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STATESSECURITIES AND EXCHANGE COMMISSIONWASHINGTON,Â D.C. 20549FORMÂ 10-K(Mark One)â˜’Â ANNUAL REPORT PURSUANT TO SECTIONÂ 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934For the fiscal year ended DecemberÂ 28, 2024 orâ˜Â TRANSITION REPORT PURSUANT TO SECTIONÂ 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934For the transition period from __________ to __________Commission File Number 001-37482 The Kraft Heinz Company(Exact name of registrant as specified in its charter)DelawareÂ 46-2078182(State or other jurisdiction of incorporation or organization)(I.R.S. Employer Identification No.)One PPG Place,Pittsburgh,PennsylvaniaÂ 15222(Address of Principal Executive Offices)(Zip Code)Registrantâ€™s telephone number, including area code: (412) 456-5700 Securities registered pursuant to Section 12(b) of the Act:Title of each classTrading SymbolName of exchange on which registeredCommon stock, $0.01 par valueKHCThe Nasdaq Stock Market LLCFloating Rate Senior Notes due 2025KHC25The Nasdaq Stock Market LLC3.500% Senior Notes due 2029KHC29The Nasdaq Stock Market LLCSecurities registered pursuant to Section 12(g) of the Act:None.Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YesÂ â˜’Â NoÂ â˜Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YesÂ â˜Â NoÂ â˜’Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YesÂ â˜’Â NoÂ â˜Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Â§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YesÂ â˜’Â NoÂ â˜Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of â€œlarge accelerated filer,â€ â€œaccelerated filer,â€ â€œsmaller reporting company,â€ and â€œemerging growth companyâ€ in Rule 12b-2 of the Exchange Act.Large accelerated filerâ˜’Accelerated filerâ˜Non-accelerated filerâ˜Smaller reporting companyâ˜Emerging growth companyâ˜If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. â˜Indicate by check mark whether the registrant has filed a report on and attestation to its managementâ€™s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. â˜’If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. â˜Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrantâ€™s executive officers during the relevant recovery period pursuant to Â§ 240.10D-1(b). â˜Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YesÂ â˜Â No â˜’The aggregate market value of the shares of common stock held by non-affiliates of the registrant, computed by reference to the closing price of such stock as of the last business day of the registrantâ€™s most recently completed second quarter, was approximately $28.5Â billion. As of FebruaryÂ 8, 2025, there were 1,194,989,953 shares of the registrantâ€™s common stock outstanding.Documents Incorporated by ReferencePortions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission in connection with its annual meeting of stockholders expected to be held on May 8, 2025 are incorporated by reference into Part III hereof.Table of ContentsUnless the context otherwise requires, the terms â€œwe,â€ â€œus,â€ â€œour,â€ â€œKraft Heinz,â€ and the â€œCompanyâ€ each refer to The Kraft Heinz Company and all of its consolidated subsidiaries.Forward-Looking StatementsThis Annual Report on Form 10-K contains a number of forward-looking statements. Words such as â€œanticipate,â€ â€œreflect,â€ â€œinvest,â€ â€œsee,â€ â€œmake,â€ â€œexpect,â€ â€œgive,â€ â€œdeliver,â€ â€œdrive,â€ â€œbelieve,â€ â€œimprove,â€ â€œassess,â€ â€œreassess,â€ â€œremain,â€ â€œevaluate,â€ â€œgrow,â€ â€œwill,â€ â€œplan,â€ â€œintend,â€ and variations of such words and similar future or conditional expressions are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding our plans, impacts of accounting standards and guidance, growth, legal matters, taxes, costs and cost savings, impairments, and dividends. These forward-looking statements reflect managementâ€™s current expectations and are not guarantees of future performance and are subject to a number of risks and uncertainties, many of which are difficult to predict and beyond our control.Important factors that may affect our business and operations and that may cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, operating in a highly competitive industry; our ability to correctly predict, identify, and interpret changes in consumer preferences and demand, to offer new products to meet those changes, and to respond to competitive innovation; changes in the retail landscape or the loss of key retail customers; changes in our relationships with significant customers or suppliers, or in other business relationships; our ability to maintain, extend, and expand our reputation and brand image; our ability to leverage our brand value to compete against private label products; our ability to drive revenue growth in our key product categories or platforms, increase our market share, or add products that are in faster-growing and more profitable categories; product recalls or other product liability claims; climate change and legal or regulatory responses; our ability to identify, complete, or realize the benefits from strategic acquisitions, divestitures, alliances, joint ventures, or investments; our ability to successfully execute our strategic initiatives; the impacts of our international operations; our ability to protect intellectual property rights; our ability to realize the anticipated benefits from prior or future streamlining actions to reduce fixed costs, simplify or improve processes, and improve our competitiveness; the influence of our largest stockholder; our level of indebtedness, as well as our ability to comply with covenants under our debt instruments; additional impairments of the carrying amounts of goodwill or other indefinite-lived intangible assets; foreign exchange rate fluctuations; volatility in commodity, energy, and other input costs; volatility in the market value of all or a portion of the commodity derivatives we use; compliance with laws and regulations and related legal claims or regulatory enforcement actions; failure to maintain an effective system of internal controls; a downgrade in our credit rating; the impact of sales of our common stock in the public market; the impact of our share repurchases or any change in our share repurchase activity; our ability to continue to pay a regular dividend and the amounts of any such dividends; disruptions in the global economy caused by geopolitical conflicts, unanticipated business disruptions and natural events in the locations in which we or our customers, suppliers, distributors, or regulators operate; economic and political conditions in the United States and various other nations where we do business (including inflationary pressures, instability in financial institutions, general economic slowdown, recession, or a potential U.S. federal government shutdown); changes in our management team or other key personnel and our ability to hire or retain key personnel or a highly skilled and diverse global workforce; our dependence on information technology and systems, including service interruptions, misappropriation of data, or breaches of security; increased pension, labor, and people-related expenses; changes in tax laws and interpretations and the final determination of tax audits, including transfer pricing matters, and any related litigation; volatility of capital markets and other macroeconomic factors; and other factors. For additional information on these and other factors that could affect our forward-looking statements, see Item 1A, Risk Factors. We disclaim and do not undertake any obligation to update, revise, or withdraw any forward-looking statement in this report, except as required by applicable law or regulation.PARTÂ IItem 1. Business. GeneralWe are driving transformation at The Kraft Heinz Company (Nasdaq: KHC), inspired by our Purpose, Letâ€™s Make Life Delicious. Consumers are at the center of everything we do. With 2024 net sales of approximately $26 billion, we are committed to growing our iconic and emerging food and beverage brands on a global scale. We leverage our scale and agility to unleash the full power of Kraft Heinz across a portfolio of eight consumer-driven product platforms. As global citizens, weâ€™re dedicated to making a sustainable, ethical impact while helping to feed the world in healthy, responsible ways.On July 2, 2015, through a series of transactions, we consummated the merger of Kraft Foods Group, Inc. (â€œKraftâ€) with and into a wholly-owned subsidiary of H.J. Heinz Holding Corporation (â€œHeinzâ€) (the â€œ2015 Mergerâ€). At the closing of the 2015 Merger, Heinz was renamed The Kraft Heinz Company, and H. J. Heinz Company changed its name to Kraft Heinz Foods Company (â€œKHFCâ€).We operate on a 52- or 53-week fiscal year ending on the last Saturday in December in each calendar year. Unless the context requires otherwise, references to years and quarters contained herein pertain to our fiscal years and fiscal quarters. Our 2024 fiscal year was a 52-week period that ended on December 28, 2024, our 2023 fiscal year was a 52-week period that ended on December 30, 2023, and our 2022 fiscal year was a 53-week period that ended on December 31, 2022.Reportable Segments: In the first quarter of 2024, we divided our International segment into three operating segments â€” Europe and Pacific Developed Markets (â€œEPDMâ€ or â€œInternational Developed Marketsâ€), West and East Emerging Markets (â€œWEEMâ€), and Asia Emerging Markets (â€œAEMâ€) â€" to enable enhanced focus on the different strategies required for each of these regions as part of our long-term strategic plan. Subsequently, we manage our operating results through four operating segments. We have two reportable segments defined by geographic region: North America and International Developed Markets. Our remaining operating segments, consisting of WEEM and AEM, are combined and disclosed as Emerging Markets.See Note 20, Segment Reporting, in Item 8, Financial Statements and Supplementary Data, for our geographic financial information by segment.ResourcesTrademarks and Intellectual Property:Our trademarks are material to our business and are among our most valuable assets.Â Depending on the country, trademarks generally remain valid for as long as they are in use or their registration status is maintained. Significant trademarks by segment based on net sales in 2024 were:Majority Owned and Licensed TrademarksNorth AmericaKraft, Oscar Mayer, Heinz, Philadelphia, Lunchables, Velveeta, Ore-Ida, Capri Sun*, Maxwell House, Kool-Aid, Jell-OInternational Developed MarketsHeinz, Golden Circle, Wattieâ€™s, PlasmonEmerging Markets(a)Heinz, ABC, Master, Quero, Kraft, Pudliszki(a)Â Â Â Â Emerging Markets represents the aggregation of our WEEM and AEM operating segments.Â Â Â Â *Used under license.We sell certain products under brands we license from third parties. In 2024, brands used under licenses from third parties included Capri Sun packaged drink pouches for sale in our North America segment. We also grant certain licenses to third parties to use our intellectual property rights in select jurisdictions. In our agreements with an affiliate of Groupe Lactalis (â€œLactalisâ€), we granted the other party various licenses to use certain of our and their respective intellectual property rights in perpetuity, including perpetual licenses for the Kraft and Velveeta brands for certain cheese products.We also own numerous patents worldwide. We consider our portfolio of patents, patent applications, patent licenses under patents owned by third parties, proprietary trade secrets, technology, know-how processes, and related intellectual property rights to be material to our operations. Patents, issued or applied for, cover inventions ranging from packaging techniques to processes relating to specific products and to the products themselves. While our patent portfolio is material to our business, the loss of one patent or a group of related patents would not have a material adverse effect on our business.1Our issued patents extend for varying periods according to the date of the patent application filing or grant and the legal term of patents in the various countries where patent protection is obtained. The actual protection afforded by a patent, which can vary from country to country, depends upon the type of patent, the scope of its coverage as determined by the patent office or courts in the country, and the availability of legal remedies in the country.Raw Materials and Packaging:We manufacture (and contract for the manufacture of) our products from a wide variety of raw materials. We purchase and use large quantities of commodities, including dairy products, meat products, tomato products, sugar and other sweeteners, soybean and vegetable oils, coffee beans, wheat and processed grains, eggs, and other fruits and vegetables to manufacture our products. In addition, we purchase and use significant quantities of plastics, cardboard, resin, glass, and metal to package our products, and we use electricity, diesel fuel, and natural gas in the manufacturing and distribution of our products. For commodities that we use across many of our product categories we coordinate sourcing requirements and centralize procurement to leverage our scale. In addition, some of our product lines and brands separately source raw materials that are specific to their operations. We source these commodities from a variety of providers, ranging from large, international producers to smaller, local, independent sellers. Where appropriate, we seek to establish preferred purchaser status and have developed strategic partnerships with many of our suppliers with the objective of achieving favorable pricing and dependable supply for many of our commodities. The prices of raw materials that we use in our products are affected by external factors, such as global competition for resources, currency fluctuations, severe weather or global climate change, pandemics, geopolitical conflicts, consumer, industrial, or investment demand, and changes in governmental regulation and trade, tariffs, alternative energy, and agricultural programs. In 2024, we experienced moderate inflation in our supply chain costs compared to the prior year period, which we expect to continue through 2025. While inflationary pressures within procurement, manufacturing, and logistics costs had a negative impact on our results of operations, we experienced increased stability of these costs as compared to the prior year period.Our procurement teams monitor worldwide supply and cost trends so we can obtain ingredients and packaging needed for production at competitive prices. Although the prices of our principal raw materials can be expected to fluctuate, we believe there will be an adequate supply of the raw materials we use and that they are generally available from numerous sources. We use a range of hedging techniques in an effort to limit the impact of price fluctuations on many of our principal raw materials. However, we do not fully hedge against changes in commodity prices, and our hedging strategies may not protect us from increases in specific raw material costs. We actively monitor changes to commodity costs so that we can seek to mitigate the effect through pricing and other operational measures.Research and DevelopmentOur research and development efforts focus on achieving the following four objectives:â€¢product innovations, renovations, and new technologies to meet changing consumer needs, support our environmental and sustainability goals, and drive growth;â€¢world-class and uncompromising food safety, quality, and consistency;â€¢superior, consumer-preferred product and package performance; andâ€¢continuous process, product, and supply chain optimization and productivity initiatives.CompetitionOur products are sold in highly competitive marketplaces, including e-commerce retailers, large-format retailers, and discounters. Our competitors include large national and international food and beverage companies and numerous local and regional companies. We compete with both branded and private label products sold by retailers, wholesalers, and cooperatives. We compete on the basis of product innovation, price, product quality, nutritional value, service, taste, convenience, brand recognition and loyalty, effectiveness of marketing and distribution, promotional activity, and the ability to identify and satisfy changing consumer preferences. Improving our market position or introducing new products requires substantial advertising, promotional, and research and development expenditures.2SalesSales and Customers:Our products are sold through our own sales organizations and through independent brokers, agents, and distributors to chain, wholesale, cooperative, and independent grocery accounts; convenience, value, and club stores; pharmacies and drug stores; mass merchants; foodservice distributors; and institutions, including hotels, restaurants, bakeries, hospitals, health care facilities, and government agencies. Our products are also sold online through various e-commerce platforms and retailers.We have key customers in different regions around the world. In 2024, the five largest customers in our North America segment accounted for approximately 46% of North America segment net sales, the five largest customers in our International Developed Markets segment accounted for approximately 28% of International Developed Markets net sales, and the five largest customers in Emerging Markets accounted for approximately 12% of Emerging Markets net sales. Our largest customer, Walmart Inc., represented approximately 21% of our net sales in 2024, 2023, and 2022. Both of our reportable segments have sales to Walmart Inc.In the first quarter of 2024, we changed the way we manage our product portfolio to align with our future growth strategy. As of DecemberÂ 28, 2024, we manage our sales portfolio through eight consumer-driven product platforms. A platform is a lens created for the portfolio based on a grouping of consumer needs and includes the following for Kraft Heinz: Taste Elevation, Easy Ready Meals, Substantial Snacking, Desserts, Hydration, Cheese, Coffee and Meats. Taste Elevation includes condiments, sauces, dressings, and spreads. Easy Ready Meals includes Kraft Mac & Cheese varieties, frozen potato products, and other frozen meals. Substantial Snacking includes Lunchables meal kits, frozen snacks, and pickles. Desserts includes dry packaged desserts, refrigerated ready to eat desserts, and other dessert toppings. Hydration includes ready to drink beverages, powdered beverages, and liquid concentrates. Cheese includes American sliced and recipe cheeses. Coffee includes mainstream coffee, coffee pods, and premium coffee. Meats includes cold cuts, bacon, and hot dogs.The platforms are modular and configurable by reportable segment and market and help us to manage and organize our business effectively by providing insight into our various product categories and brands. Further, each platform is assigned a role within our business to help inform our resource allocation and investment decisions, which are made at the operating segment level. These roles include Accelerate, Protect, and Balance. The role of a platform may also vary by reportable segment and market.Net Sales by Platform:Net sales by platform as a percentage of consolidated net sales for the periods presented were:December 28, 2024December 30, 2023December 31, 2022ACCELERATETaste Elevation44Â %44Â %41Â %Easy Ready Meals18Â %18Â %19Â %Substantial Snacking5Â %5Â %6Â %PROTECTDesserts4Â %4Â %4Â %Hydration9Â %9Â %9Â %BALANCECheese7Â %7Â %7Â %Coffee3Â %3Â %3Â %Meats8Â %8Â %9Â %Other2Â %2Â %2Â %SeasonalityA crops constituting certain of our raw food ingredients are harvested on a seasonal basis, the majority of our products are produced throughout the year.Seasonal factors inherent in our business change the demand for products, including holidays, changes in seasons, or other annual events. While these factors influence our quarterly net sales, operating income/(loss), and cash flows at the product level, unless the timing of such events shift period-over-period (e.g., a shift in Easter timing), this seasonality does not typically have a significant effect on our consolidated results of operations or segment results.3Government RegulationThe manufacture and sale of consumer food and beverage products is highly regulated. Our business operations, including the production, transportation, storage, distribution, sale, display, advertising, marketing, labeling, quality, and safety of our products and their ingredients, and our occupational safety, health, and privacy practices, are subject to various laws and regulations. In the United States, our activities are subject to regulation by various federal government agencies, including the Food and Drug Administration, Department of Agriculture, Federal Trade Commission, Department of Labor, Department of Commerce, and Environmental Protection Agency, as well as various state and local agencies. We are also subject to numerous laws and regulations outside of the United States in markets where our products are manufactured, distributed, or sold, including laws and regulations governing food safety, health and safety, anti-corruption, and data privacy. In our business dealings, we are also required to comply with the U.S. Foreign Corrupt Practices Act (â€œFCPAâ€), the U.K. Bribery Act, the U.S. Trade Sanctions Reform and Export Enhancement Act, and various other anti-corruption regulations in the regions in which we operate. We rely on legal and operational compliance programs, as well as in-house and outside counsel, to guide our businesses in complying with applicable laws and regulations. In addition, regulatory regime changes may add cost and complexity to our compliance efforts.Environmental Regulation:Our activities throughout the world are highly regulated and subject to government oversight regarding environmental matters. Various laws concerning the handling, storage, and disposal of hazardous materials and the operation of facilities in environmentally sensitive locations may impact aspects of our operations.In the United States, where a significant portion of our business operates, these laws and regulations include the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act, and the Comprehensive Environmental Response, Compensation, and Liability Act (â€œCERCLAâ€). CERCLA imposes joint and several liability on each potentially responsible party. We are involved in a number of active proceedings in the United States under CERCLA (and other state actions under similar legislation) related to certain closed, inactive, or divested operations for which we retain liability. As of DecemberÂ 28, 2024, we had accrued an amount we deemed appropriate for environmental remediation. Based on information currently available, we believe that the ultimate resolution of existing environmental remediation actions and our general compliance with environmental laws and regulations will not have a material effect on our earnings or financial condition. However, it is difficult to predict with certainty the potential impact of future compliance efforts and environmental remedial actions and, thus, future costs associated with such matters may exceed current reserves.Human Capital ManagementWe are driven by our Purposeâ€" Letâ€™s make life delicious, our Company Dreamâ€"To be the leader in elevating and creating food that makes you feel good, and our Values and Leadership Principles. Those elements represent the foundation upon which our culture is built. They represent the expectations we have for ourselves and the environment we aspire to create for our Company. We recognize that our ownership-centric culture is vital to our overall success and a key competitive advantage.Our people are at the heart of who we are at Kraft Heinz. We drive growth through high accountability, development and career opportunities, empowerment, and autonomy. We recognize and reward outstanding and differentiated performance at every level, creating a true spirit of ownership, ambition, and meritocracy. We strive to channel our employeesâ€™ passion, curiosity, and attitude to make an impact on our future and our legacy by leading as learners, acting as owners, and being change agents. Our Board of Directors (â€œBoardâ€), through the Human Capital and Compensation Committee, oversees our human resources strategy and key policies.Engagement:We are committed to attracting, developing, and retaining world-class talent and creating an engaging and inclusive culture that embodies our Purpose, Dream, Values, and Leadership Principles. As of December 28, 2024, Kraft Heinz had approximately 36,000 employees globally. Driven by our Value We champion great people, we support our employeesâ€™ health, safety, and professional development and reward outstanding and differentiated performance at every level. Our rewards strategies (compensation, benefits, recognition, and wellbeing) aim to help our employees help themselves to

