

Risk Factors Comparison 2024-02-27 to 2023-02-28 Form: 10-K

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In the ordinary course of our business, we encounter Associates who fail to adhere to our policies and procedures. We systematically review reports of alleged Associate misbehavior. Infractions of the policies and procedures are reported to our Ethics and Education group, who determine what, if any, disciplinary action is warranted in each case. More serious infractions are also reported to our Ethics Committee, which includes USANA executives. If we determine that an Associate has violated any of our policies and procedures, we may take a number of disciplinary actions, including warnings, fines or probation. Among other measures, we may also withdraw or deny awards, suspend privileges, withhold commissions until specific conditions are satisfied, or take other appropriate actions in our discretion, including termination of the Associate's purchase and distribution rights. Because we believe that Associate compliance is critical to the integrity of our business, we are aggressive in ensuring that our Associates comply with our policies and procedures. When an Associate fails to comply with our policies and procedures, we may terminate the Associate's purchase and distribution rights. From time to time, we become involved in litigation with Associates whose purchase and distribution rights have been terminated. We consider such litigation to be routine and incidental to our business and we will continue to be aggressive in ensuring that our Associates comply with our policies and procedures.

Information Technology We believe that the ability to efficiently manage sales, active Customer data, distribution, compensation, manufacturing, inventory, accounting and finance, and communication functions through the use of secure, sophisticated, and dependable information processing systems is critical to our success. We continually evaluate changes in the information technology environment in connection with our efforts to capitalize on new technologies, keep pace with regulatory standards, and secure our systems and data. Over the last several years, we have meaningfully invested in technology systems and infrastructure to create a better overall customer experience for our customers and we will continue to invest in this area going forward. Our information technology resources are maintained primarily by our in-house staff to optimally support our customer base and core business processes. Our IT staff manages an array of systems and processes that support our global operations 24 hours a day and 365 days a year. **Three Below is a list** of our most critical applications ~~include:~~

- A web-based application **and native mobile applications** that ~~provides~~ **provide** online services to Associates, such as training sessions ~~and~~, presentations, **various communication tools**, online shopping, enrollment, a real-time reporting engine, ~~USANA and~~ product information, web hosting, email, and other tools to help Associates effectively manage their business and sales organizations;
- A web-based order-entry system that handles order entry, customer information, compensation, Associate business structure, returns, invoices, and other transactional-based processes; and
- A fully integrated world-wide Enterprise Resource Planning ("ERP") system that handles accounting, human resources, inventory management, production processes, quality assurance, and reporting requirements in a multinational environment. Our web applications are supported by a clustered environment providing high availability. All ~~production~~ systems **vital to the functioning of our organization** are fully backed up and stored off-site to mitigate the risk of significant interruption of our business in the event of a disaster at the locations of our primary servers. For information regarding technology-related risks, see the information in "Item 1A: Risk Factors." Regulatory Matters General. In every jurisdiction in which we operate, our business is subject to extensive governmental regulation. These regulations exist at various national and local levels and pertain to our products, direct selling, and other aspects of our business. In this section, we describe the material regulations that are applicable to our business.

Product Regulation. Numerous governmental agencies regulate the formulation, manufacturing, holding, packaging, labeling, advertising, promoting, importing, distributing, shipping, and selling of health supplements, cosmetics, and foods. In the United States, these agencies include the Federal Trade Commission ("FTC") under the FTC Act, as amended, the FDA, under the Food, Drug, and Cosmetic Act, as amended ("FDCA") and related regulations, the Consumer Product Safety Commission, the U. S. Department of Agriculture, the Environmental Protection Agency, the United States Customs and Border Patrol, and the United States Postal Service. Our largest selling product group includes products that are regulated as dietary supplements under the FDCA. Dietary supplements are also regulated in the United States under the Dietary Supplement Health and Education Act of 1994, as amended ("DSHEA"), which we believe is generally favorable to the dietary supplement industry. Some of our powdered drink, food bar, and other nutrition products are regulated as foods under the Nutrition Labeling and Education Act of 1990, as amended ("NLEA"). The NLEA establishes requirements for ingredient and nutritional labeling including product labeling claims. The manufacture of nutritional or dietary supplements and related products in the United States requires compliance with dietary supplement GMPs, which are based on the food-model GMPs and Pharmaceutical GMPs, with additional requirements that are specific to dietary supplements. We are audited annually by the FDA, specifically for dietary supplements and have been found in compliance with GMPs for dietary supplements. The Dietary Supplement & Nonprescription Drug Consumer Protection Act requires manufacturers of dietary supplements and over-the-counter ("OTC") products to notify the FDA when they receive reports of serious adverse events occurring within the United States. We have an internal adverse event reporting system that has been in place for several years, and we believe that we comply with this law. In general, our personal care and skincare products, which are regulated as cosmetic products by the FDA, are not subject to pre-market approval by that agency. Cosmetics, however, are subject to regulation by the FDA under the adulteration and misbranding provisions of the FDCA. Cosmetics also are subject to specific labeling regulations, including warning statements, if the safety of a cosmetic is not adequately substantiated or if the product may be hazardous, as well as ingredient statements and other packaging requirements under The Fair Packaging and Labeling Act. Cosmetics that meet the definition of a drug, such as sunscreens, are regulated as drugs. OTC drug products, including cosmetics, may be marketed if they conform to the

requirements of the OTC monograph that is applicable to that drug. Drug products not conforming to monograph requirements require an approved New Drug Application (“ NDA ”) before marketing may begin. Under these provisions, if the agency were to find that a product or ingredient of one of our OTC drug products is not generally recognized as safe and effective or is not included in a final monograph that is applicable to one of our OTC drug products, we would be required to reformulate or cease marketing that product until it is the subject of an approved NDA or until the time, if ever, that the monograph is amended to include such product. Advertising of our products in the United States is subject to regulation by the FTC under the FTC Act. Claims by us or our Associates about our products that cannot be adequately substantiated may be considered unfair or deceptive acts or practices and may expose us to liability under the FTC Act. In recent years, the FTC has initiated numerous investigations of and actions against companies that sell dietary supplement, weight- management, and cosmetic products. We believe that we have adequate substantiation for all material advertising claims that we make for our products in the United States, and we believe that we have organized the documentation to support our advertising and promotional practices. However, no assurance can be given that the FTC would reach the same conclusion if it were to review or question our substantiation for our advertising claims in the United States. The FTC may enforce compliance with the law in a variety of ways both administratively and judicially, using compulsory process, cease and desist orders, and injunctions. FTC enforcement can result in orders requiring, among other things, limits on advertising, corrective advertising, consumer redress, divestiture of assets, rescission of contracts, and such other relief as the agency deems necessary to protect the public. During 2020, for example, the FTC sent warning letters to several nutrition companies and direct- selling companies in connection with advertising claims that the companies and / or their distributor sales people were making about the respective company' s ~~products-~~ **product' s** ability to prevent or treat COVID- 19. Failure to adhere to FTC warning letters or other orders can result in substantial financial or other penalties. Although, to our knowledge, we have not been the subject of any action by the FTC, no assurance can be given that the FTC will not question our advertising or other operations in the United States in the future. Any action in the future by the FTC could materially and adversely affect our ability to market our products successfully in the United States. The manufacturing, labeling, and advertising of our products are also regulated by various governmental agencies outside the United States in each country where they are distributed. In China, our nutritional products are typically classified as “ health functional foods ” and our personal care and skincare products are classified typically as “ non- special use cosmetics. ” The registration process for health functional foods in China is complex and can be unpredictable. It generally requires extensive analysis and approval by the SAMR. As a result, it can take several years to register a product as a health functional food in China. While all products currently sold by BabyCare in China have been registered with the SAMR, we continue to work through the registration process for other health functional food products, which we also hope to begin selling through BabyCare in the future. SAMR and other governmental agencies also enforce advertising and other regulations that restrict the ability of health ~~products-~~ **product** companies to advertise the benefits of their products in China. In Australia, the TGA regulates product registration, labeling and manufacturing. In Japan, the Ministry of Health, Labor and Welfare regulates these activities. Upon entering a new market, prior to commencing operations or marketing products, we may be required to obtain approvals, licenses, or certifications from that country’ s Food Administration, Ministry of Health or comparable agency. Approvals or licensing may be conditioned on reformulation of USANA products for the particular market or approval or licensing otherwise may be unavailable with respect to certain products or product ingredients in a given market. We cannot predict the nature of any future laws, regulations, interpretations, or applications, nor can we determine what effect additional governmental regulations or administrative orders, when and if promulgated, would have on our business. Future changes could include requirements for the reformulation of certain products to meet new standards, the recall or discontinuation of certain products that cannot be reformulated, additional record keeping, expanded documentation of the properties of certain products, expanded or different labeling, and additional scientific substantiation. Any or all of these requirements could have a material adverse effect on our business, financial condition, and operating results. Direct Selling Regulation. Various laws and regulations in all of our markets regulate direct selling. These laws and regulations exist at many levels of government in many different forms, including statutes, rules, regulations, judicial decisions, and administrative orders. Direct selling regulations are inherently fact- based and often do not include “ bright line ” rules. In most of our markets, these regulations are subject to discretionary interpretation by regulators and respective legal authorities. Consequently, the regulations, or a regulator’ s interpretation and enforcement of the regulations, could change at any time. If that were to occur, we may be required to change our business model in the respective market in an effort to comply. In the United States, the FTC has jurisdiction to regulate direct selling companies under the FTC Act. The FTC’ s interpretation of the applicable direct selling laws and regulations has evolved over the last several years as represented in various consent orders between the FTC and certain direct selling companies, guidance issued by the FTC to the direct selling industry and informal communications from the FTC to the industry. The FTC, through these consent orders, guidance and communications, has addressed a variety of consumer protection issues, including misleading earnings representations by a company or its independent distributors, as well as the fairness and legal compliance of a company’ s business model and distributor compensation plan. For example, in 2020, the FTC sent warning letters to several direct- selling companies in connection with income claims allegedly made by the companies and / or their distributor sales forces in the context of the respective company' s business opportunity during the COVID- 19 pandemic. The consent orders, guidance and communication from the FTC have also created a degree of ambiguity and uncertainty regarding how the FTC and other regulators will interpret the laws, regulations and judicial precedent applicable to direct selling in the United States. In October 2021, the FTC, pursuant to its Penalty Offense Authority under the FTC Act, sent letters to over 1, 100 companies, including USANA, warning them that the FTC could seek penalties of up to \$ 43, 792 per violation for conduct determined to be unfair, deceptive, or otherwise unlawful in certain prior FTC actions. The letter did not accuse any recipient company, including USANA, of engaging in unlawful conduct. But if the FTC later alleges that we have engaged in acts or practices found to be unfair, deceptive, or unlawful in the actions referenced in the letters, we could be at risk of penalties

