

Risk Factors Comparison 2024-02-27 to 2023-02-09 Form: 10-K

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The following risk factors should be read carefully in connection with evaluating our business and the forward-looking information contained in this annual report on Form 10-K. Any of the following risks could materially adversely affect our business, operations, industry or financial position or our future financial performance. While we believe we have identified and discussed below all risk factors affecting our business that we believe are material, there may be additional risks and uncertainties that are not presently known or that are not currently believed to be significant that may adversely affect our business, operations, industry, financial position and financial performance in the future. Business and Operational Risk Factors

~~The COVID-19 pandemic and its impact on business and economic conditions have negatively affected, and could continue to negatively affect our business, results of operations, financial condition and the trading value of our securities. We face risks related to outbreaks of public health crises, including epidemics and infectious diseases such as the ongoing COVID-19 pandemic. The spread of COVID-19 and the emergence of new variants of the virus across the globe could continue to impact economic activity worldwide by causing disruption and volatility in the global capital markets, as well as a sustained economic slowdown. National and local governments in the United States and around the world could re-implement measures to prevent the spread of COVID-19 and its variants, including travel bans, prohibitions on group events and gatherings, shutdowns of certain businesses, quarantines, curfews, and recommendations to practice physical distancing. These preventative measures could restrict individuals' daily activities and curtail or cease many businesses' normal operations. We continue to monitor and work to comply with the COVID-19 guidelines from public health and governmental authorities concerning the prevention and spread of COVID-19 and its variants, as well as the protection of the health and safety of our personnel, including the April 28, 2020 executive order that designated meat and poultry processing plants as critical infrastructure. Implementing these measures, as well as the global economic impact of the COVID-19 pandemic generally, resulted in the adverse effects to our results of operations, financial condition and liquidity, including reduced activity at our businesses and limited availability and productivity among our workforce and suppliers, as noted below. The COVID-19 outbreak had, and further outbreaks or future similar outbreaks are likely to have, numerous adverse effects on our business and operations. As of February 9, 2023, all of our production facilities are operating, although some facilities have reduced production levels and outputs due to increased health and safety measures and current labor shortages experienced throughout both the U. S. and the U. K. There can be no assurance that the health and safety measures we have taken (which include adding temperature and symptom screening stations for employees prior to entering our facilities and increasing physical distancing of our employees) will eradicate the risks associated with working in a critical infrastructure industry, including but not limited to, infection of our employees or the temporary closure of a facility, which could, in turn, have a material adverse impact on our reputation, business, results of operations and financial condition. We have and may continue to experience decreased production and sales due to the changing demand for food products. COVID-19 and the implementation of restricted living led to a shift in demand from restaurants to retail grocery stores, with consumers eating more at home due to stay-at-home orders during the pandemic. In our U. S. and Mexico businesses, demand for parts and whole birds (typically bound for restaurants) and prepared foods (distributed, in part, to schools) declined, while our U. K. and European business, which is more retail focused, saw less of an impact. Although we were able to take steps to shift our production and meet the changing demand, we may be unable to effectively implement our plans in the future to adjust our supply of products, which could materially adversely impact our business and results of operations. Our brand or reputation could be negatively impacted. The meat production industry was the focus of negative press reports in light of the spread of COVID-19 at certain companies' facilities. Although we were not the focus of such reports, our brand or reputation could be negatively impacted by such reports. In addition to the risks described above, the COVID-19 pandemic could have additional adverse effects on our business and financial condition, including, but not limited to, the following: • a significant increase in the cost or the difficulty to obtain debt or equity financing, or to refinance our debt in the future, or the risk that we may be unable to meet the requirements of the covenants in our existing credit facilities, which could negatively affect our liquidity position and our ability to fund operations or future investment opportunities; • significant volatility or decline in the trading price of our securities; and • our inability to execute strategic business activities including acquisitions and divestiture. The situation surrounding COVID-19 remains fluid and the full extent to which the COVID-19 pandemic will negatively affect our results of operations, financial condition and cash flows will depend on future development in the countries where we operate, including the U. S., the U. K. and Mexico. Therefore, it is difficult to predict with certainty the full potential impact of the virus on the Company's business, operations and financial condition.~~ Industry cyclicality can affect our earnings, especially due to fluctuations in commodity prices of feed ingredients, chicken and pork. Profitability in the chicken and pork industries is materially affected by the commodity prices of feed ingredients and the market prices of chicken and pork, which are determined by supply and demand factors. As a result, the chicken and pork industries are subject to cyclical earnings fluctuations. The price of feed ingredients is positively or negatively affected primarily by the global level of supply and demand for feed ingredients, the agricultural policies of the U. S. and foreign governments and weather patterns throughout the world. In particular, weather patterns often change agricultural conditions in an unpredictable manner. A significant change in weather patterns could affect supplies of feed ingredients, as well as our ability to obtain feed ingredients, grow chickens and pigs or deliver products. Consequently, there can be no assurance that the price of grains will not rise as a result of, among other things, increasing demand for these products around the world and alternative uses of these products, such as ethanol and biodiesel production. Volatility in feed ingredient prices has had, and may continue to have, a materially

adverse effect on our operating results, which has resulted in, and may continue to result in, additional noncash expenses due to impairment of the carrying amounts of certain of our assets. We periodically seek, to the extent available, to enter into advance purchase commitments or financial derivative contracts for the purchase of feed ingredients in an effort to manage our feed ingredient costs. The use of these instruments may not be successful. In addition, we have not designated the derivative financial instruments that we have purchased to mitigate commodity purchase exposures as cash flow hedges. Therefore, we recognize changes in the fair value of these derivative financial instruments immediately in earnings. Unexpected changes in the fair value of these instruments could adversely affect the results of our operations. Although we attempt to mitigate the impact of feed price volatility on our profitability by decreasing the amount of our products that are sold under longer term fixed-price contracts, these changes will not eliminate the impact of changes in feed ingredient prices on our profitability and would prevent us from profiting on such contracts during times of declining market prices for chicken and / or pork. Outbreaks of livestock diseases in general, and poultry and pig diseases in particular, including avian influenza and African swine fever, can significantly and adversely affect our ability to conduct our operations and the demand for our products. We take precautions designed to ensure that our flocks and herds are healthy and that our processing plants and other facilities operate in a sanitary and environmentally-sound manner. However, events beyond our control, such as the outbreaks of disease, either in our own flocks and herds or elsewhere, could significantly affect the demand for our products or our ability to conduct our operations. Furthermore, an outbreak