

## Risk Factors Comparison 2024-06-18 to 2023-06-20 Form: 10-K

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Our business, operations, and financial condition are subject to various risks and uncertainties. The **following** risk factors ~~described below~~ should be carefully considered, together with the other information contained or incorporated by reference in this Annual Report on Form 10-K and our other filings with the SEC, in connection with evaluating the Company, our business, and the forward-looking statements contained in this Annual Report. Although the risks are organized and described separately, many of the risks are interrelated. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may affect us. The occurrence of any of these known or unknown risks could have a material adverse impact on our business, financial condition, and results of operations. Risks Related to Our Business Deterioration of national and global macroeconomic conditions, an economic recession **or slow growth**, periods of inflation, or economic uncertainty in key markets may adversely affect consumer spending and demand for our products. National and global macroeconomic conditions can be uncertain and volatile. We have in the past been, and may continue to be, adversely affected by changes in national and global macroeconomic conditions, such as inflation, rising interest rates, tax rates, availability of capital markets, consumer spending rates, energy availability and costs, supply chain challenges, labor shortages, **geopolitical conflicts (including the ongoing conflicts between Russia and Ukraine and Israel and Hamas), the negative impacts caused by pandemics and public health crises**, and growing recession risk. ~~The macroeconomic conditions recently experienced were in part due to the COVID-19 pandemic, the ongoing conflict between Russia and Ukraine, and global supply chain challenges.~~ Volatility in financial markets and deterioration of national and global macroeconomic conditions could impact our business and results of operations in a number of ways, including, but not limited to, the following: • financial instability of our customers and suppliers could result in additional bad debts or non-performance; • value of our investments in debt and equity securities may decline; ~~including our investment in Post common stock~~; • future volatility or disruption in the capital and credit markets could negatively impact our liquidity or increase costs of borrowing; • an impairment in the carrying value of goodwill, other intangible assets, or other long-lived assets, or a change in the useful life of finite-lived intangible assets could occur if there are sustained changes in consumer purchasing behaviors, government restrictions, financial results, or a deterioration of macroeconomic conditions; • volatility in commodity and other input costs could continue due to adverse macroeconomic conditions; and • consumers could choose to purchase private label or competitive products of our lower-priced products as a result of an economic downturn. These and other impacts of global and national macroeconomic conditions could also heighten many of the other risk factors discussed in this section. Our sensitivity to economic cycles and any related fluctuation in consumer demand could negatively impact our business, results of operations, financial condition, and liquidity. Our **proprietary brands, packaging designs, and..... our business and financial results.** Our operations are subject to the general risks associated with acquisitions, divestitures, and ~~restructurings~~ **restructuring programs. Specifically, we may not realize all of the anticipated benefits of the acquisition of Hostess Brands, or those benefits may take longer to realize than expected. We may also encounter significant unexpected difficulties in integrating the Hostess Brands business and may be unable to effectively manage overhead resulting from recent divestitures.** Our stated strategic vision is to engage, delight, and inspire consumers by building brands they love and leading in growing categories. We have historically made strategic acquisitions of brands and businesses ~~and intend to do so in the future in support of this strategy.~~ If we are unable to complete acquisitions or ~~to~~ successfully integrate and develop acquired businesses, including the effective management of integration and related restructuring costs, we could fail to achieve the anticipated synergies and cost savings, or the expected increases in revenues and operating results. Additional acquisition risks include the diversion of management attention from our existing business, potential loss of key employees, suppliers, or consumers from the acquired business, assumption of unknown risks and liabilities, and greater than anticipated operating costs of the acquired business. Any of these factors could have a material adverse effect on our financial results. In **particular, our ability to realize the anticipated benefits of the acquisition of Hostess Brands will depend, to a large extent, on our ability to integrate the Hostess Brands business into our Company. The combination of two independent businesses is a complex, costly, and time-consuming process. As a result, we will be required to devote significant management attention and resources to integrating Hostess Brands' business practices and operations. The integration process may disrupt the businesses and, if implemented ineffectively or if impacted by unforeseen negative economic or market conditions or other factors, we may not realize the full anticipated benefits of the acquisition. Our failure to meet the challenges involved in integrating the two businesses and to realize the anticipated benefits of the acquisition could cause an interruption of, or a loss of momentum in, our activities and could adversely affect our results of operations or cash flows, cause dilution to our earnings per share, decrease or delay any accretive effect of the transactions, and negatively impact the price of our common shares. Specifically, the difficulties of combining the operations of Hostess Brands with our business include, among others: • the diversion of management's attention to integration matters; • difficulty in achieving anticipated cost savings, synergies, business opportunities, and growth prospects from combining the Hostess Brands business with our business; • difficulties in the integration of operations and systems, inclusive of internal controls; • difficulties in managing the expanded operations of a significantly larger and more complex company; • challenges in keeping existing customers and obtaining new customers; • challenges in attracting and retaining key personnel; • unanticipated expenses resulting from integration activities and disputes with third parties; and • unanticipated liabilities, such as environmental liabilities resulting from contamination at our properties or those of third parties.** In addition, we have made strategic divestitures of brands and