and other potential liability. As noted above, the Chinese government has adopted direct selling laws and regulations that contain a number of financial and operational restrictions on direct selling companies, as well as prohibitions on pyramid selling and multi-level compensation. These regulations are subject to discretionary interpretation and enforcement by various municipal, provincial and state officials in China. Departments within the Chinese government that regulate direct selling include the Ministry of Commerce (“MOFCOM”), the Ministry of Public Security (“MPS”) and their regional and local counterparts. BabyCare’s business model has been developed specifically for China based on, among other things: (i) BabyCare’s communications with the Chinese government, (ii) BabyCare’s interpretation of the direct selling laws and regulations, as well as its understanding of how the government interprets and enforces the regulations, and (iii) BabyCare’s understanding of how other multinational direct selling companies operate in China. Notwithstanding the foregoing, the direct selling industry in China, as well as the regulatory environment for the industry, continues to evolve and receive significant attention and scrutiny from the Chinese government and the Chinese media. In 2019, following unfavorable media coverage of certain health product companies and direct selling companies, several departments of the Chinese government, including SAMR, MPS, and MOFCOM, initiated a review of health product and direct selling companies. This review required direct-selling companies in China such as BabyCare to conduct a self-assessment of the regulatory compliance of their business (including product regulatory compliance and direct selling regulatory compliance) and to provide information to the Chinese government regarding that assessment. The review also entailed a review of direct sellers’ regulatory compliance by various departments of the Chinese government. During this review, the Chinese government, among other things, instructed direct selling companies not to hold large distributor meetings, and suspended its application review process for direct sales-selling licenses and authorizations. The Chinese government has yet to re-open the application review process for direct sales-selling licenses and authorizations or indicate if or when it plans to do so. The Chinese government’s scrutiny of the direct selling industry has been higher following the 2019 review. The Chinese government has taken action historically against direct selling companies that it believes have violated the government’s direct selling regulations and anti-pyramiding laws. The government’s action in this regard has entailed investigating direct selling companies and their distributors, imposing significant fines and, in some cases, shutting down companies it believed to be in violation. Historically, there have been instances when inquiries or complaints about BabyCare’s business resulted in warnings from the Chinese government, as well as the payment of fines by BabyCare or its distributors. BabyCare has obtained direct selling licenses in certain provinces and municipalities in China, but must obtain others from additional provinces and municipalities if it is to continue to expand its direct selling business model in China. As of the date of this Annual Report, BabyCare has been granted licenses to engage in direct selling in the provinces and municipalities of Beijing, Jiangsu, Shaanxi, and Tianjin. Direct selling companies, and the industry in general, continue to experience significant media and public scrutiny. Several companies similar to USANA recently have been scrutinized and penalized in several markets where we operate, including the United States, Canada, China, Japan, and South Korea. This scrutiny, along with the uncertainty of the laws and regulations pertaining to direct selling in many countries, can affect how a regulator or member of the public, including investors, perceives us. For instance, there has been significant media and short-seller attention given to the viability and legality of direct selling in the United States and China over the past few years. This attention has led to intense public scrutiny of our industry, as well as volatility in our stock price and the stock prices of other direct selling companies who operate in the same markets. We cannot predict the impact that this scrutiny may have on our business or industry in the future. We detail more of the various risks associated with the regulation of our overall business, direct selling business model and Compensation Plan in this Annual Report in “Item 1A. “Risk Factors.”

Transfer Pricing Regulation. In the United States and many other countries, we are subject to transfer pricing and other tax regulations designed to ensure that appropriate levels of income are reported by our United States or international entities and taxed accordingly. We have adopted transfer prices, which are supported by formal transfer pricing studies for the sale of products to our subsidiaries in accordance with applicable transfer pricing laws. In addition, we have entered into agreements with our subsidiaries for services and other contractual obligations, such as the payment of Associate incentives that are also supported by the same formal transfer pricing studies. We have experienced instances in the past where international taxing authorities have successfully challenged our transfer pricing calculations and agreements and assessed us additional tax. Going forward, if the U. S. Internal Revenue Service (“IRS”) or the taxing authorities of any other jurisdiction successfully challenge these agreements or require changes in our standard transfer pricing practices for products, we could become subject to higher taxes and our earnings could be adversely affected. The tax treaties between the United States and most countries provide competent authority for relief to avoid any double taxation. We believe that we operate in compliance with all applicable transfer pricing regulations. There can be no assurance, however, that we will continue to be found to be operating in compliance with transfer pricing regulations or that those laws will not be modified, which may require that we change our operating procedures. Intellectual Property Trademarks. We have developed and use registered trademarks in our business, particularly relating to our product names. We own 28-30 trademarks that are registered with the U. S. Patent and Trademark Office. Federal registration of a trademark enables the registered owner of the mark to bar the unauthorized use of the registered mark by a third party in connection with a similar product in similar channels of trade anywhere in the United States, regardless of whether the registered owner has ever used the trademark in the area where the unauthorized use occurs. We have filed applications and own trademark registrations, and we intend to register additional trademarks in countries outside the United States where USANA products are or may be sold in the future. Protection of registered trademarks in some jurisdictions may not be as extensive as the protection in the United States. We also claim ownership and protection of certain product names, unregistered trademarks, and service marks under common law. Common law trademark rights do not provide the same level of protection that is afforded by the registration of a trademark. In addition, common law trademark rights are limited to the geographic area in which the trademark is actually used. We believe these trademarks, whether registered or claimed under common law, constitute valuable assets, adding to recognition of USANA and the effective marketing of USANA products. Trademark registration once

obtained is essentially perpetual, subject to the payment of a renewal fee and ~~continue~~ **continued** usage of the trademark. We therefore believe that these proprietary rights have been and will continue to be important in enabling us to compete. Patent. We own U. S. Patent 10, 632, 101 for our InCelligence complex formula. This patent was issued in 2020. Trade Secrets. We own certain intellectual property, including trade secrets that we seek to protect, in part, through operational protections and confidentiality agreements with employees, consultants, vendors and other parties. Even where these agreements exist, there can be no assurance that these agreements will not be breached, that we would have adequate remedies for any breach, or that our trade secrets will not otherwise become known to or independently developed by competitors. Our proprietary product formulations are generally considered trade secrets, but are not otherwise protected under intellectual property laws. We intend to protect our legal rights concerning intellectual property by **taking** all appropriate legal action. Consequently, we may become involved from time to time in litigation to determine the enforceability, scope, and validity of any of the foregoing proprietary rights. Any intellectual property litigation could result in substantial cost and divert the efforts of management and technical personnel. Seasonality ~~We~~ **Although we are not significantly affected by seasonality, we do** experience variations in the activity of our customers in many of our markets in the first and fourth quarters around major cultural events such as **Chinese Lunar New Year** and Christmas. Backlog Our products are typically shipped within 72 hours after receipt of an order. As of February ~~24-23~~, **2023-2024**, we had no significant backlog of orders. Working Capital Practices Due to our dual role as manufacturer and distributor, we require substantial inventories, as such, we strive to maintain sufficient amounts of inventory in order to provide a high level of service to our customers. **At times we may strategically choose to carry a greater amount of inventory for various reasons, such as promotional activity, product launches, and uncertainty in supply and distribution channels.** We also watch seasonal commodity markets and may buy ahead of normal demand to hedge against cost increases and supply risks. Environment Laws We are not aware of any instance in which we have contravened federal, state, or local laws relating to protection of the environment or in which we otherwise may be subject to liability for environmental conditions that could materially affect operations. Our Values and Culture Our business is driven by our four Core Values: • Excellence: We rely on scientific research to provide innovative, healthy living solutions, and we empower all individuals to continually improve each day. • Community: We support, care for, and encourage one another, and the world, to live happier, healthier lives. • Integrity: We demonstrate honesty, responsibility, and accountability through our individual actions and corporate decision- making. • Health: We cultivate a holistic view of wellness that supports a healthy body and a strong mind. Corporate Sustainability ~~The~~ **In** ~~2021, our Board of Directors formed a separate~~ Sustainability Committee **to of the Board of Directors oversee oversees** and ~~advise~~ **advises** on all matters related to corporate sustainability, including ESG. The Sustainability Committee is composed of directors Peggie Pelosi, Chair; John Fleming; Frederic Winsinger; Tim Wood; and **J.** Scott Nixon. In the United States and abroad there are an increasing number of sustainability- related rules and regulations that have been adopted or proposed. Such regulations may subject us to new disclosure requirements, which could result in risks to our reputation or consumer demand for our products if we do not meet increasingly demanding stakeholder expectations and standards. We will continue to incorporate and advance sustainability- related best practices across all of our markets as part of our commitment to improving the health and wellness of individuals, families and communities around the world. Our ESG strategy centers on three main pillars- products, people, and planet- that encompass where we are focusing our sustainability efforts now and in the future. To achieve our goals, we plan to continue fortifying each pillar, to deliver meaningful progress while evolving our efforts to ensure our business becomes more sustainable day by day. Strategic Pillars Tier One Topics Tier Two Topics Products • Product quality and safety • Responsible ~~Sourcing~~ **sourcing** • Health and nutrition • Affordable and accessible products People • Talent ~~Management~~ **management** and development • Employee health, safety, and well- being • Diversity, equity, and inclusion • Human rights Planet • Sustainable packaging • Waste management • Greenhouse gas management • Biodiversity and environmental conservation • Energy management • Water management We encourage you to review our most recent Sustainability Report available on our investor relations website <https://ir.usana.com/> for more detailed information regarding our human capital programs and initiatives. Nothing on our website, including our Sustainability Report or sections thereof, is deemed incorporated by reference into this Report. Human Capital We believe that" creating the healthiest family on earth by empowering the individual" starts with our employees. Key to our ambition is giving our employees the skills and development they need to build a meaningful career and tools to support their total health and wellness and enhancing our diverse and inclusive workplace culture to help employees thrive. We also believe that the manner in which we address issues related to workforce demographics, diversity, **equity**, and inclusion, community involvement, talent management, **compensation and benefits**, and employee health and safety directly correlates to our success as a business. As of February ~~24-23~~, **2023-2024**, we had approximately 1, ~~900-800~~ employees working in ~~23-22~~ countries worldwide, as measured by full- time equivalency. The majority of our employee population resides in the United States (46 %) and China (28 %). Approximately 58 % of our world- wide employee population is female. We are actively working through initiatives such as our Women in Leadership Program, along with formal and informal mentorship programs, to continue promoting and hiring talented and capable women into management roles. We have also increased the number of women in senior leadership roles over the past several years. Our employees are not currently represented by a collective bargaining agreement, and we have not experienced work stoppages as a result of labor disputes. We believe that we have a good relationship with our employees. We are committed to fostering a diverse, inclusive and equitable workplace. Our diversity, equity and inclusion (" DEI ") program is designed to promote representation and engagement at all levels of the organization. Through our mentorship program and Women in Leadership initiative, we are working to increase representation of underrepresented groups in leadership positions. Our DEI council focuses on education and awareness, access to developmental programs, and community engagement. One of the key elements of our DEI program is our commitment to volunteerism and charitable action. In ~~2022-2023~~, **we have** spent more than 2, ~~600~~ **900** hours volunteering, working with local organizations to help promote diversity, equity and inclusion in the communities where we operate. Additionally, we ~~have launched new~~ **continued our support of** programs that foster career development and

