. ~~political~~ **politics** ~~climate~~ **and government** , geopolitical concerns may also impact our business; for instance, **international** ~~we have experienced, and expect to continue to experience, the indirect impacts of the conflict~~ **conflicts could** ~~resulting from Russia' s invasion of Ukraine, including increases~~ **increase** ~~in~~ the cost of raw and packaging materials and commodities (including the ~~price~~ **prices** of oil **and natural gas**), supply chain and logistics challenges and foreign currency volatility, and it is not possible to predict the broader or longer- term consequences of ~~this~~ **such** ~~conflict~~ **conflicts** ~~or the sanctions imposed to date~~ . These developments, as well as the risks outlined above, could have a material adverse effect on the Company' s business, financial condition and results of operations. In addition, our international sales and operations are subject to various economic- related risks. Our international sales and operations are, among other factors, subject to currency exchange fluctuations, fund transfer and trade restrictions and import / export duties. In some cases, we may have difficulty enforcing agreements and collecting accounts receivable through a foreign country' s legal system. Further, an increase in inflation rates could affect the Company' s profitability and cash flows, due to higher employment costs, higher operating costs, higher financing costs, and / or higher supplier prices. Inflation may also adversely affect foreign exchange rates. The Company may be unable to pass along such higher costs to its customers. In addition, inflation may adversely affect customers' operations. We may incur adverse safety events or product liability claims that may be costly, create adverse publicity and may add further governmental regulation. If any of the products that we sell cause, or appear to cause, harm to any of our customers or to consumers, we could be exposed to product liability lawsuits, heightened regulatory scrutiny, requirements for additional labeling, withdrawal of products from the market, indemnification obligations, imposition of fines or criminal penalties or other governmental actions. Any of these actions could result in material write- offs of inventory, material impairments of intangible assets, goodwill and fixed assets, material restructuring charges and other adverse impacts on our business operations. We cannot predict with certainty the eventual outcome of any pending or future litigation, and we could be required to pay substantial judgments or settlements against us or change our product formulations in response to governmental action. Further, lawsuits can be expensive to defend, whether or not they have merit, and the defense of these actions may divert the attention of our management and other resources that would otherwise be engaged in managing our business and our reputation could suffer, any of which could harm our business. Goodwill, long- lived, and other intangible assets recorded as a result of our acquisitions could become impaired. We review goodwill, long- lived assets, including property, plant and equipment and identifiable amortizing intangible assets, for impairment whenever changes in circumstances or events may indicate that the carrying amounts are not recoverable. Factors which may cause an impairment of long- lived assets include lower share trading prices and the adverse impact of rising costs and additional expenses to mitigate supply chain disruptions, among other factors. In **fiscal year** 2022, we recorded a $ 5. 6 million loss of goodwill related to the impairment of goodwill at our Retail and Wholesale Products Group reporting unit. We assess all existing goodwill at least annually for impairment on a reporting unit basis. The techniques used in our qualitative assessment and goodwill impairment tests incorporate a number of estimates and assumptions that are subject to change. Although we believe these estimates and assumptions are reasonable and reflect market conditions forecasted at the assessment date, any changes to these assumptions and estimates due to market conditions or otherwise may lead to an outcome where impairment charges would be required in future periods. We may be subjected to increased taxes or fluctuating tax rates, which could adversely affect our results of operations and / or cash flows. As a corporation operating in various jurisdictions around the world, we are subject to income and other taxes based upon the jurisdictions in which we operate and where our sales and profits are determined to be earned and taxed. Federal, state, and foreign statutory tax rates and taxing regimes have been subject to significant change and continue to evolve. Further, significant uncertainties exist with respect to the application of the various taxes to the businesses in which we engage, often requiring that we make judgments in determining our tax liabilities and worldwide provision for income taxes. Our interpretation of current tax laws and their applicability to our business, as well as any changes to existing laws, can significantly impact our effective tax rate. In particular, the U. S. as well as jurisdictions around the world are considering or have enacted changes in relevant tax regulations and interpretations. Changes in income tax laws and regulations, or their interpretation, could result in higher or lower income tax rates assessed or changes in the taxability of certain revenues or the deductibility of certain expenses, thereby affecting our income tax expense and profitability. In the U. S., various proposals, if enacted, could raise the U. S. corporate tax rate and increase the tax on non- U. S. income. Such unfavorable tax legislation could create the potential for added volatility in our quarterly provision for income taxes and could have a significant adverse impact on our future income tax provision and tax rate. Further, a number of factors may cause our effective tax rate to fluctuate, including: changes in tax rates in various jurisdictions, unanticipated changes in the amount of profit in jurisdictions in which the statutory tax rates may be higher or lower than the U. S. tax rate, changes in the valuation of our deferred tax assets and liabilities, adjustments