LiveWell. LiveWell represents our total rewards offerings that are designed to attract and engage highly skilled and performance-oriented talent, meet individual and family needs, and inspire, celebrate, and engage our people and teams through enhanced interactions in moments that matter in an environment where employees feel productive, trusted, and empowered.Guided by our Values, we conduct a global engagement survey annually to provide employees with an opportunity to share anonymous feedback with management across a variety of topic areas. The results and comments are reviewed by the Board, senior leadership, managers, and human resources to help determine where changes are needed to support our people and teams.4Our November 2024 survey showed that we hit an all-time high for employee engagement since the 2015 Merger and achieved our aspiration to rank in the top-quartile on the Inclusion Index, which measures employees feeling like their opinions count, belonging and inclusive leadership.We believe our culture is the secret sauce that sets us apart and drives our success. It is the key ingredient that unites us as a Community of Owners, fosters a sense of belonging, and inspires us to lead the future of food. It is the foundation of our employee value proposition.We grow our people to grow our business. Our Employee Value Proposition is built on three core pillars:â€¢We develop people for greatness, unlocking their full potential through continuous learning and growth opportunities.â€¢We nurture an ownership-centric culture, encouraging people to act with autonomy and treat our business as their own.â€¢We drive impact by challenging the status quo, celebrating differences, and sparking innovation in pursuit of leading the future of food.Over the past decade, we have been on a journey to create a workplace that resembles the consumers that we serve and provide delicious innovations that better serve our people, business, and communities.Â We have made significant progress, learned a lot, and plan to build on our successes as we set the table for the future.Wellbeing and Safety:Our employeesâ€™ health, safety, and wellbeing are a top priority. We establish and administer company-wide policies and processes to protect the health, safety, and security of our employees, subcontractors, and all those who visit our facilities, and to comply with applicable regulations. We review and monitor our performance closely to drive improvement. To help us evaluate how effective our safety efforts are in lowering incidents rates, we use a Total Recordable Incident Rate (â€œTRIRâ€). TRIR is a medical incident rate based on the U.S. Occupational Safety and Health Administration (â€œOSHAâ€) record-keeping criteria (injuries per 200,000 hours). Our TRIR globally was 0.39 in 2024 and 0.53 in 2023.Our global LiveWell program focuses on four wellbeing elements â€" physical, emotional, financial, and social health â€" and provides specific programs and resources to support our employees and their families within each of these areas.Learning and Development:Through Ownerversity, our Kraft Heinz learning ecosystem, we provide learning opportunities for each of our employees, designed to inspire and grow talent within Kraft Heinz while developing employeesâ€™ skills and competencies to help them navigate their career journey. Our learning and development offerings are created to enable employees to live our Value We dare to do better every day and own their personal learning and development. We believe this empowers employees to execute with excellence in their current role, accelerate their learning curves, and grow a great career. Through Ownerversity, employees have access to custom Kraft Heinz training, learning and development materials, and external content libraries and articles. Rewards and Compensation:Our Total Rewards philosophy is to provide a meaningful and flexible spectrum of programs that equitably support our workforce and their families, and compliment Kraft Heinzâ€™ strategy and values. Total Rewards includes compensation elements of base pay and wages and incentives, healthcare, savings and insurance plans, wellbeing plans, employee recognition programs, and other voluntary elected benefits. Kraft Heinz is a great place for those who dare to win in a challenging, meritocratic, ambitious, and engaging environment. We believe in ownership and meritocracy, recognizing and rewarding our people on their achievements and impact as they grow their careers with us. We aim for global consistency while respecting local market practices and employee preferences. The plans are designed to be market competitive and data-driven to promote our high-performance and results-oriented growth culture and realize our Purpose to Make Life Delicious for employees and their families. Ethics and Transparency:The Kraft Heinz Ethics Helpline is available to our partners, suppliers, customers, and consumers to ask questions or report potential violations of various policies and ethical guidelines, including our Code of Conduct, Supplier Guiding Principles, and Global Human Rights Policy. We report more detailed information regarding our programs and initiatives related to our people and human capital management in our Environmental Social Governance Report. Our 2024 report, which provides our progress through 2023, is available on our website at www.kraftheinzcompany.com/esg. The information on our website, including our ESG Report, is not, and shall not be deemed to be, a part of this Annual Report on Form 10-K or incorporated into any other filings we make with the Securities and Exchange Commission (â€œSECâ€).5Information about our Executive OfficersThe following are our executive officers as of February 8, 2025:Name and TitleAgeBusiness Experience in the Past Five YearsCarlos Abrams-Rivera,Chief Executive Officer and Director57Chief Executive Officer (since December 2023); President Kraft Heinz (August to December 2023); Executive Vice President and President, North America (December 2021 to August 2023); and U.S. Zone President (February 2020 to December 2021). Executive Vice President and President, Campbell Snacks (May 2019 to February 2020), and President, Campbell Snacks (March 2018 to May 2019) at Campbell Soup Company (â€œCampbellâ€), a food and beverage company.Andre Maciel,Executive Vice President and Global Chief Financial Officer50Executive Vice President and Global Chief Financial Officer (since March 2022); Senior Vice President, U.S. Chief Financial Officer, and Head of Digital Transformation (September 2019 to March 2022); Managing Director, Continental Europe (January to August 2019); Chief Financial Officer, U.S. (2017 to January 2019); and Head of U.S. Commercial Finance (2015 to 2017).Diana Frost,Global Chief Growth Officer42Global Chief Growth Officer (since December 2023); Chief Growth Officer, North America (August to December 2023); Head of North America Disruption and Canada Chief Marketing Officer (January to August 2022); and Chief Growth Officer, Canada (September 2020 to December 2021). Head of Portfolio Transformation, Mars Wrigley (January 2019 to September 2020) at Mars, Incorporated, a multinational confections company.Marcos Eloi Lima,Executive Vice President and Global Chief Procurement and Sustainability Officer47Executive Vice President and Global Chief Procurement and Sustainability Officer (since December 2023); Executive Vice President and Global Chief Procurement Officer (December 2021 to December 2023); Chief Procurement Officer (October 2019 to December 2023); and Advisor in the area of procurement (July to October 2019). Vice President Procurement & Sustainability Middle Americas Zone (2016 to July 2019) at Anheuser-Busch InBev SA/NV (â€œAB InBevâ€), a multinational drink and brewing holdings company.Pedro Navio,Executive Vice President and President, North America44Executive Vice President and President, North America (since December 2023); President â€" Taste, Meals, and Away From Home (March 2022 to December 2023); President, Latin America (November 2019 to February 2022); and President, Brazil (2017 to November 2019).Cory Onell,Executive Vice President and Chief Omnichannel Sales and Asian Emerging Markets Officer51Executive Vice President and Chief Omnichannel Sales and Asian Emerging Markets Officer (since December 2023) and Chief Sales Officer, U.S. (August 2020 to December 2023). Senior Vice President and Head of U.S. Retail Sales (April to July 2020) at The J. M. Smucker Company, a food and beverage company. Senior Vice President, Sales (2017 to April 2020) at Campbell.FlÃ¡vio Barros Torres,Executive Vice President and Global Chief Supply Chain Officer55Executive Vice President and Global Chief Supply Chain Officer (since December 2021); and Head of Global Operations (January 2020 to December 2021). Global Operations Vice President (2017 to 2019) at AB InBev.Melissa Werneck,Executive Vice President and Global Chief People Officer52Executive Vice President and Global Chief People Officer (since December 2021); Global Chief People Officer (2016 to December 2021); and Head of Global Human Resources, Performance and Information Technology (2015 to 2016).Angel WillisExecutive Vice President, Global General Counsel and Corporate Affairs Officer54Executive Vice President, Global General Counsel and Corporate Affairs Officer (since November 2024); and Vice President, General Counsel and Secretary (January 2019 to November 2024) at Sealed Air Corporation, a global provider of packaging solutions.6Available InformationOur website address isÂ www.kraftheinzcompany.com. We use our investor relations website, ir.kraftheinzcompany.com, as a routine channel for distribution of important, and often material, information about Kraft Heinz, including quarterly and annual earnings results and presentations, press releases and other announcements, webcasts, analyst presentations, investor days, sustainability initiatives, financial information, and corporate governance practices, as well as archives of past presentations and events. We encourage you to follow our investor relations website in addition to our filings with the SEC to receive timely information about the Company. The information on our website is not part of this Annual Report on Form 10-K and shall not be deemed to be incorporated by reference into this report or any other filings we make with the SEC. Our Annual Reports on Form 10-K, Quarterly Reports on FormÂ 10-Q, Current Reports on FormÂ 8-K, and amendments to those reports filed or furnished pursuant to SectionÂ 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, (the â€œExchange Actâ€), are available free of charge on our website as soon as reasonably practicable after we electronically file them with, or furnish them to, the SEC. In addition, the SEC maintains a website atÂ www.sec.govÂ that contains reports, proxy and information statements, and other information regarding issuers, including Kraft Heinz, that are electronically filed with the SEC.Item 1A. Risk Factors.Our business is subject to various risks and uncertainties. In addition to the risks described elsewhere in this Annual Report on Form 10-K, any of the risks and uncertainties described below could materially adversely affect our business, financial condition, and results of operations and should be considered when evaluating Kraft Heinz. Although the risks are organized and described separately, many of the risks are interrelated. Some of the factors, events, and contingencies discussed below may have occurred in the past, and the disclosures below are not representations as to whether or not the factors, events or contingencies have occurred in the past, but are provided because future occurrences of such factors, events, or contingencies could have a material adverse effect. While we believe we have identified and discussed the material risks affecting our business below, there may be additional risks and uncertainties that are not presently known or that are not currently believed to be material that may adversely affect our business, performance, or financial condition in the future.Industry RisksWe operate in a highly competitive industry.The food and beverage industry is highly competitive across all of our product offerings. Our principal competitors in these categories are manufacturers and retailers with their own branded and private label products. We compete based on product innovation, price, product quality, nutritional value, service, taste, convenience, brand recognition and loyalty, effectiveness of marketing and distribution, promotional activity, and the ability to identify and satisfy changing consumer preferences.We may need to reduce our prices, or be restricted or delayed in our ability to increase prices, in response to competitive, customer, consumer, regulatory, or macroeconomic pressures, including pressures related to private label products that are generally sold at lower prices. These pressures have restricted, and may in the future continue to restrict, our ability to increase prices and maintain those price increases in response to commodity and other cost increases, including those related to inflationary pressures. Additionally, the pricing actions we take have, in some instances, negatively impacted, and could continue to negatively impact, our market share and require us to reduce, or further reduce, the prices of certain of our products. Furthermore, our competitors may attempt to gain market share by offering products at prices at or below those typically offered by our company, which may require us to increase spending on advertising and promotions and/or reduce prices. Failure to effectively assess, timely change, and properly set pricing, promotions, or trade incentives may negatively impact our ability to achieve our objectives.In addition, in order to remain competitive, we rely on our ability to secure new retailers and maintain or add shelf space for our products. If we are unable to secure sufficient and attractive shelf space, adequate product visibility, and attractive pricing for our products with retailers, our products may be disadvantaged against our competitors. Even if we obtain preferred product visibility and shelf space, our new and existing products may fail to achieve the sales expectations set by retailers, which may cause these retailers to remove our products from their shelves.Our products are sold in highly competitive marketplaces, including e-commerce retailers, large-format retailers, and discounters. Competition amongst retailers may create consumer price deflation, affecting our retail customer relationships and presenting additional challenges to increasing prices in response to commodity or other cost increases. We may also need to increase or reallocate spending on marketing, retail trade incentives, advertising, and new product, platform, or channel innovation to maintain or increase market share. These expenditures are subject to risks, including uncertainties about trade and consumer acceptance of our efforts. If we are unable to compete effectively, our profitability, financial condition, and operating results may decline.7Our success depends on our ability to correctly predict, identify, and interpret changes in consumer preferences and demand, to offer new products to meet those changes, and to respond to competitive innovation.Consumer preferences for food and beverage products change continually and rapidly. Our success depends on our ability to predict, identify, and interpret the tastes and dietary habits of consumers. We must continue to offer products that appeal to consumers, including with respect to their health and wellness preferences and changing consumption patterns, such as those potentially associated with weight-loss drugs. If we do not offer products that appeal to consumers, our sales and market share will decrease, which could materially and adversely affect our product sales, financial condition, and operating results. Further, changing consumer preferences relating to the healthiness or desirability of ingredients, components, or substances present or allegedly present in our products or packaging could negatively impact our product sales, financial condition, and operating results if we are unsuccessful in our efforts to satisfy consumer preferences.Moreover, weak economic conditions, recessions, inflation, severe or unusual weather events, pandemics, geopolitical conflicts, public boycotts, as well as other factors, could affect consumer preferences and demand, at times, causing a strain on our supply chain due, in part, to retailers, distributors, or carriers modifying their restocking, fulfillment, or shipping practices. Failure to adequately respond to these changes could adversely affect our product sales, financial condition, and operating results. We must distinguish between short-term trends and long-term changes in consumer preferences. If we do not accurately predict which shifts in consumer preferences will be long-term, or if we fail to introduce new and improved products to satisfy those preferences, our sales could decline. In addition, because of our varied consumer base, we must offer an array of products that satisfies a broad spectrum of consumer preferences. If we fail to expand our product offerings successfully across product categories or platforms, or if we do not rapidly develop products in faster-growing or more profitable categories, demand for our products could decrease, which could materially and adversely affect our product sales, financial condition, and operating results.Prolonged negative perceptions concerning the health, environmental, or social implications of certain food and beverage products, ingredients, or packaging materials could influence consumer preferences and acceptance of our products and marketing programs. Our ability to refine the ingredient and nutrition profiles of and packaging for our products as well as to maintain focus on ethical sourcing and supply chain management opportunities to address evolving consumer preferences are important to our growth. We strive to respond to consumer preferences and social expectations, but we may not be successful in our efforts. Continued negative perceptions and failure to satisfy consumer preferences could materially and adversely affect our product sales, financial condition, and operating results.In addition, our growth depends on our successful development, introduction, and marketing of innovative new products and line extensions. There are inherent risks associated with new product or packaging introductions, including uncertainties about trade and consumer acceptance or potential impacts on our existing product offerings. We may be required to increase expenditures for new product development. Successful innovation depends on our ability to correctly anticipate customer and consumer acceptance, to obtain, protect, and maintain necessary intellectual property rights, and to avoid infringing upon the intellectual property rights of others. We must also be able to respond successfully to technological advances by our competitors (including artificial intelligence, machine learning, and augmented reality, which may become critical in interpreting consumer preferences in the future), and failure to do so could compromise our competitive position and impact our product sales, financial condition, and operating results.Changes in the retail landscape or the loss of key retail customers could adversely affect our financial performance.The retail landscape has experienced, and may continue to experience, the consolidation of ownership of retailers and the presence of buying groups resulting in increased purchasing power. Retail customers, such as supermarkets, warehouse clubs, and food distributors in our major markets, may continue to consolidate, resulting in fewer but larger customers for our business across various channels. These larger customers may seek to leverage their positions to improve their profitability by demanding improved efficiency, lower pricing, more favorable terms, increased promotional programs, or specifically tailored product offerings. In addition, larger retailers have scale to develop supply chains that permit them to operate with reduced inventories or to develop and market their own private label products. Retail consolidation and increasing retailer power could materially and adversely affect our product sales, financial condition, and operating results.Retail consolidation also increases the risk that adverse changes in our customersâ€™ business operations or financial performance may have a corresponding adverse effect on us, which could be material. For example, if our customers cannot access sufficient funds or financing, then they may delay, decrease, or cancel purchases of our products, or delay or fail to pay us for previous purchases, which could materially and adversely affect our product sales, financial condition, and operating results.In addition, technology-based systems, which give consumers the ability to shop through e-commerce websites and mobile commerce applications, are also significantly altering the retail landscape in many of our markets. If we are unable to adjust to 8developments in these changing landscapes, we may be disadvantaged in key channels and with certain consumers, which could materially and adversely affect our product sales, financial condition, and operating results.Changes in our relationships with significant customers or suppliers, or in other business relationships, could adversely impact us.We derive significant portions of our sales from certain significant customers (see Sales and Customers within Item 1, Business). Some or all of our significant customers may not continue to purchase our products in the same mix or quantities or on the same terms as in the past, particularly as increasingly powerful retailers may demand lower pricing and focus on developing their own brands. The loss of a significant customer or a material reduction in sales or a change in the mix of products we sell to a significant customer could materially and adversely affect our product sales, financial condition, and operating results.Disputes with significant suppliers, including disputes related to pricing or performance, could adversely affect our ability to supply products to our customers and could materially and adversely affect our product sales, financial condition, and operating results. In addition, terminations of relationships with other significant contractual counterparties, including licensors, could adversely affect our portfolio, product sales, financial condition, and operating results.In addition, the financial condition of such customers, suppliers, and other significant contractual counterparties are affected in large part by conditions and events that are beyond our control. Significant deterioration in the financial conditions of significant customers or suppliers, or in other business relationships, could materially and adversely affect our product sales, financial condition, and operating results.Maintaining, extending, and expanding our reputation and brand image are essential to our business success.We have many iconic brands with long-standing consumer recognition across the globe. Our success depends on our ability to maintain brand image for our existing products, extend our brands to new platforms, and expand our brand image with new product offerings.We seek to maintain, extend, and expand our brand image through marketing investments, including advertising and consumer promotions, and product innovation. Negative perceptions of food and beverage marketing could adversely affect our brand image or lead to stricter regulations and scrutiny of our marketing practices. Moreover, adverse publicity about legal or regulatory action against us, our quality and safety, our environmental or social impacts, our other environmental, social, human capital, or governance practices or positions, our products becoming unavailable to consumers, or our suppliers (including as a result of human rights issues) and, in some cases, our competitors, could damage our reputation and brand image, undermine our customersâ€™ or consumersâ€™ confidence, and reduce demand for our products, even if the regulatory or legal action is unfounded or not