help to ensure that all employees have the opportunity to reach their full potential. In addition to these internal initiatives, we also partner with other organizations to help achieve our DEI goals. By working together with other companies, community groups, and non-profits, we are able to amplify our impact and create a more inclusive and equitable society for all. Our DEI program is a key component of our company culture. By fostering diversity, equity, and inclusion, we are able to create a more vibrant and innovative workplace that benefits all of our employees, customers, and stakeholders. We will continue to invest in this program, and strive to make our company an inclusive, equitable and welcoming place for all. We understand the value of developing employees at every level. Our leaders actively participate in leadership development programs that include mentorship and coaching, online learning, and regular company and industry specific training programs. Additionally, our global employee population is engaged in online learning platforms and, more than 350-400 participants have completed our mentorship and coaching program. All employees are encouraged to attend training specific to their role, as well as, utilize our tuition reimbursement program, which has provided additional monetary support to employees at all levels as they pursue bachelor and advanced college degrees. The health and safety of employees is also a key element in providing return to all stakeholders. In addition to following mandatory government requirements for health and safety, we have established a wellness program that includes free nutritional products to employees. Employees in our corporate headquarters have access to an on-site gym, exercise classes, free access to massages, and chiropractic care. A health clinic located on the campus of our corporate headquarters provides medical and mental health care, and is actively engaged in the health of about 46-52% of our eligible employees. The health and safety of our employees around the world remains our top priority. We remain committed to being socially responsible as a corporate leader in each of our markets and doing our part to reduce the spread of COVID-19. As such, we continue to utilize a modified operating model in each of our markets as necessary to follow applicable guidelines from government and health officials. Although a significant portion of our non-manufacturing and non-distribution employees continued with remote working arrangements, we began efforts during the second quarter of 2021 to bring these employees back to our offices, in markets where health and safety best practices have allowed us to safely do so. In connection with this effort, permit most of our employees to utilize a hybrid work schedule, which allows them to split their time working at the office and remotely. Employees working on site are required to follow applicable health and safety guidelines. We continue to utilize flexible shift schedules, time and attendance policies, and sick-leave policies to promote health, wellness and safety. Where necessary in our international markets, we have temporarily closed product call centers and continue to offer curbside delivery and subsidized shipping to customers. We will continue to monitor the situation surrounding the pandemic and implement additional risk mitigation actions where necessary. We recognize that a strong commitment to community is essential to all stakeholders. We utilize philanthropic nutrition to underserved under-privileged children and families worldwide. In 2022-2023, the USANA Foundation: • Provided over 12-30 million meals; • Provided over \$ 500,000 in aid and grants to partner charities around the world; • Distributed weekly backpacks of food for at risk children in 42-local schools to take home on the weekend and; • Supported 44 additional schools by providing large packs of food for children to take home during long holiday breaks; and • Gifted approximately 6,000 bottles of children's vitamins to some of the most malnourished children around the world. A discussion of the risks relating to our ability to attract and retain active Associates and Preferred Customers, and the loss of key management, is included in Item 1A. Risk Factors. Information About Our Executive Officers and Directors The following table sets forth certain information regarding our Executive Officers as of the date of this Annual Report.

Name	Age	Position
Kevin Guest	60	Chief Executive Officer and Chairman of the Board
Jim H. Brown	55	Chief Executive Officer
Kevin G. Guest	61	Executive Officer and Chairman of the Board
G. Douglas Hekking	53	Chief Financial Officer
Paul A. Jones	59	Chief People Officer
Jones	60	Chief People Officer
P. Joshua Foukas	47	Chief Legal Officer, General Counsel and Corporate Secretary
Foukas	48	Chief Legal Officer, General Counsel and Corporate Secretary
Daniel A. Macuga	53	Chief Communications and Marketing Officer
Macuga	54	Chief Communications and Marketing Officer
Robert Sinnott	58	Chief Scientific Officer
Sinnott	59	Chief Scientific Officer
Walter Noot	57	Chief Operating Officer
Noot	58	Chief Operating Officer
David Mulham	62	Chief Sales Officer
Mulham	63	Chief Sales Officer
Brent Neidig	39	Chief Commercial Officer
Neidig	40	Chief Commercial Officer

(1) As announced on February 13, 2023, effective July 1, 2023, Jim H. Brown was appointed as the Company's Chief Executive Officer, at which time Kevin Guest transitioned to Executive Chairman of the Board. Jim H. Brown was appointed President in 2016 and Chief Executive Officer in July 2023. From 2016 to 2019 Mr. Brown also served as Chief Operating Officer. Mr. Brown received a bachelor's degree with a double major in computer science and math, and an M. B. A. from Francis Marion University in Florence, South Carolina. Kevin G. Guest was appointed Executive Chairman of the Board in July 2023. From 2020 to July 2023 Mr. Guest served as Chairman of the Board and Chief Executive Officer in. From 2016 and Chairman of the Board and to 2020 Mr. Guest served as Chief Executive Officer in May 2020. Mr. Guest's important role as the leading force of our management and sales efforts, and his talent as a motivating leader, qualify him to serve as a member of the Board. Mr. Guest earned a B. A. in Communications from Brigham Young University - Jim Brown has been President of the Company since 2016. From 2016 to 2019 he served as President and Chief Operating Officer. Mr. Brown received a bachelor's degree with a double major in computer science and math, and an M. B. A. from Francis Marion University in Florence, South Carolina. G. Douglas Hekking became our Chief Financial Officer in May 2017. Mr. Hekking received a B. S. in accounting from the University of Utah and an M. B. A. from Brigham Young University. Paul A. Jones has been our Chief People Officer since 2021. From 2015 to 2021, Mr. Jones was Chief Leadership Development Officer. Mr. Jones received a B. S. in finance from Utah State University and M. A. in organizational management from the University of Phoenix. P. Joshua Foukas has served as our Chief Legal Officer and Corporate Secretary since 2018. Mr. Foukas received a B. A. from the University of Utah and a J. D. from the University of Idaho. Daniel A. Macuga, Jr. became Chief Communications and Marketing Officer of USANA in 2017. Mr. Macuga received a B. A. in communications from the University of California, San Diego. Robert A. Sinnott, M. N. S., Ph. D. joined USANA as Chief Scientific Officer in August 2016. Dr. Sinnott holds a B. S. in Biological Sciences, an M. S. in Natural Science, and a Ph. D. in Plant Sciences from Arizona

State University, in Tempe, Arizona. His focus was on applied biological sciences, including biotechnology and plant medicinal chemistry. Walter Noot joined USANA as Chief Information Officer in December 2016 and served in that role until he was promoted to Chief Operating Officer in October 2019. He holds a B. S. in mechanical engineering from Brigham Young University. David Mulham was appointed Chief Field Development Officer in 2017. Mr. Mulham has a postgraduate diploma from Macquarie Graduate School of Management, Sydney. Brent L. Neidig was appointed **Chief Commercial Officer in July 2023. Mr. Neidig was appointed** Executive Vice President of China in February 2017, and in April 2019 was named Chief Officer and Managing Director of China. Mr. Neidig received a B. S. in accounting and M. B. A. from the University of Utah - ~~As announced on February 13, 2023, our Board of Directors has appointed Jim Brown as the Company's Chief Executive Officer effective July 1, 2023, at that time, Kevin Guest will transition to Executive Chairman.~~ The following table sets forth certain information regarding our Directors as of the date of this Annual Report.

Name	Age	Position	Kevin Guest	61	Executive
Kevin Guest	60	Chief Executive Officer and Chairman of the Board	Gilbert A. Fuller	82	Director
Xia Ding	52	Director	Peggie Ding	53	Director
J. Pelosi	67	Director	Frederick J. Winssinger	54	Director
Timothy Wood	74	Director	John T. Fleming	79	Director
Scott J. Nixon	63	Director	Nixon	64	Director

Additional Available Information We maintain our corporate headquarters, executive offices, and principal facilities at 3838 West Parkway Boulevard, Salt Lake City, Utah 84120. Our telephone number is (801) 954- 7100. Our website address is www.usanahealthsciences-usana.com. The information on our website should not be considered part of and is not incorporated into this Annual Report by reference. We make available, free of charge at our corporate website, copies of our reports filed with the SEC under the Exchange Act, including our Annual Reports on Form 10- K, Quarterly Reports on Form 10- Q, Current Reports on Form 8- K, proxy statements, and all amendments to such reports, as soon as reasonably practicable after such reports or other material have been electronically filed with or furnished to the SEC pursuant to Section 13 (a) or 15 (d) of the Exchange Act. This information may also be obtained from the SEC via its on- line database, which is located at www.sec.gov. You may also obtain, free of charge on our website, a copy of our Corporate Governance Guidelines, our Code of Ethics for Directors and Employees, and the charters of the Audit Committee, Governance, Risk and Nominating Committee, Compensation Committee, and Sustainability Committee of our Board of Directors. We have listed below the most material risk factors applicable to us. These risk factors are not necessarily in the order of importance or probability of occurrence: You should consider the following risk factors, in addition to the information presented elsewhere in this Annual Report, particularly under the heading “ Cautionary Note Regarding Forward- Looking Statements, ” on page 1, and the disclosures contained in Part I, “ Item 1. Business, ” and Part II, “ Item 7. Management’ s Discussion and Analysis of Financial Condition and Results of Operations ” of this report, as well as in the other filings we make from time to time with the SEC, in evaluating us, our business and an investment in our securities. Risk Associated with Direct Selling Direct selling is subject to intense government scrutiny, and regulation and changes in the law, or the interpretation and enforcement of the law, might adversely affect our business. Various laws and regulations in the United States and other countries regulate direct selling. These laws and regulations exist at many levels of government in many different forms, are inherently fact- based, and often do not include “ bright line ” rules. We are also subject to the risk that the laws and regulations, or a regulator’ s interpretation and enforcement of the laws and regulations, could change. In the United States, the FTC is one of many regulators who regulate direct selling. The FTC has actively warned various direct selling companies and the industry as a whole about certain business practices associated with direct selling and entered into settlements with several direct selling companies that required those companies to modify their compensation plans and business models. Those settlements resulted from enforcement actions brought by the FTC involving a variety of alleged violations of consumer protection laws, including misleading earnings representations and legal compliance of those companies’ business models and distributor compensation plans. For example, in 2016, the FTC entered into a settlement with another direct selling company following an enforcement action in which the FTC alleged that the company’ s distributors were making misleading earnings representations and that the company was utilizing an illegal business model. Also in 2016, the FTC entered into a settlement with another direct selling company following an enforcement action in which the FTC alleged that the company’ s distributors had made misleading income representations and that the company was utilizing an unfair and deceptive compensation plan. In 2019, the FTC entered into a settlement with a direct selling company following an FTC enforcement action, which included the alleged violations noted above. Pursuant to this settlement, the company is permanently prohibited from using a multilevel compensation plan in the United States. Following this settlement, the FTC initiated litigation with another direct selling company for similar alleged violations and **pursued is seeking similar claims and remedies**, including a prohibition of multilevel compensation in the United States. **Although the court ruled in favor of the defendant company in this case, remains in litigation. Settlements settlements**, such as those described in the **other** cases above, may require a direct selling company to pay a significant fine, revise its U. S. business model and compensation plan to comply with various restrictions on how it can compensate distributors and change its marketing practices to avoid misleading product or income representations, among other things. Although a settlement between the FTC and a specific company does not generally have force of law or binding effect on other companies, FTC officials have indicated that the direct selling industry should look to these settlements, and the principles contained therein, for guidance. In 2020, the FTC sent warning letters to several direct- selling companies regarding product and / or income claims that the companies and / or their distributors were making related to the COVID- 19 pandemic. In 2021, the FTC, pursuant to its Penalty Offense Authority under the FTC Act, sent letters to over 1, 100 companies, including USANA, warning them that the FTC could seek penalties of up to \$ 43, 792 per violation for conduct determined to be unfair, deceptive, or otherwise unlawful in certain prior FTC actions. The letter did not accuse any recipient company, including USANA, of engaging in unlawful conduct. But if the FTC later alleges that we have engaged in acts or practices found to be unfair, deceptive, or unlawful in the actions referenced in the letters, we could be at risk of penalties and other potential liability. The FTC is currently advocating and considering certain legal and regulatory changes that, if implemented, could have a