to income taxes upon finalization of various tax returns, increases in expenses not deductible for tax purposes, and changes in available tax credits or our ability to utilize foreign tax credits. We could experience an effective tax rate significantly different from that of prior periods or current expectations, which could have an adverse effect on our results of operations or cash flows. We are also subject to potential reviews, examinations, and audits by the Internal Revenue Service and other taxing authorities with respect to taxes within and outside of the U. S. Although we believe our tax estimates are reasonable, unfavorable resolution of any tax audits and controversies could cause our tax liabilities to increase (including interest and penalties) and may have a significant adverse impact on our provision for income taxes and tax rate. Our effective tax rate is also influenced by the geography, timing, nature, and magnitude of transactions, such as acquisitions and divestitures, restructuring activities, and impairment charges. Risks Related to Our Common Stock We cannot guarantee that that our share repurchases will enhance long- term shareholder value. Our Board of Directors has previously authorized a share repurchase program. Under these authorizations, the Company has authority to repurchase both shares of our ~~common~~ **Common** ~~stock~~ **Stock** and our Class B ~~stock~~ **Stock** . The Company has undertaken repurchases of ~~common~~ **Common** ~~stock~~ **Stock** on the open market (including pursuant to a 10b5- 1 plan) and is also authorized to undertake repurchases in private, negotiated transactions. The Company has no obligations to repurchase any specific dollar amount or to acquire any specific number of shares. The timing, number and manner of share repurchases is determined by management and may depend upon a number of factors, including the trading price, market conditions, and the Company' s liquidity needs and management of its spending. Further, the Company' s share repurchases may be limited, suspended or discontinued at any time without prior notice (subject to the terms and conditions of the repurchase plan (s) in place at such time). The existence of a share repurchase program could cause our stock price to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for our stock or otherwise affect stock price and **/** or volatility. Additionally, our share repurchase program could diminish our cash reserves, which may impact our ability to otherwise deploy such cash. There can be no assurance that these share repurchases will enhance shareholder value. Our principal stockholders have the ability to control matters requiring a stockholder vote and could delay, deter or prevent a change in control of our company. Under our Certificate of Incorporation, the holders of our Common Stock are entitled to one vote per share and the holders of our Class B Stock are entitled to ten votes per share; the two classes generally vote together without regard to class (except that any amendment to our Certificate of Incorporation changing the number of authorized shares or adversely affecting the rights of Common Stock or Class B Stock requires the separate approval of the class so affected as well as the approval of both classes voting together). As a result, the holders of our Class B Stock exert control over the Company and thus limit the ability of other stockholders to influence corporate matters. Beneficial ownership of Common Stock and Class B Stock by the Jaffee Investment Partnership, L. P. and its affiliates (including Daniel S. Jaffee, our President, Chief Executive Officer and Chairman of the Board of Directors) provides them with the ability to control the election of our Board of Directors and the outcome of most matters requiring the approval of our stockholders, including the amendment of certain provisions of our Certificate of Incorporation and By- Laws, the approval of any equity- based employee compensation plans and the approval of fundamental corporate transactions, including mergers and substantial asset sales. Through their concentration of voting power, our principal stockholders may be able to delay, deter or prevent a change in control of our company or other business combinations that might otherwise be beneficial to our other stockholders. We are a " controlled company " within the meaning of the New York Stock Exchange (" NYSE ") rules and, as a result, qualify for, and intend to rely on, exemptions from certain corporate governance requirements. We are a " controlled company " under the New York Stock Exchange Corporate Governance Standards. As a controlled company, we may from time to time rely on exemptions from certain NYSE corporate governance requirements that otherwise would be applicable, including the requirements: • that a majority of the board of directors consists of independent directors; • that we have a nominating and governance committee comprised entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities; and • that we have a compensation committee comprised entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities. We have previously relied on these exemptions (although we are not currently relying on the first exemption listed above), and we intend to continue to rely on them in the future, as applicable. As a result, you may not have the same benefits and information available to stockholders of NYSE- listed companies that are subject to all of the NYSE corporate governance requirements. The market price for our Common Stock may be volatile. The market price of our Common Stock could fluctuate substantially in the future in response to a number of factors, including the following: • fluctuations in our quarterly operating results or the operating results of our competitors; • changes in general conditions in the economy, the financial markets, or the industries in which we operate; • announcements of significant acquisitions, strategic alliances or joint ventures by us, our customers, suppliers or competitors; • sales of our ~~common~~ **Common** ~~stock~~ **Stock** by the Company, our ~~officer~~ **officers** or directors or unaffiliated third party investors; • introduction of new products or services; • increases in the price of energy sources and other raw