material to our operations. Furthermore, existing or increased legal or regulatory restrictions on our advertising, consumer promotions, and marketing, or our response to those restrictions, could limit our efforts to maintain, extend, and expand our brands.In addition, our success in maintaining, extending, and expanding our brand image depends on our ability to adapt to a rapidly changing media environment. We increasingly rely on social media and online dissemination of advertising campaigns. The growing use of social and digital media increases the speed and extent that information, including misinformation, and opinions can be shared. Negative posts or comments about us, our brands or our products, or our suppliers and, in some cases, our competitors, on social or digital media, whether or not valid, could seriously damage our brands and reputation. In addition, we might fail to appropriately target our marketing efforts, anticipate consumer preferences, or invest sufficiently in maintaining, extending, and expanding our brand image. Placement of our advertisements in social and digital media may also result in damage to our brands if the media itself experiences negative publicity. If we do not maintain, extend, and expand our reputation or brand image, then our product sales, financial condition, and operating results could be materially and adversely affected.We must leverage our brand value to compete against private label products.In nearly all of our product categories, we compete with branded products as well as private label products, which are typically sold at lower prices. Our products must provide higher value or quality to consumers than alternatives, particularly during periods of economic uncertainty or weakness or inflation. Consumers may not buy our products if relative differences in value or quality between our products and private label products change in favor of competitorsâ€™ products or if consumers perceive such a change. If consumers prefer private label products, then we could lose market share or sales volume, or our product mix could shift to lower margin offerings. A change in consumer preferences could also cause us to increase capital, marketing, and other expenditures, which could materially and adversely affect our product sales, financial condition, and operating results.9We may be unable to drive revenue growth in our key product categories or platforms, increase our market share, or add products that are in faster-growing and more profitable categories.Our future results will depend on our ability to drive revenue growth in our key product categories or platforms as well as growth in the food and beverage industry in the geographies in which we operate. Our future results will also depend on our ability to enhance our portfolio by adding innovative new products in faster-growing and more profitable categories or platforms and our ability to increase market share in our existing product categories or platforms. Our failure to drive revenue growth, limit market share decreases in our key product categories or platforms, or develop innovative products for new and existing categories or platforms could materially and adversely affect our product sales, financial condition, and operating results.Product recalls or other product liability claims could materially and adversely affect us.Selling products for human consumption involves inherent legal and other risks, including product contamination, spoilage, product tampering, allergens, or other adulteration. We have decided and could in the future decide to, and have been or could in the future be required to, recall products due to suspected or confirmed product contamination, adulteration, product mislabeling or misbranding, tampering, undeclared allergens, or other deficiencies. Product recalls or market withdrawals could result in significant losses due to their costs, the destruction of product inventory, and lost sales due to the unavailability of the product for a period of time. We could also be adversely affected if consumers lose confidence in the safety and quality of our food products or ingredients, or the food safety system generally. Adverse attention about these types of concerns, whether or not valid, may damage our reputation, discourage consumers from buying our products, or cause production and delivery disruptions that could negatively impact our net sales and financial condition.We may also suffer losses if our products or operations violate applicable laws or regulations or if our products cause injury, illness, or death. In addition, our marketing could face claims of false or deceptive advertising or other criticism. A significant product liability or other legal judgment or a related regulatory enforcement action against us, or a significant product recall, may materially and adversely affect our reputation and profitability. Moreover, even if a product liability or fraud claim is unsuccessful, has no merit, or is not pursued to conclusion, the negative publicity surrounding assertions against our products or processes could materially and adversely affect our product sales, financial condition, and operating results.Climate change and legal or regulatory responses may have a long-term adverse impact on our business and results of operations.Global average temperatures are gradually increasing due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere, which is projected to contribute to significant changes in weather patterns around the globe, an increase in the frequency and severity of natural disasters, and changes in agricultural productivity. Increasing concern over climate change may adversely impact demand for our products, or increase our operating costs, due to changes in consumer preferences that cause consumers to switch away from products or ingredients considered to have a high climate change impact. Increased natural disasters and decreased agricultural productivity in certain regions of the world as a result of changing weather patterns may limit the availability or increase the cost of natural resources and commodities, including dairy products, meat products, tomato products, sugar and other sweeteners, soybean and vegetable oils, coffee beans, wheat and processed grains, eggs, and other fruits and vegetables to manufacture our products, and could further decrease food security for communities around the world. Climate change, and its environmental impacts, could also affect our ability, and our suppliersâ€™ ability, to procure necessary commodities at costs and in quantities we currently experience and may require us to increase costs or make additional unplanned capital expenditures. Further, an increase in the frequency and severity of natural disasters could result in disruptions for us, our customers, suppliers, vendors, co-manufacturers, and distributors and impact our employeesâ€™ abilities to commute or work from home effectively. These disruptions could make it more difficult and costly for us to deliver our products, obtain raw materials or other supplies through our supply chain, maintain or resume operations, or perform other critical corporate functions, could reduce customer demand for our products, and could increase the cost of insurance.Additionally, there is an increased focus by foreign, federal, state, and local regulatory and legislative bodies regarding environmental policies relating to climate change, regulating greenhouse gas emissions (including carbon pricing or a carbon tax), energy policies, disclosure obligations, and sustainability. Increased energy or compliance costs and expenses due to the impacts of climate change, as well as additional legal or regulatory requirements regarding climate change designed to reduce or mitigate the effects of carbon dioxide and other greenhouse gas emissions on the environment could be costly and may cause disruptions in, or an increase in the costs associated with, the running of our manufacturing and processing facilities and our business, as well as increase distribution and supply chain costs. Moreover, compliance with any such legal or regulatory requirements may require us to make significant changes to our business operations and long-term operating plans, which will likely incur substantial time, attention, and costs. Even if we make changes to align ourselves with such legal or regulatory 10requirements, we may still be subject to significant penalties if such laws and regulations are interpreted and applied in a manner inconsistent with our practices. The effects of climate change and legal or regulatory initiatives to address climate change could have a long-term adverse impact on our business and results of operations. Finally, we might fail to effectively address increased attention from the media, stockholders, activists, and other stakeholders on climate change and related environmental sustainability matters. Such failure, or the perception that we have failed to act responsibly with respect to such matters or to effectively respond to new or additional regulatory requirements regarding climate change, whether or not valid, could result in adverse publicity and negatively affect our business and reputation. Concurrently, there also exists â€œanti-ESGâ€ sentiments among certain stakeholders, and we may face negative publicity, lawsuits, and other adverse impacts to our business from these stakeholders in response to our sustainability initiatives. From time to time we establish and publicly announce environmental, social, and governance goals, commitments, and aspirations, including to reduce our impact on the environment. Our ability to achieve any stated goal, target, or objective is subject to numerous factors and conditions, many of which are outside of our control. Examples of such factors include evolving regulatory requirements affecting sustainability standards or disclosures or imposing different requirements, the pace of changes in technology, the availability of requisite financing, and the availability of suppliers that can meet our sustainability and other standards. Furthermore, standards for tracking and reporting such matters continue to evolve. Our selection of voluntary disclosure frameworks and standards, and the interpretation or application of those frameworks and standards, may change from time to time or differ from those of others. Methodologies for reporting this data may be updated and previously reported data may be adjusted to reflect improvement in availability and quality of third-party data, changing assumptions, changes in the nature and scope of our operations, and other changes in circumstances. Our processes and controls for reporting sustainability and other matters across our operations and supply chain are evolving along with multiple disparate standards for identifying, measuring, and reporting sustainability metrics, including sustainability-related disclosures that may be required by the SEC, European Union, and other foreign, federal, state, and local regulatory and legislative bodies (including, but not limited to, the European Unionâ€™s Corporate Sustainability Reporting Directive and Corporate Sustainability Due Diligence Directive and the state of Californiaâ€™s new climate change disclosure requirements), and such standards may change over time, which could result in significant revisions to our current goals, reported progress in achieving such goals, or ability to achieve such goals in the future. If we fail to achieve, or are perceived to have failed or been delayed in achieving, or improperly report on our progress toward achieving these goals and commitments, it could negatively affect consumer preference for our products or investor confidence in our stock, as well as expose us to government enforcement actions and private litigation.Business RisksWe may not successfully identify, complete, or realize the benefits from strategic acquisitions, divestitures, alliances, joint ventures, or investments.From time to time, we have evaluated and may continue to evaluate acquisition candidates, alliances, joint ventures, or investments that may strategically fit our business objectives, and, as a result of some of these evaluations, we have acquired businesses or assets that we deem to be a strategic fit. We have also divested and may consider divesting businesses that do not meet our strategic objectives or growth or profitability targets. These activities may present financial, managerial, and operational risks including, but not limited to, diversion of managementâ€™s attention from existing core businesses; difficulties in integrating, or inability to successfully integrate, acquired businesses, including integrating or separating personnel and financial and other systems; inability to effectively and immediately implement control environment processes across a diverse employee population; adverse effects on existing or acquired customer and supplier business relationships; and potential disputes with buyers, sellers, or partners. Activities in such areas are regulated by numerous antitrust and competition laws in the United States, Canada, the European Union, the United Kingdom, and elsewhere. We have in the past and may in the future be required to obtain approval of these transactions by competition authorities or to satisfy other legal requirements, and we may be unable to obtain such approvals or satisfy such requirements, each of which may result in additional costs, time delays, or our inability to complete such transactions, which could materially and adversely affect our financial condition and operating results.To the extent we undertake acquisitions, alliances, joint ventures, investments, or other developments in new geographies or categories, we may face additional risks related to such developments. For example, risks related to foreign operations are discussed below under the risk factor titled â€œOur international operations subject us to additional risks and costs and may cause our profitability to decline.â€To the extent we undertake divestitures, we may face additional risks related to such activities. For example, risks related to our ability to find appropriate buyers, obtain applicable regulatory and governmental approvals, execute transactions on favorable terms, separate divested business operations with minimal impact to our remaining operations, and effectively manage any transitional service arrangements. Further, our divestiture activities have in the past required, and may in the future require, us to recognize impairment charges. Any of these factors could materially and adversely affect our financial condition and operating results. 11We may not be able to successfully execute our strategic initiatives.We plan to continue to conduct strategic initiatives in various markets. Consumer demands, behaviors, tastes, and purchasing trends may differ in these markets and, as a result, our sales strategies may not be successful and our product sales may not meet expectations, or the margins on those sales may be less than currently anticipated. We may also face difficulties integrating new business operations with our current sourcing, distribution, information technology systems, and other operations. Additionally, we may not successfully complete any planned strategic initiatives, including achieving any previously announced productivity efficiencies and financial targets, any new business may not be profitable or meet our expectations, or any divestiture may not be completed without disruption. Any of these challenges could hinder our success in new markets or new distribution channels, which could adversely affect our results of operations and financial condition.Our international operations subject us to additional risks and costs and may cause our profitability to decline.We are a global company with sales and operations in numerous countries within developed and emerging markets. Approximately 31% of our 2024 net sales were generated outside of the United States. As a result, we are subject to risks inherent in global operations. These risks, which can vary substantially by market, are described in many of the risk factors discussed in this section, and also include:â€¢compliance with U.S. laws affecting operations outside of the United States, including anti-bribery and corruption laws such as the FCPA;â€¢changes in the mix of earnings in countries with differing statutory tax rates, the valuation of deferred tax assets and liabilities, tax laws or their interpretations, or tax audit implications;â€¢the imposition of increased or new tariffs, quotas, trade barriers, or similar restrictions on our sales or imports (including those that may affect our sourcing operations and the availability of raw materials and commodities), trade agreements, regulations, taxes, or policies that might negatively affect our sales or costs;â€¢foreign currency devaluations or fluctuations in foreign currency values, including risks arising from the significant and rapid fluctuations in foreign currency exchange markets and the decisions made and positions taken to hedge such volatility;â€¢compliance with antitrust and competition laws, data privacy laws, human rights laws, and a variety of other local, national, and multi-national regulations and laws in multiple jurisdictions;â€¢discriminatory or conflicting fiscal policies in or across foreign jurisdictions;â€¢changes in capital controls, including foreign currency exchange controls, governmental foreign currency policies, or other limits on our ability to import raw materials or finished product into various countries or repatriate cash from outside the United States;â€¢challenges associated with cross-border product distribution, including economic sanctions, export controls, and labor restrictions;â€¢changes in local regulations and laws, the uncertainty of enforcement of remedies in foreign jurisdictions, and foreign ownership restrictions and the potential for nationalization or expropriation of property or other resources;â€¢risks and costs associated with political and economic instability, military conflict, corruption, anti-American sentiment, and social and ethnic unrest in the countries in which we operate;â€¢the risks of operating in developing or emerging markets in which there are significant uncertainties regarding the interpretation, application, and enforceability of laws and regulations and the enforceability of contract rights and intellectual property rights;â€¢changing labor conditions and difficulties in staffing our operations;â€¢greater risk of uncollectible accounts or trade receivables and longer collection cycles; andâ€¢design, implementation, and use of effective control environment processes across our various operations and employee base.Slow economic growth, inflation, or high unemployment in the markets in which we operate could constrain consumer spending, and declining consumer purchasing power could adversely impact our profitability. Any of these factors could materially and adversely affect our product sales, financial condition, and results of operations.12Additionally, forced labor concerns have rapidly become a global area of interest, and have resulted in, and are expected to continue to result in, new regulations in the markets in which we operate. For example, the Uyghur Forced Labor Prevention Act (â€œUFLPAâ€) prohibits the import of articles, merchandise, apparel, and goods mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region (â€œXinjiangâ€) of the People's Republic of China, or by entities identified by the U.S. government on the UFLPA Entity List. As a result of the UFLPA, materials and products we import into the United States could be held by U.S. Customs and Border Protection based on a suspicion that inputs used in such materials or products originated from Xinjiang or that they may have been produced by Chinese suppliers alleged to participate in forced labor, pending our provision of satisfactory evidence to the contrary. Among other consequences, such an outcome could result in negative publicity that harms our brands and reputation and could result in a delay or our complete inability to import such materials or products, which could result in inventory shortages and greater supply chain compliance costs.Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our products and brands.We consider our intellectual property rights, particularly and most notably our trademarks, but also our patents, trade secrets, trade dress, copyrights, and licensing agreements, to be a significant and valuable aspect of our business. We attempt to protect our intellectual property rights through a combination of patent, trademark, copyright, trade secret, and trade dress laws, as well as licensing agreements, third-party nondisclosure and assignment agreements, policing of third-party misuses of our intellectual property, and securing our information technology systems. Our failure to develop or adequately protect our trademarks, products, new features of our products, or our technology, or any change in law or other changes that serve to lessen or remove the current legal protections of our intellectual property, may diminish our competitiveness and could materially and adversely affect our product sales, business, and financial condition. We also license certain intellectual property, most notably trademarks, from third parties. To the extent that we are not able to contract with these third parties on favorable terms or maintain our relationships with these third parties, our rights to use certain intellectual property could be impacted, which may adversely impact our results from operations.We may be unaware of intellectual property rights of others that may cover some of our technology, brands, or products. Any litigation regarding patents or other intellectual property could be costly and time-consuming and could divert the attention of our management and key personnel from our business operations. Third-party claims of intellectual property infringement might also require us to enter into costly license agreements. We also may be subject to significant damages or injunctions against development and sale of certain products.We may be unable to realize the anticipated benefits from prior or future streamlining actions to reduce fixed costs, simplify or improve processes, or improve our competitiveness.We have implemented a number of initiatives, including development of an operations center and strategic long-term collaboration with suppliers, that we believe are important to position our business for future success and growth. We have evaluated and continue to evaluate changes to our organizational structure and operations to enable us to reduce costs, simplify or improve processes, and improve our competitiveness. Our future success may depend upon our ability to realize the benefits of these or other cost-saving initiatives. In addition, certain of our initiatives may lead to increased costs in other aspects of our business such as increased conversion, outsourcing, or distribution costs. We must accurately predict costs and be efficient in executing any plans to achieve cost savings and operate efficiently in the highly competitive food and beverage industry, particularly in an environment of increased competition. To capitalize on our efforts, we must carefully evaluate investments in our business and execute in those areas with the most potential return on investment. If we are unable to realize the anticipated benefits from any cost-saving efforts, we could be cost disadvantaged in the marketplace, and our competitiveness, production, profitability, financial condition, and operating results could be adversely affected.Berkshire Hathaway Inc. has the ability to exert influence over us and significant influence over matters requiring stockholder approval.As of DecemberÂ 28, 2024, Berkshire Hathaway Inc. (â€œBerkshire Hathawayâ€) owns approximately 27.2% of our common stock. Two members of our Board are officers and/or directors of Berkshire Hathaway or its affiliates. As a result, Berkshire Hathaway has the potential to exercise influence over management and Board decisions, including those affecting our capital structure, such as the issuance of additional capital stock, the incurrence of additional indebtedness, the implementation of stock repurchase programs, and the declaration and amount of dividends. Berkshire Hathaway also has influence over any action requiring the approval of the holders of our common stock, including adopting any amendments to our charter, electing directors, and approving mergers or sales of substantially all of our capital stock or assets. In