material adverse effect on our business. For example, in 2022 the FTC issued an Advanced Notice of Proposed Rulemaking for a proposed rule concerning deceptive earnings claims that would further regulate how companies like USANA advertise and represent their business. The FTC is also currently reviewing the Business Opportunity Rule, which requires business opportunity sellers to give prospective buyers specific information to help them evaluate a business opportunity or work-at-home program. Direct sellers like USANA are currently exempt from the Business Opportunity Rule, but the FTC could include direct sellers within the scope of the rule as a result of the review. If direct sellers become subject to the rule, we will have to comply with disclosure requirements that could significantly increase the cost of doing business and have other material adverse effects on our business. We regularly analyze our business model in response to settlements between the FTC and other direct selling companies, as well as guidance and other communications issued by the FTC, and from time to time we refine aspects of our business model where appropriate. Although we strive to ensure that our business model and compensation plan are compliant with applicable laws and regulations, as well as regulatory guidance, in each of our markets, we cannot assure you that a regulator, if it were to review our business, would agree with our assessment and would not require us to change one or more aspects of our operations. Any action against us in the future by the FTC or another regulator could materially and adversely affect our operations. We are also subject to various direct selling laws and regulations in our other markets, including China (as explained below). We cannot predict the nature of any future law, regulation, or guidance, nor can we predict what effect additional governmental regulations, judicial decisions, or administrative orders would have on our business. Failure by us, or our Associates, to comply with these laws, regulations, or guidance, could have a material adverse effect on our business in a particular market or in general. Finally, the continuation of regulatory challenges, investigations and litigation against other direct selling companies could harm our business and industry if the laws and regulations are interpreted in a way that results in additional restrictions on direct selling companies in general. The violation of marketing or advertising laws by Associates in connection with the sale of our products or the improper promotion of our Compensation Plan could adversely affect our business. All Associates contractually agree to adhere to our policies. Although these policies prohibit Associates from making false, misleading and other improper claims regarding products or income potential from the sale of the products, from time to time Associates, without our knowledge and in violation of our policies, create promotional materials or otherwise provide information that does not accurately describe USANA, our products or the Compensation Plan. They also may make statements regarding potential earnings, product claims, or other matters in violation of our policies or applicable laws and regulations concerning these matters. These violations may result in legal action against us in our various markets by regulatory agencies, state attorneys general, or private parties ~~—and in China by the Chinese government.~~ Legal actions against us or our Associates or others who are associated with us could lead to increased regulatory scrutiny of our business, including our business model. We take what we believe to be commercially reasonable steps to (i) regularly train our Associates, and (ii) monitor the activities of our Associates to guard against misrepresentation and other illegal or unethical conduct by Associates and to assure compliance with our policies. There can be no assurance, however, that our efforts in this regard will be sufficient to accomplish this objective. In the past, we have experienced adverse publicity both within and outside of our sales force for enforcing our Associate policies and procedures. This type of adverse publicity has made, and will continue to make, it difficult for us to attract and retain Associates and Preferred Customers and may have an adverse effect on our business, financial condition, and results of operations. We may have or could incur obligations relating to the activities of our Associates. Our Associates are subject to taxation, and, in some instances, legislation or governmental agencies may impose an obligation on us to collect taxes, such as sales taxes or value added taxes, and to maintain appropriate records of such transactions. In addition, we are subject to the risk in some jurisdictions of being responsible for social security and similar taxes as well as employee benefits with respect to our Associates. In particular, the laws regarding independent contractor status in certain jurisdictions, including the United States, continue to evolve and, in some cases, authorities have sought to apply these laws unfavorably against gig economy, platform and direct selling companies, including USANA. In 2020, we were named as a defendant in a private lawsuit in California by a plaintiff's firm that is seeking to reclassify our California Associates from independent contractors to employees under California state law. ~~While, Although we prevailed in do not believe this litigation is material to our business, and we continue to believe we have legally and appropriately classified our Associates as independent contractors, it is possible that this future lawsuit lawsuits or potential future laws, could negatively impact the independent contractor status of our Associates or distributors in direct selling companies in general. For example, in January 2022-2024, the U.S. Department of Labor proposed (DOL) issued a final rule regarding regulation that, if adopted, would alter the classification of workers as employees vs. independent contractors under the Fair Labor Standards Act. The final rule, which becomes effective March 11, 2024, is significantly different from the 2021 rule issued by the DOL and requires companies and courts to consider the totality of six economic factors when deciding whether a worker is an employee or vs. independent contractor analysis in a way that could potentially cause more workers to be classified as employees. If the 2024 DOL final rule or other federal, state or local laws and regulations or the interpretation of such laws and regulations change to require us to treat our Associates as employees, or if our Associates are deemed by local regulatory authorities in one or more of the jurisdictions in which we operate to be our employees rather than independent contractors, under existing laws and interpretations, we may be deemed to be responsible for a variety of obligations that are imposed upon employers relating to their employees, including social security and related taxes in those jurisdictions, wages, employee benefits, plus any related assessments and penalties, which could harm our financial condition and operating results. Our Associate Compensation Plan, or changes we make to it, may be viewed negatively by some Associates, could fail to achieve our desired objectives, and could have a negative impact on our business. From time to time, we modify our Compensation Plan to (i) keep it competitive and attractive, (ii) cause or address a change in Associate behavior, (iii) conform to legal and regulatory requirements, or (iv) address other business needs. It is difficult to predict how any changes to the plan will be viewed by Associates and whether such changes will achieve their desired results. For example, in 2023 we launched our Affiliate program in three markets and this program creates a new and~~

different element of our Compensation Plan. There can be no assurance that changes to our Associate Compensation Plan will allow us to successfully attract new Associates or retain existing Associates, nor can we assure that any changes we make to our Compensation Plan will achieve our desired results. Additionally, the payment of Associate incentives under our Compensation Plan is our most significant expense. Modifying our Compensation Plan directly affects the incentives we pay as a percentage of net sales. There can be no assurance that changes to the Compensation Plan will be successful in achieving target levels of Associate incentives as a percentage of net sales. Furthermore, such changes may make it difficult to attract and retain qualified and motivated Associates. Changes we are required to make to our Associate Compensation Plan in certain markets, including limits on the amount of Associate compensation we can pay, may hurt our ability to attract and retain Associates, result in regulatory risk and affect our operating results. We have been required to modify our Associate Compensation Plan in certain markets to comply with the laws and regulations in these markets or the interpretation of the same by authorities in these markets. For example, we have been required to use a different compensation plan for our BabyCare operations in China (as noted elsewhere in this report) and have been required to modify our Compensation Plan in **India**, South Korea, Malaysia, and Indonesia to comply with applicable laws and regulations. We obtain regulatory approval of our Compensation Plan when required or, when not required, we may seek a legal opinion regarding compliance. We may also be prohibited from distributing products through direct selling or paying multilevel compensation in some countries. Several markets, including China, South Korea, and Indonesia also impose limits on the amount of compensation we can pay to our Associate sales force. If we fail to comply with the legal requirements for our Compensation Plan in our various markets, including the limits on compensation we are legally permitted to pay, we may incur fines or other sanctions, including the loss of applicable licenses to conduct our business. These required changes to Compensation Plan, including compensation limits, may also be viewed as limiting the incentive for people to join our Associate sales force and may reduce the competitive advantage of our Associate Compensation Plan.

Risks Related to Our China Business Our Greater China region accounts for a significant part of our business and expected growth. A decline in sales or customers in this region would harm our business, financial condition and results of operations. Our Greater China region consists of China, Hong Kong, and Taiwan and has been our largest region for sales over the last several years and China has been our largest market. Our international growth strategy has focused largely on growing our China business. For the last three years, health officials in Greater China have responded to the COVID- 19 pandemic, which has created a challenging operating environment for our business in China and has negatively impacted our sales and customer results. Additionally, in 2019, our sales and active Customer counts in both the Greater China region and our China market declined, largely because of a challenging operating environment in China, following the China’ s governments inquiry into and review of the health foods industry in China. If we are not successful in growing BabyCare’ s sales and customer base in China, our consolidated growth as a company will be negatively affected and our business, financial condition, results of operations and cash flows may be harmed. BabyCare must comply with significant operational, financial, and other regulatory requirements to engage in direct selling in China. Although we believe that we will be successful in growing BabyCare’ s business in China, it is difficult to assess the extent to which BabyCare’ s business model and compensation plan will be successful or deemed to be compliant with applicable Chinese laws and regulations. In light of the factors listed above, and the other risks to our business, there can be no assurance that we will be successful in increasing sales and customers in China through BabyCare. Our operations in China are subject to significant government regulation, as well as a variety of legal, political, and economic risks. If the Chinese government modifies its direct selling laws and regulations, or interprets and enforces these laws and regulations in a manner that is adverse to our business in China, our consolidated business and results of operations may be materially harmed. Our operations in China are conducted by BabyCare, our China subsidiary. BabyCare operates in China pursuant to direct selling laws and regulations that are uncertain and evolving. These regulations contain a number of financial and operational restrictions for direct selling companies, including prohibitions on pyramid selling and multi- level compensation. The laws and regulations are also subject to discretionary interpretation and enforcement by various state, provincial and municipal level officials in China. Regulators in China may modify current direct selling laws and regulations or change how they interpret and enforce them. As a result, there can be no assurance that the Chinese government’ s current or future interpretation and application of existing and new regulations will not negatively impact our business in China, result in regulatory investigations or lead to fines or penalties against us or our Associates. The Chinese government also exercises significant control over the Chinese economy, including through controlling capital, foreign currency exchange, foreign exchange rates, and tax regulations, providing preferential treatment to certain industry segments or companies and issuing required licenses to conduct business. We also face additional risks resulting from new and expanded China data privacy and security laws and regulations. Accordingly, any adverse change in the Chinese governmental, economic or other policies could have a material adverse effect on BabyCare’ s business in China and our consolidated results of operations. In addition to BabyCare’ s direct selling business in China, we periodically offer and sell certain U. S. products in China through a cross- border e- commerce sales channel by utilizing one of our separate China subsidiaries that is registered to engage in cross- border e- commerce. This cross- border e- commerce channel is legally required to be separate from BabyCare’ s direct selling business in China. The products that we offer and sell through this channel are neither registered for retail sale in China nor registered as direct selling products under BabyCare’ s direct **sales selling** license. Consequently, products sold via our cross- border e- commerce channel can only be sold to China customers for their personal consumption and cannot be sold through BabyCare’ s direct selling channel. BabyCare’ s direct selling business in China could be negatively impacted if China regulatory authorities (i) attribute our cross- border e- commerce sales and related product claims to BabyCare’ s direct selling business, and (ii) make a determination that the same are in violation of direct selling or other applicable laws and regulations. Although BabyCare utilizes a business model that has been developed specifically for China’ s laws and regulations, the Chinese government has not approved BabyCare’ s model, compensation plan, and operations. BabyCare’ s business model has been designed specifically for China’ s laws and regulations based on, among other things, BabyCare’ s (i) communications with the Chinese government,