businesses, including the recent ~~recent~~ **recently** sale ~~divested~~ **Sahale Snacks and Canada condiment businesses, as well as past divestitures** of certain pet food brands, ~~as well as the natural beverage and grains, and private label dry pet food, Crisco, and Natural Balance businesses~~, **among others**, and we may **continue to** do so in the future. If we are unable to complete divestitures or successfully transition divested businesses, including the effective management of the related separation and stranded overhead costs, transition services, and the maintenance of relationships with customers, suppliers, and other business partners, our business and financial results could be negatively impacted. Further, we may incur asset impairment charges related to divestitures that reduce our profitability. Divestitures and related restructuring **and integration** costs, ~~such as the restructuring plan entered into in 2021, and concluded in 2023,~~ require a significant amount of management and operational resources. These additional demands could divert management's attention from core business operations, potentially adversely impacting existing business relationships and employee morale, resulting in negative impacts on our financial performance. For more information, see Note 2: **Acquisition, Special Project Costs** and Note 3: Divestitures ~~categories is associated with this agreement. Any change to this agreement could affect our operating results. For more information, see Note 5: Reportable Segments.~~ Our proprietary brands, packaging designs, and manufacturing methods are essential to the value of our business, and the inability to protect our intellectual property could harm the value of our brands and adversely affect our sales and profitability. The success of our business depends significantly on our brands, know-how, and other intellectual property. We rely on a combination of trademarks, service marks, trade secrets, patents, copyrights, licensing agreements, and similar rights to protect our intellectual property. The success of our growth strategy depends on our continued ability to use our existing trademarks and service marks in order to maintain and increase brand awareness and further develop our brands. If our efforts to protect our intellectual property are not adequate, ~~such as in the event of a cybersecurity incident,~~ if any third party misappropriates or infringes on our intellectual property, or if we are alleged to be misappropriating or infringing on the intellectual property rights of others, the value of our brands may be harmed, which could have a material adverse effect on our business. From time to time, we are engaged in litigation to protect our intellectual property, which could result in substantial costs as well as diversion of management attention. In particular, we consider our proprietary coffee roasting methods essential to the consistent flavor and richness of our coffee products and, therefore, essential to our coffee brands. Because many of the roasting methods we use are considered our trade secrets and not protected by patents, it may be difficult for us to prevent competitors from copying our coffee products if such coffee roasting methods are independently discovered or become generally known in the industry. We also believe that our packaging innovations, such as our AromaSeal™ canisters, are important to the coffee business' marketing and operational efforts. In addition, we utilize a number of proprietary methods for manufacturing our Smucker's Uncrustables frozen sandwiches, which we believe are essential to producing high-quality sandwiches that consistently meet consumer expectations. Since the current methods used in making our sandwiches are considered our trade secrets and not protected by patents, it may be difficult for us to prevent competitors from copying our sandwiches if such sandwich-making methods are independently discovered or become generally known in the industry. If our competitors copy or develop more advanced coffee roasting or packaging or sandwich-making methods, **then** the value of our coffee products or Smucker's Uncrustables brand, respectively, may be diminished, and we could lose customers to our competitors. In addition, certain of our intellectual property rights, including the Dunkin' trademarks, are owned by third parties and licensed to us. These trademarks are renegotiated and renewed pursuant to their terms, and if in the future, we are unable to renew or fail to renegotiate the licensing arrangements, then our financial results could be materially and negatively affected. Loss or interruption of supply from ~~primary or~~ single-source suppliers of raw materials and finished goods could have a disruptive effect on our business and adversely affect our results of operations. We have elected to source certain raw materials, such as packaging for our Folgers coffee products, as well as our Jif peanut butter, and certain finished goods, such as K-Cup® pods, our Pup-Peroni dog snacks, and liquid coffee, from ~~primary or~~ single sources of supply. While we believe that, except as set forth below, alternative sources of these raw materials and finished goods could be obtained on commercially reasonable terms, loss or an extended interruption in supplies from a ~~primary or~~ single-source supplier would result in additional costs, could have a disruptive short-term effect on our business, and could adversely affect our results of operations. Keurig is our single-source supplier for K-Cup® pods, which are used in its proprietary Keurig® K-Cup® brewing system. **There are a limited number of manufacturers other than Keurig that are making pods that will work in such proprietary brewing system.** In addition, JDE Peet's N.V. ("JDE Peet's") is our single-source supplier for liquid coffee for our Away From Home business, and there are a limited number of manufacturers other than JDE Peet's that are able to manufacture liquid coffee. ~~Further, Graham Packaging Company, L.P. ("Graham Packaging") is our single-source supplier for the packaging of our Folgers coffee products. If either Keurig, or JDE Peet's are, or Graham Packaging is, unable to supply K-Cup® pods, or liquid coffee, or packaging for Folgers coffee products, respectively, to us for any reason, it could be difficult to find an alternative supplier for such goods on commercially reasonable terms, which could have a material adverse effect on our results of operations. Certain of our products are produced at single manufacturing sites. We have consolidated our production capacity for certain products into single manufacturing sites, including substantially all of our coffee, Milk-Bone dog snacks, Voortman cookies, and fruit spreads. We could experience a production disruption at these or any of our manufacturing sites resulting in a reduction or elimination of the availability of some of our products. If we are not able to obtain alternate production capability in a timely manner, our business, financial condition, and results of operations could be adversely affected. A significant interruption in the operation of any of our supply chain or distribution capabilities could have an adverse effect on our business, financial condition, and results of operations. Our ability and the ability of our third-party suppliers, and service providers, distributors, and contract manufacturers to manufacture, distribute, and sell products is critical to our success. A significant interruption in the operation of any of our manufacturing or distribution capabilities, or the manufacturing or distribution capabilities of our suppliers, distributors, or contract manufacturers, or a service failure by a third-party service provider, whether as a result of adverse weather conditions or a natural disaster, fire, or water availability, **whether caused by** as a result of climate change or otherwise, work stoppage or labor~~

shortages; ~~or cybersecurity breaches~~; political instability, terrorism, **armed hostilities** or **geopolitical conflicts** (including the ongoing ~~conflicts~~ **conflict** between Russia and Ukraine and ~~Israel and Hamas~~); ~~pandemic illness~~; **(such as COVID-19)**, government restrictions, or other causes could significantly impair our ability to operate our business. In particular, substantially all of our coffee production takes place in New Orleans, Louisiana and is subject to risks associated with hurricane and other weather-related events, and some of our production facilities are located in places where tornadoes or wildfires can frequently occur, such as Alabama, Kansas, ~~Arkansas~~, and California. Failure to take adequate steps to mitigate or insure against the likelihood or potential impact of such events, or to effectively manage such events if they occur, could adversely affect our business, financial condition, and results of operations. While we insure against many of these events and certain business interruption risks and have policies and procedures to manage business continuity planning, such insurance may not compensate us for any losses incurred and our business continuity plans may not effectively resolve the issues in a timely manner. In November 2021, we announced plans to invest \$ 1.1 billion to build a new manufacturing facility and distribution center in McCalla, Alabama dedicated to the production of Smucker's Uncrustables frozen sandwiches. Construction of this facility began in 2022, with production expected to begin in **calendar year** 2025. Production of new manufacturing facilities and distribution centers could cause delays and increased costs, such as shortages of materials or skilled labor, unforeseen construction, scheduling, engineering, or environmental problems, impacts of adverse weather, and unanticipated cost increases. **In addition, any construction delays may impact the future demand for Smucker's Uncrustables frozen sandwiches.** If we are unable to ~~commence production at~~ **complete the construction of** the McCalla facility within the anticipated timeframe **and within our cost estimates**, our financial condition and results of operations could be adversely affected. Our business could be harmed by strikes or work stoppages. As of April 30, ~~2024~~ **2023**, ~~27~~ **22** percent of our full-time employees, located at ~~eleven~~ **seven** manufacturing locations, are covered by collective bargaining agreements, ~~inclusive of Hostess Brands employees~~. These contracts vary in term depending on location, with ~~six~~ **one** ~~contracts~~ **contract** expiring in ~~2025~~ **2024**, representing approximately ~~10~~ **one** percent of our total employees. We cannot ~~assure~~ **be certain** that we will be able to renew these collective bargaining agreements on the same or more favorable terms as the current agreements, or at all, without production interruptions caused by labor stoppages. If a strike or work stoppage were to occur in connection with negotiations of ~~a new collective bargaining agreement~~ **agreements** or as a result of disputes under collective bargaining agreements with labor unions, our business, financial condition, and results of operations could be materially adversely affected. The success of our business depends substantially on consumer perceptions of our brands. We are the branded market leader in several categories both in the U.S. and Canada. We believe that maintaining and continually enhancing the value of our 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 on our ability to provide high-quality products. Brand value could diminish significantly as a result of a number of factors, such as if we fail to preserve the quality of our products, if there are concerns about the safety of our products, if we are perceived to act in an irresponsible manner, if the Company or our brands otherwise receive negative publicity, if our brands fail to deliver a consistently positive consumer experience, or if our products become unavailable to consumers. The growing use of social and digital media by consumers increases the speed and extent that information and opinions can be shared. Negative posts or comments about us ~~or~~ our brands ~~or~~ products on social or digital media could damage our brands and reputation. If we are unable to build and sustain brand equity by offering recognizably superior products, we may be unable to maintain premium pricing over private label products. If our brand values are diminished, our revenues and operating results could be materially adversely affected. In addition, anything that harms the Dunkin' brand could adversely affect the success of our exclusive licensing agreements with the owner of that brand. We may not be able to attract, develop, and retain the highly skilled people we need to support our business ~~and our results could be adversely impacted as a result of increased labor and employee-related expenses~~. We depend on the skills and continued service of key employees, including our experienced management team. In addition, our ability to achieve our strategic and operating goals depends on our ability to identify, recruit, hire, train, and retain qualified individuals, including, for example, all levels of skilled labor in our manufacturing facilities. We compete with other companies both within and outside of our industry for talented people, and we may lose key employees or fail to attract, recruit, train, develop, and retain other talented individuals. Any such loss, failure, or negative perception with respect to these individuals may adversely affect our business or financial results. In addition, activities related to identifying, recruiting, hiring, integrating, and training qualified individuals may require significant time and expense. We may not be able to locate suitable replacements for any key employees who leave or to offer employment to potential replacements on reasonable terms, each of which may adversely affect our business and **financial results.** **During 2023, we continued to experience an increasingly competitive labor market, increased employee turnover, changes in the availability of our workers, and labor shortages in our supply chain. These challenges have resulted in, and could continue to result in, increased costs and could impact our ability to meet consumer demand, each of which may adversely affect our business and financial results.** **Our** We may not realize the benefits we expect from our cost reduction and other cash management initiatives. We continuously **review our operations in an effort to** pursue initiatives to reduce costs, increase effectiveness, and optimize cash flow. We may not realize all of the anticipated cost savings or other benefits from such initiatives. Other events and circumstances, such as financial or strategic difficulties, delays, or unexpected costs, may also adversely impact our ability to realize all of the anticipated cost savings or other benefits, or cause us not to realize such cost savings or other benefits on the expected timetable. If we are unable to realize the anticipated benefits, our ability to fund other initiatives may be adversely affected. Finally, the complexity of the implementation may require a substantial amount of management and operational resources. Our management team must successfully execute the administrative and operational changes necessary to achieve the anticipated benefits of the initiatives. These and related demands on our resources may divert the organization's attention from other business issues, have adverse effects on existing business relationships with suppliers and customers, and impact employee morale. Any failure to implement these initiatives in accordance with our plans could