addition, Berkshire Hathaway is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. Berkshire Hathaway may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those opportunities may not be available to us.13Financial RisksOur level of indebtedness, as well as our ability to comply with covenants under our debt instruments, could adversely affect our business and financial condition.We have a substantial amount of indebtedness and are permitted to incur a substantial amount of additional indebtedness, including secured debt. Our existing debt, together with any incurrence of additional indebtedness, could have important consequences, including, but not limited to:â€¢increasing our vulnerability to general adverse economic and industry conditions;â€¢limiting our ability to obtain additional financing for working capital, capital expenditures, research and development, debt service requirements, acquisitions, and general corporate or other purposes;â€¢resulting in a downgrade to our credit rating, which could adversely affect our cost of funds, including our commercial paper programs, liquidity, and access to capital markets;â€¢restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;â€¢limiting our ability to adjust to changing market conditions and place us at a competitive disadvantage compared to our competitors who are not as highly leveraged;â€¢making it more difficult for us to make payments on our existing indebtedness;â€¢requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations, payments of dividends, capital expenditures, and future business opportunities;â€¢exposing us to risks related to fluctuations in foreign currency, as we earn profits in a variety of foreign currencies and the majority of our debt is denominated in U.S. dollars; andâ€¢in the case of any additional indebtedness, exacerbating the risks associated with our substantial financial leverage.In addition, we may not generate sufficient cash flow from operations or future debt or equity financings may not be available to us to enable us to pay our indebtedness or to fund other needs. As a result, we may need to refinance all or a portion of our indebtedness on or before maturity. We may not be able to refinance any of our indebtedness on favorable terms, or at all. Any inability to generate sufficient cash flow or to refinance our indebtedness on favorable terms could have a material adverse effect on our financial condition.Our debt instruments contain customary representations, warranties, and covenants, including a financial covenant in our senior unsecured revolving credit facility (the â€œSenior Credit Facilityâ€) to maintain a minimum shareholdersâ€™ equity balance (excluding accumulated other comprehensive income/(losses)). The creditors who hold our debt could accelerate amounts due in the event that we default, which could potentially trigger a default or acceleration of the maturity of our other debt. If our operating performance declines, or if we are unable to comply with any covenant, such as our ability to timely prepare and file our periodic reports with the SEC, we have in the past needed and may in the future need to obtain waivers from the required creditors under our debt instruments to avoid being in default.If we breach any covenants under our debt instruments and seek a waiver, we may not be able to obtain a waiver from the required creditors, or we may not be able to remedy compliance within the terms of any waivers approved by the required creditors. If this occurs, we would be in default under our debt instruments and unable to access our Senior Credit Facility. In addition, certain creditors could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.Additional impairments of the carrying amounts of goodwill or other indefinite-lived intangible assets could negatively affect our financial condition and results of operations.As of DecemberÂ 28, 2024, we maintain 12 reporting units, eight of which comprise our goodwill balance. Our indefinite-lived intangible asset balance primarily consists of a number of individual brands. We test our reporting units and brands for impairment annually as of the first day of our third quarter, or more frequently if events or circumstances indicate it is more likely than not that the fair value of a reporting unit or brand is less than its carrying amount. Such events and circumstances could include a sustained decrease in our market capitalization, increased competition or unexpected loss of market share, increased input costs beyond projections, disposals of significant brands or components of our business, unexpected business disruptions (for example due to a natural disaster, pandemic, or loss of a customer, supplier, or other significant business relationship), unexpected significant declines in operating results, significant adverse changes in the markets in which we operate, changes in income tax rates, changes in interest rates, or changes in management strategy. We test reporting units for impairment by comparing the estimated fair value of each reporting unit with its carrying amount. We test brands for impairment by comparing the estimated fair value of each brand with its carrying amount. If the carrying amount of a reporting unit or brand exceeds its estimated fair value, we record an impairment loss based on the difference between fair value and carrying amount, in the case of reporting units, not to exceed the associated carrying amount of goodwill.14Reporting units and brands that have 20% or less excess fair value over carrying amount as of the 2024 annual impairment test performed as of June 30, 2024 have a heightened risk of future impairments if any assumptions, estimates, or market factors change in the future. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions, estimates, and market factors. Estimating the fair value of individual reporting units and brands requires us to make assumptions and estimates regarding our future plans, as well as industry, economic, and regulatory conditions. These assumptions and estimates include estimated future annual net cash flows (including net sales, cost of products sold, SG&A, depreciation and amortization, working capital, and capital expenditures), income tax rates, discount rates, long-term growth rates, royalty rates, contributory asset charges, and other market factors. If current expectations of future growth rates and margins are not met, if market factors outside of our control, such as discount rates, market capitalization, income tax rates, foreign currency exchange rates, or inflation, change, or if managementâ€™s expectations or plans otherwise change, including updates to our long-term operating plans, then one or more of our reporting units or brands might become impaired in the future, which could negatively affect our operating results or net worth. Furthermore, changes in reporting units, including as a result of integrating a new acquisition into an existing reporting unit that has a fair value below carrying amount of goodwill, have led, and could in the future lead, to an impairment of goodwill. Additionally, any decisions to divest certain non-strategic assets has led, and could in the future lead, to goodwill or intangible asset impairments. Reporting units with 10% or less fair value over carrying amount, including reporting units that were impaired as part of the 2024 annual impairment test, resulting in zero excess fair value over carrying value, had an aggregate goodwill carrying amount after impairment of $22.4Â billion as of the 2024 annual impairment test and included Taste Elevation, Ready Meals and Snacking (â€œTMSâ€), Away from Home & Kraft Heinz Ingredients (â€œAFHâ€), Meat & Cheese (â€œMCâ€), Canada and North America Coffee (â€œCNACâ€), and Continental Europe. Our Northern Europe reporting unit had 10-20% fair value over carrying amount with an aggregate goodwill carrying amount of $1.7Â billion as of the 2024 annual impairment test. Our Hydration & Desserts (â€œHDâ€) and Asia reporting units had between 20-50% fair value over carrying amount with an aggregate goodwill carrying amount of $4.6Â billion as of the 2024 annual impairment test. Our reporting units that have less than 5% excess fair value over carrying amount as of the 2024 annual impairment test are considered at a heightened risk of future impairments and include our TMS, Continental Europe, and AFH reporting units, which had an aggregate goodwill carrying amount of $19.0Â billion. Our four remaining reporting units had no goodwill carrying amount at the time of the 2024 annual impairment test.Our indefinite-lived brands with 10% or less fair value over carrying amount, comprised entirely of brands that were impaired within 2024, resulting in zero excess fair value over carrying amount, had an aggregate carrying amount of $2.6Â billion as of the latest test for each brand and included Oscar Mayer, Lunchables, Claussen, and Wattieâ€™s. Brands with 10-20% fair value over carrying amount had an aggregate carrying amount of $14.2Â billion as of the latest test for each brand and included Kraft, Velveeta, A1, and Bagel Bites. The aggregate carrying amount of brands with fair value over carrying amount between 20-50% was $2.8Â billion as of the latest test for each brand. Although the remaining brands, with a carrying amount of $16.9Â billion, have more than 50% excess fair value over carrying amount as of the latest test for each brand, these amounts are also susceptible to impairments if any assumptions, estimates, or market factors significantly change in the future. Our brands that have less than 5% excess fair value over carrying amount as of the latest test for each brand are considered at a heightened risk of future impairments and include our Oscar Mayer, Lunchables, Claussen, and Wattieâ€™s brands, which had an aggregate carrying amount of $2.6Â billion. Our net sales and net income may be exposed to foreign exchange rate fluctuations.We derive a substantial portion of our net sales from international markets. We hold assets, incur liabilities, earn revenue, and pay expenses in a variety of currencies other than the U.S. dollar, primarily the Canadian dollar, euro, British pound sterling, Australian dollar, Brazilian real, Chinese renminbi, Indonesian rupiah, New Zealand dollar, and Russian ruble. Since our consolidated financial statements are reported in U.S. dollars, fluctuations in foreign currency exchange rates from period to period, which have been more volatile recently, will have an impact on our reported results. We have implemented foreign currency hedges intended to reduce our exposure to changes in foreign currency exchange rates. However, these hedging strategies may not be successful, and any of our unhedged foreign exchange exposures will continue to be subject to market fluctuations. In addition, in certain circumstances, we may incur costs in one currency related to services or products for which we are paid in a different currency. As a result, factors associated with our international operations, including changes in foreign currency exchange rates, could significantly affect our results of operations and financial condition.Commodity, energy, and other input prices are volatile and could negatively affect our consolidated operating results.We purchase and use large quantities of commodities, including dairy products, meat products, tomato products, sugar and other sweeteners, soybean and vegetable oils, coffee beans, wheat and processed grains, eggs, and other fruits and vegetables to manufacture our products. In addition, we purchase and use significant quantities of plastics, cardboard, resin, glass, and metal to package our products, and we use other inputs, such as electricity, natural gas, and water, to operate our facilities. We are also exposed to changes in oil prices, including diesel fuel, which influence both our packaging and transportation costs. Prices 15for commodities, energy, and other supplies are volatile and can fluctuate due to conditions that are difficult to predict, including global competition for resources, inflationary pressure, foreign currency fluctuations, geopolitical conditions or conflicts, cybersecurity incidents, severe weather, natural disasters, global climate change, water risk, pandemics, crop failures, crop shortages due to plant disease or insect and other pest infestation, consumer, industrial, or investment demand, and changes in governmental regulation and trade, tariffs, alternative energy, including increased demand for biofuels, and agricultural programs. Additionally, we may be unable to maintain favorable arrangements with respect to the costs of procuring raw materials, packaging, services, and transporting products, which could result in increased expenses and negatively affect our operations. Furthermore, the cost of raw materials and finished products may fluctuate due to changes in cross-currency transaction rates. Rising commodity, energy, and other input costs could materially and adversely affect our cost of operations, including the manufacture, transportation, and distribution of our products, which could materially and adversely affect our financial condition and operating results.Although we monitor our exposure to commodity and other input prices as an integral part of our overall risk management program, and seek to hedge against input price increases to the extent we deem appropriate, we do not fully hedge against changes in commodity prices, and our hedging strategies may not protect us from increases in specific raw materials costs. For example, hedging our costs for one of our key commodities, dairy products, is difficult because dairy futures markets are not as liquid as many other commodities futures markets. Continued volatility or sustained increases in the prices of commodities and other supplies we purchase could increase the costs of our products, and our profitability could suffer. Moreover, increases in the prices of our products to cover these increased costs may result in lower sales volumes, or we may be constrained from increasing the prices of our products by competitive and consumer pressures. If we are not successful in our hedging activities, or if we are unable to price our products to cover increased costs, then commodity and other input price volatility or increases could materially and adversely affect our financial condition and operating results.In 2024, we experienced moderate inflation in our supply chain costs compared to the prior year period, which we expect to continue through 2025. While inflationary pressures within procurement, manufacturing, and logistics costs had a negative impact on our results of operations, we experienced increased stability of these costs as compared to the prior year period. Although we take measures to mitigate the impact of this inflation through pricing actions and efficiency initiatives, if these measures are not effective our financial condition, operating results, and cash flows could be materially adversely affected. Even if such measures are effective, we expect that there could be a difference between the timing of when these beneficial actions impact our results of operations and when the cost inflation is incurred. Additionally, the pricing actions we take have, in some instances, negatively impacted and could continue to negatively impact our market share.Volatility in the market value of all or a portion of the derivatives we use to manage exposures to fluctuations in commodity prices may cause volatility in our gross profit and net income.We use commodity futures, options, and swaps to economically hedge the price of certain input costs, including dairy products, vegetable oils, coffee beans, corn, wheat products, sugar cane and meat products. We recognize gains and losses based on changes in the values of these commodity derivatives. We recognize these gains and losses in cost of products sold in our consolidated statements of income. We recognize the unrealized gains and losses on these commodity derivatives in general corporate expenses until realized; once realized, the gains and losses are recorded in the applicable segmentâ€™s operating results. Accordingly, changes in the values of our commodity derivatives may cause volatility in our gross profit and net income.Regulatory RisksOur compliance with laws and regulations, and related legal claims or regulatory enforcement actions, could expose us to significant liabilities and damage our reputation.As a large, global food and beverage company, we operate in a highly regulated environment with constantly evolving legal and regulatory frameworks. Various laws and regulations govern our practices including, but not limited to, those related to advertising and marketing, product claims and labeling, food production and nutritional requirements, environmental matters (including climate change), packaging and waste management (including packaging containing PFAS), intellectual property, consumer protection and product liability, commercial disputes, trade and export controls, anti-trust, data privacy, labor and employment, workplace health and safety, forced labor, such as the UFLPA, and tax. As a consequence, we face a heightened risk of legal claims and regulatory enforcement actions in the ordinary course of business. In addition, the imposition of new laws, changes in laws or regulatory requirements or changing interpretations thereof, and differing or competing regulations and standards across the markets where our products are made, manufactured, distributed, and sold have in the past and could continue to result in higher compliance costs, capital expenditures, and higher production costs, adversely impacting our product sales, financial condition, and results of operations. In addition, claims about the health impacts of consumption of our products, or ingredients, components, or substances present or allegedly present in those products or packaging, including in connection with the development, manufacture, and marketing of our products, have resulted in, and could in the future result 16in, us being subject to regulations, fines, lawsuits, or taxes, or may cause us to change the way in which we operate which could adversely impact our profitability, financial condition, or operating results.As a result of any such legal claims or regulatory enforcement actions, we could be subject to monetary judgments, settlements, and civil and criminal actions, including fines, injunctions, product recalls, penalties, disgorgement of profits, or activity restrictions, which could materially and adversely affect our reputation, product sales, financial condition, results of operations, and cash flows. We evaluate these legal claims and regulatory enforcement actions to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we establish reserves and disclose relevant material litigation claims, legal proceedings, or regulatory enforcement actions as appropriate and in accordance with SEC rules and accounting principles generally accepted in the United States of America (â€œU.S. GAAPâ€). Our assessments and estimates are based on the information available to management at the time and involve a significant amount of judgment. Actual outcomes or losses may differ materially from our current assessments and estimates. In addition, even if a claim is unsuccessful, without merit, or not pursued to completion, the cost of defending against or responding to such a claim, including expenses and management time, could adversely affect our financial condition and operating results.If we fail to maintain an effective system of internal controls, we may not be able to accurately and timely report our financial results, which could negatively impact our business, investor confidence, and the price of our common stock.If we are unable to maintain effective internal control over financial reporting or disclosure controls and procedures, our ability to record, process, and report financial information accurately and to prepare financial statements within required time periods could be adversely affected, which could subject us to litigation, investigations, or penalties; negatively affect our liquidity, our access to capital markets, perceptions of our creditworthiness, our ability to complete acquisitions, our ability to maintain compliance with covenants under our debt instruments or derivative arrangements regarding the timely filing of periodic reports, or investor confidence in our financial reporting; or cause defaults, accelerations, or cross-accelerations under our debt instruments or derivative arrangements to the extent we are unable to obtain waivers from the required creditors or counterparties or to cure any breaches, any of which may require management resources or cause our stock price to decline.A downgrade in our credit rating could adversely impact interest costs or access to future borrowings.Our borrowing costs can be affected by short and long-term credit ratings assigned by rating organizations. A decrease in these credit ratings could limit our access to capital markets and increase our borrowing costs, which could materially and adversely affect our financial condition and operating results. As of the date of this filing, our long-term debt is rated BBB by S&P Global Ratings and Fitch Ratings and Baa2 by Moodyâ€™s Investor Services, Inc., with a stable outlook from all three ratings agencies.Registered Securities RisksSales of our common stock in the public market could cause volatility in the price of our common stock or cause the share price to fall.Sales of a substantial number of shares of our common stock in the public market, including sales of our common stock by Berkshire Hathaway, or the perception that these sales might occur, could depress the market price of our common stock, and could impair our ability to raise capital through the sale of additional equity securities. A sustained depression in the market price of our common stock has happened and could in the future happen, which could also reduce our market capitalization below the book value of net assets, which could increase the likelihood of recognizing goodwill or indefinite-lived intangible asset impairment losses that could negatively affect our financial condition and results of operations.Kraft Heinz and Berkshire Hathaway are party to a registration rights agreement requiring us to register for resale under the Securities Act all registrable shares held by Berkshire Hathaway, which represents all shares of our common stock held by Berkshire Hathaway as of the date of the closing of the 2015 Merger. As of DecemberÂ 28, 2024, registrable shares represented approximately 27.2% of all outstanding shares of our common stock. Although the registrable shares are subject to certain holdback and suspension periods, the registrable shares are not subject to a â€œlock-upâ€ or similar restriction under the registration rights agreement. Accordingly, offers and sales of a large number of registrable shares may be made pursuant to an effective registration statement under the Securities Act in accordance with the terms of the registration rights agreement. Sales of our common stock by Berkshire Hathaway to other persons would likely result in an increase in the number of shares being traded in the public market and may increase the volatility of the price of our common stock.Our share repurchase program may not be fully consummated and the anticipated enhanced long-term stockholder value may not be realized, and share repurchases could increase the volatility of the price of our stock.In November 2023, the Board authorized the Company to repurchase up to $3.0 billion, exclusive of fees, of our outstanding common stock through December 26, 2026. DecemberÂ 28, 2024, we had remaining authorization under the share repurchase program of approximately $1.9Â billion. Our repurchase program does not obligate us to repurchase any specific dollar amount 17or to acquire any specific number of shares. The timing and amount of any repurchases, if any, will depend on factors such as our historical and expected business performance and cash and liquidity positions, the price of our stock, economic and market conditions, and corporate and regulatory requirements. Our share repurchase program could affect the price of our stock and increase volatility and may be suspended or terminated at any time. We cannot guarantee that we will repurchase shares or conduct future share repurchase programs, or that any such programs, even if fully implemented, will result in long-term increases to stockholder value. Any failure to fully implement our repurchase program may negatively impact our