of disease could result in governmental restrictions on the import and export of our fresh chicken, fresh pork or other products to or from our suppliers, facilities or customers, or require us to destroy one or more of our flocks or herds. This could also result in the cancellation of orders by our customers and create adverse publicity that may have a material adverse effect on our ability to market our products successfully and on our business, reputation and prospects. There have been recent outbreaks of both high- and low- pathogenic strains of avian influenza in the U. S. and the U. K., and in Mexico outbreaks of both high and low- pathogenic strains of avian influenza are a fairly common occurrence. Historically, the outbreaks of low pathogenic strains of avian influenza have not generated the same level of concern, or received the same level of publicity or been accompanied by the same reduction in demand for poultry products in certain countries as that associated with highly pathogenic strains such as HPAI H5 and H7N3 or highly infectious strains such as H7N9. Even if no further highly pathogenic or highly contagious strains of avian influenza are confirmed in the U. S., the U. K. or Mexico, there can be no assurance that outbreaks of these strains in other countries will not materially adversely affect international demand for poultry produced in our operating countries, and, if any of these strains were to spread to the U. S., the U. K. or Mexico, there can be no assurance that it would not significantly affect our ability to conduct our operations and / or demand for our products, in each case in a manner having a material adverse effect on our business, reputation and / or prospects. Previous outbreaks of African swine fever in China and its subsequent spread across the world had a significant effect on both the global supply of pork and on pork prices. Given its island status, the U. K. has an element of built-in biosecurity, but there are risks, mainly as a result of human movement of infected meat from the European Union. In the event of an outbreak of African Swine Fever in the U. K., we believe the Company's risks are limited to infection. However, there can be no assurance that it would not significantly affect our ability to conduct our operations and / or demand for our products, in each case in a manner having a material adverse effect on our business, reputation and / or prospects. If our products become contaminated, we may be subject to product liability claims and product recalls. Such product liability claims or product recalls can adversely affect our business reputation, expose us to increased scrutiny by federal and state regulators and may not be fully covered by insurance. Poultry and pork products may be subject to contamination by disease-producing organisms, or pathogens, such as *Listeria monocytogenes*, *Salmonella*, generic *E. coli*, *Yersinia enterocolitica* and *Staphylococcus aureus*. These pathogens are generally found in the environment and there is a risk that, as a result of food processing, they could be present in our processed poultry products. These pathogens can also be introduced as a result of improper handling at the further processing, foodservice or consumer level. These risks may be controlled, although not eliminated, by adherence to good manufacturing practices and finished product testing. We have little, if any, control over proper handling once the product has been shipped. Illness and death may result if the pathogens are not eliminated at the further processing, foodservice or consumer level. Even an inadvertent shipment of contaminated products is a violation of law and may lead to increased risk of exposure to product liability claims, product recalls and increased scrutiny by federal and state regulatory agencies and may have a material adverse effect on our business, reputation and / or prospects. The packaging, marketing and distribution of food products entail an inherent risk of product liability and product recall and the resultant adverse publicity. We may be subject to significant liability if the consumption of any of our products causes injury, illness or death. We could be required to recall certain products in the event of contamination or damage to the products. In addition to the risks of product liability or product recall due to deficiencies caused by our production or processing operations, we may encounter the same risks if any third party tampers with our products. We cannot assure you that we will not be required to perform product recalls, or that product liability claims will not be asserted against us, in the future. Any claims that may be made may create adverse publicity that would have a material adverse effect on our ability to market our products successfully or on our business, reputation, prospects, financial condition and results of operations. If our products become contaminated, spoiled, are tampered with or are mislabeled, we may be subject to product liability claims and product recalls. A widespread product recall could result in significant losses due to the cost of a recall, the destruction of product inventory and lost sales due to the unavailability of product for a period of time. Such a product recall also could result in adverse publicity, damage to our reputation and a loss of consumer confidence in our products, which could have a material adverse effect on our business results. We currently maintain insurance with respect to certain of these risks, including product liability insurance, business interruption insurance and general liability insurance, but in many cases such insurance is expensive, difficult to obtain and no assurance can be given that such insurance can be maintained in the future on acceptable terms, or in sufficient amounts to protect us against losses due to any such events, or at all. Moreover, even though our insurance coverage may be designed to protect us from losses attributable to certain events, it may not adequately protect us from liability

and expenses we incur in connection with such events. Our foreign operations and commerce in international markets pose special risks to our business and operations **and subject us to additional regulatory frameworks and compliance costs**. We have significant operations and assets located in Mexico, the U. K. , **the Republic of Ireland**, and continental Europe and may participate in or acquire operations and assets in other foreign countries in the future. Foreign operations are subject to a number of special risks such as currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and changes in laws and policies, including tax laws and laws governing foreign- owned operations. Currency exchange rate fluctuations have adversely affected us in the past. Exchange rate fluctuations or one or more other risks may have a material adverse effect on our business or operations in the future. Our operations in Mexico, the U. K. , **the Republic of Ireland**, and continental Europe are conducted through subsidiaries organized under non- U. S. laws. Claims of creditors of our subsidiaries, including trade creditors, will generally have priority as to the assets of our subsidiaries over our claims. Additionally, the ability of these subsidiaries to make payments and distributions to us can be limited by terms of subsidiary financing arrangements and will be subject to, among other things, the laws applicable to these subsidiaries. In the past, these laws have not had a material adverse effect on the ability of these subsidiaries to make these payments and distributions. However, laws such as these may have a material adverse effect on the ability of these subsidiaries to make these payments and distributions in the future. **To Our operations in foreign jurisdictions also subject us to additional regulatory frameworks, which can increase costs of compliance and subject us to possible fines and penalties, some of which could be significant. In some cases, foreign regulatory frameworks are more stringent or complex than similar regimes in the United States. For example, the European Union’s Deforestation Regulation (the “ EUDR ”), which generally becomes effective on December 30, 2024, will require companies trading in cattle, cocoa, coffee, oil palm, rubber, soya, and wood, as well as products derived from these commodities, to conduct extensive diligence on the value chain to ensure the goods do not result from recent deforestation, forest degradation, or breaches of local laws in order to sell such products in the European Union market. The EUDR, and other current or proposed regulations in the European Union and elsewhere, are likely to increase our compliance costs, could depress sales in such markets if our products are not in compliance by applicable effective dates, and could result in fines and penalties or reputational harm if we do not fully comply. Additionally, to** conduct our operations, we regularly move data across national borders (including data related to business, financial, marketing and regulatory matters) and must comply with increasingly complex and