materials; and • other developments affecting us, our industries, customers or competitors. In addition, the stock market may experience extreme price and volume fluctuations that have a significant effect on the market prices of securities issued by many companies, including the Company, for reasons unrelated to their operating performance. These broad market fluctuations may materially adversely affect our Common Stock price, regardless of our operating results. Given its relatively small public float, number of stockholders and average daily trading volume, our Common Stock may be relatively more susceptible to volatility arising from any of these factors. If we experience significant fluctuations in our stock price, we may be exposed to securities class action lawsuits, which could negatively affect our business. There can be no assurance that the price of our Common Stock will increase in the future or be maintained at its recent levels. Future sales of our Common Stock could depress its market price. Future sales of shares of our Common Stock could adversely affect its prevailing market price. If our officers, directors or significant stockholders sell a large number of shares, or if we issue a large number of shares, the market price of our Common Stock could significantly decline. Moreover, the perception in the public market that stockholders might sell shares of Common Stock could depress the market for our Common Stock. Our Common Stock' s relatively small public float and average daily trading volume may make it relatively more susceptible to these risks. Furthermore, in response to recent public focus on dual class capital structures, certain stock index providers are implementing limitations on the inclusion of dual class share structures in their indices. If these restrictions increase, they may impact who buys and holds our stock. Future dividends on our ~~common~~ **Common** ~~stock~~ **Stock** may be restricted or eliminated. Dividends are declared at the discretion of our Board of Directors, and future dividends will depend on our future earnings, cash flow, financial requirements and other factors, including market and economic conditions. We are not obligated to continue a dividend for any fixed period, and the payment of dividends could be suspended or discontinued at any time at our discretion and without prior notice. There can be no assurance that we will continue to pay dividends. The amount and timing of any future dividends may vary, and the payment of any dividend does not assure that we will pay dividends in the future. General Risk Factors Technology failures or cyber security breaches or other unauthorized access to our information technology systems or sensitive or proprietary information could have an adverse effect on the Company' s business and operations. We rely on information technology systems to process, transmit, store, and protect electronic information. For example, a significant portion of the communications between the Company' s personnel, customers, ~~and~~ suppliers **and vendors** depends on information technology and we rely on access to such information systems for our operations. **Additionally, we rely on third- party service vendors to execute certain business processes and maintain certain information technology systems and infrastructure.** We cannot guarantee that the security measures in place will prevent disruptions, failures, computer viruses or other malicious codes, **malware or** ransomware **incidents** , unauthorized access attempts, **theft of intellectual property, trade secrets, or other corporate assets,** denial of service attacks, phishing, hacking **by common hackers, criminal groups or nation- state organizations or social activist (" hacktivist ") organizations** , and other cyber- attacks or other privacy or security breaches in the information technology, phone systems or other systems (whether due to third- party action, bugs or vulnerabilities, physical break- ins, employee error, malfeasance or otherwise) of the Company, our customers or third parties, which could adversely affect our communications and business operations. Further, events such as natural disasters, fires, power outages, systems failures, telecommunications failures, employee error or malfeasance or other catastrophic events could similarly cause interruptions, disruptions or shutdowns, or exacerbate the risk of the failures described above. These risks may be increased as more employees work from home. We may not have the resources or technical sophistication to anticipate, prevent or detect rapidly- evolving types of cyber- attacks and other security risks. Attacks may be targeted at us, our customers ~~and~~ **,** suppliers **or vendors** , or others who have entrusted us with information. To date, the Company has not experienced any material impact to the business or operations resulting from information or cybersecurity attacks; however, because of the frequently changing attack techniques, along with the increased volume **, persistence** and sophistication of the attacks, there is the potential for the Company to be adversely impacted **. Because such techniques change frequently or may be designed to remain dormant until a predetermined event and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement sufficient control measures to defend against these techniques. Once a security incident is identified, we may be unable to remediate or otherwise respond to such an incident in a timely manner** . While the Company has policies and procedures in place, including system monitoring and data back- up processes to prevent or mitigate the effects of these potential disruptions or breaches, security breaches and other disruptions to information technology systems could interfere with our operations. Any failure to maintain, or disruption to, our information technology systems, whether as a result of cybersecurity attacks or otherwise, could damage our **brands or** reputation, subject the Company to legal claims and proceedings **or remedial actions** , create risks of violations of data privacy laws and regulations, and cause us to incur substantial additional costs. There can be no assurance that existing or emerging threats will not have an adverse impact on our systems or communications