adversely affect our business, **operating efficiency**, and financial results. During 2023, we created a Transformation Office to support our multi-year commitment to ongoing margin enhancement efforts, inclusive of the removal of stranded overhead costs associated with the recent **sale divestitures** of certain pet food brands, **Sahale Snacks, and the Canada condiment businesses**. The Transformation Office is focused on enterprise-wide continuous improvement strategies to ensure a pipeline of productivity initiatives and profit growth opportunities. It is ~~compiled~~ **comprised** of cross-functional leaders at every level of our organization who help to establish new ways of working, along with sustainable efficiencies and cost reduction efforts throughout our Company. If we are unable to successfully implement our transformation initiatives, our business and results of operations could be adversely affected. **Our success will depend on our continued ability to produce and successfully market products with extended shelf life. We have made investments to extend our Hostess Brands' product shelf life, while maintaining such products' taste, texture, and quality. Extended shelf life ("ESL") is an important component of our Direct-to-Warehouse model. Our ability to produce and successfully market existing and new products with ESL is important to our success. If we are unable to continue to produce Hostess Brands products with ESL or if such products are not accepted by consumers, we could be forced to make changes to our distribution model or products that could have an adverse effect on our product sales, financial condition, and operating results.**

Risks Related to Our Industry Our operations are subject to the general risks of the food industry. The food industry is subject to risks posed by food spoilage and contamination, product tampering, mislabeling, food allergens, adulteration of food products resulting in product recall, consumer product liability claims, or regulatory investigations or actions. Our operations could be impacted by both genuine and fictitious claims regarding our products as well as our competitors' products. In the event of product contamination, tampering, or mislabeling, we may need to recall some of our products. A widespread product recall could result in significant loss due to the cost of conducting a product recall, including destruction of inventory and the loss of sales resulting from the unavailability of product for a period of time. We could also suffer losses from a significant judgment or settlement of a claim or litigation or a regulatory action taken against us. In addition, we could be the target of claims of false or deceptive advertising under U. S. federal and state laws as well as foreign laws, including consumer protection statutes of some states. A significant product recall, a product liability judgment or settlement, a regulatory action, or false advertising claim, involving either us or our competitors, could also result in a loss of consumer confidence in our food products or the food category, and an actual or perceived loss of value of our brands, materially impacting consumer demand. In May 2022, we initiated a voluntary recall of select Jif peanut butter products produced at our Lexington, Kentucky facility and sold primarily in the U. S., due to potential salmonella contamination. ~~At that time~~ **During 2023 and 2022**, we also ~~suspended the manufacturing of Jif peanut butter products at the Lexington facility and temporarily paused shipments from our Memphis, Tennessee facility to eliminate confusion while customers cleared their shelves of potentially impacted products manufactured at the Lexington facility. No other products produced at our other facilities were affected by the recall. In June 2022, we resumed manufacturing Jif peanut butter products at our Lexington facility, as well as shipping from our Memphis facility. We partnered with retailers to restock Jif peanut butter products during the first quarter of 2023, and as of April 30, 2023, we have returned to normal levels. To date, we have~~ recognized total direct costs associated with the recall of approximately \$ 120. 0, net of insurance recoveries, related to customer returns, fees, unsaleable inventory, and other product recall-related costs, primarily within our U. S. Retail **Consumer Foods Frozen Handheld and Spreads** segment. ~~We expect~~ **There were no significant direct costs recognized during** associated with the recall to be minimal in 2024. Further, the FDA issued a Warning Letter on January 24, 2023, following an inspection of our Lexington facility completed in June 2022 in connection with the Jif voluntary recall, identifying concerns regarding certain practices and controls at the facility. We ~~have~~ responded to the Warning Letter with a detailed explanation of our food safety plan and extensive verification activities to prevent contamination in Jif peanut butter products. In addition, we ~~have worked diligently to further strengthen~~ **strengthened** our already stringent quality processes, ~~including doubling our finished product testing and tripling our environmental testing to verify the efficacy of our actions.~~ The FDA ~~or delivered its~~ **Establishment Inspection Report concluding the June 2022 inspection in March 2024. Although the FDA has concluded its inspection**, other agencies may nonetheless conclude that certain practices or controls were not in compliance with the Federal Food, Drug, and Cosmetic Act ("**FDCA**") or other laws. Any potential regulatory action based on such an agency conclusion could result in the imposition of injunctive terms and monetary payments that could have a material adverse effect on our business, reputation, brand, results of operations, and financial performance, as well as affect ongoing consumer litigation associated with the voluntary recall of Jif peanut butter products. The outcome and financial impact of the ongoing consumer litigation or any potential regulatory action associated with the Jif voluntary recall cannot be predicted at this time. Accordingly, no loss contingency has been recorded for these matters as of April 30, ~~2023~~ **2024**, and the likelihood of loss is not considered probable or **reasonably** estimable. Changes in our relationships with significant customers, including the loss of our largest customer, could adversely affect our results of operations. Sales to Walmart Inc. and subsidiaries amounted to ~~34~~ **33** percent of net sales in ~~2023~~ **2024**. These sales are primarily included in our U. S. retail market segments. Trade receivables – net at April 30, ~~2023~~ **2024**, included amounts due from Walmart Inc. and subsidiaries of \$ 211. ~~5-7~~, or ~~35-29~~ percent of the total trade receivables – net balance. During ~~2023~~ **2024**, our top 10 customers, collectively, accounted for approximately 60 percent of consolidated net sales. We expect that a significant portion of our revenues will continue to be derived from a limited number of customers as the traditional retail grocery environment continues to consolidate and as dollar stores, club stores, and e-commerce retailers have experienced growth. Our customers are generally not contractually obligated to purchase from us **as we do not have long-term supply contracts with any of our major customers**. These customers make purchase decisions based on a combination of price, promotional support, product quality, consumer demand, customer service performance, their desired inventory levels, and other factors. Changes in customers' strategies, including a reduction in the number of brands they carry or a shift of shelf space to private label products **or other companies' branded products**, may adversely affect sales and profitability. Customers also may respond to price increases by reducing distribution, resulting in reduced sales of our products.