reputation, investor confidence, and the price of the Companyâ€™s common stock.Our ability to pay regular dividends to our stockholders and the amounts of any such dividends are subject to the discretion of the Board and may be limited by our financial condition, debt agreements, or limitations under Delaware law.Although it is currently anticipated that we will continue to pay regular quarterly dividends, any such determination to pay dividends and the amounts thereof will be at the discretion of the Board and will be dependent on then-existing conditions, including our financial condition, income, legal requirements, including limitations under Delaware law, debt agreements, and other factors the Board deems relevant. The Board has previously decided, and may in the future decide, in its sole discretion, to change the amount or frequency of dividends or discontinue the payment of dividends entirely. For these reasons, stockholders will not be able to rely on dividends to receive a return on investment. Accordingly, realization of any gain on shares of our common stock may depend on the appreciation of the price of our common stock, which may not occur.General Risk FactorsDisruptions in the global economy caused by geopolitical conflicts could adversely affect our business, financial condition, and results of operations.Escalation of geopolitical tensions related to military conflict, including increased trade barriers or restrictions on global trade, could result in, among other things, supply chain disruptions, changes in consumer demand, increased cyberattacks, and impacts on foreign exchange rates and financial markets, any of which may adversely affect our business, financial condition, and results of operations. Although we do not have operations in Ukraine, and our business in Russia generated approximately 1% of our consolidated net sales for the year ended DecemberÂ 28, 2024, the military conflict between Russia and Ukraine has caused, and could continue to cause, negative impacts on our business and the global economy. Governments in the United States, Canada, United Kingdom, and European Union have each imposed export controls and economic sanctions on certain industry sectors and parties in Russia. Further, the Russian government has placed restrictions on the transfer of funds to and from Russian entities, making it more difficult to operate in Russia. Failure to comply with applicable sanctions and measures could subject us to regulatory penalties, temporary or permanent loss of assets, or our ability to conduct business operations in Russia. While less than 1% of consolidated total assets are located in Russia as of DecemberÂ 28, 2024, our Russian assets may be partially or fully impaired in future periods, or our business operations terminated, based on actions taken by Russia, other parties, or us. The effects of current geopolitical conflicts as well as potential future geopolitical tensions, could heighten many of our known risks described in this Item 1A, Risk Factors.Unanticipated business disruptions and natural events in the locations in which we or our customers, suppliers, distributors, or regulators operate could adversely affect our ability to provide products to our customers or our results of operations.We have a complex network of suppliers, owned and leased manufacturing locations, co-manufacturing locations, distribution networks, and information systems that support our ability to consistently provide our products to our customers. Factors that are hard to predict or beyond our control, such as weather or other geological events or natural disasters, including hurricanes, earthquakes, floods, tsunamis, or wild fires (whether as a result of climate change or otherwise), raw material shortages, fires or explosions, political unrest, geopolitical conflicts, terrorism, civil strife, acts of war, public corruption, expropriation, generalized labor unrest or labor shortages, cybersecurity incidents, or pandemics, could damage or disrupt our operations or the operations of our customers, suppliers, vendors, co-manufacturers, distributors, or regulators. These factors include, but are not limited to: â€¢natural disasters, labor strikes, or other disruptions at any of our facilities or our suppliersâ€™ or distributorsâ€™ facilities may impair or delay the delivery of our products; andâ€¢illness of our workforce, or the workforce of third parties with which we do business, due to influenza or pandemics, could disrupt production of our products in one or more of our manufacturing facilities, or cause our suppliers, vendors, distributors, or third-party manufacturers to fail to meet their obligations to us.18These or other disruptions may require additional resources to restore our supply chain or distribution network. While we insure against many of these events and certain business interruption risks and have policies and procedures to manage business continuity planning, such insurance may not compensate us for any losses incurred and our business continuity plans may not effectively resolve the issues in a timely manner. To the extent we are unable to respond to disruptions in our operations, whether by finding alternative suppliers or replacing capacity at key manufacturing or distribution locations; to quickly repair damage to our information, production, or supply systems; or to financially mitigate the likelihood or potential impact of such events, or effectively manage them if they occur, we may be late in delivering, or unable to deliver, products to our customers or to track orders, inventory, receivables, and payables. If that occurs, our customersâ€™ confidence in us and long-term demand for our products could decline. Any of these events could materially and adversely affect our product sales, financial condition, and results of operations.Our performance may be adversely affected by economic and political conditions in the United States and in various other nations where we do business.Our performance has been in the past and may continue in the future to be impacted by economic and political conditions in the United States and in other nations where we do business. Economic and financial uncertainties in our international markets, changes to major international trade arrangements, and the imposition of increased or new tariffs by the U.S. federal government or by certain foreign governments could negatively impact our operations and sales. Other factors impacting our operations in the United States and in international locations where we do business include changes in laws, export and import restrictions, foreign currency exchange rates, foreign currency devaluation, cash repatriation restrictions, recessionary conditions, governmental subsidies provided to our consumers such as the Supplemental Nutrition Assistance Program (â€œSNAPâ€) in the U.S., foreign ownership restrictions, nationalization, the impact of hyperinflationary environments, a potential U.S. federal government shutdown, terrorist acts, political unrest, and military conflict. Such factors in either domestic or foreign jurisdictions, and our responses to them, could materially and adversely affect our product sales, financial condition, and operating results.We rely on our management team and other key personnel and may be unable to hire or retain key personnel or a highly skilled and diverse global workforce.We depend on the skills, working relationships, and continued services of key personnel, including our experienced management team. In addition, our ability to achieve our operating goals depends on our ability to identify, hire, train, and retain qualified individuals. We compete with other companies both within and outside of our industry for talented personnel, and we may lose key personnel or fail to attract, train, and retain other talented personnel and a diverse global workforce with the skills and in the locations we need to operate and grow our business.Â Unplanned turnover, failure to attract and develop personnel with key emerging capabilities or failure to develop adequate succession plans for leadership positions, including the Chief Executive Officer position, could deplete our institutional knowledge base and erode our competitiveness. Further, equity-based compensation is a key component of our compensation program and essential for attracting and retaining qualified personnel. As a result, the lack of positive performance in our stock price may adversely affect our ability to attract or retain key personnel. Changes in immigration laws and policies could also make it more difficult for us to recruit or relocate skilled employees. Any such loss, failure, or limitation could adversely affect our product sales, financial condition, and operating results.We are significantly dependent on information technology, and we may be unable to protect our information systems against service interruption, misappropriation of data, or breaches of security.We rely on information technology networks and systems, including the Internet, to process, transmit, and store electronic and financial information, to manage a variety of business processes and activities, and to comply with regulatory, legal, and tax requirements. We also depend on our information technology infrastructure for digital marketing activities and for electronic communications among our locations, personnel, customers, and suppliers. These information technology systems, some of which are managed by third parties, may be susceptible to damage, invasions, disruptions, or shutdowns due to hardware failures, computer viruses, hacker attacks and other cybersecurity risks, telecommunication failures, user errors, catastrophic events, or other factors. Geopolitical tensions or conflicts, and the rapid evolution and increased adoption of artificial intelligence technologies may further heighten the risk of cybersecurity attacks. If our information technology systems suffer severe damage, disruption, or shutdown, by unintentional or malicious actions of employees or contractors or by cyberattacks, and our business continuity plans do not effectively resolve the issues in a timely manner, we could experience business disruptions, reputational damage, transaction errors, processing inefficiencies, the leakage of confidential information, and the loss of customers and sales, causing our product sales, financial condition, and operating results to be adversely affected and the reporting of our financial results to be delayed. While we have developed and implemented security measures and internal controls designed to protect against cyber and other security threats, such measures cannot provide absolute security and may not be successful in preventing future security breaches. Moreover, these threats are constantly evolving, thereby making it more difficult to successfully defend against them or to implement adequate preventative measures. We may not have the 19current capability to detect certain vulnerabilities, which may allow those vulnerabilities to persist in our systems over long periods of time. Additionally, it may take considerable time for us to investigate and evaluate the full impact of incidents, particularly for sophisticated attacks. These factors may inhibit our ability to provide prompt, full, and reliable information about the incident to our customers, partners, regulators, and the public. In the past, we have experienced security incidents resulting from unauthorized access to or use of our systems or those of third parties, which to date, have not had a material impact on our operations; however, there is no assurance that the impact of any security incidents will not be material in the future.In addition, if we are unable to prevent security breaches or disclosure of non-public information, we may suffer financial and reputational damage, litigation or remediation costs, fines, or penalties because of the unauthorized disclosure of confidential information belonging to us or to our partners, customers, consumers, or suppliers. While we maintain a cyber insurance policy that provides coverage for security incidents, we cannot be certain that our coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on financially reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim.Misuse, leakage, or falsification of information could result in violations of data privacy laws and regulations, damage to our reputation and credibility, loss of opportunities to acquire or divest of businesses or brands, and loss of our ability to commercialize products developed through research and development efforts and, therefore, could have a negative impact on net sales. In addition, we may suffer financial and reputational damage because of lost or misappropriated confidential information belonging to us, our current or former employees, or to our suppliers or consumers, and may become subject to legal action and increased regulatory oversight. We could also be required to spend significant financial and other resources to remedy the damage caused by a security breach or to repair or replace networks and information systems.We are also subject to various laws and regulations that are continuously evolving and developing regarding privacy, data protection, and data security, including those related to the collection, storage, handling, use, disclosure, transfer, and security of personal data. Such laws and regulations, as well as their interpretation and application, may vary from jurisdiction to jurisdiction, which can result in inconsistent or conflicting requirements. The European Unionâ€™s General Data Protection Regulation (â€œGDPRâ€), and similar regulations implemented in other non-U.S. geographies, adds a broad array of requirements with respect to personal data, including the public disclosure of significant data breaches, and imposes substantial penalties for non-compliance. The California Consumer Privacy Act (â€œCCPAâ€) and the California Privacy Rights Act (â€œCPRAâ€), which amended the CCPA, among other things, impose additional requirements with respect to disclosure and deletion of personal information of California residents. The CCPA and CPRA provide civil penalties for violations, as well as a private right of action for data breaches. Similar legislation in other states imposes transparency and other obligations with respect to personal data of their respective residents and provide residents with similar rights. GDPR, CCPA, CPRA, and other privacy and data protection laws may increase our costs of compliance and risks of non-compliance, which could result in substantial penalties.Our results could be adversely impacted as a result of increased pension, labor, and people-related expenses.Inflationary pressures, shortages in the labor market, increased employee turnover, and changes in the availability of our workers could increase labor costs, which could have a material adverse effect on our consolidated operating results or financial condition. Our labor costs include the cost of providing employee benefits in the United States, Canada, and other foreign jurisdictions, including pension, health and welfare, and severance benefits. Any declines in market returns could adversely impact the funding of pension plans, the assets of which are invested in a diversified portfolio of equity and fixed-income securities and other investments. Additionally, the annual costs of benefits vary with increased costs of health care and the outcome of collectively bargained wage and benefit agreements.Furthermore, we may be subject to increased costs or experience adverse effects to our operating results if we are unable to renew collectively bargained agreements on satisfactory terms. Our financial condition and ability to meet the needs of our customers could be materially and adversely affected if strikes or work stoppages or interruptions occur as a result of delayed negotiations with union-represented employees both in and outside of the United States.Employee turnover, changes in the availability of our workers, and labor shortages in our supply chain have resulted in, and could continue to result in, increased costs and have, and could again, impact our ability to meet consumer demand, both of which could negatively affect our financial condition, results of operations, or cash flows.Changes in tax laws and interpretations could adversely affect our business.We are subject to income and other taxes in the United States and in numerous foreign jurisdictions. Our domestic and foreign tax liabilities are dependent on the jurisdictions in which profits are determined to be earned and taxed. Additionally, the amount of taxes paid is subject to our interpretation of applicable tax laws in the jurisdictions in which we operate. A number of factors influence our effective tax rate, including changes in tax laws and treaties as well as the interpretation of existing laws and rules. Federal, state, and local governments and administrative bodies within the United States, which represents the 20majority of our operations, and other foreign jurisdictions have implemented, or are considering, a variety of broad tax, trade, and other regulatory reforms that may impact us. Additionally, the Organization for Economic Co-operation and Development (OECD), a global coalition of member countries, proposed a two-pillar plan that aims to ensure a fairer distribution of profits among countries and impose a floor on tax competition through the introduction of a global minimum tax of 15%. Many countries have enacted or begun the process of enacting laws based on the two-pillar plan proposals. As the legislation becomes effective in countries in which we do business, our taxes could increase and negatively impact our provision for income taxes. See Overview in Item 7, Managementâ€™s Discussion and Analysis of Financial Condition and Results of Operations, for a discussion of our estimated cash tax rate impact on results of operations.Significant judgment, knowledge, and experience are required in determining our worldwide provision for income taxes. Our future effective tax rate is impacted by a number of factors including changes in the valuation of our deferred tax assets and liabilities, changes in geographic mix of income, changes in expenses not deductible for tax, including impairment of goodwill, and changes in available tax credits. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. We are also regularly subject to audits by tax authorities. Although we believe our tax estimates are reasonable, the final determination of tax audits, including transfer pricing matters, and any related litigation could be materially different from our historical income tax provisions and accruals. For example, we are currently under examination for income taxes by the Internal Revenue Service (â€œIRSâ€) for the years 2018 through 2022. In the third quarter of 2023, we received two Notices of Proposed Adjustment (the â€œNOPAsâ€) relating to transfer pricing with our foreign subsidiaries. The NOPAs propose an increase to our U.S. taxable income that could result in additional U.S. federal income tax expense and liability of approximately $200 million for 2018 and approximately $210Â million for 2019, excluding interest, and assert penalties of approximately $85Â million for each of 2018 and 2019. We strongly disagree with the IRSâ€™s positions, believe that our tax positions are well documented and properly supported, and intend to vigorously contest the positions taken by the IRS and pursue all available administrative and judicial remedies; however, the ultimate outcome of this matter is uncertain, and if we are required to pay the IRS additional U.S. taxes, interest, and potential penalties, our results of operations and cash flows could be materially affected. We continue to maintain the same operating model and transfer pricing methodology with our foreign subsidiaries that was in place for the years 2018 and 2019, and the IRS began its audit of 2020, 2021, and 2022 during the first quarter of 2024. Economic and political pressures to increase tax revenue in various jurisdictions may make resolving tax disputes more difficult. The results of an audit or litigation could adversely affect our financial statements in the period or periods for which that determination is made.Volatility of capital markets or macroeconomic factors could adversely affect our business.Changes in financial and capital markets, including market disruptions, instability in financial institutions, limited liquidity, and interest rate volatility, may increase the cost of financing as well as the risks of refinancing maturing debt. Additionally, some of our customers, suppliers, and counterparties are highly leveraged. Consolidations in some of the industries in which our customers operate have created larger customers, some of which are highly leveraged and facing increased competition and continued credit market volatility. These factors have caused some customers to be less profitable, increasing our exposure to credit risk. A significant adverse change in the financial and/or credit position of a customer, supplier, or counterparty could require us to assume greater credit risk relating to that customer or counterparty and could limit our ability to collect receivables. This could have an adverse impact on our financial condition and liquidity.Item 1B. Unresolved Staff Comments.None.Item 1C. CybersecurityCybersecurity Risk Management, Strategy, Governance, and Incident DisclosureThe Company assesses, identifies, and manages cybersecurity risk using a data-driven risk management program intended to reduce risks to the following impact classes: the Companyâ€™s obligations to prevent harm to parties, including employees, customers, and stockholders; and the Companyâ€™s business objectives.As part of our cybersecurity strategy, we set risk targets based on our risk thresholds using industry-recognized standards for controlling and evaluating the risk of cybersecurity threats. The Company has developed cybersecurity policies supported by defined standards, including identity and access control, network controls, operational security, information classification, cybersecurity risk management, incident management and reporting, and security in software development lifecycle.We undertake scheduled and targeted cybersecurity risk assessments to identify and prioritize risks to our three impact classes so that foreseeably harmed parties (which include our employees, contractors, partners, customers, stockholders, consumers, and suppliers) are explicitly included in our risk analysis and risk management priorities. We plan for, implement, and improve safeguards that are designed to reduce unacceptable risks to any foreseeably harmed party. We engage third-party service 21providers (including contractors and vendors) as part of our normal business operations, including collaborating with third-party experts to assist with evaluating, identifying, and managing our cybersecurity risks. Our cybersecurity risk management program includes:â€¢Ongoing audits of third-party service providers, including penetration testing and reviews of program maturity based on the National Institute of Standards and Technology (â€œNISTâ€) cybersecurity framework;â€¢Due diligence reviews of third-party service providersâ€™ information security programs;â€¢Regular phishing, social engineering, and cybersecurity awareness training for employees with Company emails and access to connected devices;â€¢Annual tabletop exercises to educate and train our personnel on response capabilities and inform adjustments to our controls and response;â€¢Regular consultation with external advisors and specialists regarding opportunities and enhancements to strengthen our cybersecurity practices and policies;â€¢Ongoing cybersecurity event monitoring, management, and testing of incident response procedures; andâ€¢Ongoing enhancements to cybersecurity capabilities based on evolving threats.We have adopted an incident response plan that applies in the event of a cybersecurity threat or incident to provide a standardized framework for responding to such cybersecurity incidents. The plan sets out a coordinated approach to investigating, containing, documenting, and mitigating incidents, including reporting findings and keeping senior management, the Board, and other key stakeholders informed and involved as appropriate. The plan is aligned to NIST guidance. It also adheres to standards of practice and includes the involvement of any personnel who may detect incidents, respond to incidents, resolve incidents, and manage communications and responsibilities with authorities about