rigorous regulatory standards enacted to protect business and personal data in the U. S. and elsewhere. For example, in 2018, the European Union (the “ E. U. ”) recently commenced enforcement of the General Data Protection Regulation (the “ GDPR ”). The GDPR imposes significant additional compliance obligations on companies regarding the handling of personal data and provides certain individual privacy rights to persons whose data is stored. The GDPR grants enforcement powers to certain E. U. regulators including extra- territorial powers in some cases. These enforcement powers enable regulators to conduct investigations and dawn raids, to issue penalties up to the greater of € 20 million or 4 % of worldwide turnover for the most serious violations, and to require changes to the way that organizations (including the Company) use personal data. Due to the geographic scope of our operations, the GDPR may increase our responsibility and liability in relation to personal data that we process, and we may be required to put in place additional mechanisms to minimize the risk of non- compliance with applicable privacy laws and regulations. Privacy laws such as the GDPR and similar laws and regulations are increasing in complexity and number, change frequently and sometimes conflict. In particular, as the E. U. states reframe their national legislation to harmonize with the GDPR, we will need to monitor compliance with all relevant E. U. member states’ laws and regulations, including where permitted derivations from the GDPR are introduced. Additional laws may be enacted in U. S. states or at the U. S. federal level. Compliance with such existing, proposed and recently enacted laws and regulations can be costly and may necessitate the review and implementation of policies and processes relating to our collection, security, and use of data; any failure to comply with these regulatory standards could subject us to legal and reputational risks including proceedings against the Company by governmental entities or others, fines and penalties, damage to our reputation and credibility and could have a negative impact on our business and results of operations. Historically, we have targeted international markets to generate additional demand for our products. In particular, given the general preference for white chicken meat by U. S. and U. K. consumers, we have targeted international markets for the sale of **certain** dark chicken meat and parts, such as chicken paws, which are generally not consumed in the U. S. or U. K. We have also targeted international markets for excess primary pork cuts and parts, such as hog heads and trotters, which are generally not consumed in the U. K. As part of this initiative, we have created a significant international distribution network into several markets in Mexico, the Middle East and Asia. Our success in these markets may be, and our success in recent periods has been, adversely affected by disruptions in export markets. A significant risk is disruption due to import restrictions and tariffs, other trade protection measures, and import or export licensing requirements regarding food products imposed by foreign countries. Significant political or regulatory developments in the jurisdictions in which we sell our products, such as those stemming from the presidential administration in the **United States U. S.**, are difficult to predict and may have a material adverse effect on us. For example, the implementation of new tariff schemes by various governments, such as those implemented by the **United States U. S.** and China in recent years, could increase the costs of our operations and ultimately increase the cost of products sold from one country into another country. In addition, disruptions may be caused by outbreaks of diseases, either in our flocks and herds or elsewhere in the world, and resulting changes in consumer preferences. One or more of these or other disruptions in the international markets and distribution channels could adversely affect our business. Competition in the chicken and pork industries with other vertically integrated chicken or pork companies may make us unable to compete successfully in this industry, which could adversely affect our business. Both the chicken and pork industries are highly competitive. In the U. S., Mexico, the U. K. , **the Republic of Ireland**, and continental Europe, we primarily compete with other vertically integrated chicken and pork companies. In general, the competitive factors in these industries include price, product quality, product development, brand identification, breadth of product line and customer service. Competitive factors

vary by major market. In the foodservice market, competition is based on consistent quality, product development, service and price. In the U. S. retail market, competition is based on product quality, brand awareness, customer service and price. Further, there is some competition with non-vertically integrated further processors in the prepared chicken business. In the Mexico retail and foodservice markets, where product differentiation has traditionally been limited, product quality and price have been the most critical competitive factors. In the U. K., **the Republic of Ireland**, and continental Europe retail and food service markets, key competitive factors include price, delivering consistent levels of the highest quality, service level and delivering strong innovation. The fresh U. K. and continental Europe market is almost exclusively retailer private label. The U. K. fresh market is almost exclusively sourced from within the U. K., making vertical integration a prerequisite for operating in that market. The U. K. prepared foods market is less exclusively sourced from within the U. K. so vertical integration is less of a consideration and competition is opened up to other processors, some of whom produce or source from abroad. Our success depends in part on our ability to manage costs and be efficient in the highly competitive poultry and pork industries, and our failure to manage costs and be efficient could materially and adversely affect our business, financial condition and results of operations. **Changes in Media campaigns related to food production; regulatory and customer focus on environmental, social and governance responsibility; and recent increased focus and attention by the U. S. government on market dynamics** in ~~dynamics in~~ the meat processing industry could expose us to additional costs or risks. Individuals or organizations can use social media platforms to publicize inappropriate or inaccurate stories or perceptions about the food production industry or our company. Such practices could cause damage to the reputations of our company and / or the food production industry in general. This damage could adversely affect our financial results. In addition, regulators, stockholders, customers and other interested parties have focused increasingly on the environmental, social and governance practices of companies. This has led to an increase in regulations and may continue to cause us to be subject to additional regulations in the future. Our customers or other interested parties may also require us to implement certain environmental, social or governance procedures or standards before doing or continuing to do business with us. Also, the U.S. government has increased its focus on market dynamics within the meat industry. The U.S. government has inquired with the meat processing industry on matters such as market pricing **to end consumer consumers** preference the meat processing industry on matters such as market pricing ~~to end consumers~~ and market dynamics associated with the relationship between meat processors and the farming community. This increased attention on environmental, social and governance practices could cause us to incur additional compliance costs, divert management attention from operating our business, impair our access to capital among certain investors and subject us to litigation risk for disclosures we make and practices we adopt regarding these issues. This in turn could have a material adverse effect on our business, financial condition and results of operations. We are increasingly dependent on information technology, and our business and reputation could suffer if we are unable to protect our information technology systems against, or effectively respond to, cyber-attacks, to other cyber security incidents or breaches, or if our information technology systems are otherwise disrupted. The proper functioning of our information systems is critical to the successful operation of our business. We rely on information technology networks and systems, including the Internet, to process, transmit, and store electronic and financial information, to manage a variety of business processes and activities, and to comply with regulatory, legal, and tax requirements. We also depend on our information technology infrastructure for digital marketing activities and for electronic communications among our locations, personnel, customers, and suppliers. Although our information systems