Additionally, our customers may face financial or other difficulties that may impact their operations and their purchases from us, which could adversely affect our results of operations. A reduction in sales to one or more major customers could have a material adverse effect on our business, financial condition, and results of operations. We operate in the competitive food industry and continued demand for our products may be affected by our failure to effectively compete or by changes in consumer preferences. We face competition across our product lines from other food **and snack** companies with ~~the primary methods and factors in competition being~~ **based primarily on** product quality, price, packaging, product innovation, nutritional value, **ingredient content**, taste, convenience, customer service, advertising, promotion, and brand recognition and loyalty. Continued success is dependent on product innovation, the ability to secure and maintain adequate retail shelf space and to compete in new and growing channels, and effective and sufficient trade merchandising, advertising, and marketing programs. In particular, technology-based systems, which give consumers the ability to shop through e-commerce websites and mobile commerce applications, are also significantly altering the retail landscape in many of our markets and intensifying competition by simplifying distribution and lowering barriers to entry. We are committed to serving customers and consumers in e-commerce, transforming our manufacturing, commercial, and corporate operations through digital technologies, and enhancing our data analytics capabilities to develop new commercial insights. However, if we are unable to effectively compete in the expanding e-commerce market, adequately leverage technology to improve operating efficiencies **(including artificial intelligence, machine learning, and augmented reality)**, or develop the data analytics capabilities needed to generate actionable commercial insights, our business performance may be impacted, which may negatively impact our financial condition and results of operations. Some of our competitors have substantial financial, marketing, and other resources, and competition with them in our various markets, channels, and product lines could cause us to reduce prices, increase marketing or other expenditures, or lose category share. Category share and growth could also be adversely impacted if we are not successful in introducing new products. Introduction of new products and product extensions requires significant development, marketing investment, and consideration of our diverse consumer base. If our products fail to meet consumer preferences, or we fail to introduce new and improved products on a timely basis, then the return on that investment will be less than anticipated and our strategy to grow sales and profits through investment in innovation will be less successful. In addition, if sales generated by new products cause a decline in our sales of our existing products, our financial condition and results of operations could be negatively affected. In order to generate future revenues and profits, we must continue to sell products that appeal to our customers and consumers. Specifically, there are a number of trends in consumer preferences that may impact us and the food industry as a whole, including convenience, flavor variety, an emphasis on **protein health** and **snacking wellness**, **including weight management (e. g., the use of medications and dieting)**, the desire for transparent product labeling, and simple and natural ingredients. Further, weak economic conditions, recessions, significant inflation, severe or unusual weather events, pandemics **(such as COVID-19)**, and other factors could affect consumer preferences and demand, causing a strain on our supply chain due, in part, to retailers, distributors, or carriers modifying their restocking, fulfillment, or shipping procedures. Failure to respond to these changes could negatively affect our financial condition and results of operations. We may be limited in our ability to pass cost increases ~~onto on to~~ our customers in the form of price increases or may realize a decrease in sales volume to the extent price increases are implemented. We may not be able to pass some or all of any increases in the price of raw materials, energy, and other input costs to our customers by raising prices or decreasing product size. To the extent competitors do not also increase their prices or decrease product size, customers and consumers may choose to purchase competing products, including private label or other lower-priced offerings, which may adversely affect our results of operations **or our market share**. Consumers may be less willing or able to pay a price differential for our branded products and may increasingly purchase lower-priced offerings or may forego some purchases altogether, especially during economic downturns or instances of increased inflationary pressures. Retailers may also increase levels of promotional activity for lower-priced offerings as they seek to maintain sales volumes during times of economic uncertainty. Accordingly, sales volumes of our branded products could be reduced or lead to a shift in sales mix toward our lower-margin offerings. As a result, decreased demand for our products or a shift in sales mix toward lower-margin offerings may adversely affect our results of operations - ~~Our ability to competitively serve customers depends on the availability of reliable transportation. Increases in logistics and other transportation-related costs could adversely impact our~~ **or results of operations. Logistics and other transportation-related costs have a significant impact on our earnings and results of operations. We use multiple forms of transportation, including ships, trucks, and railcars, to bring our products to market** ~~share. Disruption to the timely supply of..... financial condition, and results of operations~~. We must leverage our brand value to compete against private label products **and lower-priced alternative brands**. In nearly all of our product categories, we compete against branded products as well as private label products. Our products must provide higher value and / or quality to our consumers than alternatives, particularly during periods of economic uncertainty, weakness, or inflation. Consumers may not buy our products if relative differences in value and / or quality between our products and private label products change in favor of competitors' products or if consumers perceive this type of change **and choose the lower-priced brands**. If consumers prefer private label products, which are typically sold at lower prices, then we could lose category share or sales volumes **and / or** shift our product mix to lower margin offerings, which could have a material effect on our business, financial position ~~forms of transportation, including ships, trucks, railcars, and third-party carriers, to bring our products to market~~. Disruption to the timely supply of these services or increases in the cost of these services for any reason, including availability or cost of fuel, regulations affecting the industry, labor shortages in the transportation industry, service failures by third-party service providers, ~~carrier capacity~~, accidents, natural disasters, inflation, **or a pandemic illness (such as COVID-19)**, ~~which or a cybersecurity breach or attack~~, may impact **the transportation infrastructure or demand for transportation services, could have an adverse effect on** our ability to obtain reliable transportation for products. ~~Our procurement serve our customers, and could have a material adverse effect on our business, financial condition, and results of operations~~ **transportation services from a**, and results of operations. Financial