(ii) interpretation of the direct selling laws and regulations, as well as its understanding of how the government interprets and enforces the regulations, and (iii) understanding of how other multinational direct selling companies operate in China. Many of the components of BabyCare's business model are unique to China and are not part of our business model in our markets outside of China. For example, BabyCare sells products in China through a variety of methods, including: (a) online through its website; (b) at physical branch retail locations in China; (c) through direct sellers in provinces and municipalities where BabyCare has received a direct sales-selling license; and (d) through independent distributors who are considered independent business owners under Chinese law. BabyCare has not received confirmation from the Chinese government that its business model and operations in China comply with applicable laws and regulations, including those pertaining to direct selling. We cannot assure that Chinese regulatory authorities would deem BabyCare's business model, compensation plan or the activities of its employees, direct sellers or independent distributors to be compliant with current or future laws and regulations. If BabyCare's model were deemed to be in violation of applicable regulations, as they are now or may in the future be interpreted or enforced, BabyCare could be subject to fines, penalties or suspension of its business in China or, ultimately, have its direct selling license revoked by the Chinese government, all of which could have a material adverse impact on our business in China. BabyCare's operations in China, and direct selling companies in general, are subject to significant government oversight, scrutiny and monitoring. Chinese regulators regularly monitor and make inquiries about the business activities of direct sellers in China and have done so with BabyCare. For example, following adverse media coverage of certain health product companies and direct selling companies in 2019, several departments of the Chinese government, including SAMR, MPS, and MOFCOM, initiated a review of health product and direct selling companies in China. The review required applicable companies such as BabyCare to conduct a self-assessment of the regulatory compliance of their business and to provide information to the government regarding the same. The review also entailed a review of a company's regulatory compliance by various departments of the Chinese government. During this review, the Chinese government, among other things, (i) instructed direct selling companies not to hold large distributor meetings, and (ii) suspended its application review process for direct sales-selling licenses and authorizations. The Chinese government has yet to re-open the application review process for direct sales-selling licenses and authorizations or indicate if or when it plans to do so. Direct selling regulations in China prevent persons who are not Chinese nationals from engaging in direct selling in China. We have implemented internal policies that are designed to promote our Associates' compliance with these regulations, however, we cannot guarantee that any of our Associates residing outside of China or any of BabyCare's Associates in China have not engaged or will not engage in activities that violate our policies in this market or that violate Chinese law or other applicable laws and regulations, which might result in regulatory action and adverse publicity and potential harm to our business in China. The Chinese government has investigated and imposed significant fines on companies and their distributors believed to have violated direct selling and anti-pyramiding regulations. In some cases, it has even shut such companies down. There have been instances where inquiries or complaints about BabyCare's business have resulted in warnings from the Chinese government as well as the payment of fines by BabyCare or its distributors. We expect that BabyCare will continue to face the risk of government inquiries, complaints or investigations. Any determination that BabyCare's business or the activities of its Associates are not in compliance with applicable regulations could result in additional fines, disruption of business, or the suspension or termination of BabyCare's licenses, including its direct selling licenses, all of which could have a material adverse effect on our business and operations. There can be no assurance that the Chinese government's interpretation and enforcement of applicable laws and regulations will not negatively impact BabyCare's business, result in regulatory investigations or lead to fines or penalties against BabyCare, USANA or our Associates in China. BabyCare must apply for and receive government approval to expand its business in China and the failure to obtain such approvals could negatively impact its ability to expand and grow its business. BabyCare has obtained direct selling licenses in certain provinces and municipalities and it must obtain various licenses and approvals from additional municipalities and provinces within China if it is to operate its direct selling business model in China. Although direct selling licenses are centrally issued, the licenses are generally valid only in the jurisdictions within which related approvals have been obtained. Those approvals are generally awarded on local and provincial bases, and the approval process requires involvement of multiple ministries at each level. BabyCare also will be required to obtain licenses from municipalities and provinces within China where it currently does not hold a license. The Chinese government has not reopened its application review process for direct sales-selling licenses and approvals since suspending the process in 2019. If BabyCare is unable to obtain additional direct selling licenses and approvals as quickly as we would like, or at all, it would negatively impact our ability to expand and grow our business in China. Ultimately, there can be no assurance that BabyCare will be successful in maintaining its current direct selling licenses or obtaining additional direct selling licenses or the required approvals to expand into additional locations in China that are important to its business. Risk Associated with Our International Operations Risks associated with operating in international markets could restrict our ability to expand globally and harm our business and prospects. We currently conduct our business in various foreign countries, and we expect to expand the number of countries in which we operate in the future. Economic conditions, including those resulting from wars, civil unrest, political unrest, acts of terrorism and other conflicts or volatility in the global markets, may adversely affect our customers, their demand for our products and their ability to pay for our products. In addition, there are numerous risks inherent in conducting our business internationally, including, but not limited to, potential instability in international markets, changes in regulatory requirements applicable to international operations, currency fluctuations in foreign countries, political, economic and social conditions in foreign countries and complex U. S. and foreign laws and treaties. We believe that our ability to achieve future growth is dependent in part on our ability to continue our international expansion efforts. There can be no assurance, however, that we will be able to grow in our existing international markets or enter new international markets on a timely basis, or that new markets will be profitable. We must overcome significant regulatory and legal barriers before we can begin marketing in any international market. In addition, before marketing commences in a new country or market, it is difficult to assess the extent to which our products and sales techniques

will be accepted or successful in any given country. In addition to significant regulatory barriers, we may also encounter problems conducting operations in new markets with different cultures and legal systems from those encountered elsewhere. We may be required to reformulate certain of our products before commencing sales in a given country. Once we have entered a market, we must adhere to the regulatory and legal requirements of that market. No assurance can be given that we will be able to successfully reformulate our products in any of our current or potential international markets to meet local regulatory requirements or to attract local customers. Our failure to do so could have a material adverse effect on our business, financial condition, or results of operations. In many market areas, other direct selling companies already have significant market penetration, the effect of which could be to desensitize the local population to a new opportunity, such as USANA, or to make it more difficult for us to attract qualified Associates or sell to customers generally. Even if we are able to commence operations in new markets, there may not be a sufficient population of persons who are interested in our business. Trade policies, disputes, tariffs or other international disputes could harm our business and operating results. Trade policies and actions which have been, or in the future may be, implemented by the United States against other countries, including China, relating to the import and export of certain products, and negotiations with respect thereto, may have a negative effect on our business, financial condition, and results of operations in China and other markets. There have been consistent, ongoing discussions and activities that raise concern in this regard. Additionally, any actions taken by the Chinese government, or the government in our other markets, to implement further trade policy changes, financial restrictions, or increased regulatory scrutiny on U. S. companies could negatively impact our business, financial condition, and results of operations. For instance, China has previously taken or threatened to take trade and other actions in retaliation against U. S. policies, and is likely to continue to do so. Past or future developments in this regard may have a material adverse effect on the economies, financial markets, and currency exchange rates in China and the United States. Tensions between the United States and China have increased over the past few years as a result of disputes in areas including trade policy, intellectual property, cybersecurity and data privacy. China is our largest market and the United States is one of our largest markets and the location of our corporate headquarters. Our business could be harmed if relations between the United States and China worsen or if either government imposes additional policies, tariffs or sanctions and our business could encounter increased regulatory scrutiny in China, as well as adverse media or public attention in China, as a result of the deteriorating bilateral relationship. Fluctuation in the value of currency exchange rates with the U. S. dollar affects our operations and our net sales and earnings. For the year ended December 31, 2023, 89.46% of our total net sales were generated in markets outside of the United States. Consequently, exchange rate fluctuations have, and will continue to have, a significant effect on our sales and earnings. If exchange rates fluctuate dramatically, it may become uneconomical for us to establish or to continue activities in certain countries. For instance, changes in currency exchange rates may affect the relative prices at which we and our competitors sell similar products in the same market. As our business expands outside the United States, an increasing share of our net sales and operating costs is transacted in currencies other than the U. S. dollar. Accounting practices require that our non- U. S. financial results be converted to U. S. dollars for reporting purposes. Consequently, our reported net earnings may be significantly affected by fluctuations in currency exchange rates, with earnings generally increasing with a weaker U. S. dollar and decreasing with a strengthening U. S. dollar. Currently our strategy for reducing our exposure to currency fluctuation includes the timely and efficient repatriation of earnings from international markets where such earnings are not considered to be indefinitely reinvested, and settlement of intercompany transactions. We also enter into currency exchange contracts to offset foreign currency exposure in various international markets. We do not use derivative instruments for speculative purposes. A foreign government may impose, and some have imposed, foreign currency remittance restrictions. For example, several markets in which we conduct business, including China, require that we file the necessary statutory financial statements for the relevant period as a prerequisite to repatriating cash in the form of a dividend. Any government restrictions on transfers of cash out of the country and control of exchange rates may have a materially adverse effect on our business, financial condition, liquidity and cash flows. There can be no assurance that we will be successful in protecting our operating results or cash flows from potentially adverse effects of currency exchange fluctuations. Any such adverse effects could also adversely affect our business, financial condition, or results of operations. Inflationary pressures and persistently high prices and uncertain availability of commodities, raw materials or other inputs used by us and our suppliers, or instability in logistics and related costs, could negatively impact our profitability. Increases in prices, including as a result of inflation and rising interest rates, for commodities, raw materials or other inputs that we and our suppliers use in manufacturing products, systems, components and ingredients or other similar raw materials, or increases in logistics and related costs, have led and may continue to lead to higher production costs for our products. In addition, any increase in the cost, or reduced availability, of critical materials for our products could lead to higher production costs and could impede our ability to successfully deliver on business strategy. Further, increasing global demand for, and uncertain supply of, such materials could disrupt us or our suppliers' ability to obtain such materials in a timely manner and / or could lead to increased costs. Geopolitical risk, fluctuations in supply and demand, fluctuations in interest rates, any weakening of the U. S. dollar and other economic and political factors have created and may continue to create pricing pressure for commodities, raw materials and other inputs. These inflationary pressures could, in turn, negatively impact our profitability because we may not be able to pass all of those costs on to our customers or require our suppliers to absorb such costs. Additionally, any price increases we impose on our products as a result of the inflationary environment may result in decreased demand of our products, which could adversely affect our business, financial condition, or results of operations.

Risks Related to Our Products, Manufacturing and Operations Our products and manufacturing activities are subject to extensive government regulation, which could limit or prevent the sale of our products in some markets. The manufacture, packaging, labeling, advertising, promotion, distribution, and sale of our products are subject to regulation by numerous national and local governmental agencies in the United States and other countries, including the FDA and the FTC. Failure to comply with FDA regulatory requirements may result in, among other things, injunctions, product withdrawals, recalls, product seizures, fines, and criminal prosecutions. Any action of this type by