are protected with robust backup systems, including physical and software safeguards and remote processing capabilities, information systems **by their nature** are still vulnerable to cyber-attacks, natural disasters, power losses, unauthorized access, telecommunication failures, and other problems. In addition, certain software used by us is licensed from, and certain services related to our information systems are provided by, third parties who could choose to discontinue their relationship with us **or could encounter system disruptions or attacks of their own**. If critical information systems fail or these systems or related software or services are otherwise unavailable, our ability to process orders, maintain proper levels of inventories, collect accounts receivable, pay expenses, and maintain the security of Company and customer data could be adversely affected. Cyber-attacks and other cyber incidents are occurring more frequently and are constantly evolving in nature and sophistication. We have experienced and expect to continue to experience actual or attempted cyber-attacks of our information technology systems or networks. To date, none of these actual or attempted cyber-attacks has had a material effect on our operations or financial condition. For example, we determined on May 30, 2021 that we were the target of ~~and~~ an organized cybersecurity attack (the “Cyberattack”) affecting some of the servers supporting our global IT systems. Upon learning of the intrusion, we contacted federal officials and activated our cybersecurity protocols, including voluntarily shutting down all affected systems to isolate the intrusion, limit the potential infection and preserve core systems. Restoring systems critical to production was prioritized. In addition, the encrypted backup servers, which were not affected by the Cyberattack, allowed for a return to full operations within two days. We incurred a loss of approximately \$ 10.0 million related to the Cyberattack during the second quarter of 2021, which included an allocation of \$ 2.4 million of the total \$ 11.0 million ransom paid by our parent company. Our response, IT systems and encrypted backup servers allowed for a rapid recovery from the Cyberattack. As a result, the loss of food produced was limited to less than one day of production. We continue to cooperate with government officials regarding this incident. We are not aware of any evidence that any customer, supplier, employee or financial data has been compromised or misused as a result of the Cyberattack. Our failure to maintain ~~favorable consumer perception~~ **our cyber- security measures and keep abreast** of the Cyberattack. Our failure to maintain our cyber- security measures and keep abreast of new and evolving threats may make our systems vulnerable. **The rapid evolution and increased adoption of new technologies, such as artificial intelligence, may intensify our cybersecurity risks**. The potential consequences of a material cyber- security incident include reputational damage, litigation with third parties, regulatory actions, disruption of plant operations, and increased cyber- security protection and remediation costs. There can be no assurance that we will be able to prevent all of the rapidly evolving forms of increasingly sophisticated and frequent cyber- attacks. Moreover, our efforts to address network security vulnerabilities may not be

successful, resulting potentially in the theft, loss, destruction or corruption of information or our branded products. **Corruption of information we store electronically, as well as unexpected interruptions, delays or cessation of service, any of which would cause harm to our business operations. The vulnerability of our systems and our failure to identify or respond timely to cyber incidents** could have negatively impact our U. S. Prepared Foods and an adverse effect on our operations and reputation and expose us to liability or regulatory enforcement actions. Our operations are subject to general risks of litigation. We are involved on an ongoing basis in litigation relating to alleged antitrust violations or arising in the ordinary course of business or otherwise. Trends in litigation may include class actions involving consumers, shareholders, employees or injured persons, and claims relating to commercial, labor, employment, antitrust, securities or environmental matters. Litigation trends and the outcome of litigation cannot be predicted with certainty, and adverse litigation trends and outcomes could result in material damages, which could adversely affect our financial condition and results of operations. For example, between September 2, 2016 and October 13, 2016, a series of purported class action lawsuits were brought against PPC and other defendants by and on behalf of direct and indirect purchasers of broiler chickens alleging violations of antitrust and unfair competition laws. The complaints seek, among other relief, treble damages for an alleged conspiracy among defendants to reduce output and increase prices of broiler chickens from the period of January 2008 to 2019. For additional information on this and other litigation matters, see Part II, Item 8, Notes to Consolidated Financial Statements, “ Note 21. Commitments and Contingencies ” in this annual report. The consequences of the litigation matters PPC faces are inherently uncertain, and adverse actions, judgments or settlements in some or all of these matters has resulted and may in the future result in materially adverse monetary damages, fines, penalties, or injunctive relief against PPC. Any claims or litigation, even if fully indemnified or insured, could damage PPC’s reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future. We may not be able to successfully integrate the operations of companies we acquire or benefit from growth opportunities. We continue to pursue selective acquisitions of complementary businesses, such as Pilgrim’s Food Masters, which we acquired in 2021. Inherent in any future acquisitions are certain risks such as increasing leverage and debt service requirements and combining company cultures and facilities, which could have a material adverse effect on our operating results, particularly during the period immediately following such acquisitions. Additional debt or equity capital may be required to complete future acquisitions, and there can be no assurance that we will be able to raise the required capital. These opportunities may expose us to successor liability relating to actions involving any acquired entities, their respective management or contingent liabilities incurred prior to our involvement and will expose us to liabilities associated with ongoing operations, in particular to the extent we are unable to adequately and safely manage such acquired operations. A material liability associated with these types of opportunities, or our failure to successfully integrate any acquired entities into our business, could adversely affect our reputation and have a material adverse effect on us. We may not be able to successfully integrate any growth opportunities we may undertake in the future or successfully implement appropriate operational, financial and administrative systems and controls to achieve the benefits that we expect to result therefrom. These risks include: (1) failure of the acquired entities to achieve expected results; (2) possible inability to retain or hire key personnel of the acquired entities; and (3) possible inability to achieve expected synergies and / or economies of scale. In addition, the process of **integrating** businesses **could** cause interruption of, or loss of momentum in, the activities of our existing business. The diversion of our management’s attention, the lack of experience in operating in the geographical market of the acquired business and any delays or difficulties encountered in connection with the integration of these businesses could adversely affect our business, results of operations and prospects. The consolidation of customers and / or the loss of one or more of our largest customers could adversely affect our business. Our customers, such as supermarkets, warehouse clubs and food distributors, have consolidated in recent years, and consolidation is expected to continue throughout the U.S. and in other major markets. These consolidations have produced large, sophisticated customers with increased buying power who are more capable of operating with reduced inventories, opposing price increases, and demanding lower pricing, increased promotional programs and specifically tailored products. These customers also may use shelf space currently used for our products for their own private label products. Because of these trends, our volume growth could slow or we may need to lower prices or increase promotional spending for our products, any of which could adversely affect our financial results. Our two largest customers together accounted for approximately **12-13.8-2%** of our consolidated net sales in **2022-2023**. Our business could suffer significant setbacks in revenues and operating income if we lost one