Risks Our results may be adversely impacted as a result of increased cost, limited availability, and / or insufficient quality of raw materials, including commodities and agricultural products. We and our business partners purchase and use large quantities of many different commodities and agricultural products in the manufacturing of our products, including green coffee, **protein meals**, peanuts, **grains**, oils and fats, **flour**, **sugar**, fruit, and other ingredients. In addition, we and our business partners utilize significant quantities of plastic, glass, metal cans, caps, carton board, and corrugate to package our products and natural gas and fuel oil to manufacture, package, and distribute our products. The prices of these commodities, agricultural- based products, and other materials are subject to volatility and can fluctuate due to conditions that are difficult to predict, including global supply and demand, commodity market fluctuations, crop sizes and yield fluctuations, adverse weather conditions, natural disasters, water supply, pandemic illness (such as COVID-19), foreign currency fluctuations, investor speculation, trade agreements (such as tariffs and sanctions), **geopolitical armed hostilities (including the ongoing conflict conflicts between Russia and Ukraine)**, consumer demand, general economic conditions (such as inflationary pressures and rising interest rates), and changes in governmental agricultural programs. **In particular, the supply chain for protein meals, fats, corn products, and green coffee has been significantly disrupted by the COVID-19 pandemic, and therefore, the prices for these commodities reached a high level during 2023, and could continue to remain high into 2024.** Furthermore, commodity and oil prices have been impacted by the ongoing **conflict conflicts** between Russia and Ukraine **and Israel and Hamas**. We also compete for certain raw materials, notably corn and soy- based agricultural products, with the biofuels industry, which has resulted in increased prices for these raw materials. Additionally, farm acreage currently devoted to other agricultural products we purchase may be utilized for **biofuels- biofuel** crops resulting in higher costs for the other agricultural products we utilize. Although we use futures, basis, options, and fixed price contracts to manage commodity price volatility in some instances, commodity price increases ultimately result in corresponding increases in our raw material and energy costs. During **2023-2024**, we continued to experience materially higher commodity and supply chain costs, including manufacturing, ingredient, and packaging costs, due to inflationary pressures. We expect the pressures of cost inflation to continue into **2025, although with less volatility than experienced in 2024 and 2023**. Although we take measures to mitigate inflation through the use of derivatives and pricing actions, if these measures are not effective, our financial condition, results of operations, and cash flows could be materially adversely affected. We expect the green coffee commodity markets to continue to be challenging due to the significant ongoing price volatility. For example, during 2022, we experienced drought and frost impacts, which substantially reduced green coffee production in Brazil. Due to the significance of green coffee to our coffee business, combined with our ability to only partially mitigate future price risk through purchasing practices and hedging activities, significant increases or decreases in the cost of green coffee could have an adverse impact on our profitability, as compared to that of our competitors. In addition, if we are not able to purchase sufficient quantities of green coffee due to any of the above factors or to a worldwide or regional shortage, we may not be able to fulfill the demand for our coffee, which could have a material adverse effect on our business, financial condition, and results of operations. Our efforts to manage commodity, foreign currency exchange, and other price volatility through derivative instruments could adversely affect our results of operations and financial condition. We use derivative instruments, including commodity futures and options, to reduce the price volatility associated with anticipated commodity purchases. The extent of our derivative position at any given time depends on our assessment of the markets for these commodities. If we fail to take a derivative position and costs subsequently increase, or if we institute a position and costs subsequently decrease, our costs may be greater than anticipated or higher than our competitors' costs and our financial results could be adversely affected. In addition, our liquidity may be adversely impacted by the cash margin requirements of the **commodities-commodity** exchanges or the failure of a counterparty to perform in accordance with a contract. We currently do not qualify any of our commodity or foreign currency exchange derivatives for hedge accounting treatment. We instead market our derivatives through the Statements of Consolidated Income, which results in changes in the fair value of all of our derivatives being immediately recognized in consolidated earnings, resulting in potential volatility in both gross profit and net income (loss). These gains and losses are reported in cost of products sold in our Statements of Consolidated Income but are excluded from our segment operating results and non- GAAP earnings until the related inventory is sold, at which time the gains and losses are reclassified to segment profit and non- GAAP earnings. Although this accounting treatment aligns the derivative gains and losses with the underlying exposure being hedged within segment results, it may result in volatility in our consolidated earnings. Weak financial performance, downgrades in our credit ratings, or disruptions in the financial markets may adversely affect our ability to access capital in the future. We may need new or additional financing in the future to conduct our operations, expand our business, or refinance existing indebtedness, which would be dependent upon our financial performance. Any downgrade in our credit ratings, particularly our short- term rating, would likely impact the amount of commercial paper we could issue and increase our commercial paper borrowing costs. The liquidity of the overall capital markets and the state of the economy, including the food and beverage industry, may make credit and capital markets more difficult for us to access, even though we have an established revolving credit facility. From time to time, we have relied, and also may rely in the future, on access to financial markets as a source of liquidity for working capital requirements, acquisitions, and general corporate purposes. In particular, our access to funds under our revolving credit facility is dependent on the ability of the financial institutions that are parties to that facility to meet their funding commitments. The obligations of the financial institutions under our revolving credit facility are several and not joint and, as a result, a funding default by one or more institutions does not need to be made up by the others. In addition, long- term volatility and disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation of financial institutions, reduced alternatives, or the failure of significant financial institutions could adversely affect our access to the liquidity needed for our business in the longer term. Such disruptions could require us to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for our business needs can be arranged. Disruptions in the capital and credit markets could also result in higher interest rates on publicly issued debt securities and increased costs under credit facilities. Continuation of these

disruptions would increase our interest expense and capital costs and could adversely affect our results of operations and financial position. ~~The Financial Conduct Authority in the United Kingdom no longer requires banks to submit London Interbank Offered Rate (“LIBOR”), and as a result, the U. S. Federal Reserve has selected the Secured Overnight Funding Rate (“SOFR”) as the preferred alternative to LIBOR. We have transitioned and amended our contracts to accommodate the SOFR rate where required. Although we do not anticipate a significant impact to our financial position as a result of this transition given our current mix of fixed and variable rate debt, our interest expense could increase, and our available cash flow for general corporate requirements may be adversely affected.~~ Our substantial debt obligations could restrict our operations and financial condition. Additionally, our ability to generate cash to make payments on our indebtedness depends on many factors beyond our control. As of April 30, ~~2023~~ **2024**, we had \$ ~~8.4~~ **8.3** billion of short- term borrowings and long- term debt. We may also incur additional indebtedness in the future. Our debt service obligations will require us to use a portion of our operating cash flow to pay interest and principal on indebtedness rather than for other corporate purposes, including funding future expansion of our business and ongoing capital expenditures, which could impede our growth. Our substantial indebtedness could have other adverse consequences, including: • making it more difficult for us to satisfy our financial obligations; • increasing our vulnerability to adverse economic, regulatory, and industry conditions, and placing us at a disadvantage compared to our competitors that are less leveraged; • limiting our ability to compete and our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; • limiting our ability to borrow additional funds for working capital, capital expenditures, acquisitions, and general corporate or other purposes; and • exposing us to greater interest rate risk, including the risk to variable borrowings of a rate increase and the risk to fixed borrowings of a rate decrease. Our ability to make payments on our indebtedness will depend on our ability to generate cash in the future. Our ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory, and other factors, many of which are beyond our control. Our business may not generate sufficient cash flow from operations, and future borrowings may not be available to us in an amount sufficient to enable us to pay our indebtedness when scheduled payments are due or to fund other liquidity needs. In these circumstances, we may need to refinance all or a portion of our indebtedness on or before maturity. Any refinancing of our debt could be at higher interest rates and may require make- whole payments and compliance with more onerous covenants, which could further restrict our business operations. Our ability to refinance our indebtedness or obtain additional financing would depend on, among other things, our financial condition at the time, restriction in the agreements governing our indebtedness, and the condition of the financial markets and the industry in which we operate. As a result, we may not be able to refinance any of our indebtedness on commercially reasonable terms or at all. Without this financing, we may have to seek additional equity or debt financing or restructure our debt, which could harm our long- term business prospects. Our failure to comply with the terms of any existing or future indebtedness could result in an event of default which, if not cured or waived, could result in the acceleration of the payment of all of our debt. In addition, there are various covenants and restrictions in our debt and financial instruments. If we fail to comply with any of these requirements, the related indebtedness could become due and payable prior to its stated maturity, and our ability to obtain additional or alternative financing may also be negatively affected. ~~The value of our investment in equity securities is subject to certain risks and uncertainties which could make it difficult to dispose of some or all of such securities at favorable market prices. As of April 30, 2023, we beneficially owned approximately 5.4 million shares of Post common stock. Investments in equity securities of any publicly traded company, including Post, are subject to risks and uncertainties relating to such company’s business and ownership of such company’s common stock, some of which are disclosed in such company’s filings with the SEC, as well as risks and uncertainties relating to fluctuations in the global economy and public equity markets generally. Any such risk or uncertainty may cause the share price of such company’s common stock, and the value of our equity in such company to decline, including our investment in Post common stock, which could hinder our ability to dispose of these equity securities at favorable market prices. We also may not be able to realize gains from these equity securities, and any gains that we do realize on the disposition of these equity securities may not be sufficient to offset any losses we may experience. Further, our ability to dispose of the Post common stock is subject to certain restrictions set forth in our agreements with Post and arising under applicable laws and regulations, which in some circumstances could adversely impact our ability to sell the Post common stock in amounts and at the times desired.~~ A material impairment in the carrying value of acquired goodwill or other intangible assets could negatively affect our consolidated operating results and net worth. A significant portion of our assets is composed of goodwill and other intangible assets, the majority of which are not amortized but are reviewed for impairment at least annually on February 1, and more often if indicators of impairment exist. At April 30, ~~2023~~ **2024**, the carrying value of goodwill and other intangible assets totaled \$ ~~14.9~~ **14.6** billion, compared to total assets of \$ ~~15.20~~ **15.03** billion and total shareholders’ equity of \$ ~~7.3~~ **7** billion. If the carrying value of these assets exceeds the current estimated fair value, the asset would be considered impaired, and this would result in a noncash charge to earnings, which could be material. Events and conditions that could result in impairment include a sustained drop in the market price of our common shares, increased competition or loss of market share, obsolescence, product claims that result in a significant loss of sales or profitability over the product life, deterioration in macroeconomic conditions, declining financial performance in comparison to projected results, increased input costs beyond projections, or divestitures of significant brands. ~~Subsequent to the annual test date, on April 28, 2023, we divested certain pet food brands, and as a result, we disposed \$ 790.3 and \$ 1,014.4 of goodwill and finite-lived intangible assets, respectively, primarily within the Pet Foods reporting unit. As a result, the impacted reporting units were assessed for impairment as of April 30, 2023~~ **2024**, and we concluded there were no indicators of impairment, as the estimated fair values were in excess of the carrying values for all reporting units. For additional information, see Note 3: Divestitures. As of April 30, 2023, goodwill and indefinite-lived intangible assets totaled \$ ~~5.7~~ **2.6** billion and \$ ~~2.4~~ **6.3** billion, respectively. The carrying values of the goodwill and indefinite-lived intangible assets were \$ ~~2.4~~ **2.4** billion and \$ ~~1.8~~ **1.8** billion, respectively, within the Sweet Baked Snacks segment, \$ ~~2.1~~ **2.1** billion and \$ ~~1.2~~ **1.2** billion, respectively, within the U. S. Retail Coffee segment, and \$ ~~1.6~~ **1.1** billion and \$ ~~1.1~~ **1.1** billion, respectively, within the International segment.