those incidents. The plan applies to all Company personnel (including third-party contractors, vendors, and partners) that perform functions or services requiring access to secure Company information, and to all devices and network services that are owned or managed by the Company.We also employ systems and processes designed to oversee, identify, and reduce the potential impact of a cybersecurity incident at a third-party service provider. We maintain a third-party cyber risk management process to review and monitor potentially material third-party service providersâ€™ security controls. Third-party service providers are required to provide independent attestation reports of their control environment, which are reviewed to validate that the controls meet Company security requirements. In the absence of such reports, third-party service providers are required to complete a detailed questionnaire describing their controls and provide relevant documentation. As part of the third-party risk management process, we request and review annual penetration test reports for the third-party service providers designed to assess whether all high and medium risk findings are addressed. The control environments for third-party service providers are reviewed annually based on risk. Our cybersecurity risk mitigation strategy includes the use of cybersecurity insurance that provides protection against certain potential losses arising from certain cybersecurity incidents.Risk management concerns, priorities, and progress are reported to the Companyâ€™s Enterprise Risk Committee quarterly as part of the Companyâ€™s overall enterprise risk management process. Risk management reports describe cybersecurity priorities, planned safeguards, and resource requirements necessary to achieve acceptable risk outcomes for foreseeably harmed parties.The Company governs cybersecurity risk through a risk management program designed to enable employees, members of the Audit Committee, Enterprise Risk Committee, executive officers, and other personnel to make informed decisions about cybersecurity risk management that are appropriate for their level of responsibility. Our Chief Information Security Officer (â€œCISOâ€) oversees the team responsible for leading enterprise-wide information security strategy, policy, standards, architecture, and processes. Our CISO has extensive cybersecurity knowledge and skills gained from more than 20 years of work experience in information security in the consumer goods, banking, legal, healthcare, and education sectors as well as the government. Our CISO holds a masterâ€™s degree in computer and information systems security/information assurance and designations as a Certified Information Systems Security Professional (CISSP) and Certified Information Security Manager (CISM). The CISO evaluates cybersecurity risks, plans for reduction of risks, directs resources and priorities to improve cybersecurity safeguards, measures the results of those efforts, reports to our senior and executive leaders (including our Global Chief Information Officer and Global Chief Financial Officer), the Enterprise Risk Management Committee, and the Audit Committee regarding our cybersecurity risk priorities and progress, and solicits support from senior and executive leaders to further reduce risks through resources, prioritization, or other means. The CISO receives reports on cybersecurity threats from our Security Operations Center, external threat intel, trusted third-party security suppliers, and a peer network of CISOs at other global companies on an ongoing basis. Our Security Operations Center verifies and validates the threat information and modifies our detection and preventative controls as appropriate. Our CISO works closely with our Chief Global Ethics and Compliance Officer and Global General Counsel and Corporate Affairs Officer to oversee compliance with legal, regulatory, 22and contractual security requirements. The CISOâ€™s team evaluates third-party service providers to a degree commensurate with the risk their services pose to us. As part of that program, we also provide feedback to service providers about risks they can reduce using commercially available safeguards. Additionally, the information security team works in partnership with the Companyâ€™s internal audit team to review information technology-related internal controls as part of our overall internal controls process.The Audit Committee is responsible for oversight of the Companyâ€™s information technology and cybersecurity risks. To fulfill its oversight responsibilities, the Audit Committee reviews the measures implemented by the Company to identify and mitigate cybersecurity risks and the Audit Committee receives updates from our Global Chief Information Officer and CISO at least twice a year, which cover topics related to information security, privacy, and cybersecurity risks, and the risk management processes, including the status of significant cybersecurity incidences, the emerging threat landscape, and the status of projects to strengthen the Companyâ€™s information security posture. The Audit Committee regularly reports to the Board on information technology, cybersecurity, and privacy matters. We have protocols by which certain cybersecurity incidents that meet established reporting thresholds are escalated within the Company and, where appropriate, reported promptly to the Audit Committee or Board, with ongoing updates regarding any such incident until it has been addressed.We also rely on information technology, third-party service providers, and strategic joint venture partners to support our business and operations, including our secure processing of personal, confidential, financial, sensitive, proprietary, and other types of information, and to enable our service offerings. Despite ongoing efforts to improve our and third partiesâ€™ ability to protect against cybersecurity threats, we may not be able to protect all information systems, products, and service technologies. While we have not experienced any material cybersecurity threats or incidents as of the date of this Annual Report on Form 10-K, there can be no guarantee that we will not be the subject of future successful attacks, threats, or incidents that may materially affect the Company or its business strategy, results of operations or financial condition. Additional information on cybersecurity-related risks is discussed under the heading â€œWe are significantly dependent on information technology, and we may be unable to protect our information systems against service interruption, misappropriation of data, or breaches of security.â€ under Item 1A, Risk Factors.Item 2. Properties. Our corporate co-headquarters are located in Pittsburgh, Pennsylvania and Chicago, Illinois. Our co-headquarters are leased and house certain executive offices, our North America business units, and our administrative, finance, legal, and human resource functions. We maintain additional owned and leased offices throughout the regions in which we operate.We manufacture our products in our network of manufacturing and processing facilities located throughout the world. As of DecemberÂ 28, 2024, we operated 70 manufacturing and processing facilities. We own 66 and lease four of these facilities. Our manufacturing and processing facilities count by segment as of DecemberÂ 28, 2024 was:OwnedLeasedNorth America322International Developed Markets17â€”Emerging Markets(a)172(a)Â Â Â Â Emerging Markets represents the aggregation of our WEEM and AEM operating segments.We maintain all of our manufacturing and processing facilities in good condition and believe they are suitable and are adequate for our present needs. We also enter into co-manufacturing arrangements with third parties if we determine it is advantageous to outsource the production of any of our products.In 2024, as part of our planned restructuring and divestiture activities, we sold a manufacturing facility in Papua New Guinea and a manufacturing facility in Indonesia within our Asia Emerging Markets operating segment and two manufacturing facilities in Russia within our West and East Emerging Markets operating segment. See Note 5, Restructuring Activities, and Note 4, Acquisitions and Divestitures, in Item 8, Financial Statements and Supplementary Data, for additional information.Item 3. Legal Proceedings.See Note 15, Commitments and Contingencies, in Item 8, Financial Statements and Supplementary Data.Item 4. Mine Safety Disclosures.Not applicable.PARTÂ II23Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.Our common stock is listed on The Nasdaq Stock Market LLC (Nasdaq) under the ticker symbol â€œKHC.â€ At February 8, 2025, there were approximately 34,653Â holders of record of our common stock.See Equity and Dividends in Item 7, Managementâ€™s Discussion and Analysis of Financial Condition and Results of Operations, for a discussion of cash dividends declared on our common stock.Comparison of Cumulative Total ReturnThe following graph compares the cumulative total return on our common stock with the cumulative total return of the S&P 500 Index and the S&P Consumer Staples Food and Soft Drink Products, which we consider to be our peer group. Companies included in the S&P Consumer Staples Food and Soft Drink Products index change periodically and are presented on the basis of the index as it is comprised on DecemberÂ 28, 2024. This graph covers the five-year period from December 27, 2019 (the last trading day of our fiscal year 2019) through December 27, 2024 (the last trading day of our fiscal year 2024). The graph shows total shareholder return assuming $100 was invested on December 27, 2019 and the dividends were reinvested on a daily basis.Kraft HeinzS&P 500S&P Consumer Staples Food and Soft Drink ProductsDecember 27, 2019$100.00Â $100.00Â $100.00Â December 24, 2020117.05Â 116.40Â 105.53Â December 23, 2021123.00Â 150.67Â 119.88Â December 30, 2022148.13Â 124.45Â 132.48Â December 29, 2023140.65Â 157.17Â 126.06Â December 27, 2024122.27Â 199.45Â 125.01Â The above performance graph shall not be deemed to be â€œsoliciting materialâ€ or to be â€œfiledâ€ with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act.24Issuer Purchases of Equity Securities During the Three Months Ended DecemberÂ 28, 2024 Our share repurchase activity in the three months ended DecemberÂ 28, 2024 was:Â TotalÂ Numberof Shares Purchased(a)AverageÂ PriceÂ Paid PerÂ ShareTotal Number of Shares Purchased as Part of Publicly Announced Plans or Programs(b)Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)9/29/2024 â€” 11/02/2024185,482Â $33.57Â 180,000Â $2,345Â 11/03/2024 â€” 11/30/202413,087,165Â 31.43Â 13,083,641Â 1,933Â 12/01/2024 â€” 12/28/20241,023,906Â 31.57Â 1,023,713Â 1,901Â Total14,296,553Â 14,287,354Â (a)Â Â Â Â Includes (1) shares purchased pursuant to the share repurchase program described in (b) below, (2) shares withheld for tax liabilities associated with the vesting of RSUs.(b)Â Â Â Â On November 27, 2023, the Company announced that the Board of Directors approved a share repurchase program authorizing the Company to purchase up to $3.0 billion of the Companyâ€™s common stock through December 26, 2026. The Company is not obligated to repurchase any specific number of shares and the program may be modified, suspended, or discontinued at any time. Under the program, shares may be repurchased in open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act, privately negotiated transactions, transactions structured through investment banking institutions, or other means.Item 6. [Reserved].25Item 7. Managementâ€™s Discussion and Analysis of Financial Condition and Results of Operations.OverviewObjective:The following discussion provides an analysis of our financial condition and results of operations from management's perspective and should be read in conjunction with the consolidated financial statements and related notes included in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K. Our objective is to also provide discussion of material events and uncertainties known to management that are reasonably likely to cause reported financial information not to be indicative of future operating results or of future financial condition and to offer information that provides an understanding of our financial condition, results of operations, and cash flows.See below for discussion and analysis of our financial condition and results of operations for 2024 compared to 2023 and for 2023 compared to 2022.Description of the Company: We manufacture and market food and beverage products around the world through our eight consumer-driven product platforms: Taste Elevation, Easy Ready Meals, Hydration, Meats, Cheeses, Substantial Snacking, Desserts, Coffee, and other grocery products.In the first quarter of 2024, we divided our International segment into three operating segments â€” Europe and Pacific Developed Markets (â€œEPDMâ€ or â€œInternational Developed Marketsâ€), West and East Emerging Markets (â€œWEEMâ€), and Asia Emerging Markets (â€œAEMâ€) â€” to enable enhanced focus on the different strategies required for each of these regions as part of our long-term strategic plan. Subsequently, we manage our operating results through four operating segments. We have two reportable segments defined by geographic region: North America and International Developed Markets. Our remaining operating segments, consisting of WEEM and AEM, are combined and disclosed as Emerging Markets.See Note 20, Segment Reporting, in Item 8, Financial Statements and Supplementary Data, for our financial information by segment.Items Affecting Comparability of Financial ResultsImpairment Losses:Our results of operations reflect goodwill impairment losses of $1.6 billion and intangible asset impairment losses of $2.0 billion in 2024. We recognized goodwill impairment losses of $510 million and intangible asset impairment losses of $152 million in 2023. We recognized goodwill impairment losses of $444 million, intangible asset impairment losses of $469 million, and net property, and plant, and equipment asset impairment losses of $86 million in 2022. See Note 8, Goodwill and Intangible Assets, in Item 8, Financial Statements and Supplementary Data, for additional information on our goodwill and intangible asset impairment losses.53rd Week:We operate on a 52- or 53-week fiscal year ending on the last Saturday in December in each calendar year. Our 2024 fiscal year was a 52-week period that ended on DecemberÂ 28, 2024, our 2023 fiscal year was a 52-week period that ended on DecemberÂ 30, 2023, and our 2022 fiscal year was a 53-week period that ended on December 31, 2022.Acquisitions and Divestitures:In 2024, we closed the sale of our infant nutrition business in Russia (the â€œRussia Infant Transactionâ€) and the sale of 100% of the equity interests in our Papua New Guinea subsidiary (the â€œPapua New Guinea Transactionâ€), both within Emerging Markets. In 2022, we completed the Hemmer Acquisition within Emerging Markets, and the Just Spices Acquisition within our International Developed Markets segment. See Note 4, Acquisitions and Divestitures, in Item 8, Financial Statements and Supplementary Data, for additional information on our acquisition and divestiture activities.Inflation and Supply Chain Impacts:During the year ended DecemberÂ 28, 2024, we experienced moderate inflation in our supply chain costs compared to the prior year period, which we expect to continue through 2025. While inflationary pressures within procurement, manufacturing, and logistics costs had a negative impact on our results of operations, we experienced increased stability of these costs as compared to the prior year period. Further, we continue to take measures to mitigate the impact of this inflation through efficiency initiatives, pricing actions, and hedging strategies. However, there has been, and we expect that there could continue to be, a difference between the timing of when these beneficial actions impact our results of operations and when the cost inflation is incurred. Additionally, the pricing actions we have taken have, in some instances, negatively impacted, and could continue to negatively impact, our market share.26Income Taxes:The Organization for Economic Co-operation and Development (OECD), a global coalition of member countries, proposed a two-pillar plan that aims to ensure a fairer distribution of profits among countries and impose a floor on tax competition through the introduction of a global minimum tax of 15%. Many countries have enacted, or begun the process of enacting, laws based on the two-pillar plan proposals.As part of our planning for the changes in the international tax environment, as well as to achieve greater operational synergies, we have enacted changes to our corporate entity structure which included a transfer of, and will result in the movement of, certain business operations to a wholly-owned subsidiary in the Netherlands resulting in a tax benefit of $3.0 billion recorded as a non-U.S. deferred tax asset in December 2024. The deferred tax asset was recognized as a result of the book and tax basis difference on the business transferred to the Netherlands subsidiary with the tax basis determined by reference to the fair value of the business. The determination of the estimated fair value of the transferred business is complex and requires the exercise of substantial judgment due to the use of subjective assumptions in the valuation method used by management. The associated valuation allowance of $0.6Â billion is related to uncertainty in the Pillar Two legislative interpretation and is based on our latest assessment of the total tax benefit that is more likely than not to be realized. The recognition of our future tax benefits associated with this transaction is dependent upon the acceptance of the business valuation and tax basis step-up by the associated taxing authorities.The legislative developments in conjunction with changes we made to our corporate entity structure are estimated to increase our cash tax rate by 2.0% to 3.0% and our effective tax rate by approximately 5.0%. The estimated rates could be impacted by the outcome of examinations by taxing authorities and future legislative developments.Results of OperationsWe disclose in this report certain non-GAAP financial measures. These non-GAAP financial measures assist management in comparing our performance on a consistent basis for purposes of business decision-making by removing the impact of certain items that management believes do not directly reflect our underlying operations. For additional information and reconciliations to the most closely comparable financial measures presented in our consolidated financial statements, which are calculated in accordance with U.S. GAAP, see Non-GAAP Financial Measures.Consolidated Results of OperationsSummary of Results:December 28, 2024December 30, 2023% ChangeDecember 30, 2023December 31, 2022% Change(in millions, except per share data)(in millions, except per share data)Net sales$25,846Â $26,640Â (3.0)%$26,640Â $26,485Â 0.6Â %Operating income/(loss)1,683Â 4,572Â (63.2)%4,572Â 3,634Â 25.8Â %Net income/(loss)2,746Â 2,846Â (3.5)%2,846Â 2,368Â 20.2Â %Net income/(loss) attributable to common shareholders2,744Â 2,855Â (3.9)%2,855Â 2,363Â 20.8Â %Diluted EPS2.26Â 2.31Â (2.2)%2.31Â 1.91Â 20.9Â %Net Sales:December 28, 2024December 30, 2023% ChangeDecember 30, 2023December 31, 2022% Change(in millions)(in millions)Net sales$25,846Â $26,640Â (3.0)%$26,640Â $26,485Â 0.6Â %Organic Net Sales(a)25,949Â 26,496Â (2.1)%26,774Â 25,889Â 3.4Â %(a) Â Â Â Â Organic Net Sales is a non-GAAP financial measure. See the Non-GAAP Financial Measures section at the end of this item. Fiscal Year 2024 Compared to Fiscal Year 2023:Net sales decreased 3.0% to $25.8 billion in 2024 compared to $26.6 billion in 2023, including the unfavorable impacts of foreign currency (0.7 pp) and acquisitions and divestitures (0.2 pp). Organic Net Sales decreased 2.1% to $25.9 billion in 2024 compared to $26.5 billion in 2023, primarily due to the unfavorable volume/mix (3.5 pp), which more than offset higher pricing (1.4 pp). Pricing was higher in North America and Emerging Markets, and flat in International Developed Markets. Volume/mix in North America and International Developed Markets was unfavorable, while volume/mix in Emerging Markets was favorable.27Fiscal Year 2023 Compared to Fiscal Year 2022:Net sales increased 0.6% to $26.6 billion in 2023 compared to $26.5 billion in 2022, including the unfavorable impacts of lapping a 53rd week of shipments in the prior period (1.8 pp), foreign currency (0.9 pp), and acquisitions and divestitures (0.1 pp). Organic Net Sales increased 3.4% to $26.8 billion in 2023 compared to $25.9 billion in 2022, primarily driven by higher pricing (8.9 pp), which more than offset unfavorable volume/mix (5.5 pp). Pricing was higher in all segments. Volume/mix in North America and International Developed Markets was unfavorable, while volume/mix in Emerging Markets was favorable.Net Income/(Loss):December 28, 2024December 30, 2023% ChangeDecember 30, 2023December 31, 2022% Change(in millions)(in millions)Operating income/(loss)$1,683Â $4,572Â (63.2)%$4,572Â $3,634Â 25.8Â %Net income/(loss)2,746Â 2,846Â (3.5)%2,846Â 2,368Â 20.2Â %Net income/(loss) attributable to common shareholders2,744Â 2,855Â (3.9)%2,855Â 2,363Â 20.8Â %Adjusted Operating Income(a)5,360Â 5,297Â 1.2Â %5,297Â 4,989Â 6.2Â %(a) Â Â Â Â Adjusted Operating Income is a non-GAAP financial measure. See the Non-GAAP Financial Measures section at the end of this item. Fiscal Year 2024 Compared to Fiscal Year 2023:Operating income/(loss) decreased 63.2% to $1.7 billion in 2024 compared to $4.6 billion in 2023, due to non-cash impairment losses that were $3.0 billion higher in the current year period. The remaining change to operating income/(loss) was an increase of $118 million primarily driven by higher pricing, lower variable compensation expense, and lower procurement and logistics costs, due, in part, to the beneficial impact from our efficiency initiatives. These favorable impacts to operating income/(loss) were partially offset by unfavorable volume/mix, increased manufacturing expenses due to increased labor costs, and increased selling, general and administrative expenses (â€œSG&Aâ€) due, in part, to investments in technology.Net income/(loss) decreased 3.5% to $2.7 billion in 2024 compared to $2.8 billion in 2023. This decrease was due to unfavorable changes in operating income/(loss) factors discussed above, which more than offset a lower effective tax rate in the current period and the favorable changes in other expense/(income). â€¢Our effective tax rate was a benefit of 220.5% in 2024 compared to an expense of 21.7% in 2023. The year-over-year change in the effective tax rate was primarily driven by the recognition of a $3.0 billion non-U.S. deferred tax asset as a result of the movement of certain business operations to a wholly-owned subsidiary in the Netherlands and the geographic mix of pre-tax income in various non-U.S. jurisdictions. This benefit to our effective tax rate was partially offset by establishing a partial valuation allowance of $0.6 billion against the Netherlands deferred tax asset, establishing a full valuation allowance against Brazil net deferred tax assets, and non-deductible goodwill impairments.â€¢Other expense/(income) was $85 million of income in 2024 compared to $27 million of expense in 2023. This change was primarily driven by $197 million of favorable changes in net pension and postretirement non-service cost/(benefit), partially offset by an $81 million net loss on the sale of businesses in 2024.Adjusted Operating Income increased 1.2% to $5.4 billion in 2024 compared to $5.3 billion in 2023, primarily driven by higher pricing, lower variable compensation expense, and lower procurement and logistics costs, due, in part, to the beneficial impact from our efficiency initiatives. These favorable impacts to Adjusted Operating Income were partially offset by unfavorable volume/mix, increased manufacturing expenses due to increased labor costs, increased SG&A due, in part, to investments in technology, and the unfavorable impact of foreign currency (0.4 pp).28Fiscal Year 2023 Compared to Fiscal Year 2022:Operating income/(loss) increased 25.8% to $4.6 billion in 2023 compared to $3.6 billion in 2022, primarily driven by higher pricing, the beneficial impact from our efficiency initiatives, lower non-cash impairment losses in the current year period ($251 million), and the impact of the securities class action lawsuit in the prior year period. These favorable impacts to operating income/(loss) were partially offset by higher commodity costs, including the impact of realized and unrealized gains and losses on commodity hedges, higher supply chain costs, reflecting inflationary pressure in manufacturing and procurement costs, unfavorable volume/mix, increased SG&A primarily for advertising expenses, and the decrease from lapping a 53rd week of shipments in the prior period.Net income/(loss) increased 20.2% to $2.8 billion in 2023 compared to $2.4 billion in 2022. This increase was driven by the operating income/(loss) factors discussed above and lower interest expense, which more than offset unfavorable changes in other expense/(income) and higher tax expense.