or more of our largest customers, or if our customers’ plans and / or markets should change significantly. We depend on contract growers and independent producers to supply us with livestock. We contract primarily with independent contract growers to raise the live chickens and pigs processed in our operations. If we do not attract and maintain contracts with growers or maintain marketing and purchasing relationships with independent producers, our production operations could be negatively affected. Changes in consumer preference could negatively impact our business. The food industry in general is subject to changing consumer trends, demands and preferences. Trends within the food industry change often, and failure to identify and react to changes in these trends could lead to, among other things, reduced demand and price reductions for our **branded products**, **and could have an adverse effect on our financial results. For example, consumer concerns related to human health, climate change, resource conservation and animal welfare of animal-based protein sources have driven consumer interest in plant-based protein sources. Because we primarily produce chicken and pork products, we may be limited in our ability to respond to changes in consumer preferences towards other animal-based proteins or away from animal-based proteins entirely**. We strive to respond to consumer preferences and expectations, but we may not be successful in our efforts. We could be adversely affected if consumers lose confidence in the quality of certain food products or ingredients. Prolonged negative perceptions of certain food products or ingredients could influence consumer preferences and acceptance of some of our products and marketing programs. Continued negative perceptions and failure to satisfy consumer preferences could materially and adversely affect our product sales, financial condition and results of operations. Our Pilgrim’s Food Masters business has a number of iconic brands with significant value. While we have recently increased the market share of our

Just Bare® and Pilgrim's® brands in the U. S. market. Maintaining and continually enhancing the value of these brands is critical to the success of our business. Brand value is based in large part on consumer perceptions. Success in promoting and enhancing brand value depends in large part on our ability to provide high- quality products. Brand value could diminish significantly due to a number of factors, including consumer perception that we have acted in an irresponsible manner, adverse publicity about our products (whether or not valid), our failure to maintain the quality of our products, the failure of our products to deliver consistently positive consumer experiences or the products becoming unavailable to consumers. **Media campaigns related to food production..... away from animal- based proteins entirely**. Climate change may have a long- term adverse impact on our business and results of operations. Global average temperatures are gradually increasing due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere, which may contribute to significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters. Decreased agricultural productivity in certain regions of the world as a result of changing weather patterns may limit the availability or increase the cost of key agricultural commodities and natural resources, as well as raw materials such as corn, soybean meal and other feed ingredients, which are important sources of ingredients for our products, and could impact the food security of communities around the world. Increased frequency or duration of extreme weather conditions could also impair production capabilities, disrupt our supply chain or impact demand for our products. Increasing concern over climate change also may adversely impact demand for our products due to changes in consumer preferences and result in additional legal or regulatory requirements designed to reduce or mitigate the effects of carbon dioxide and other greenhouse gas emissions on the environment. In addition, climate change could affect our ability to procure needed commodities at costs and in quantities we currently experience and may require us to make additional unplanned capital expenditures. Increased energy or compliance costs and expenses due to increased legal or regulatory requirements could be prohibitively costly and may cause disruptions in, or an increase in the costs associated with, the running of our production facilities. Furthermore, compliance with any such legal or regulatory requirements may require us to make significant changes to our business operations and strategy, which will likely incur substantial time, attention and costs. Even if we make changes to align ourselves with such legal or regulatory requirements, we may still be subject to significant fines if such laws and regulations are interpreted and applied in a manner inconsistent with our practices. The effects of climate change and legal or regulatory initiatives to address climate change could have a long- term adverse impact on our business and results of operations. We currently have outstanding Senior Notes that are linked to our achievement of targeted reductions in Scope 1 and 2 greenhouse gas emissions intensity by **2026-2025**. If we fail to meet these targeted reductions in **2026-2025**, the interest rate applied to these Senior Notes will increase. Finally, from time to time we establish and publicly announce goals and targets to reduce our carbon footprint. If we fail to achieve, fail to specify or improperly report on our progress toward achieving our carbon emissions reduction goals and targets, we could be subject to lawsuits, investigations, government actions, or other claims made by public or private entities, each of which could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, the resulting negative publicity from any such allegations could adversely affect consumer preference for our products. Legal and Regulatory Risk Factors Regulation, present and future, is a constant factor affecting our business. Our operations will continue to be subject to or otherwise affected by federal, state and local governmental legislation and regulation, including in the health, safety and environmental areas. Changes in laws or regulations or the application thereof regarding areas such as wage and hour and environmental compliance may lead to government enforcement actions and resulting litigation by private litigants. In addition, unknown matters, new laws and regulations, or stricter interpretations of existing laws or regulations may also materially affect our business or operations in the future. **For example, the USDA amended the Packers and Stockyards Act to require new disclosures that live poultry dealers must provide to contract growers**. Immigration Immigration reform continues to attract significant attention in the public arena and the U. S. Congress. Despite our past and continuing efforts to hire only U. S. citizens and / or persons legally authorized to work in the U. S., we may be unable to ensure that all of our employees and contractors are persons legally authorized to work in the U. S. No assurances can be given that enforcement efforts by governmental authorities will not disrupt a portion of our workforce or operations at one or more facilities, thereby negatively impacting our business. Also, no assurance can be given that further enforcement efforts by governmental authorities will not result in the assessment of fines that could adversely affect our financial position, operating results or cash flows. Environmental, Health and Safety Our operations are subject to extensive and increasingly stringent federal, state, local and foreign laws and regulations pertaining to the protection of the environment, including those relating to the discharge of materials into the environment, the handling, treatment and disposal of wastes, and the remediation of soil and groundwater contamination. Failure to comply with these requirements could have serious consequences for us, including criminal as well as civil and administrative penalties, claims for property damage, personal injury and damage to natural resources and negative publicity. Compliance with existing or changing environmental requirements, including more stringent limitations imposed or expected to be imposed in recently- renewed or soon -to be renewed environmental permits, may require capital expenditures for installation of new or upgraded pollution control equipment at some of our facilities. Operations at many of our facilities require the treatment and disposal of wastewater, stormwater and agricultural and food processing wastes, the use and maintenance of refrigeration systems, including ammonia- based chillers, noise, odor and dust management, the operation of mechanized processing equipment, and other operations that potentially could affect the environment, health and safety. Some of our facilities have been operating for many years, and were built before current environmental standards were imposed, and / or are in areas that recently have become subject to residential and commercial development pressures. Failure to comply with current and future environmental, health and safety standards could result in the imposition of fines and penalties, and we have been subject to such sanctions from time to time. We are upgrading wastewater treatment facilities at a number of these locations, either pursuant to consent agreements with regulatory authorities or on a voluntary basis in anticipation of future permit requirements. **For example, the EPA has proposed Meat and Poultry Products Effluent Guidelines and Standards,**