billion, respectively, within the U. S. Retail Pet Foods segment, and \$ 2. 1 billion and \$ 1. 2 billion, respectively, within the U. S. Retail Coffee segment, which represent approximately 80-85 percent of the total goodwill and indefinite- lived intangible assets as of April 30, 2023-2024. **The** Furthermore, the goodwill within the U. S. Retail Pet Foods segment remains susceptible to future impairment charges due to narrow differences between fair value and carrying value, which is primarily attributable to the recognition of these assets at fair value resulting from impairment charges in recent years. To date, we have recognized \$ 465. 0 of impairment charges related to the goodwill and indefinite- lived intangible **trademarks within the Sweet Baked Snacks reportable segment were based on their estimated fair values on the acquisition date. Since carrying value represents the estimated fair value, these assets acquired as part could be more susceptible to future impairment. A change to the assumptions regarding future performance of the business, or a portion of it, or a change to the other assumptions** Big Heart Pet Brands (“ Big Heart ”) acquisition in 2015, **could primarily as a result of reductions in significant** our long- term net sales and profitability projections. Furthermore, during 2022, we recognized an impairment **losses** charge of \$ 150. 4 related to the divested Rachael Ray Nutrish brand within the U. S. Retail Pet Foods segment, primarily driven by the repositioning of this brand within the Pet Foods brand portfolio, which led to a decline in the **future** current and long- term net sales expectations and the royalty rate used in the valuation analysis. For additional information, refer to Note 6-7: Goodwill and Other Intangible Assets. We do not believe that the **Pet Foods Sweet Baked Snacks** reporting unit or any of the indefinite- lived assets within the **Sweet Baked Snacks U. S. Retail Pet Foods** segment are more likely than not impaired as of April 30, 2023-2024. However, significant adverse changes to the assumptions regarding the future performance of the **Sweet Baked Snacks U. S. Retail Pet Foods** segment or its brands, a sustained adverse change to macroeconomic conditions, or a change to other assumptions could result in **additional** impairment losses in the future, which could be significant. As of April 30, 2023-2024, **with the exception of the Sweet Baked Snacks reporting unit and indefinite- lived intangible assets**, the estimated fair value was substantially in excess of the carrying value for all reporting units and material indefinite- lived intangible assets, and in all such instances, the estimated fair value exceeded the carrying value by greater than 10 percent. While we concluded there were no indicators of impairment as of April 30, 2023-2024, any significant sustained adverse change in consumer purchasing behaviors, financial results, or macroeconomic conditions could result in future impairment. We work with our suppliers to extend our payment terms, which are then supplemented by a third- party administrator to assist in effectively managing our working capital. If the extension of payment terms is reversed or the financial institution terminates its participation in the program, our ability to maintain acceptable levels of working capital may be adversely affected. As part of ongoing efforts to maximize working capital, we work with our suppliers to optimize our terms and conditions, which includes the extension of payment terms. Payment terms with our suppliers, which we deem to be commercially reasonable, range from 0 to 180 days. We have an agreement with a third- party administrator to provide an accounts payable tracking system and facilitate a supplier financing program, which allows participating suppliers the ability to monitor and voluntarily elect to sell our payment obligations to a designated third- party financial institution. Participating suppliers can sell one or more of our payment obligations at their sole discretion, **and our rights and obligations to our suppliers are not impacted**. We have no economic interest in a supplier’ s decision to enter into these agreements. Our rights and obligations to our suppliers, including amounts due and scheduled payment terms, are not impacted by our suppliers’ decisions to sell amounts under these arrangements. As of April 30, 2024 and 2023 and 2022, **\$ 384. 9 and \$ 414. 2 and \$ 314. 3** of our outstanding payment obligations, respectively, were elected and sold to a financial institution by participating suppliers. If the financial institution terminates its participation in our supplier financing program and we are unable to modify related consumer payment terms or payment terms are shortened as a result of supplier negotiations, working capital could be adversely affected. In addition, due to terminations or negotiations, we may be unable to secure alternative programs and may have to utilize various financing arrangements for short- term liquidity or increase our long- term debt. **The declaration, payment, and amount of dividends is made at the discretion of our Board and depends on a number of factors. The declaration, payment, and amount of any dividends is made pursuant to our dividend policy and is subject to the discretion of our Board and depends on various factors, such as our net income (loss), financial condition, cash requirements, future events, and other factors deemed relevant by the Board. Accordingly, there can be no assurance that any future dividends will be equal or similar in amount to any dividends previously paid or that our Board will not decide to reduce, suspend, or discontinue the payment of dividends at any time in the future.** Risks Related to Regulation and Litigation We could be subject to adverse publicity or claims from consumers. Certain of our products contain ingredients which are the subject of public scrutiny, including the suggestion that consumption may have adverse health effects. Although we strive to respond to consumer preferences and social expectations, we may not be successful in these efforts. An unfavorable report on the effects of ingredients present in our products **or packaging**, product recalls, **such as the Jif peanut butter product recall**, or negative publicity or litigation could influence consumer preferences, significantly reduce the demand for our products, and adversely affect our profitability. We may also be subject to complaints from or litigation by consumers who allege food and beverage- related illness, or other quality, health, **advertising**, or operational concerns. Adverse publicity resulting from such allegations could materially adversely affect us, regardless of whether such allegations are true or whether we are ultimately held liable. A lawsuit or claim could result in an adverse decision against us, which could have a material adverse effect on our business, financial condition, and results of operations. Changes in tax, environmental, or other regulations and laws, or their application, or failure to comply with existing licensing, trade, and other regulations and laws could have a material adverse effect on our financial condition. We are subject to income and other taxes, primarily in the U. S. and Canada, based upon the jurisdictions in which our sales and profits are determined to be earned and taxed. Federal, state, and foreign statutory income tax rates and taxing regimes have been subject to significant change and continue to evolve. 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 income tax rate and deferred tax balances. In particular, proposals brought forth by the U. S. presidential administration include increases to federal