networks and, further, technological enhancements to prevent business interruptions could require increased spending. Furthermore, security breaches pose a risk to confidential data and intellectual property, which could result in damage to our competitiveness **, brands** and reputation **. There can be no assurance that the costs, potential monetary damages, and operational consequences of responding to cyber incidents and implementing remediation measures would be covered by any insurance that we may carry from time to time. We cannot predict the degree of any impact that increased monitoring, assessing, or reporting of cybersecurity matters would have on operations, financial conditions and results** . Additionally, in connection with our global operations, we, from time to time, transmit data across national borders to conduct our business and, consequently, are subject to a variety of laws and regulations regarding privacy, data protection, and data security, including those related to the collection, processing, storage, handling, use, disclosure, transfer, and security of personal data, including the European Union General Data Protection Regulation **, Canadian Personal Information Protection and Electronic Documents Act, Quebec Private Sector Act** , Personal Information Protection Law in China and similar regulations in states within the United States and in countries around the world. Our efforts to comply with privacy and data protection laws may impose significant costs and challenges that are likely to increase over time. Our enterprise resource planning system (" ERP ") is designed to accurately maintain our books and records and provide information important to the operation of our business. Any potential disruptions with the ERP system could affect our ability to process orders, ship product and send invoices. These difficulties could, in turn, negatively impact our financial results including sales, earnings and cash flow. Further development and maintenance of the ERP system will continue to require investment of human and financial resources, which may cause increased costs and other difficulties. **In addition, from time to time, we may implement new technology systems or replace and / or upgrade our current information technology systems. These upgrades or replacements may not improve our productivity to the levels anticipated and may subject us to inherent costs and risks associated with implementing, replacing, and updating these systems, including potential disruption of our internal control structure, substantial capital expenditures, demands on management time and other risks of delays or difficulties in transitioning to new systems or of integrating new systems into other existing systems. Technology failures or cyber security breaches or other unauthorized access to information technology systems of our customers, suppliers or vendors could have an adverse effect on the Company' s business and**

operations. We rely on direct electronic interfaces with some of our key customers, suppliers and vendors. Cyber security breaches or technology failures at our customers could result in changes to timing and volume of orders. Additionally cyber security breaches or technology failures at our suppliers or vendors could impact the timing or availability of key materials that could negatively impact our ability to deliver products. We work closely with our key customers, suppliers and vendors to manage and mitigate the impact of any known threats once identified. Our business could be adversely affected by a widespread threat to public health. **Public health crises may create significant uncertainty on our business and could negatively affect our costs, customer orders, and collection of accounts receivable, which may be material.** In **addition** ~~March 2020~~ , ~~the World~~ **a public** ~~Health~~ **health crisis could result** ~~Organization declared the COVID- 19 outbreak a pandemic and~~ in **the deterioration of worldwide economic conditions and impact the proper functioning of financial and capital markets, foreign currency exchange rates, and commodity and energy prices, as well as demand for our products. In** response to ~~the COVID- 19 outbreak and~~ **widespread public health threats, such** as **pandemics** ~~jurisdictions have experienced resurgences in the spread of COVID- 19~~ , countries and local governments **may again** ~~across the world implemented~~ -- **implement** ~~“ Shelter in Place, ” “ Safe at Home, ”~~ quarantine or similar orders that ~~restricted~~ -- **restrict** workforce and / or ~~required~~ - **require** closures of “ non- essential ” businesses along with restrictions on travel. Such restrictions **could** ~~and closures initially disrupted our sales office in China and limited travel by our salesforce and delayed product shipments. The COVID- 19 pandemic created~~ - **create** significant volatility, uncertainty, and economic disruption **to** ~~. While~~ our ~~facilities otherwise remained operational as essential businesses~~ -- **business.** ~~throughout the pandemic, there~~ **There** can be no assurances that we will not have to close facilities or experience other disruption in the future due to concerns over the health and well- being of our employees, or as a result of government directives ~~in response~~ **. While historically widespread threats** to ~~COVID- 19 or other~~ public health ~~threats. The spread of a widespread threat to public health such as COVID- 19 has currently~~ had limited disruption and impact to our third party business partners, suppliers, service providers, and customers ~~but~~ **,** no assurances can be made that future threats to public health will not have a more significant impact on our operations or results. ~~Public health crises may create significant uncertainty relating to the COVID- 19 pandemic and the responses thereto as well as the potential effects of the pandemic on our business and could negatively affect our costs, customer orders, and collection of accounts receivable, which may be material. In addition, a public health crisis could result in the deterioration of worldwide economic conditions and impact the proper functioning of financial and capital markets, foreign currency exchange rates, and commodity and energy prices, as well as demand for our products. We may experience adverse impacts to our business and financial results due to uncertainty regarding the ultimate duration of the COVID- 19 pandemic and / or its effects and due to any major public health crises that may occur in the future.