which may increase requirements and necessitate further upgrades to existing facilities. In the past, we have acquired businesses with operations such as pesticide and fertilizer production that involved greater use of hazardous materials and generation of more hazardous wastes than our current operations. While many of those operations have been sold or closed, some environmental laws impose strict and, in certain circumstances, joint and several liability for costs of investigation and remediation of contaminated sites on current and former owners and operators of the sites, and on persons who arranged for disposal of wastes at such sites. In addition, current owners or operators of such contaminated sites may seek to recover cleanup costs from us based on past operations or contractual indemnifications. Additionally, we have from time to time had incidents at our plants involving worker health and safety. These have included ammonia releases due to mechanical failures in chiller systems and worker injuries and fatalities involving processing equipment and vehicle accidents. We have taken preventive measures in response; however, we can make no assurance that similar incidents will not arise in the future. New environmental, health and safety requirements, stricter interpretations of existing requirements, or obligations related to the investigation or clean-up of contaminated sites, may materially affect our business or operations in the future. Anti-Corruption We are subject to a number of anti-corruption laws, including the U. S. Foreign Corrupt Practices Act (“FCPA”) and the U. K. Bribery Act (“UKBA”). The FCPA and similar anti-bribery laws generally prohibit companies and their intermediaries from making improper payments or improperly providing anything of value to foreign officials, directly or indirectly, for the purpose of obtaining or keeping business and / or other benefits. Some of these laws have legal effect outside the jurisdictions in which they are adopted under certain circumstances. The FCPA also requires maintenance of adequate record-keeping and internal accounting practices to accurately reflect transactions. Under the FCPA, companies operating in the U. S. may be held liable for actions taken by their strategic or local partners or representatives. The UKBA is broader in scope than the FCPA in that it directly prohibits commercial bribery (i. e. bribing individuals or organizations other than government officials) in addition to bribery of government officials and it does not recognize certain exceptions, notably for facilitation payments, that are permitted by the FCPA. The UKBA also has wide jurisdiction. It covers any offense committed in the U. K., but proceedings can also be brought if a person who has a close connection with the U. K. commits the relevant acts or omissions outside the U. K. It defines a person with a close connection to include British citizens, individuals ordinarily resident in the U. K. and bodies incorporated in the U. K. The UKBA also provides that any organization that conducts part of its business in the U. K., even if it is not incorporated in the U. K., can be prosecuted for the corporate offense of failing to prevent bribery by an associated person, even if the bribery took place entirely outside the U. K. and the associated person had no connection with the U. K. Other jurisdictions in which we operate have adopted similar anti-corruption, anti-bribery and anti-kickback laws to which we are subject. Civil and criminal penalties may be imposed for violations of these laws. Despite our ongoing efforts to ensure compliance with the FCPA, the UKBA and similar laws, there can be no assurance that our directors, officers, employees, agents, third-party intermediaries and the companies to which we outsource certain of our business operations, have previously complied or will comply with those laws and our anti-corruption policies or that our compliance program will be sufficient to prevent or detect bribery, and we may be ultimately held responsible for any such non-compliance. If we or our directors or officers violate anti-corruption laws or other laws governing the conduct of business with government entities (including local laws), we or our directors or officers may be subject to criminal and civil penalties or other remedial measures, which could harm our reputation and have a material adverse impact on our business, financial condition, results of operations and prospects. Any actual or alleged violations of such laws could also harm our reputation or have an adverse impact on our business, financial condition, results of operations and prospects. ~~Our operations may be adversely impacted by Brexit. On January 31, 2020, the U. K. withdrew from the E. U., which is commonly referred to as Brexit. A transition period ended on December 31, 2020, during which the U. K. and the E. U. negotiated the terms of the relationship between the U. K. and the E. U. going forward. Despite the implementation of the E. U.-U. K. Trade and Cooperation Agreement beginning on January 1, 2021, it is still unclear how Brexit will ultimately impact relationships within the U. K. and between the U. K. and other countries on many aspects of fiscal policy, cross-border trade and international relations. The effects of and the perceptions as to the impact from the withdrawal of the U. K. from the E. U. has and may continue to adversely affect business activity and economic and market conditions in the U. K., Europe and globally, and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the pound sterling and the euro. In addition, Brexit could lead to additional political, legal and economic instability in the E. U. Any of these effects of Brexit, and others we cannot anticipate, could adversely affect our business in the U. K., as well as our financial condition, results of operations and cash flows. It is also unclear what long-term economic, financial, trade and legal implications the withdrawal of the U. K. from the E. U. will have and how such withdrawal will affect our customers and our operations in the U. K. and Europe. If the U. K. were to significantly alter its regulations affecting the food industry, we could face significant new costs. Any of the effects of Brexit could adversely affect our business, business opportunities, results of operations, financial condition and cash flows. In addition, Brexit will result in changes to the interactions that the Company has with regulators, as domestic regulators in the U. K. will no longer participate in the regulatory enforcement structure of the E. U. This may affect relationships that the Company has developed with its regulators to date.~~

Labor and Employment Risk Factors Our performance depends on favorable labor relations with our employees and our compliance with labor laws. Any deterioration of those relations or increase in labor costs due to our compliance with labor laws could adversely affect our business. As of December 25 31, 2022-2023, we employed approximately 61, 500-200 persons. Approximately 46-35, 4-2% of our workforce are covered by a collective bargaining agreement. Substantially all employees covered under collective bargaining agreements are covered under agreements that expire in 2023-2024 or later. We have not experienced any labor-related work stoppage at any location in over ten years. We believe our relationship with our employees and union leadership is satisfactory. At any given time, we will likely be in some stage of contract negotiations with various collective bargaining units. In the absence of an agreement, we may become subject to labor disruption at one or more of these locations, which could have an adverse effect on our financial results. Loss of