income tax rates that, if enacted, could have a material impact to our financial results. We are also subject to regular reviews, examinations, and audits by the Internal Revenue Service (the “ IRS ”) and other taxing authorities with respect to taxes within and outside of the U. S. Although we believe our tax estimates are reasonable, the final outcome of tax controversies could result in material incremental tax liabilities, including interest and penalties. Our effective income tax rate is also influenced by the geography, timing, nature, and magnitude of transactions, such as acquisitions and divestitures, restructuring activities, and impairment charges. ~~Further, we continue to monitor The Inflation Reduction Act of 2022, H. R. 5376 (the “ Inflation Reduction Act ”) and related regulatory developments to evaluate their potential impact on our business, tax rate, and financial results.~~ Our operations are subject to various regulations and laws, in addition to tax laws, administered by federal, state, and local government agencies in the U. S., including the FDA, U. S. Federal Trade Commission, the U. S. Departments of Agriculture, Commerce, and Labor, state regulatory agencies, and other agencies, as well as to regulations and laws administered by government agencies in Canada and other countries in which we have operations and our products are sold. In particular, the manufacturing, marketing, transportation, storage, distribution, **packaging disposal**, and sale of food products are each subject to governmental regulation that is increasingly extensive. Governmental regulation encompasses such matters as ingredients (including whether a product contains bioengineered ingredients), packaging **and disposal of packaging**, labeling **(including use of certain terms such as sugar free, healthy, low sodium, and low fat)**, pricing, advertising, relations with distributors and retailers, health, safety, data privacy and security, and anti- corruption, as well as an increased focus regarding environmental policies relating to climate change, regulating greenhouse gas emissions, energy policies, and sustainability, including single- use plastics. Additionally, we are routinely subject to new or modified securities regulations, other laws and regulations, and accounting and reporting standards. In the U. S., we are required to comply with federal laws, such as the **FDCA Food, Drug and Cosmetic Act**, the Food Safety Modernization Act, the Occupational Safety and Health Act, the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act, the Tariff Act, laws governing equal employment opportunity, and various other federal statutes and regulations. We are also subject to various laws and regulations that are continuously evolving in the U. S. and other jurisdictions regarding privacy, data protection, and data security, including those related to the collection, storage, handling, use, disclosure, transfer, and security of personal data. For example, in the U. S., ~~the California Consumer Privacy Act (the “ CCPA ”) imposes requirements privacy obligations on companies that do business in California these states and that collect personal information from certain individuals ;~~ **Virginia, Colorado, Connecticut, and Utah all have comprehensive privacy laws in effect, which impose requirements privacy obligations on companies that do business in California these states and that collect personal information from certain individuals ;** providing civil penalties for companies that fail to comply with these requirements **as well as including, in some jurisdictions,** a private right of action for data breaches. **Several additional states have passed similar comprehensive** ~~Further, the California Privacy Rights Act, which took effect January 1, 2023, builds on the CCPA requiring the establishment of a dedicated agency to regulate privacy issues. Similarly, Virginia, Colorado, Connecticut, and Utah have all adopted laws that are set to take effect in-between calendar years 2024 and 2026, and beyond calendar year 2023-2026, introducing it is highly likely there will be several more states following suit.~~ **Therefore, on an ongoing basis, we will be evaluating whether we have new privacy obligations that will require us to developing --- develop additional compliance mechanisms and processes. There are also is a wide range of enforcement agencies at both state and federal levels that can review-investigate companies for privacy and data security concerns based on general consumer protection laws. Accordingly, failure to comply with federal and state laws regarding privacy and security of personal information could expose us to fines and penalties under such laws.** Complying with new regulations and laws, or changes to existing regulations and laws, or their application could increase our costs or adversely affect our sales of certain products. In addition, our failure or inability to comply with applicable regulations and laws could subject us to civil remedies, including fines, injunctions, recalls or seizures, and potential criminal sanctions, which could have a material adverse effect on our business and financial condition. Our **international operations in certain developing markets** expose us to regulatory risks. In many countries outside of the U. S., particularly in those with developing **or emerging** economies, it may be common for others to engage in business practices prohibited by laws and regulations applicable to us, such as the U. S. Foreign Corrupt Practices Act or similar local anti- bribery or anti- corruption laws. These laws generally prohibit companies and their employees, contractors, or agents from making improper payments to government officials for the purpose of obtaining or retaining business. Failure to comply with these laws could subject us to civil and criminal penalties that could have a material adverse effect on our financial condition and results of operations. In addition, the enforcement of remedies in foreign jurisdictions may be less certain, resulting in varying abilities to enforce intellectual property and contractual rights. Risks associated with climate change and other environmental impacts or legal, regulatory, or market measures to address climate change may negatively affect our business and operations. As set forth in the Intergovernmental Panel on Climate Change Sixth Assessment Report, global average temperatures are gradually increasing due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere, which have contributed to and are expected to continue contributing to significant changes in weather patterns around the globe and an increase in the frequency and severity of extreme weather and natural disasters. In the event that climate change has a negative effect on agricultural productivity, we may be subject to decreased availability or less favorable pricing for certain commodities that are necessary for our products, such as green coffee, **protein meals, peanuts, grains, plastic containers, oils and fats, flour, sugar**, fruit, and other ingredients. We may also be subjected to decreased availability or less favorable pricing for water or energy as a result of such change, which could impact our manufacturing and distribution operations. In addition, natural disasters ~~and,~~ **extreme weather conditions, and other natural conditions** may disrupt the productivity of our facilities or the operation of our supply chain, which could increase our insurance or other operating costs or require us to make additional, unplanned capital expenditures. Specifically, in **January 2022-2024**, **Hurricane Ida a snow and ice storm in the south** caused our **coffee manufacturing facilities cat food plant in Decatur New Orleans, Louisiana Alabama** to be temporarily shut down, and in **2021-2022**, **unforeseen weather events Hurricane Ida caused our coffee manufacturing facilities** in Texas **New Orleans, Louisiana to be** Oklahoma, and Kansas temporarily shut

down our pet manufacturing facilities in Kansas. Although we consider these to be uncommon events, and we were able to effectively minimize any disruptions through our business continuity planning efforts, extreme weather could disrupt our production in the future, adversely affecting our ability to meet customer deadlines and supply demands. Additionally, there is an increased focus by foreign, federal, state, and local regulatory and legislative bodies regarding environmental policies relating to climate change, regulating greenhouse gas emissions, energy policies, and sustainability, including single-use plastics. Increased energy or compliance costs and expenses due to the impacts of climate change and additional legal or regulatory requirements regarding climate change designed to reduce or mitigate the effects of carbon dioxide and other greenhouse gas emissions on the environment could be costly and may cause disruptions in, or an increase in the costs associated with, our manufacturing and distribution facilities, as well as increase supply chain costs. Moreover, compliance with any such legal or regulatory requirements may require us to make significant changes to our business operations, strategy, and reporting.