â€¢Interest expense was $912 million in 2023 compared to $921 million in 2022.â€¢Our effective tax rate was 21.7% in 2023 compared to 20.2% in 2022. The year-over-year increase in the effective tax rate was due primarily to the decrease in deferred tax liabilities due to the merger of certain foreign entities and the revaluation of deferred tax balances due to changes in state tax laws in the prior year versus the current year.â€¢Other expense/(income) was $27 million of expense in 2023 compared to $253 million of income in 2022. This change was primarily driven by $202 million of unfavorable changes in net pension and postretirement non-service cost/(benefit) due, in part, to the settlement of one of our U.K. defined benefit pension plans, which resulted in pre-tax losses of $162Â million in 2023. Further, additional changes in other expense/(income) were driven by $179 million of unfavorable changes in foreign exchange losses/(gains). These unfavorable impacts to other expense/(income) were partially offset by $109 million of favorable changes in derivative losses/(gains).Adjusted Operating Income increased 6.2% to $5.3 billion in 2023 compared to $5.0 billion in 2022, primarily due to higher pricing and the beneficial impact from our efficiency initiatives, which more than offset higher commodity costs, including the impact of realized gains and losses on commodity hedges; higher supply chain costs, reflecting inflationary pressure in manufacturing, procurement, and logistics; unfavorable volume/mix; increased SG&A, primarily advertising expenses; the decrease from lapping a 53rd week of shipments in the prior period (2.2 pp); and the unfavorable impact of foreign currency (1.2 pp).Diluted Earnings Per Share (â€œEPSâ€):December 28, 2024December 30, 2023% ChangeDecember 30, 2023December 31, 2022% Change(in millions, except per share data)(in millions, except per share data)Diluted EPS$2.26Â $2.31Â (2.2)%$2.31Â $1.91Â 20.9Â %Adjusted EPS(a)3.06Â 2.98Â 2.7Â %2.98Â 2.78Â 7.2Â %(a) Â Â Â Â Adjusted EPS is a non-GAAP financial measure. See the Non-GAAP Financial Measures section at the end of this item. 29Fiscal Year 2024 Compared to Fiscal Year 2023:Diluted EPS decreased 2.2% to $2.26 in 2024 compared to $2.31 in 2023, primarily driven by the net income/(loss) factors discussed above and the favorable impact of our common stock repurchases.December 28, 2024December 30, 2023$ Change% ChangeDiluted EPS$2.26Â $2.31Â $(0.05)(2.2)%Restructuring activities0.01Â 0.16Â (0.15)Unrealized losses/(gains) on commodity hedges(0.01)â€”Â (0.01)Impairment losses2.58Â 0.50Â 2.08Â Losses/(gains) on sale of business0.05Â â€”Â 0.05Â Nonmonetary currency devaluation0.01Â 0.02Â (0.01)Certain significant discrete income tax items(1.84)(0.01)(1.83)Adjusted EPS(a)$3.06Â $2.98Â $0.08Â 2.7Â %Key drivers of change in Adjusted EPS(a):Results of operations$0.04Â Effect of common stock repurchases(b):0.04Â Other expense/(income)0.01Â Effective tax rate(0.01)$0.08Â (a) Â Â Â Â Adjusted EPS is a non-GAAP financial measure. See the Non-GAAP Financial Measures section at the end of this item. (b) Â Â Â Â Includes the impact of the change in the weighted average shares of common stock outstanding, including dilutive effect, which is primarily due to shares purchased pursuant to our publicly announced share repurchase program. See Note 19, Earnings Per Share, in Item 8, Financial Statements and Supplementary Data, for more information on our weighted average shares outstanding.Adjusted EPS increased 2.7% to $3.06 in 2024 compared to $2.98 in 2023 primarily driven by higher Adjusted Operating Income, the favorable impact of our common stock repurchases, and favorable changes in other expense/(income), which more than offset higher taxes on adjusted earnings.30Fiscal Year 2023 Compared to Fiscal Year 2022:Diluted EPS increased 20.9% to $2.31 in 2023 compared to $1.91 in 2022, primarily driven by the net income/(loss) factors discussed above.December 30, 2023December 31, 2022$ Change% ChangeDiluted EPS$2.31Â $1.91Â $0.40Â 20.9Â %Restructuring activities0.16Â 0.05Â 0.11Â Unrealized losses/(gains) on commodity hedgesâ€”Â 0.04Â (0.04)Impairment losses0.50Â 0.70Â (0.20)Certain non-ordinary course legal and regulatory mattersâ€”Â 0.13Â (0.13)Losses/(gains) on sale of businessâ€”Â (0.01)0.01Â Other losses/(gains) related to acquisitions and divestituresâ€”Â (0.02)0.02Â Nonmonetary currency devaluation0.02Â 0.01Â 0.01Â Debt prepayment and extinguishment (benefit)/costsâ€”Â (0.03)0.03Â Certain significant discrete income tax items(0.01)â€”Â (0.01)Adjusted EPS(a)$2.98Â $2.78Â $0.20Â 7.2Â %Key drivers of change in Adjusted EPS(a):Results of operations$0.27Â 53rd week(0.06)Interest expense0.03Â Other expense/(income)(0.03)Effective tax rate(0.01)$0.20Â (a) Â Â Â Â Adjusted EPS is a non-GAAP financial measure. See the Non-GAAP Financial Measures section at the end of this item. Adjusted EPS increased 7.2% to $2.98 in 2023 compared to $2.78 in 2022, primarily driven by higher Adjusted Operating Income and lower interest expense, which more than offset the decrease from lapping a 53rd week of shipments in the prior period, unfavorable changes in other expense/(income), and higher taxes on adjusted earnings.Results of Operations by SegmentWe manage our operating results through four operating segments. We have two reportable segments defined by geographic region: North America and International Developed Markets. Our remaining operating segments, consisting of WEEM and AEM, are combined and disclosed as Emerging Markets.Management evaluates segment performance based on several factors, including net sales, Organic Net Sales, and Segment Adjusted Operating Income. In the first quarter of 2024, certain measures utilized by management to evaluate segment performance changed, including a change from Segment Adjusted EBITDA to Segment Adjusted Operating Income in order to drive a stronger connection to our long-term strategic plan. Segment Adjusted Operating Income is defined as operating income/(loss) excluding, when they occur, the impacts of restructuring activities, deal costs, unrealized gains/(losses) on commodity hedges (the unrealized gains and losses are recorded in general corporate expenses until realized; once realized, the gains and losses are recorded in the applicable segmentâ€™s operating results), impairment losses, and certain non-ordinary course legal and regulatory matters. Segment Adjusted Operating Income for Emerging Markets, which represents the aggregation of our WEEM and AEM operating segments, is defined and presented consistently with the Segment Adjusted Operating Income of our reportable segments â€” North America and International Developed Markets. Segment Adjusted Operating Income is a financial measure that can assist management and investors in comparing our performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect our underlying operations. Management also uses Segment Adjusted Operating Income to allocate resources. We have reflected this change from Segment Adjusted EBITDA to Segment Adjusted Operating Income in all historical periods presented.31Under highly inflationary accounting, the financial statements of a subsidiary are remeasured into our reporting currency (U.S. dollars) based on the legally available exchange rate at which we expect to settle the underlying transactions. Exchange gains and losses from the remeasurement of monetary assets and liabilities are reflected in other expense/(income) on our consolidated statement of income, as nonmonetary currency devaluation, rather than accumulated other comprehensive income/(losses) on our consolidated balance sheet, until such time as the economy is no longer considered highly inflationary. See Note 2, Significant Accounting Policies, in Item 8, Financial Statements and Supplementary Data, for additional information. We apply highly inflationary accounting to the results of our subsidiaries in Venezuela, Argentina, Turkey, Egypt, and Nigeria, which are all in Emerging Markets.Net Sales:December 28, 2024December 30, 2023December 31, 2022(in millions)Net sales:North America$19,543Â $20,126Â $20,340Â International Developed Markets3,535Â 3,623Â 3,401Â Emerging Markets2,768Â 2,891Â 2,744Â Total net sales$25,846Â $26,640Â $26,485Â Organic Net Sales:2024 Compared to 20232023 Compared to 2022December 28, 2024December 30, 2023December 30, 2023December 31, 2022(in millions)(in millions)Organic Net Sales(a):North America$19,570Â $20,126Â $20,191Â $19,983Â International Developed Markets3,522Â 3,623Â 3,631Â 3,315Â Emerging Markets2,857Â 2,747Â 2,952Â 2,591Â Total Organic Net Sales$25,949Â $26,496Â $26,774Â $25,889Â (a) Â Â Â Â Organic Net Sales is a non-GAAP financial measure. See the Non-GAAP Financial Measures section at the end of this item. Drivers of the changes in net sales and Organic Net Sales were:Net SalesCurrencyAcquisitions and Divestitures53rd WeekOrganic Net SalesPriceVolume/Mix2024 Compared to 2023North America(2.9)%(0.1) pp0.0 pp0.0 pp(2.8)%1.4 pp(4.2) ppInternational Developed Markets(2.4)%0.4 pp0.0 pp0.0 pp(2.8)%0.0 pp(2.8) ppEmerging Markets(4.3)%(6.2) pp(2.1) pp0.0 pp4.0Â %3.5 pp0.5 ppKraft Heinz(3.0)%(0.7) pp(0.2) pp0.0 pp(2.1)%1.4 pp(3.5) pp2023 Compared to 2022North America(1.0)%(0.3) pp0.0 pp(1.7) pp1.0Â %7.5 pp(6.5) ppInternational Developed Markets6.5Â %(0.5) pp(0.7) pp(1.8) pp9.5Â %15.6 pp(6.1) ppEmerging Markets5.4Â %(6.6) pp(0.2) pp(1.7) pp13.9Â %10.9 pp3.0 ppKraft Heinz0.6Â %(0.9) pp(0.1) pp(1.8) pp3.4Â %8.9 pp(5.5) pp32Adjusted

Operating Income:December 28, 2024December 30, 2023December 31, 2022Â (in millions)Segment Adjusted Operating Income:North America$5,111Â $5,050Â $4,735Â International Developed Markets537Â 522Â 522Â Emerging Markets321Â 376Â 319Â General corporate expenses(609)(651)(587)Restructuring activities(27)(60)(74)Deal costsâ€"Â â€"Â (9)Unrealized gains/(losses) on commodity hedges19Â (1)(63)Impairment losses(3,669)(662)(999)Certain non-ordinary course legal and regulatory mattersâ€"Â (2)(210)Operating income/(loss)1,683Â 4,572Â 3,634Â Interest expense912Â 912Â 921Â Other expense/(income)(85)27Â (253)Income/(loss) before income taxes$856Â $3,633Â $2,966Â North America:2024 Compared to 20232023 Compared to 2022December 28, 2024December 30, 2023% ChangeDecember 30, 2023December 31, 2022% Change(in millions)(in millions)Net sales$19,543Â $20,126Â (2.9)%$20,126Â $20,340Â (1.0)%Organic Net Sales(a)19,570Â 20,126Â (2.8)%20,191Â 19,983Â 1.0Â %Segment Adjusted Operating Income5,111Â 5,050Â 1.2Â %5,050Â 4,735Â 6.7Â %(a) Â Â Â Â Organic Net Sales is a non-GAAP financial measure. See the Non-GAAP Financial Measures section at the end of this item. Fiscal Year 2024 Compared to Fiscal Year 2023:Net sales decreased 2.9% to $19.5 billion in 2024 compared to $20.1 billion in 2023, including the unfavorable impacts of foreign currency (0.1 pp). Organic Net Sales decreased 2.8% to $19.6 billion in 2024 compared to $20.1 billion in 2023, primarily due to unfavorable volume/mix (4.2 pp), which more than offset higher pricing (1.4 pp). Higher pricing was primarily driven by increases to mitigate higher input costs. Unfavorable volume/mix was primarily due to shifts in consumer behavior due to economic uncertainty, a decline in Lunchables, and a temporary plant closure.Segment Adjusted Operating Income increased 1.2% to $5.1 billion in 2024 compared to $5.1 billion in 2023, primarily driven by higher pricing, lower procurement and logistics costs due, in part, to the beneficial impact from our efficiency initiatives, and lower variable compensation expense. These favorable impacts to Segment Adjusted Operating Income were partially offset by unfavorable volume/mix, increased manufacturing expenses due to increased labor cost, increased SG&A due, in part, to investments in technology, increased depreciation expense, and the unfavorable impact of foreign currency (0.1 pp).Fiscal Year 2023 Compared to Fiscal Year 2022:Net sales decreased 1.0% to $20.1 billion in 2023 compared to $20.3 billion in 2022, including the decrease from lapping a 53rd week of shipments in the prior period (1.7 pp) and the unfavorable impacts of foreign currency (0.3 pp). Organic Net Sales increased 1.0% to $20.2 billion in 2023 compared to $20.0 billion in 2022, driven by higher pricing (7.5 pp), which more than offset unfavorable volume/mix (6.5 pp). Higher pricing was primarily driven by increases to mitigate higher input costs, particularly in the first half of 2023. Unfavorable volume/mix was primarily due to elasticity impacts from pricing actions and due, in part, to the reduction of Supplemental Nutrition Assistance Program (â€œSNAPâ€) benefits.Segment Adjusted Operating Income increased 6.7% to $5.1 billion in 2023 compared to $4.7 billion in 2022, primarily due to higher pricing and the beneficial impact from our efficiency initiatives, which more than offset higher commodity costs, including the impact of realized gains and losses on commodity hedges; unfavorable volume/mix; increased manufacturing expenses; increased SG&A, primarily due to advertising expense; the decrease from lapping a 53rd week of shipments in the prior period (2.3 pp); and the unfavorable impact of foreign currency (0.3 pp).33International Developed Markets:2024 Compared to 20232023 Compared to 2022December 28, 2024December 30, 2023% ChangeDecember 30, 2023December 31, 2022% Change(in millions)(in millions)Net sales$3,535Â $3,623Â (2.4)%$3,623Â $3,401Â 6.5Â %Organic Net Sales(a)3,522Â 3,623Â (2.8)%3,631Â 3,315Â 9.5Â %Segment Adjusted Operating Income537Â 522Â 3.0Â %522Â 522Â â€"Â %(a)Â Â Â Â Organic Net Sales is a non-GAAP financial measure. See the Non-GAAP Financial Measures section at the end of this item. Fiscal Year 2024 Compared to Fiscal Year 2023:Net sales decreased 2.4% to $3.5 billion in 2024 compared to $3.6 billion in 2023, including the favorable impacts of foreign currency (0.4 pp). Organic Net Sales decreased 2.8% to $3.5 billion in 2024 compared to $3.6 billion in 2023, primarily due to unfavorable volume/mix (2.8 pp) while pricing remained flat. Unfavorable volume/mix was primarily due to a temporary pause in shipments as a result of a contract negotiation with certain customers in our Continental Europe region, and lower sales in New Zealand due to an inventory reduction by a regional customer.Segment Adjusted Operating Income increased 3.0% to $0.5 billion in 2024 compared to $0.5 billion in 2023, primarily driven by lower procurement and logistics costs due, in part, to the beneficial impact from our efficiency initiatives, lapping the prior year business disruption caused by Cyclone Gabrielle in Australia and New Zealand, lower variable compensation expense, and the favorable impact of foreign currency (1.8 pp). These favorable impacts to Segment Adjusted Operating Income were partially offset unfavorable volume/mix and increased inflationary pressures in manufacturing expenses.Fiscal Year 2023 Compared to Fiscal Year 2022:Net sales increased 6.5% to $3.6 billion in 2023 compared to $3.4 billion in 2022, including the unfavorable impacts of lapping a 53rd week of shipments in the prior period (1.8 pp), acquisitions and divestitures (0.7 pp), and foreign currency (0.5 pp). Organic Net Sales increased 9.5% to $3.6 billion in 2023 compared to $3.3 billion in 2022 driven by higher pricing (15.6 pp), which more than offset unfavorable volume/mix (6.1 pp). Higher pricing included increases across markets primarily to mitigate higher input costs. Unfavorable volume/mix was primarily due to the elasticity impacts from pricing actions, particularly in our Northern Europe region.Segment Adjusted Operating Income was flat year over year, at $522 million in both 2023 and 2022. Increases to Segment Adjusted Operating Income were primarily driven by higher pricing offset by higher supply chain costs, reflecting inflationary pressure in procurement, manufacturing, and logistics costs; unfavorable volume/mix; increased SG&A, primarily due to advertising expense; the unfavorable impact from a business disruption in Australia and New Zealand caused by Cyclone Gabrielle; the decrease from lapping a 53rd week of shipments in the prior period (1.5 pp); and the unfavorable impact of foreign currency (0.1 pp).Emerging Markets:2024 Compared to 20232023 Compared to 2022December 28, 2024December 30, 2023% ChangeDecember 30, 2023December 31, 2022% Change(in millions)(in millions)Net sales$2,768Â $2,891Â (4.3)%$2,891Â $2,744Â 5.4Â %Organic Net Sales(a)2,857Â 2,747Â 4.0Â %2,952Â 2,591Â 13.9Â %Segment Adjusted Operating Income321Â 376Â (14.7)%376Â 319Â 17.6Â %(a)Â Â Â Â Organic Net Sales is a non-GAAP financial measure. See the Non-GAAP Financial Measures section at the end of this item. Fiscal Year 2024 Compared to Fiscal Year 2023:Net sales decreased 4.3% to $2.8 billion in 2024 compared to $2.9 billion in 2023, including the unfavorable impacts of foreign currency (6.2 pp) and acquisitions and divestitures (2.1 pp). Organic Net Sales increased 4.0% to $2.9 billion in 2024 compared to $2.7 billion in 2023, primarily driven by higher pricing (3.5 pp) and favorable volume/mix (0.5 pp). Higher pricing was taken primarily in our Eastern Europe and Middle East and Africa (â€œMEAâ€) regions to address higher input costs, which more than offset lower pricing in Brazil as a result of maintaining price gaps to competition. Favorable volume/mix within our Eastern Europe and MEA more than offset unfavorable volume/mix in Brazil and China.34Segment Adjusted Operating Income decreased 14.7% to $0.3 billion in 2024 compared to $0.4 billion in 2023, primarily due to higher supply chain costs reflecting inflationary pressures in our Eastern Europe and LATAM regions, the unfavorable impact of foreign currency (6.1 pp), and increased SG&A as a result of our investments in our go-to-market strategy, primarily in LATAM. These unfavorable impacts to Segment Adjusted Operating Income more than offset higher pricing, favorable volume/mix, and lower variable compensation expense.Fiscal Year 2023 Compared to Fiscal Year 2022:Net sales increased 5.4% to $2.9 billion in 2023 compared to $2.7 billion in 2022, including the unfavorable impacts of foreign currency (6.6 pp), lapping a 53rd week of shipments in the prior period (1.7 pp), and acquisitions and divestitures (0.2 pp). Organic Net Sales increased 13.9% to $3.0 billion in 2023 compared to $2.6 billion in 2022, driven by higher pricing (10.9 pp) and favorable volume/mix (3.0 pp). Higher pricing included increases across markets primarily to mitigate higher input costs. Volume/mix was favorable in our Eastern European countries and LATAM region, partially offset by unfavorable volume/mix in our Asia region.Segment Adjusted Operating Income increased 17.6% to $376 million in 2023 compared to $319 million in 2022, primarily driven by higher pricing and favorable volume/mix, partially offset by higher supply chain costs, reflecting inflationary pressure in LATAM and Eastern Europe regions; increased SG&A due, in part, to investments in advertising and research and development; the unfavorable impact of foreign currency (14.1 pp); increased depreciation expense; and the decrease from lapping a 53rd week of shipments in the prior period (2.7 pp).Liquidity and Capital ResourcesWe believe that cash generated from our operating activities, commercial paper programs, and Senior Credit Facility will provide sufficient liquidity to meet our working capital needs, repayments of long-term debt, future contractual obligations, payment of our anticipated quarterly dividends, planned capital expenditures, restructuring expenditures, and contributions to our postemployment benefit plans for the next 12 months. An additional potential source of liquidity is access to capital markets. We intend to use our cash on hand and commercial paper programs for daily funding requirements.Acquisitions and Divestitures:In the first quarter of 2024, we consummated the Russia Infant Transaction for total cash consideration of approximately $25Â million, and the Papua New Guinea Transaction for total cash consideration of approximately $22Â million, which is to be paid incrementally over two years following the transaction closing date.In the fourth quarter of 2022, we sold our business-to-business powdered cheese business to a third party, Kerry Group, for cash consideration of approximately $108Â million (the â€œPowdered Cheese Transactionâ€). In the second quarter of 2022, we acquired a majority of the outstanding equity interests of Companhia Hemmer IndÃºstria e ComÃ©rcio (â€œHemmerâ€), a Brazilian food and beverage manufacturing company focused on the condiments and sauces category, from certain third-party shareholders (the â€œHemmer Acquisitionâ€) for cash consideration of approximately $279Â million. In the first quarter of 2022, we acquired 85% of the shares of Just Spices GmbH (â€œJust Spicesâ€), a German-based company focused on direct-to-consumer sales of premium spice blends, from certain third-party shareholders (the â€œJust Spices Acquisitionâ€) for cash consideration of approximately $243Â million. In the third quarter of 2023, we completed the redemption of an additional 5% of the outstanding shares and in the second quarter of 2024, we completed the redemption of the remaining outstanding shares and wholly own Just Spices as of DecemberÂ 28, 2024.See Note 4, Acquisitions and Divestitures, in Item 8, Financial Statements and Supplementary Data, for additional information on our acquisitions and divestitures.Cash Flow Activity for 2024 Compared to 2023:Net Cash Provided by/Used for Operating Activities:Net cash provided by operating activities was $4.2 billion for the year ended DecemberÂ 28, 2024 compared to $4.0 billion for the year ended DecemberÂ 30, 2023. This increase was primarily due to lapping the prior year cash payments associated with the settlement of the consolidated securities class action lawsuit and the current year conversion of certain plan assets related to the U.S. postretirement medical plan to cash, which were partially offset by higher cash outflows for variable compensation in the 2024 period compared to the 2023 period and increased cash taxes. See Note 15, Commitments and Contingencies, in Item 8, Financial Statements and Supplementary Data, for additional information on our legal proceedings and See Note 11, Postemployment Benefits, in Item 8 for more additional information on our postemployment benefit plans activities.35Net Cash Provided by/Used for Investing Activities:Net cash used for investing activities was $1.0 billion for the year ended DecemberÂ 28, 2024 compared to net cash used for investing activities of $916 million for the year ended DecemberÂ 30, 2023. This change was primarily driven by our payments to acquire the TGI Friday License and increased capital expenditures. This was offset by proceeds from net investment hedge settlements. Our 2024 capital expenditures were primarily driven by maintenance projects, capital investments focused on generating growth, including capacity expansion, digital projects, and cost improvement projects, as well as capital investments in technology. We expect 2025 capital expenditures to be approximately $1.0Â billion.Net Cash Provided by/Used for Financing Activities:Net cash used for financing activities was $3.0 billion for the year ended DecemberÂ 28, 2024 compared to $2.7 billion for the year ended DecemberÂ 30, 2023. This change was primarily due to increased common stock repurchases pursuant to our publicly announced share repurchase program, partially offset by reduced debt repayments in the current year period compared to the prior year.Cash Flow Activity for 2023 Compared to 2022:Net Cash Provided by/Used for Operating Activities:Net cash provided by operating activities was $4.0 billion for the year ended DecemberÂ 30, 2023 compared to $2.5 billion for the year ended DecemberÂ 31, 2022. This increase was primarily driven by lower cash outflows in the current year for inventories, primarily related to stock rebuilding in the prior year, lower cash outflows in the current year for cash tax payments driven