essential employees or material increase in employee turnover could have a significant negative impact on our business. Our success is largely dependent on the skills, experience, and efforts of our management and other employees. The loss of the services of one or more members of our senior management or of numerous employees with essential skills could have a negative effect on our business, financial condition and results of operations. If we are not able to retain or attract talented, committed individuals to fill vacant positions when needs arise, it may adversely affect our ability to achieve our business objectives. We also rely on an adequate supply of skilled employees at our processing and food facilities. Trained and experienced personnel in our industry are in high demand, and we have experienced high turnover and difficulty retaining employees with appropriate training and skills. We cannot predict whether we will be able to attract, motivate and maintain an adequate skilled workforce necessary to operate our existing and future facilities efficiently, or that labor expenses will not increase as a result of a shortage in the supply of skilled personnel, thereby adversely impacting our financial performance. While our industry generally operates with high employee turnover, any material increases in employee turnover rates (~~including turnover due to any potential government-mandated COVID-19 vaccinations~~) or any widespread employee dissatisfaction could also have a material adverse effect on our business, financial condition and results of operations. Labor shortages and increased turnover or increases in employee and employee-related costs could have adverse effects on our profitability. We and our third-party vendors have experienced increased labor shortages at some of our production facilities and other locations. ~~Although we have historically experienced some level of ordinary course turnover of employees, the impact of the COVID-19 pandemic and resulting actions have exacerbated labor shortages and increased turnover.~~ Several factors have had and may continue to have adverse effects on the labor force available to us and our third-party vendors, including government regulations, which include laws and regulations related to workers' health and safety, wage and hour practices and work authorization. Labor shortages and increased turnover rates within the Company and our third-party vendors have led to and could in the future lead to increased costs, such as increased overtime to meet demand and increased wage rates to attract and retain employees and could negatively affect our ability to efficiently operate our production facilities or otherwise operate at full capacity and could result in ~~downtime~~ **downtime** of our production facilities. An overall or prolonged labor shortage, lack of skilled labor, increased turnover or labor inflation **for any of the foregoing reasons** could have a material adverse impact on our operations, results of operations, **reputation**, liquidity or cash flows. If we are unable to attract, hire or retain key team members or a highly skilled and diverse global workforce, it could have a negative impact on our business, financial condition or results of operations. Our continued growth requires us to attract, hire, retain and develop key team members, including our executive officers and senior management team, and maintain a highly skilled and diverse global workforce. We compete to attract and hire highly skilled team members and our own team members are highly sought after by our competitors and other companies. Competition could cause us to lose talented team members, and unplanned turnover could deplete our institutional knowledge and result in increased costs due to increased competition for team members. In addition, our compensation arrangements may not always be successful in attracting new employees or retaining our existing team members. Stock Ownership and Financial Risk Factors JBS USA beneficially owns a majority of our common stock and has the ability to control the vote on most matters brought before the holders of our common stock. JBS USA Food Company **Holdings** ("JBS USA **Holdings**") beneficially owns a majority of the shares and voting power of our common stock and is entitled to appoint a majority of the members of our Board of Directors. As a result, subject to restrictions on ~~its~~ voting power and actions in ~~a the~~ stockholders agreement ~~between and our organization documents~~, JBS USA **Holdings** ~~and us and our organization documents~~, JBS USA has and will have the ability to control our management, policies and financing decisions, elect a majority of the members of our Board of Directors at the annual meeting and control the vote on most matters coming before the holders of our common stock. Under the stockholders agreement ~~between~~, JBS USA **Holdings** ~~and us~~, JBS USA has the ability to elect up to seven members of our Board of Directors and the other holders of our common stock have the ability to elect up to two members of our Board of Directors. Moreover, our ultimate controlling shareholders may serve as members of our Board of Directors or as members of the board of directors or other senior management positions at any JBS companies. JBS USA **Holdings** may have interests that are different from other shareholders and may vote in a way that may be adverse to our other shareholders' interests. JBS USA **Holding**'s concentration of ownership could also have the effect of delaying or preventing a change in control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which could cause the market price of our common stock to decline or prevent our shareholders from realizing a premium over the market price for their common stock. Our future financial and operating flexibility may be adversely affected by significant leverage. On a consolidated basis, as of December ~~25-31, 2022-2023~~, we had approximately \$ ~~483.3~~ **4.7** million in secured indebtedness, \$ ~~2.7~~ **2.7** billion of unsecured indebtedness and had the ability to borrow approximately \$ ~~1.0~~ **1.0** billion under our credit agreements. Significant amounts of cash flow will be necessary to make payments of interest and repay the principal amount of such indebtedness. The degree to which we are leveraged could have important consequences because (1) it could affect our ability to satisfy our obligations under our credit agreements, (2) a substantial portion of our cash flow from operations is required to be dedicated to interest and principal payments and may not be available for operations, working capital, capital expenditures, expansion, acquisitions or general corporate or other purposes, (3) our ability to obtain additional financing and to fund working capital, capital expenditures and other general corporate requirements in the future may be impaired; (4) we may be more highly leveraged than some of our competitors, which may place us at a competitive disadvantage, (5) our flexibility in planning for, or reacting to, changes in our business may be limited, (6) it may limit our ability to pursue acquisitions and sell assets and (7) it may make us more vulnerable in the event of a continued or new downturn in our business or the economy in general. Our ability to make payments on and to refinance our debt, including our credit facilities, will depend on our ability to generate cash in the future. This, to a certain extent, is subject to various business factors (including, among others, the commodity prices of feed ingredients, chicken and pork) and general economic, financial, competitive, legislative, regulatory, and other factors that are beyond our control. There can be no assurance that we will be able to generate sufficient cash flow from operations or that

future borrowings will be available under our credit facilities in an amount sufficient to enable us to pay our debt obligations, including obligations under our credit facilities, or to fund our other liquidity needs. We may need to refinance all or a portion of their debt on or before maturity. There can be no assurance that we will be able to refinance any of their debt on commercially reasonable terms or at all. ~~The interest rates of our credit facilities are priced using a spread over LIBOR. The London Interbank Offered Rate (“LIBOR”), is the basic rate of interest used in lending between banks on the London interbank market and is widely used as a reference for setting the interest rate on loans globally. We typically use LIBOR as a reference rate in our term loans such that the interest due to our creditors pursuant to a term loan extended to us is calculated using LIBOR. Some of our term loan agreements and revolving credit facilities contain a stated minimum value for LIBOR, and as of December 25, 2022, the Company had \$ 480.1 million in outstanding indebtedness tied to LIBOR. In 2017, the U. K.’s Financial Conduct Authority (the “FCA”), which regulates LIBOR, announced that it intends to phase out LIBOR by the end of 2021. Subsequently, on March 5, 2021, the FCA and LIBOR’s administrator, ICE Benchmark Administration, Limited, announced that the publication of the most common tenors (overnight, one-month, three-month, six-month and 12-month U. S. dollar LIBOR) would cease immediately following publication of such interest rates on June 30, 2023, and moreover, that publication of all other currency and tenor variants would cease immediately after December 31, 2021. The FCA and other regulators have stated that they welcome the LIBOR administrator’s action, and issued supervisory guidance emphasizing that, despite any continued publication of U. S. dollar LIBOR through June 30, 2023, no new contracts using U. S. dollar LIBOR should be entered into after December 31, 2021. An extended cessation date for most U. S. dollar LIBOR tenors would mean that many