the FDA could materially adversely affect our ability to market our products successfully. The manufacture of nutritional or dietary supplements and related products in the United States requires compliance with dietary supplement GMPs, which are based on the food- model GMPs, with additional requirements that are specific to dietary supplements. We believe our manufacturing processes comply with these GMPs for dietary supplements. Nevertheless, any FDA action determining that our processes were non- compliant with dietary supplement GMPs, could materially adversely affect our ability to manufacture and market our products. In addition, the Dietary Supplement & Nonprescription Drug Consumer Protection Act requires manufacturers of dietary supplement and over- the- counter products to notify the FDA when they receive reports of serious adverse events occurring within the United States. Potential FDA responses to any such report could include injunctions, product withdrawals, recalls, product seizures, fines, or criminal prosecutions. We have an internal adverse event reporting system that has been in place for several years and believe that we comply with this new law. Nevertheless, any action by the FDA in response to a serious adverse event report that may be filed by us could materially and adversely affect our ability to market our products successfully. In markets outside the United States, prior to commencing operations or marketing our products, we may be required to obtain approvals, licenses, or certifications from a country' s ministry of health or a comparable agency. Approvals or licensing may be conditioned on reformulation of products or may be unavailable with respect to certain products or product ingredients. We must also comply with product labeling and packaging regulations that vary from country to country. These activities are also subject to regulation by various agencies of the countries in which our products are sold. We cannot predict the nature of any future laws, regulations, interpretations, or applications, nor can we determine what effect additional governmental regulations or administrative orders, when and if promulgated, could have on our business. These potential effects could include, however, requirements for the reformulation of certain products to meet new standards, the recall or discontinuance of certain products, additional record keeping and reporting requirements, expanded documentation of the properties of certain products, expanded or different labeling, or additional scientific substantiation. Any or all of these requirements could have a material adverse effect on our business, financial condition, or results of operations. Our in- house manufacturing activity is subject to certain risks. We manufacture approximately 65-67% of the products sold to our customers. Additionally, over the past several years we have increased self- manufacturing of our foods, personal care and skincare products, which has increased the percentage of products we manufacture in- house. Because of our self- manufacturing practices, we are dependent upon the uninterrupted and efficient operation of our manufacturing facilities. Those operations are subject to power failures, the breakdown, failure, or substandard performance of equipment, the improper installation or operation of equipment, natural or other disasters, and the need to comply with the requirements or directives of government agencies, including the FDA and CFDA. There can be no assurance that the occurrence of these or any other operational problems at our facilities would not have a material adverse effect on our business, financial condition, or results of operations. We are subject to a variety of environmental laws relating to the storage, discharge, handling, emission, generation, manufacture, use and disposal of chemicals, solid and hazardous waste, and other toxic and hazardous materials. Our manufacturing operations presently do not result in the generation of material amounts of hazardous or toxic substances. Nevertheless, complying with new or more stringent laws or regulations, or more vigorous enforcement of current or future policies of regulatory agencies, could require substantial expenditures by us that could have a material adverse effect on our business, financial condition, or results of operations. Environmental laws and regulations require us to maintain and comply with a number of permits, authorizations, and approvals and to maintain and update training programs and safety data regarding materials used in our processes. Violations of those requirements could result in financial penalties and other enforcement actions and could require us to halt one or more portions of our operations until a violation is cured. The combined costs of curing incidents of non- compliance, resolving enforcement actions that might be initiated by government authorities, or of satisfying new legal requirements could have a material adverse effect on our business, financial condition, or results of operations. Our reliance on third parties to manufacture and supply certain of our products may harm our business, financial condition and operating results. We contract with third- party suppliers and manufacturers for the production of certain of our products, which accounted for approximately 35-33% of our product sales for the year ended December 31-30, 2022-2023. These third- party suppliers and manufacturers produce and, in most cases, package the products according to formulations and specifications that have been developed by or in conjunction with our in- house product development team. These products include most of our gelatin- capsulated supplements, Rev3 Energy Drink, Probiotic, our powdered drink mixes, foods, and certain of our personal care products, including our Celavive line for markets outside of China. Products manufactured by third- party suppliers at their locations must also pass through quality control and assurance procedures to ensure they are manufactured in conformance with our specifications. We cannot assure you that our outside contract manufacturers will continue to reliably supply products to us at the levels of quality, or the quantities, we require, and in compliance with our specifications or applicable laws, including under the FDA' s GMP regulations. We have encountered situations in the past where we have had disagreements with contract manufacturers about the overall quality of products they have produced for us, and specifically whether such products conform to our specifications. We have also suspended and terminated relationships with contract manufacturers for quality issues and non- conforming products. While our business continuation plan contemplates events such as these, identifying and obtaining acceptable replacement manufacturing sources, on a timely basis or at all, is challenging. Additionally, transferring our third- party manufacturing business to another contract manufacturer can be expensive, time- consuming, result in delays in our production or shipping, reduce our net sales, damage our relationship with customers and damage our reputation in the marketplace. The inability to obtain adequate supplies of raw materials for products at favorable prices, or at all, could have a material adverse effect on our business, financial condition, or operating results. We acquire all of our raw materials for the manufacture of our products from third- party suppliers. Materials used in manufacturing our products are purchased through purchase order, often invoking pre- negotiated annual supply agreements. We have very few long- term agreements for the supply of these materials. There is a risk that any of our suppliers could discontinue selling raw

materials to us. Although we believe that we could establish alternate sources for most of our products, any delay in locating and establishing relationships with other sources could result in product shortages or back orders for products, with a resulting loss of net sales. In certain situations, we may be required to alter our products or to substitute different products from another source. There can be no assurance that suppliers will provide the raw materials that are needed by us in the quantities that we request or at the prices that we are willing to pay. Because we do not control the actual production of certain raw materials, we are also subject to delays caused by any interruption in the production of these materials, based on conditions not within our control, including those related to the COVID- 19 pandemic, weather, crop conditions, transportation interruptions, strikes by supplier employees, and natural disasters **(the nature and severity of which may be impacted by climate change)** or other catastrophic events. In the past, we have experienced temporary shortages of the raw materials used in certain of our nutritional products. Although we had identified multiple sources to supply such raw material ingredients, quantities of the materials we purchased during these shortages were at higher prices, which had a negative impact on our gross margins for those products. While we periodically experience price increases due to unexpected raw material shortages and other unanticipated events, we have been able to manage this by increasing the price at which we sell our products, therefore, this has historically not resulted in a material effect on our gross margin. Supply chain interruptions, including as a result of shortages and transportation issues or unexpected increases in demand, and price increases can adversely affect us as well as our suppliers and Associates, whose performance may have a significant impact on our results. Such shortages or disruptions could be caused by factors beyond the control of our suppliers, Associates or us. Any of these events, if they were to occur, could harm our business, results of operations and financial condition. Delays and disruptions to transporting and distributing our products may adversely affect our results. We may experience delays and disruptions in shipping, transporting and otherwise distributing our products, including increased airport and shipping port congestion, a lack of transportation capacity, increased expenses, import or export controls or delays, and labor disputes or shortages. Disruptions in transportation and shipments may result in increased costs, including the additional use of airfreight to meet demand. Congestion to ports can affect previously negotiated contracts with shipping companies, resulting in unexpected increases in shipping costs and reduction in our profitability. For example, the COVID- 19 pandemic ~~has~~ resulted in several delays, cost increases, and disruptions in our global distribution channel. We may incur liability with respect to our products. As a manufacturer and a distributor of products for human consumption and topical application, we could become exposed to product liability claims and litigation. Additionally, the manufacture and sale of these products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. To date, we have not been a party to any product liability litigation, although, like any dietary supplement company, we have received reports from individuals who have asserted that they suffered adverse consequences as a result of using our products. The number of reports we have received to date is nominal. These matters historically have been settled to our satisfaction and have not resulted in material payments. We are aware of no instance in which any of our products are or have been defective in any way that could give rise to material losses or expenditures related to product liability claims. Although we maintain product liability insurance, which we believe to be adequate for our needs, there can be no assurance that we will not be subject to such claims in the future or that our insurance coverage will be adequate. Nutritional supplement products may be supported by only limited availability of conclusive clinical studies. Our products include nutritional supplements that are made from vitamins, minerals, herbs, and other substances for which there is a long history of human consumption. Some of our products contain innovative ingredients or combinations of ingredients. Although we believe that all of our products are safe when taken as directed, there is little long- term experience with human consumption of certain of these product ingredients or combinations of ingredients in concentrated form. We conduct research and test the formulation and production of our products, but we have performed or sponsored only limited clinical studies. Furthermore, because we are highly dependent on consumers' perception of the efficacy, safety, and quality of our products, as well as similar products distributed by other companies, we could be adversely affected in the event that those products prove or are asserted to be ineffective or harmful to consumers or in the event of adverse publicity associated with any illness or other adverse effects resulting from consumers' use or misuse of our products or similar products of our competitors. Legal, Regulatory, Compliance and Tax Risks Legal action by former Associates or third parties against us could harm our business. We continually monitor and review our Associates' compliance with our policies and procedures as well the laws and regulations applicable to our business. In the ordinary course of our business, Associates occasionally fail to adhere to our policies and procedures. If this happens, we may take disciplinary action against the breaching Associate. This disciplinary action is based on the facts and circumstances of the particular case and may include anything from warnings for minor violations to termination of the Associate' s purchase and distribution rights for more serious violations. From time to time, we become involved in litigation with an Associate whose purchase and distribution rights have been terminated. We consider this type of litigation to be routine and incidental to our business. While neither the existence nor the outcome of this type of litigation is typically material to our business, in the past we have been involved in litigation of this nature that resulted in a large cash award against us. Our competitors have also been involved in this type of litigation, and more and more of these cases have resulted in class action litigation, where the result has been a large cash award against the competitor or a large cash settlement by the competitor. These types of challenges, awards or settlements could provide incentives for similar actions by other former Associates against us in the future, which could result in class action litigation against us. Any such challenge involving others in our industry or us, could harm our business by resulting in fines or damages against us, creating adverse publicity about us or our industry, or hurting our ability to attract and retain customers. We believe that Associate compliance is critical to the integrity of our business, and, therefore, we will continue to be assertive in ensuring that our Associates comply with our policies and procedures. As such, there can be no assurance that this type of litigation will not occur again in the future or result in an award or settlement that has a materially adverse effect on our business. We could also be subject to challenges by private parties in civil actions. We are aware of recent civil litigation against various direct selling companies in the United States, which have already resulted in settlements and may result in additional significant

settlements in the future by these companies. There can be no assurance that we will not be challenged by private parties in litigation. We may incur liability under our “ Athlete Guarantee ” program. We believe that our nutritional supplement products are free from substances that have been banned by world- class training and competitive athletic programs. We retain independent testing agencies to conduct periodic checks for banned substances. We further believe that, while our products promote good health, they are not otherwise considered “ performance enhancing ” as that term has been used in defining substances that are banned from use in international competition by the World Anti- Doping Agency (“ WADA ”). For many years, we have been a sponsor of Olympic level athletes and professional competitors around the world. These athletes have been tested on many occasions and have never tested positive for banned substances as a result of taking USANA nutritional products. To back up our claim that athletes who use USANA products as part of their training regimen will not be consuming banned substances, we have offered to enter into agreements with select athletes, some of whom have high- profiles and are highly compensated. These agreements provide that, during the term of the agreement, should the athlete test positive for a banned substance included in the WADA, and should such positive result be caused by taking USANA nutritional products, we will compensate that athlete at an amount equal to two times their current annual earnings, up to \$ 1. 0 million, based on the athlete’ s personal level of competition, endorsement, and other income, as well as other factors. Although we believe that the pool of current and potential participants in the program is small and that the procedures and safeguards implemented by us in connection with the program are sound, there is no guarantee that an athlete who is accepted in the program will not successfully make a claim against us. We currently have no insurance to protect us from potential claims under this program.