**Collecting, measuring, and analyzing information relating to climate change and sustainability matters can be costly, time consuming, dependent on third-party cooperation, and unreliable. Furthermore, methodologies for measuring, tracking, and reporting on climate change and sustainability continue to change over time, which will likely require requires our processes substantial time, attention, and costs controls for such data to evolve as well.** Finally, we might fail to effectively address increased attention from the media, shareholders, activists, and other stakeholders on climate change and related environmental sustainability matters. Such failure, or the perception that we have failed to act responsibly with respect to such matters, or to effectively respond to new or additional regulatory requirements regarding climate change, whether or not valid, could result in adverse publicity and negatively affect our business and reputation. In addition, from time to time we establish and publicly announce goals and commitments, including goals to reduce our impact on the environment. For example, in 2022, we established science-based targets for Scope 1, 2, and 3 greenhouse gas emissions. Our ability to achieve any stated goal, target, or objective is subject to numerous factors and conditions, many of which are outside of our control, including evolving regulatory requirements and the availability of suppliers that can meet our sustainability and other standards. Furthermore, standards for tracking and reporting such matters continue to evolve. Our selection of voluntary disclosure frameworks and standards, and the interpretation or application of those frameworks and standards, may change from time to time or differ from those of others. Methodologies for reporting this data may be updated and previously reported data may be adjusted to reflect improvement in availability and quality of third-party data, changing assumptions, changes in the nature and scope of our operations (including from acquisitions and divestitures), and other changes in circumstances, which could result in significant revisions to our current goals, reported progress in achieving such goals, or ability to achieve such goals in the future. If we fail to achieve, are perceived to have failed to achieve, or are delayed in achieving these goals and commitments, it could negatively affect consumer preference for our products or investor confidence in our stock, as well as expose us to government enforcement actions and private litigation.

~~The physical effects and transitional costs of climate change and legal, regulatory, or market initiatives to address climate change could have a negative impact on our business, financial condition, and results of operations.~~ General Risk Factors We may be unable to grow market share of our products. We operate in the competitive food industry whose growth potential is positively correlated to population growth. Our success depends in part on our ability to **drive revenue grow growth in** our brands faster than the population in general. We consider our ability to build and sustain the equity of our brands critical to our market share growth. **Since our operations are concentrated in the North American consumer and snacking industry, our success also depends in part on our ability to enhance our portfolio by adding innovative new products.** If we do not succeed in these efforts, our market share growth may slow, which could have a material impact on our results of operations. If our information technology systems fail to perform adequately or we are unable to protect such information technology systems against data corruption, ~~cyber-based attacks, or network security~~ **cybersecurity breaches incidents**, our operations could be disrupted, and we may suffer financial damage or loss because of lost or misappropriated information. We rely on information technology ("IT") networks and systems, including the Internet, to process, transmit, and store electronic information, and the importance of such networks and systems has increased due to many of our employees working remotely. In particular, we depend on our ~~IT information technology~~ infrastructure to effectively manage our business data, supply chain, logistics, finance, manufacturing, and other business processes and for digital marketing activities and electronic communications between Company personnel and our customers and suppliers. If we do not allocate and effectively manage the resources necessary to build, sustain, and protect an appropriate technology infrastructure, or we do not effectively implement system upgrades, our business or financial results could be negatively impacted. **Furthermore, the rapid evolution of emerging technologies such as artificial intelligence may intensify our cybersecurity risks.** We are regularly the target of attempted cyber and other security threats. Therefore, we continuously monitor and update our ~~IT information technology~~ networks and infrastructure to prevent, detect, address, and mitigate the risk of unauthorized access, misuse, computer viruses, phishing attacks, malware, ransomware, social engineering, password theft, physical breaches, and other events that could have a security impact. In addition, the ongoing ~~conflict~~ **conflicts** between Russia and Ukraine ~~has and~~ **Israel and Hamas have** heightened the risk of cyberattacks. We invest in industry-standard security technology to protect our data and business processes against the risk of data security breaches and cyber-based attacks. We believe our security technology tools and processes provide adequate measures of protection against security breaches and in reducing cybersecurity risks. Nevertheless, despite continued vigilance in these areas, security breaches or system failures of our infrastructure, whether due to attacks by hackers, employee error, or other causes, can create system disruptions, shutdowns, transaction errors, or unauthorized disclosure of confidential ~~or proprietary~~ information. If we are unable to prevent such breaches or failures, our operations could be disrupted, or we may suffer financial damage or loss because of lost or misappropriated information. In addition, the cost to remediate any damages to our ~~IT information technology~~ systems suffered as a result of a cyber-based attack could be significant. **In addition, if we experience a loss as a result of a cybersecurity incident or other breakdown in technology, we may suffer reputational, competitive, and / or business harm and may be exposed to legal liability and**

**government investigations, which may adversely affect our results of operations or financial condition. The misuse, leakage, or falsification of information could also result in violations of data privacy laws, and we may become subject to legal action and increased regulatory oversight. We could also be required to spend significant financial and other resources to remedy the damage caused by a cybersecurity incident or to repair or replace networks and information.**

Further, we have outsourced several **IT information technology** support services and administrative functions, including benefit plan administration and other functions, to third- party service providers **and strategic partners**, and may outsource other functions in the future to achieve cost savings and efficiencies. In addition, certain of our processes rely on third- party cloud computing services. If the service providers to which we outsource these functions do not perform effectively, we may not be able to achieve the expected benefits and may have to incur additional costs to correct errors made by such service providers. Depending on the function involved, such errors may also lead to business disruption, processing inefficiencies, inaccurate financial reporting, the loss of or damage to intellectual property through **a security breach**, the loss of sensitive data through **a security breach**, or otherwise. We may face complications with the design or implementation of our new enterprise performance management system, which may negatively affect our business and operations. We rely on **IT information technology** networks and systems to manage our business and operations **and occasionally implement new and upgrade our existing IT systems**. We are in the process of a multi- year implementation of a new enterprise performance management (“ EPM ”) system, inclusive of an enterprise resource planning system (i. e., general ledger), through the use of Oracle Cloud Solutions. The EPM system will replace our existing financial system and is designed to accurately maintain our financial records, enhance operational functionality and efficiency, and provide timely information to our management team. The EPM system implementation process has required, and will continue to require, the investment of significant personnel and financial resources over the duration of the project. We anticipate full integration of the EPM system **in early by the end of 2025-2026**. Further, we may not be able to successfully implement the EPM system without experiencing delays, increased costs, and other complications **, including potential design defects, miscalculations, testing requirements, and the diversion of management’ s attention from day- to- day business operations**. If we are unable to successfully design and implement the new EPM system as planned, our financial condition, results of operations, and cash flows could be negatively impacted. In addition, if the EPM system does not operate as intended, the effectiveness of our internal controls over financial reporting could be **negatively- adversely** affected. The ongoing **conflict- conflicts** between Russia and Ukraine **and Israel and Hamas** and the related disruptions to the global economy could adversely affect our business, financial condition, or results of operations. The global economy has been negatively impacted by the ongoing **conflict- conflicts** between Russia and Ukraine **and Israel and Hamas**. Governments in the United States, United Kingdom, and European Union have imposed sanctions on certain products, industry sectors, and parties in Russia. Although we do not have any operations in Russia **or**, Ukraine **, Israel, or Palestine**, we have experienced and may continue to experience shortages in materials and increased costs for transportation, energy, and raw materials due in part to the negative impact of the **conflict- conflicts** on the global economy. If the **conflict- conflicts** **continues- continue** for an extended period of time, **it- they** could result in cyberattacks, supply chain disruptions, lower consumer demand, changes in foreign **currency** exchange rates, increased trade barriers and restrictions on global trade, and other impacts, which may adversely affect our business, financial condition, or results of operations. These and other impacts of the ongoing **conflict- conflicts** between Russia and Ukraine **and Israel and Hamas** could also heighten many of the other risk factors discussed in this section.