legacy U. S. dollar LIBOR contracts would terminate before related LIBOR rates cease to be published and will allow for more time for existing contracts to mature and provide additional time to continue to prepare for the transition from LIBOR. On December 16, 2022, the U. S. Federal Reserve Board adopted a final rule that states Secured Overnight Financing Rate (“SOFR”), a new index calculated by short-term repurchase agreements, will replace U. S. dollar LIBOR after June 30, 2023. SOFR is observed and backward-looking, which stands in contrast with LIBOR under the current methodology, which is an estimated forward-looking rate and relies, to some degree, on the expert judgment of submitting panel members. Given that SOFR is a secured rate backed by government securities, it will be a rate that does not take into account bank credit risk (as is the case with LIBOR). As LIBOR is phased out, we will need to renegotiate our credit agreements that utilize LIBOR which may have an adverse impact on the value of or interest earned on any LIBOR-based marketable securities, loans and derivatives that are included in our financial assets and liabilities. Impairment in the carrying value of goodwill or other identifiable intangible assets could negatively affect our operating results. We have a significant amount of goodwill and identifiable intangible assets on our Consolidated Balance Sheets. Under the accounting principles generally accepted in the U. S. (“U. S. GAAP”), goodwill and other identifiable intangible assets with indefinite lives must be evaluated for impairment annually or more frequently if events indicate it is warranted. If the carrying value of our reporting units exceeds their current fair value as determined based on the discounted future cash flows of the related business, the goodwill is considered impaired and is reduced to fair value by a non-cash charge to earnings. ~~Events and conditions that could result in impairment in the value of our goodwill include changes in the industry in which we operate, particularly the impact of a downturn in the global economy or the economies of geographic regions or countries in which we operate, as well as competition, adverse changes in the regulatory environment, or other factors leading to reduction in expected long-term sales or profitability.~~ For indefinite-lived intangible assets, an impairment loss is recognized if the carrying amount of an indefinite-lived intangible asset exceeds the estimated fair value of that intangible asset. Identified intangible assets with definite lives are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. **Events and conditions that could result in impairment in the value of our goodwill and other identifiable intangible assets include changes in the industry in which we operate, particularly the impact of a downturn in the global economy or the economies of geographic regions or countries in which we operate, as well as competition, adverse changes in the regulatory environment, or other factors leading to reduction in expected long-term sales or profitability.** General Risk Factors Weak or unstable national or global economic conditions, including inflation, could negatively impact our business. Our business may be adversely affected by: • weak or volatile national or global economic conditions, including inflation; • unfavorable currency exchange rates and interest rates; • the lack of availability of credit on reasonable terms; • restricted access to capital markets; • changes in consumer spending rates and habits; • unemployment and underemployment; and • a tight energy supply and high energy costs. Our business could be negatively affected if efforts and initiatives of the governments of the United States and other countries to manage and stimulate the economy fail or result in worsening economic conditions. Deteriorating economic conditions could negatively affect consumer demand for protein generally or our products specifically, consumers’ ability to afford our products, consumer habits with respect to how they spend their food dollars, and the cost and availability of raw materials we need. Disruptions in credit and other financial markets caused by deteriorating or weak national and international economic conditions could, among other things: • make it more difficult for us, our customers or our growers or prospective growers to obtain financing and credit on reasonable terms; • cause lenders to change their practice with respect to the industry generally or our company specifically in terms of granting credit extensions and terms; • impair the financial condition of our customers, suppliers or growers making it difficult for them to meet their obligations and supply raw material; or • impair the financial condition of our insurers, making it difficult or impossible for them to meet their obligations to us. Our business may be negatively impacted by economic or other consequences from Russia’s war against Ukraine and the sanctions imposed as a response to that action. We face risks related to the ongoing Russia- Ukraine war that began in February 2022. The impact of the ongoing war and sanctions will not be limited to businesses that operate in Russia and Ukraine and may negatively impact other global economic markets including where we operate. The impacts have included and may continue to include, but are not limited to, higher prices for commodities, such as food products, ingredients and energy products, increasing inflation in some countries, and disrupted trade and supply chains. The conflict has disrupted shipments of grains, vegetable oils, fertilizer and energy products. The impact on the agriculture~~

markets falls into two main categories: (1) the effect on Ukrainian crop production, as the region is key in global grain production; and (2) the duration of the disruption in trade flows. Safety and financing concerns in the region are restricting export execution, which is in turn forcing grain and oil demand to find alternative supply. The duration of the war and related volatility makes global markets extremely sensitive to growing- season weather in other global grain producing regions and has led to a large risk premium in futures prices. **Moreover, Russia's suspension of the Black Sea Grain Initiative in June 2023 may further pressure on trade flows in the region.** The continued volatility in the global markets, **in part** as a result of the war, has adversely impacted our costs by driving up prices, raising inflation and increasing pressure on the supply of feed ingredients and energy products throughout the global markets. In addition, the U. S. government and other governments in jurisdictions in which we operate have imposed sanctions and export controls against Russia, Belarus and interests therein and threatened additional sanctions and controls. The impact of these measures, now and in the future, could adversely affect our business, supply chain or customers. Finally, there may be increased risk of cyberattack as a result of the ongoing conflict. We have not seen any new or heightened risk of potential cyberattacks since the outbreak of the Russia- Ukraine war. Extreme weather, natural disasters or other events beyond our control as well as interruption by man- made problems such as power disruptions could negatively impact our business. Bioterrorism, fire, pandemic, extreme weather or natural disasters, including droughts, floods, excessive cold or heat, hurricanes or other storms, could impair the health or growth of our flocks, production or availability of feed ingredients, or interfere with our operations due to power outages, fuel shortages, damage to our production and processing facilities or disruption of transportation channels, among other things. Any of these factors could have an adverse effect on our financial results. Moreover, climate change, including the impact of global warming, has resulted in risks that include changes in weather conditions, extreme weather events and adverse impacts on agricultural production, as well as potential regulatory compliance risks, all of which could have a material adverse effect on our results of operations, financial condition and liquidity. ~~The British National Grid recently warned that the U. K., where the Company has significant operations, could face planned power cuts to homes and businesses throughout the winter of 2023 if the country is unable to import electricity from Europe and it struggles to attract enough gas imports to fuel its gas- fired power plants.~~ A significant power outage could have a material adverse impact on our business, results of operations, and financial condition. Although we maintain incident management and disaster response plans, in the event of a major disruption caused by a man- made problem such as a power disruption, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our development activities, lengthy interruptions in service, breaches of data security and loss of critical data, and our insurance may not cover such events or may be insufficient to compensate us for the potentially significant losses we may incur.