~~ We are subject to various legal and regulatory proceedings, including litigation in the ordinary course of business, which may adversely impact our business, financial condition and results of operations. In the ordinary course of business, we are subject to various legal and regulatory proceedings, which may include but are not limited to those involving antitrust, tax, trade, environmental, intellectual property, data privacy and other matters, including general commercial litigation. Such claims and litigation are frequently expensive and time ~~–~~consuming (and could divert management’ s attention and resources) to resolve and may result in substantial liability to us, which liability and related costs and expenses may not be recoverable through insurance or any other forms of reimbursement and could also result in higher insurance costs. Additionally, the outcome of legal and regulatory proceedings may differ from our expectations because the outcomes of these proceedings are often difficult to predict reliably. Various factors and developments can lead to changes in our estimates of liabilities. A future adverse ruling, settlement or unfavorable development could result in charges that could have a material adverse effect on our results of operations in any particular period. Failure to maintain effective internal control over financial reporting could have a material adverse effect on our business, operating results and stock price. Section 404 of the Sarbanes- Oxley Act and related SEC rules require that we perform an annual management assessment of the design and effectiveness of our internal control over financial reporting and obtain an opinion from our independent registered public accounting firm on our internal control over financial reporting. Our assessment concluded that our internal control over financial reporting was effective as of July 31, ~~2022~~ **2023** and we obtained from our independent registered public accounting firm an unqualified opinion on our internal control over financial reporting; however, there can be no assurance that we will be able to maintain the adequacy of our internal control over financial reporting, as such standards are modified, supplemented or amended from time to time in future periods ~~. Further, as a result of COVID- 19, a portion of our workforce has been and continues to work from home, so new processes, procedures, and controls could be required due to the changes in our business environment, which could negatively impact our internal control over financial reporting~~ . Accordingly, we cannot assure that we will be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes- Oxley Act. Moreover, effective internal control is necessary for us to produce reliable financial reports and is important to help prevent financial fraud. If we cannot provide reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and the trading price of our Common Stock could drop significantly. Failure to maintain a level of corporate social responsibility could damage our reputation and could adversely affect our business, financial condition or results of operations. In light of evolving expectations around corporate social responsibility, our reputation or brand could be adversely impacted by a failure (or perceived failure) to maintain a level of corporate responsibility. In today’ s environment, an allegation or perception regarding quality, safety, or corporate social responsibility can negatively impact our reputation. This may include, without limitation: failure to maintain certain ethical, social and environmental practices for our operations and activities, or failure to require our suppliers or other third parties to do so; our environmental impact, including our mining operations and their impact on the environment; the practices of our employees, agents, customers, suppliers, or other third parties (including others in our industry) with respect to any of the foregoing, actual or perceived; the failure to be perceived as appropriately addressing matters of social responsibility; consumer perception of statements made by us, our employees and executives, agents, customers, suppliers, or other third parties (including others in our industry); or our responses to any of the foregoing. Further, we may be subject to rulemaking regarding corporate social responsibility and / or disclosure, as public awareness and focus on social and environmental issues has led to legislative and regulatory efforts to impose increase regulations and require further disclosure. As a result, we may become subject to new or more stringent regulations, legislation or other governmental requirements **, customer requirements** or industry standards and / or an increased demand to meet voluntary criteria related to such matters. Increased regulations, **customer requirements or industry standards** including around climate change concerns, could subject us to additional costs and restrictions and require us to make certain changes to our manufacturing practices and / or product designs, which could negatively impact our business, results of operations, financial condition and competitive position. **Our business could be adversely affected by labor disputes and an inability to renew collective bargaining agreements at acceptable terms. A portion of our teammates in the U. S. and Canada are represented by labor unions, with whom we have entered into separate collective bargaining agreements. We may experience labor disputes in the future, including protests and strikes, which could disrupt our business operations, increase wage rates and other costs of labor and have an adverse effect on our business and results of operation. We may also be unable to renegotiate collective bargaining agreements at acceptable terms or we may be unable to maintain a satisfactory working relationship with our employees in the future. We may also be adversely affected by strikes and other labor disputes by the employees of our suppliers, customers, and other parties.**