Failure to comply with anti- corruption laws could adversely affect our business. We currently conduct our business in various foreign countries and expect to expand the number of countries in which we operate in the future. Our international business is subject to various anti- corruption laws, including principally the U. S. Foreign Corrupt Practices Act. In recent years, there have been an increasing number of investigations and other enforcement activities under these laws, including a voluntary investigation we recently concluded several years ago concerning our China operations. The FCPA prohibits U. S.- based companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. Other anti- corruption laws prohibit both domestic and international bribery as well as bribery across both public and private sectors. We pursue opportunities in certain parts of the world that experience government corruption and in certain circumstances compliance with anti- bribery laws may conflict with local customs and practices. Our policies mandate compliance with all applicable anti- bribery laws. Further, we require our partners, subcontractors, agents and others who work for us or on our behalf to comply with these and other anti- bribery laws. Although we have policies and procedures and a compliance program designed to ensure that we comply with the FCPA and other anti- bribery laws, there is no assurance that such policies or procedures will protect us against liability under the FCPA or other laws for actions taken by our agents, employees and intermediaries. If we are found to be liable for violations of these acts (either due to our own acts or our inadvertence or due to the acts or inadvertence of others), we could incur severe criminal or civil penalties or other sanctions, which could have a material adverse effect on our reputation, business, results of operations or cash flows. In addition, detecting, investigating and resolving actual or alleged violations of these acts is expensive and could consume significant time and attention of our senior management. We could be subject to adverse changes in tax laws, regulations and interpretations or challenges to our tax positions. We are subject to tax laws and regulations in the United States and numerous other foreign jurisdictions. Tax laws, regulations, and interpretations in various jurisdictions may change, with or without notice, due to social, economic, political and other considerations. As a result, our evaluation and estimates for our provision for income taxes may change perhaps negatively. Our future effective tax rates could be affected by numerous factors, including changes in the market mix for our net sales, the amount of our earnings and where earned, intercompany transactions, the inability to realize tax benefits, changes in currency exchange rates, tax positions, allocation and apportionment of state taxes, changes in our deferred tax assets and liabilities and their valuation, changes in our business operations, acquisitions, and entry into new markets. There can be no assurance that additional changes in tax laws or regulations, both within the United States and the other jurisdictions in which we operate, will not materially and adversely affect our effective tax rate, tax payments, financial condition and results of operations. Similarly, changes in tax laws and regulations that impact our customers and counterparties or the economy generally may also impact our financial condition and results of operations. We are also subject to examination by tax authorities, including state revenue agencies and foreign governments. While we regularly assess the likelihood of favorable or unfavorable outcomes resulting from examinations by tax authorities to determine the adequacy of our provision for income taxes, there can be no assurance that the actual outcome resulting from these examinations will not materially adversely affect our financial condition and operating results. The IRS and several foreign tax authorities have also increasingly focused attention on intercompany transfer pricing. Tax authorities, in certain instances, have disagreed with our transfer pricing calculations and agreements and assessed us with additional taxes. Going forward, tax authorities could continue to disagree with our intercompany charges, cross- jurisdictional transfer pricing or other matters and assess additional taxes. If we do not prevail in any such disagreements, our profitability may be affected. Tax laws and regulations are complex and subject to varying interpretations and any significant failure to comply with applicable tax laws and regulations in all relevant jurisdictions could give rise to substantial penalties and liabilities. Any changes in enacted tax laws, rules or regulatory or judicial interpretations; any adverse outcome in connection with tax audits in any jurisdiction; or any change in the pronouncements relating to accounting for income taxes could materially and adversely impact our effective tax rate, tax payments, financial condition and results of operations. ~~Failure to maintain effective internal controls could negatively impact our business. We have identified material weaknesses in~~ ~~are required by federal securities laws to document and test our internal control over financial reporting . If we fail to properly remediate the material weaknesses or to maintain and~~ ~~an~~ ~~are required to have management annually assess the effectiveness~~ ~~----- effective system~~ ~~of such internal controls , we may not be able to accurately report our financial results or prevent fraud.~~ ~~Effective~~ ~~As more fully disclosed in Item 9A. “ Controls and Procedures, ”~~

we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures and internal control over financial reporting. Based on that evaluation, we have concluded that our disclosure controls and procedures were not effective as of December 30, 2023, due to material weaknesses in internal control over financial reporting. The material weaknesses resulted from an insufficient complement of trained resources with specialized skills and knowledge in information technology general controls (ITGCs), or an alternative contingency plan, to timely respond to the impacts of turnover in key personnel with responsibility for ITGCs that occurred during 2023. As a result, we did not maintain effective ITGCs in the areas of user access, program change management, and computer operations over the information technology (IT) systems that support our financial reporting processes. Process-level automated controls that are dependent on the affected ITGCs and manual controls that rely on the integrity of data or reports from the affected systems across substantially all of our processes were also deemed ineffective because they could have been adversely impacted. Although these material weaknesses did not result in any errors to the financial statements, and there were no changes to previously released financial results, the applicable control deficiencies were not remediated as of December 30, 2023, and, consequently, there was a reasonable possibility that it could have resulted in a material misstatement in the Company's financial statements that would not have been detected. While the Company's management, under the oversight of the Audit Committee, has begun taking steps to implement our remediation plan as described more fully in Item 9A. "Controls and Procedures," these material weaknesses will not be considered remediated until the enhanced controls operate for a sufficient period of time and management has concluded, that the related controls are necessary for us to provide reliable financial reports and to effectively-- effective prevent fraud. There is no assurance that the measures we take will remediate In addition, our independent registered public accounting firm must report on the **these material weaknesses effectiveness of our internal controls**. If we fail to maintain effective internal controls, we could be required to take costly and time-consuming corrective measures, to remedy any number of deficiencies, significant deficiencies or material weaknesses, be required to restate the affected historical financial statements, be subjected to investigations and / or sanctions by federal and state securities regulators, and be subjected to civil lawsuits by security holders. Any of the foregoing could also cause investors to lose confidence in our reported financial information and in our company and would likely result in a decline in the market price of our stock and in our ability to raise additional financing if needed in the future. ESG issues may have an adverse effect on our reputation, business, financial condition or results of operations. Companies across all industries are facing increasing scrutiny relating to their ESG policies. If we are unable to meet our ESG goals or evolving regulator, investor, industry or stakeholder expectations and standards, or if we are perceived to have not responded appropriately to the growing concern for ESG issues, customers may choose to stop purchasing our products and our reputation, business or financial condition may be adversely affected. In particular, these constituencies are increasingly focusing on environmental issues, including climate change, water use, plastic waste, and other sustainability concerns. These factors could cause us to incur additional costs, to make changes to our operations to make additional commitments, set targets or establish additional goals and take actions to meet them, which could expose us to market, operational and execution costs or risk. In addition to environmental issues these constituencies are also focused on social and other governance issues, including matters such as, but not limited to, human capital and social issues. We also have established diversity, equity and inclusion goals as part of our ESG initiative. Concern over climate change, including plastics and packaging materials, in particular, may result in new or increased legal and regulatory requirements, **including, for example, two climate disclosure laws adopted by California in 2023**. Increased regulatory requirements related to environmental causes, and related ESG disclosure rules, including **the new California laws and** the SEC's recent disclosure proposal on climate change, may result in increased compliance costs or increased costs of energy, raw materials or compliance with emissions standards, which may cause disruptions in the manufacture of our products or an increase in operating costs. Any failure to achieve our ESG goals or a perception (whether or not valid) of our failure to act responsibly with respect to the environmental, human capital, or social issues, or to effectively respond to new, or changes in, legal or regulatory requirements concerning environmental or other ESG matters, or increased operating or manufacturing costs due to increased regulation or environmental causes could adversely affect our business and reputation and increase risk of litigation. Risk Associated with Information Technology, Data Security and Data Privacy A failure or interruption of our information technology systems would harm our business. The global nature of our business, shopping and our global compensation plan requires the development and implementation of robust and efficiently functioning information technology systems. Such systems are vulnerable to a variety of potential risks, including damage or interruption resulting from natural disasters, power outages, certain aging system architecture, systems failures, hardware or software corruption, human error or hacking, malware, ransomware, phishing or other similar acts. We rely on both self-developed and third-party developed and supported information technology systems. Although we have adopted and implemented a business continuity and disaster recovery plan and a variety of other operational safeguards, the occurrence of any of these events could result in costly interruptions or failures adversely affecting our business and the results of our operations. We rely on information technology to support our operations and reporting environments. A data breach involving that technology or the data stored in it, could disrupt our ability to operate our businesses effectively, adversely affect our reported financial results and our reputation, and expose us to significant potential liability, government investigations, fines or litigation. In the ordinary course of our global business, we collect and store in our data centers and on our networks, including cloud systems, significant amounts of data, including personally identifiable information (PII), intellectual property, and our proprietary business information The secure collection, storage and other processing of this information is critical to our operations, regulatory compliance and business strategy. Although we strive to frequently analyze and improve our data security measures, our information technology and infrastructure are subject to persistent attacks of varying degrees and types and we may be vulnerable to attacks by hackers. Such attacks could include viruses, ransomware attacks, computer denial of service attacks, or phishing schemes. In some instances, despite our reasonable efforts, it could take us some time to discover that our

networks have been breached. Any such breach of our networks and the information and PII stored therein could cause such information and PII to be accessed, publicly disclosed, altered, damaged, held ransom, lost or stolen. In any such event, we could suffer significant loss or incur significant liability, including: damage to our reputation; increased cyber insurance premiums; loss of customer confidence or goodwill; and significant expenditures of time and money to address and remediate the resulting damage (including notification and credit monitoring costs, as well as fines and penalties imposed by regulators) to affected individuals or business partners, or to defend ourselves in resulting litigation or other legal proceedings, by affected individuals, business partners or regulators. Likewise, a failure to adhere to the payment card industry's data security standards could lead to significant penalties from payment card associations, termination of our ability to receive credit or debit card payments, any of which could have a material adverse effect on our business and financial condition. Furthermore, such data breach could result in significant disruption of our operations, which could adversely affect our business, revenues and competitive position. We are subject to data privacy and security laws and regulations, and our actual or perceived failure to comply with them could adversely affect our business and operating results. Compliance with data privacy and security laws and regulations is a significant effort for us in all of our markets because we collect, store and otherwise process significant amounts of customer and employee personal information for business (including for transactional and marketing purposes) and legal purposes. The governments of our various markets have adopted, or are adopting, complex and strict laws and regulations governing data privacy and security, and these areas are still rapidly evolving. These laws and regulations have resulted in greater compliance risk and cost for us. These laws and regulations often require us to take a variety of actions, including: implementing new data privacy and security policies; granting individuals a wide variety of rights with respect to their PII, including access, correction and deletion rights; informing individuals of security breaches that affect their PII; disclosing to individuals how we process their PII and obtaining their written consent to such processing; and localizing individuals' PII within national borders and complying with cross border PII transfer assessments and requirements, among other things. Examples of significant, recent data privacy and security laws affecting our various markets include the European Union General Data Protection Regulation, ("GDPR"), China's national Data Privacy Law and Personal Information Protection Law, China's Cybersecurity Law, the California Consumer Privacy Act, ("CCPA"), and the California Privacy Rights Act. Virginia, Colorado, Connecticut and, Utah, Iowa, Indiana, Tennessee, Montana, Texas, Florida, Delaware, and Oregon all have adopted laws introducing new privacy obligations and many other states are considering similar legislation. A broad range of legislative measures also have been introduced at the federal level. There also is a wide range of enforcement agencies at both the state and federal levels that can review companies for privacy and data security concerns based on general consumer protection laws. The FTC and state Attorneys General all are aggressive in reviewing privacy and data security protections for consumers. We have incurred, and will continue to incur, substantial costs in striving to comply with these various data privacy and security laws and regulations. Compliance with these laws and regulations may limit our ability to provide products and services to our customers that they may find valuable or otherwise require us to change our business practices in a manner that is ultimately adverse to our business objectives. As such, we cannot assure ongoing compliance with all such laws or regulations, industry standards, contractual obligations and other legal obligations. Any failure or perceived failure by us to comply with data security and privacy laws and regulations may result in governmental enforcement actions and prosecutions, private litigation, significant fines and penalties, adverse publicity, or reputation damage, which could have an adverse effect our business and operating results. Human Capital Risks Associated with our Business If we are unable to attract and retain active Associates and Preferred Customers, our business may be harmed. Our consumer base includes Associates who personally consume and sell our products, Preferred Customers who join USANA and simply consume our products, and retail customers who do not join USANA but purchase products directly from us or one of our Associates and consume our products. We refer to Associates, and Preferred Customers in this Annual Report together as active Customers. We rely largely on our Associates to market and sell our products and to generate active Customer growth. Our ability to maintain and increase sales in the future will depend in large part upon our success in increasing our number of active Customers. Our success will also depend on our ability to retain and motivate our existing Associates and attract new Associates to sell our products. Associates typically market and sell our products on a part-time basis and often engage in other business activities, some of which may compete with us. Our ability to continue to attract and retain active Customers can be affected by a number of factors, some of which are beyond our control, including each of the other risks identified in this Annual Report. Our Associates may terminate their services at any time and, like most direct selling companies, we experience a high turnover among new active Customers from year to year. Customers may also stop buying from us at any time and it is challenging to determine why a customer actually stops buying. In 2022-2023, most of our markets, including China, experienced active Customer declines. If our strategies, including our customer experience strategy, do not generate growth in our active Customer base, our operating results could be harmed. We also rely on the successful efforts of our Associates who become leaders with our Company. Our Compensation Plan is designed to permit Associates to sponsor new Associates and Preferred Customers, thereby creating sales organizations. As a result, Associates develop business and personal relationships with other Associates and Preferred Customers. The loss of a key Associate or group of Associates, large turnover or decreases in the size of the key Associate force, seasonal or other decreases in product purchases, sales volume reduction, the costs associated with training new Associates, and other related expenses may adversely affect our business, financial condition, or results of operations. The loss of key management personnel could adversely affect our business. Our executive officers are primarily responsible for our day-to-day operations, and we believe our success depends in part on our ability to retain our executive officers, to compensate our executive officers at attractive levels, and to continue to attract additional qualified individuals to our management team. We depend upon the services of our Executive Chairman and, Kevin Guest; our Chief Executive Officer and, Kevin Guest; our President, Jim H. Brown; and our Chief Financial Officer, Douglas Hekking, as well as other key members of our executive team. We disclosed in February 2023 that, effective July 1, 2023, Mr. Guest will be transitioning from the role of Chief Executive Officer to the role of Executive

~~Chairman and that Jim Brown will succeed him as the Chief Executive Officer.~~ We cannot guarantee continued service by our key executive officers. We do not maintain key man life insurance on any of our executive officers, nor do we have an employment agreement with any of our executive officers. The loss or limitation of the services of any of our executive officers or the inability to attract additional qualified management personnel could have a material adverse effect on our business, financial condition, or results of operations.

Risks Associated with Business Development Activities and Acquisitions In 2022, we acquired two businesses and our growth strategy contemplates acquiring additional businesses in the future to the extent that we find prospects that meet our acquisition criteria. Our acquisition criteria includes, but is not limited to: vertical integration; product and category expansion; geographic expansion; and other opportunities that strengthen, diversify and grow our worldwide business. Our completed and potential future acquisitions entail a variety of risks and uncertainties, including: (i) potential disruption to our direct selling business; (ii) failure to achieve our strategic objectives, efficiencies, and growth strategies for the acquisition; (iii) potential loss of key employees, customers, or other stakeholders of an acquired businesses, particularly given that our strategy contemplates our acquired businesses operating and growing independently of USANA; (iv) general risks associated with owning and overseeing businesses and industries where we have limited or no prior experience; (v) expense and indebtedness, including unanticipated liabilities and litigation; (vi) shareholder dilution; (vii) difficulty in implementing an effective control environment for acquired companies, in a timely and efficient manner; or (viii) the failure to consummate transactions in a timely or efficient manner or at all. The occurrence of any of the foregoing risks or others, or our inability to effectively execute our business development strategy, could have a material adverse effect on our business, financial condition and operating results. We cannot assure you that we will be able to identify suitable acquisition prospects, consummate acquisitions on favorable terms or at all, or accomplish the objectives of an acquisition.

General Economic, Publicity, Competitive, and Intellectual Property Risks Associated with our Business Difficult economic conditions may adversely affect our business. Over the past few years, economic conditions in many of the markets where we sell our products have resulted in challenges to our business and economies around the world have been negatively impacted by the COVID- 19 pandemic. We cannot predict whether world or market- specific economies will improve or deteriorate in the future. If difficult economic conditions continue or worsen as a result of the COVID- 19 pandemic, or otherwise, we could experience declines in net sales, profitability and cash flow due to lower demand for our products or other factors caused by economic challenges faced by our customers, potential customers or suppliers. Additionally, these conditions may result in a material adverse effect on our liquidity and capital resources or otherwise negatively impact our operations or overall financial condition. Our business is subject to the effects of adverse publicity and negative public perception. Our ability to attract and retain active Customers and to sustain and enhance sales through our Associates can be affected by adverse publicity or negative public perception regarding our industry, our competition, or our business generally. Our business prospects, financial condition and results of operations could be adversely affected if our public image or reputation were tarnished by negative publicity. This negative public perception may include publicity regarding the legality of direct selling, the quality or efficacy of nutritional supplement products or ingredients in general or our products or ingredients specifically, data privacy or security concerns, and regulatory investigations, regardless of whether those investigations involve us or our Associates or the business practices or products of our competitors or other direct selling companies. There has been significant media and short- seller attention regarding the viability and legality of direct selling in the United States, China, and internationally over the past several years. This attention has led to intense public scrutiny of the industry, as well as volatility in our stock price and the stock price of companies similar to ours. There can be no assurance that we will not be subject to adverse publicity or negative public perception in the future or that such adverse publicity will not have a material adverse effect on our business, financial condition, or results of operations. Our business is subject to the risks associated with intense competition from larger, wealthier, and more established competitors. We face intense competition in the business of distributing and marketing nutritional supplements, vitamins and minerals, personal care products, and other nutritional products, as described in greater detail in “ Business — Competition. ” Numerous manufacturers, distributors, and retailers compete actively for consumers and, in the case of other direct selling companies, for Associates. There can be no assurance that we will be able to compete in this intensely competitive environment. In addition, nutrition and personal care products can be purchased in a wide variety of channels of distribution, including retail stores. Entry to market is not particularly capital intensive or otherwise subject to high barriers and as a result, new competitors can enter easily and compete with us for customers and distributors, including our Associates. Our product offerings in each product category are also relatively small, compared to the wide variety of products offered by many of our competitors. Our business is subject to particular intellectual property risks. Most of our products are not protected by patents. The labeling regulations governing our nutritional supplements require that we indicate ingredients of such products precisely and accurately on product containers. Accordingly, patent protection for nutritional supplements often is impractical given the large number of manufacturers who produce nutritional supplements having many active ingredients in common. Additionally, the nutritional supplement industry is characterized by rapid change and frequent reformulations of products, as the body of scientific research and literature refines current understanding of the application and efficacy of certain substances and the interactions among various substances. We protect our investment in research, as well as the techniques we use to improve the purity and effectiveness of our products, by relying on trade secret laws. We have also entered into confidentiality agreements with certain of our employees involved in research and development activities. Additionally, we endeavor to seek, to the fullest extent permitted by applicable law, trademark and trade dress protection for our products, which protection has been sought in many of our existing and potential future markets. Notwithstanding our efforts, there can be no assurance that our efforts to protect our trade secrets and trademarks will be successful. Nor can there be any assurance that third parties will not assert claims against us for infringement of their intellectual proprietary rights. If an infringement claim is asserted, we may be required to obtain a license of such rights, pay royalties on a retrospective or prospective basis, or terminate our manufacturing and marketing of our infringing products. Litigation with respect to such matters could result in substantial costs and diversion of management and

other resources and could have a material adverse effect on our business, financial condition, or operating results. Global Pandemic Pandemics, epidemics, disease outbreaks and other public health crises, such as the COVID- 19 pandemic, have disrupted our business and operations, and future public health crises could materially adversely impact our business, financial condition, liquidity and results of operations. Pandemics, epidemics or disease outbreaks in the United States or globally, including the COVID- 19 pandemic, have disrupted, and may in the future disrupt, our business, which could materially affect our results of operations, financial condition, liquidity and future expectations. Any such events may adversely impact our global supply chain and global manufacturing operations and cause us to again limit or suspend our operations in the United States, China and elsewhere. To address the pandemic, many governments issued various restrictive orders that affected businesses and consumers. During the pandemic, government- imposed restrictions, health and safety mandated best practices, and public hesitance regarding in- person gatherings reduced our ability and the ability of our Associates to hold sales meetings, required our Associates to share and sell our products in a predominantly virtual environment, resulted in cancellations of key Company events and trips, required us to utilize a work- from- home strategy for all non- manufacturing and non- distribution employees, and required us to temporarily close our walk- in and fulfillment locations we maintain in some markets. The pandemic also affected the availability and cost of several of our raw materials, packaging materials and shipping resources to transport our product to our various markets around the world. Our supply chain and logistics have incurred some disruption and we could experience more significant disruptions or face more significant closures in the future. These factors and others related to the COVID- 19 pandemic, including the spread of new variants of the virus, will likely continue to negatively affect our business and our financial results in a number of ways. Any new pandemic or other public health crises, or future public health crises, could have a material impact on our business, financial condition and results of operations going forward.

Risks Related to Our Common Stock The beneficial ownership of a significant percentage of our common stock gives our founder and parties related to or affiliated with him effective control, and limits the influence of other shareholders on important policy and management issues. Gull Global, Ltd., an entity that is solely owned and controlled by our founder, Dr. Myron Wentz, owned approximately 41.67% of our outstanding common stock at December 31, 2022, 2023. Dr. Wentz is no longer active in the management of USANA and is an emeritus member of our Board of Directors. By virtue of this stock ownership, Dr. Wentz is able to exert significant influence and control over the election of the members of our Board of Directors and our business affairs. This concentration of ownership could also have the effect of delaying, deterring, or preventing a change in control that might otherwise be beneficial to shareholders. There can be no assurance that conflicts of interest will not arise with respect to these relationships or that conflicts will be resolved in a manner favorable to our other shareholders. Sales by our shareholders of a substantial number of shares of our common stock in the public market could adversely affect the market price of our common stock. A large number of outstanding shares of our common stock are held by several of our principal shareholders, including Gull Global, Ltd. If any of these principal shareholders were to decide to sell large amounts of stock over a short period of time such sales could cause the market price of our common stock to decline. The market price of our common stock may be influenced by many factors, some of which are beyond our control. There can be no assurance that an active market in our stock will be sustained. We have a relatively small public float compared to the number of our shares outstanding. Accordingly, we cannot predict the extent to which investors' interest in our common stock will provide an active and liquid trading market. We are also vulnerable to investors taking a "short position" in our common stock, which has the effect of depressing the price of our common stock and adding volatility to our trading market. The price of our common stock also may fluctuate in the future in response to quarter- to- quarter variations in operating results, material announcements by us or our competitors, governmental regulatory action, conditions in the nutritional supplement industry, negative publicity, or other events or factors, many of which are beyond our control. In addition, the stock market has historically experienced significant price and volume fluctuations, which have particularly affected the market prices of many dietary and nutritional supplement companies and which have not had a strong correlation in certain cases to the operating performance of these companies. Our operating results in future quarters may be below the expectations of securities analysts and investors. If that were to occur, the price of our common stock, and accordingly, the value of a shareholder's investment in our company, would likely decline, perhaps substantially.