by cash taxes paid in 2022 related to the Cheese Transaction, higher Adjusted Operating Income in 2023, and lower interest payments in the current period due to the reduction of long-term debt throughout 2022. These impacts were partially offset by cash payments associated with the settlement of the consolidated securities class action lawsuit. See Note 15, Commitments and Contingencies, in Item 8, Financial Statements and Supplementary Data, for additional information on our legal proceedings.Net Cash Provided by/Used for Investing Activities:Net cash used for investing activities was $916 million for the year ended DecemberÂ 30, 2023 compared to net cash used for investing activities of $1.1 billion for the year ended DecemberÂ 31, 2022. This change was primarily driven by payments for the Just Spices Acquisition and Hemmer Acquisition in 2022, partially offset by higher proceeds from the settlement of net investment hedges in the prior year period, proceeds from the Powdered Cheese Transaction in 2022, and higher capital expenditures in the current year period. We had 2023 capital expenditures of $1.0Â billion compared to 2022 capital expenditures of $916 million. Net Cash Provided by/Used for Financing Activities:Net cash used for financing activities was $2.7 billion for the year ended DecemberÂ 30, 2023 compared to $3.7 billion for the year ended DecemberÂ 31, 2022. This change was primarily due to proceeds from the issuance of 600Â million euro aggregate principal amount floating rate senior notes in 2023 and lower repayments of long-term debt in the current year period, partially offset by increased common stock repurchases primarily driven by our share repurchase program. See Note 16, Debt, in Item 8, Financial Statements and Supplementary Data, for additional information on our debt transactions and Note 18, Capital Stock, in Item 8, Financial Statements and Supplementary Data, for additional information on our share repurchase program.Cash Held by International Subsidiaries:Of the $1.3 billion cash and cash equivalents on our consolidated balance sheet at DecemberÂ 28, 2024, $781 million was held by international subsidiaries.Subsequent to January 1, 2018, we consider the unremitted earnings of certain international subsidiaries that impose local country taxes on dividends to be indefinitely reinvested. For those undistributed earnings considered to be indefinitely reinvested, our intent is to reinvest these funds in our international operations, and our current plans do not demonstrate a need to repatriate the accumulated earnings to fund our U.S. cash requirements. The amount of unrecognized deferred tax liabilities for local country withholding taxes that would be owed, if repatriated, related to our 2018 through 2024 accumulated earnings of certain international subsidiaries is approximately $80 million. Our undistributed historical earnings in foreign subsidiaries through December 31, 2017 are currently not considered to be indefinitely reinvested. Our deferred tax liability associated with these undistributed historical earnings was insignificant at DecemberÂ 28, 2024, DecemberÂ 30, 2023, and DecemberÂ 31, 2022, and relates to local withholding taxes that will be owed when this cash is distributed.Trade Payables Programs: In order to manage our cash flow and related liquidity, we work with our suppliers to optimize our terms and conditions, which36include the extension of payment terms. We maintain agreements with third-party administrators that allow participating suppliers to track payment obligations from us, and, at the sole discretion of the supplier, sell one or more of those payment obligations to participating financial institutions. Our obligations to our suppliers, including amounts due and scheduled payment terms, are not impacted. Our current payment terms with our suppliers, which we deem to be commercially reasonable, generally range from 0 to 250 days. All amounts due to participating suppliers are paid to the third party on the original invoice due dates, regardless of whether a particular invoice was sold. The amounts outstanding under these programs were $745 million at DecemberÂ 28, 2024 and $819 million at DecemberÂ 30, 2023. The amounts were included in trade payables on our consolidated balance sheets. See Note 14, Financing Arrangements, in Item 8, Financial Statements and Supplementary Data, for additional information on our trade payables programs.Borrowing Arrangements:From time to time, we obtain funding through our commercial paper programs. We had no commercial paper outstanding at DecemberÂ 28, 2024, DecemberÂ 30, 2023, and DecemberÂ 31, 2022. We had no commercial paper outstanding during the year ended DecemberÂ 28, 2024, and the maximum amount of commercial paper outstanding was $150Â million during the year ended DecemberÂ 30, 2023 and $198Â million during the year ended DecemberÂ 31, 2022.In July 2022, together with KHFC, our 100% owned operating subsidiary, we entered into a new credit agreement (the â€œCredit Agreementâ€), which provides for a five-year senior unsecured revolving credit facility in an aggregate amount of $4.0Â billion (the â€œSenior Credit Facilityâ€) and replaced our then-existing credit facility (the â€œPrevious Senior Credit Facilityâ€). On September 27, 2024, we entered into an agreement to extend the maturity date of our Senior Credit Facility from July 8, 2028 to July 8, 2029. Subject to certain conditions, we may increase the amount of revolving commitments and/or add tranches of term loans in a combined aggregate amount of up to $1.0Â billion.NoÂ amounts were drawn on our Senior Credit Facility at DecemberÂ 28, 2024, DecemberÂ 30, 2023, or DecemberÂ 31, 2022. No amounts were drawn on our Senior Credit Facility during the years ended DecemberÂ 28, 2024, DecemberÂ 30, 2023 or DecemberÂ 31, 2022, or on the Previous Senior Credit Facility during the year ended DecemberÂ 31, 2022.Our credit agreement contains customary representations, warranties, and covenants that are typical for these types of facilities and could, upon the occurrence of certain events of default, restrict our ability to access our Senior Credit Facility. We were in compliance with all financial covenants as of DecemberÂ 28, 2024.Long-Term Debt:Our long-term debt, including the current portion, was $19.9 billion at DecemberÂ 28, 2024, $20.0 billion at DecemberÂ 30, 2023, and $20.1Â billion at DecemberÂ 31, 2022. The decrease of debt in 2024 was primarily due to changes in foreign currency exchange rates on our foreign-denominated debt, as well as the 550 million euro aggregate principle amount of senior notes that were repaid at maturity in May 2024, partially offset by the issuance of the 2024 Notes. The decrease of debt in 2023 was primarily due to the repayment of 750Â million euro aggregate principal amount of senior notes due in June 2023, which more than offset the issuance of 600Â million euro aggregate principal amount of floating rate senior notes issued in May 2023.We may from time to time seek to retire or purchase our outstanding debt through redemptions, tender offers, cash purchases, prepayments, refinancing, exchange offers, open market or privately negotiated transactions, Rule 10b5-1 plans, or otherwise.Our long-term debt contains customary representations, covenants, and events of default. We were in compliance with all financial covenants as of DecemberÂ 28, 2024.See Note 16,

Debt, in Item 8, Financial Statements and Supplementary Data, for additional information on our long-term debt activity.Equity and Dividends:We paid dividends on our common stock of $1.9 billion in 2024, and $2.0 billion in 2023 and 2022. Additionally, in the first quarter of 2025, our Board declared a cash dividend of $0.40 per share of common stock, which is payable on March 28, 2025 to stockholders of record on March 7, 2025.The declaration of dividends is subject to the discretion of our Board and depends on various factors, including our net income, financial condition, cash requirements, future prospects, and other factors that our Board deems relevant to its analysis and decision making.37On November 27, 2023, we announced that the Board approved a share repurchase program authorizing the Company to purchase up to $3.0Â billion, exclusive of fees, of the Companyâ€™s common stock through December 26, 2026. We are not obligated to repurchase any specific number of shares and the program may be modified, suspended, or discontinued at any time. Under the program, shares may be repurchased in open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act, privately negotiated transactions, transactions structured through investment banking institutions, or other means. As of DecemberÂ 28, 2024, we had remaining authorization under the share repurchase program of approximately $1.9Â billion. The share repurchase program is in addition to our share repurchases to offset the dilutive effect of equity-based compensation.Aggregate Contractual Obligations:Related to our current and long-term material cash requirements, the following table summarizes our aggregate contractual obligations at DecemberÂ 28, 2024, which we expect to primarily fund with cash from operating activities (in millions):Material Cash Requirements20252026-202720208-20292030 and ThereafterTotalLong-term debt(a)$1,503Â $5,366Â $3,872Â $21,188Â $31,929Â Finance leases(b)37Â 65Â 54Â 58Â 214Â Operating leases(c)143Â 270Â 201Â 222Â 836Â Purchase obligations(d)698Â 925Â 460Â 277Â 2,360Â Other long-term liabilities(e)19Â 35Â 33Â 181Â 268Â Total$2,400Â $6,661Â $4,620Â $21,926Â $35,607Â (a)Â Â Â Â Amounts represent the expected cash payments of our long-term debt, including interest on variable and fixed rate long-term debt. Interest on variable rate long-term debt is calculated based on interest rates at DecemberÂ 28, 2024.(b)Â Â Â Â Amounts represent the expected cash payments of our finance leases, including expected cash payments of interest expense.(c)Â Â Â Â Operating leases represent the minimum rental commitments under non-cancellable operating leases net of sublease income.(d)Â Â Â Â We have purchase obligations for materials, supplies, property, plant and equipment, and co-packing, storage, and distribution services based on projected needs to be utilized in the normal course of business. Other purchase obligations include commitments for marketing, advertising, capital expenditures, information technology, and professional services. Arrangements are considered purchase obligations if a contract specifies all significant terms, including fixed or minimum quantities to be purchased, a pricing structure, and approximate timing of the transaction. Several of these obligations are long-term and are based on minimum purchase requirements. Certain purchase obligations contain variable pricing components, and, as a result, actual cash payments are expected to fluctuate based on changes in these variable components. Due to the proprietary nature of some of our materials and processes, certain supply contracts contain penalty provisions for early terminations. We do not believe that a material amount of penalties is reasonably likely to be incurred under these contracts based upon historical experience and current expectations. (e)Â Â Â Â Other long-term liabilities primarily consist of estimated payments for the one-time toll charge related to 2017 U.S. tax reform, as well as postretirement benefit commitments. Certain other long-term liabilities related to income taxes, insurance accruals, and other accruals included on the consolidated balance sheet are excluded from the above table as we are unable to estimate the timing of payments for these items.Pension plan contributions were $7 million in 2024. We estimate that 2025 pension plan contributions will be approximately $6 million.Â Postretirement benefit plan contributions were $11 million in 2024. We estimate that 2025 postretirement benefit plan contributions will be approximately $11 million. During the fourth quarter of 2024, we amended our U.S. postretirement medical plan to establish a sub-trust to permit the payment of certain postretirement benefit plan contributions for active union employees using $150Â million of the retiree plan surplus. See Note 11, Postemployment Benefits, in Item 8, Financial Statements and Supplementary Data, for additional information on our pension and postretirement plans.Estimated future contributions take into consideration current economic conditions, which at this time are expected to have minimal impact on expected contributions for 2025. Beyond 2025, we are unable to reliably estimate the timing of contributions to our pension or postretirement plans. Our actual contributions and plans may change due to many factors, including changes in tax, employee benefit, or other laws and regulations, tax deductibility, significant differences between expected and actual pension or postretirement asset performance or interest rates, or other factors. As such, estimated pension and postretirement plan contributions for 2025 have been excluded from the above table.At DecemberÂ 28, 2024, the amount of net unrecognized tax benefits for uncertain tax positions, including an accrual of related interest and penalties along with positions only impacting the timing of tax benefits, was approximately $481 million. The timing of payments will depend on the progress of examinations with tax authorities. We are unable to make a reasonably reliable estimate as to if or when any significant cash settlements with taxing authorities may occur; therefore, we have excluded the amount of net unrecognized tax benefits from the above table.Supplemental Guarantor Information:The Kraft Heinz Company (as the â€œParent Guarantorâ€) fully and unconditionally guarantees all the senior unsecured registered notes (collectively, the â€œKHFC Senior Notesâ€) issued by KHFC, our 100% owned operating subsidiary (the â€œGuaranteeâ€). See Note 16, Debt, in Item 8, Financial Statements and Supplementary Data, for additional descriptions of these guarantees.38The payment of the principal, premium, and interest on the KHFC Senior Notes is fully and unconditionally guaranteed on a senior unsecured basis by the Parent Guarantor, pursuant to the terms and conditions of the applicable indenture. None of the Parent Guarantorâ€™s subsidiaries guarantee the KHFC Senior Notes.The Guarantee is the Parent Guarantorâ€™s senior unsecured obligation and is: (i) pari passu in right of payment with all of the Parent Guarantorâ€™s existing and future senior indebtedness; (ii) senior in right of payment to all of the Parent Guarantorâ€™s future subordinated indebtedness; (iii) effectively subordinated to all of the Parent Guarantorâ€™s existing and future secured indebtedness to the extent of the value of the assets secured by that indebtedness; and (iv) effectively subordinated to all existing and future indebtedness and other liabilities of the Parent Guarantorâ€™s subsidiaries.The KHFC Senior Notes are obligations exclusively of KHFC and the Parent Guarantor and not of any of the Parent Guarantorâ€™s other subsidiaries. Substantially all of the Parent Guarantorâ€™s operations are conducted through its subsidiaries. The Parent Guarantorâ€™s other subsidiaries are separate legal entities that have no obligation to pay any amounts due under the KHFC Senior Notes or to make any funds available therefor, whether by dividends, loans, or other payments. Except to the extent the Parent Guarantor is a creditor with recognized claims against its subsidiaries, all claims of creditors (including trade creditors) and holders of preferred stock, if any, of its subsidiaries will have priority with respect to the assets of such subsidiaries over its claims (and therefore the claims of its creditors, including holders of the KHFC Senior Notes). Consequently, the KHFC Senior Notes are structurally subordinated to all liabilities of the Parent Guarantorâ€™s subsidiaries and any subsidiaries that it may in the future acquire or establish. The obligations of the Parent Guarantor will terminate and be of no further force or effect in the following circumstances: (i) (a) KHFCâ€™s exercise of its legal defeasance option or, except in the case of a guarantee of any direct or indirect parent of KHFC, covenant defeasance option in accordance with the applicable indenture, or KHFCâ€™s obligations under the applicable indenture have been discharged in accordance with the terms of the applicable indenture or (b) as specified in a supplemental indenture to the applicable indenture; and (ii) the Parent Guarantor has delivered to the trustee an officerâ€™s certificate and an opinion of counsel, each stating that all conditions precedent provided for in the applicable indenture have been complied with. The Guarantee is limited by its terms to an amount not to exceed the maximum amount that can be guaranteed by the Parent Guarantor without rendering the Guarantee voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.The following tables present summarized financial information for the Parent Guarantor and KHFC (as subsidiary issuer of the KHFC Senior Notes) (together, the â€œObligor Groupâ€), on a combined basis after the elimination of all intercompany balances and transactions between the Parent Guarantor and subsidiary issuer and investments in any subsidiary that is a non-guarantor.Summarized Statement of IncomeFor the Year EndedDecember 28, 2024Net sales$16,828Â Gross profit(a)6,489Â Intercompany service fees and other recharges4,635Â Operating income/(loss)1,053Â Equity in earnings/(losses) of subsidiaries2,552Â Net income/(loss)2,744Â Net income/(loss) attributable to common shareholders2,744Â (a)Â Â Â Â In 2024, the Obligor Group recorded $455Â million of net sales to the non-guarantor subsidiaries and $63Â million of purchases from the non-guarantor subsidiaries.39Summarized Balance SheetsDecember 28, 2024ASSETSCurrent assets$4,506Â Current assets due from affiliates(a)445Â Non-current assets5,848Â Goodwill8,823Â Intangible assets, net1,881Â Non-current assets due from affiliates(b)28Â LIABILITIESCurrent liabilities$5,563Â Current liabilities due to affiliates(a)1,924Â Non-current liabilities22,846Â Non-current liabilities due to affiliates(b)194Â (a)Â Â Â Â Represents receivables and short-term lending due from and payables and short-term lending due to non-guarantor subsidiaries.
(b)Â Â Â Â Represents long-term lending due from and long-term borrowings due to non-guarantor subsidiaries.Commodity TrendsWe purchase and use large quantities of commodities, including dairy products, meat products, tomato products, sugar and other sweeteners, soybean and vegetable oils, coffee beans, wheat and processed grains, eggs, and other fruits and vegetables to manufacture our products. In addition, we purchase and use significant quantities of plastics, cardboard, resin, glass, and metal to package our products, and we use electricity, diesel fuel, and natural gas in the manufacturing and distribution of our products. We continuously monitor worldwide supply and cost trends of these commodities.During the year ended DecemberÂ 28, 2024, we experienced increases in certain commodity costs, particularly for tomato products, and soybean and vegetable oils, while costs for dairy products and coffee decreased. We manage commodity cost volatility primarily through pricing and risk management strategies including utilizing a range of commodity hedging techniques in an effort to limit the impact of price fluctuations on many of our principal raw materials. However, we do not fully hedge against changes in commodity prices, and our hedging strategies may not protect us from increases in specific raw material costs. As a result of these risk management strategies, our commodity costs may not immediately correlate with market price trends.Critical Accounting EstimatesNote 2, Significant Accounting Policies, in Item 8, Financial Statements and Supplementary Data, includes a summary of the significant accounting policies we used to prepare our consolidated financial statements. The following is a review of the more significant assumptions and estimates as well as accounting policies we used to prepare our consolidated financial statements.Revenue Recognition:Our revenues are primarily derived from customer orders for the purchase of our products. We recognize revenues as performance obligations are fulfilled when control passes to our customers. We record revenues net of variable consideration, including consumer incentives and performance obligations related to trade promotions, excluding taxes, and including all shipping and handling charges billed to customers (accounting for shipping and handling charges that occur after the transfer of control as fulfillment costs). We also record a refund liability for estimated product returns and customer allowances as reductions to revenues within the same period that the revenue is recognized. We base these estimates principally on historical and current period experience factors. We recognize costs paid to third-party brokers to obtain contracts as expenses as our contracts are generally less than one year.Advertising, Consumer Incentives, and Trade Promotions:We promote our products with advertising, consumer incentives, and performance obligations related to trade promotions. Consumer incentives and trade promotions include, but are not limited to, discounts, coupons, rebates, performance-based in-store display activities, and volume-based incentives. Variable consideration related to consumer incentive and trade promotion activities is recorded as a reduction to revenues based on amounts estimated as being due to customers and consumers at the end of a period. We base these estimates principally on historical utilization, redemption rates, and/or current period experience factors. We review and adjust these estimates at least quarterly based on actual experience and other information. 40Advertising expenses are recorded in SG&A. For interim reporting purposes, we charge advertising to operations as a percentage of estimated full year sales activity and marketing costs. We then review and adjust these estimates each quarter based on actual experience and other information. Our definition of advertising expenses includes advertising production costs, in-store advertising costs, agency fees, brand promotions and events, and sponsorships, in addition to costs to obtain advertising in television, radio, print, digital, and social channels. We recorded advertising expenses of $1,031 million in 2024, $1,071 million in 2023, and $945 million in 2022. We also incur market research costs, which are recorded in SG&A but are excluded from advertising expenses.Goodwill and Intangible Assets:As of DecemberÂ 28, 2024, we maintain 12 reporting units, eight of which comprise our goodwill balance. These eight reporting units had an aggregate goodwill carrying amount of $28.7 billion at DecemberÂ 28, 2024. Our indefinite-lived intangible asset balance primarily consists of a number of individual brands, which had an aggregate carrying amount of $36.5 billion as of DecemberÂ 28, 2024.We test our reporting units and brands for impairment annually as of the first day of our third quarter, or more frequently if events or circumstances indicate it is more likely than not that the fair value of a reporting unit or brand is less than its carrying amount. Such events and circumstances could include a sustained decrease in our market capitalization, increased competition or unexpected loss of market share, increased input costs beyond projections, disposals of significant brands or components of our business, unexpected business disruptions (for example due to a natural disaster, pandemic, or loss of a customer, supplier, or other significant business relationship), unexpected significant declines in operating results, significant adverse changes in the markets in which we operate, changes in income tax rates, changes in interest rates, or changes in management strategy. We test reporting units for impairment by comparing the estimated fair value of each reporting unit with its carrying amount. We test brands for impairment by comparing the estimated fair value of each brand with its carrying amount. If the carrying amount of a reporting unit or brand exceeds its estimated fair value, we record an impairment loss based on the difference between fair value and carrying amount, in the case of reporting units, not to exceed the associated carrying amount of goodwill.Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions, estimates, and market factors. Estimating the fair value of individual reporting units and brands requires us to make assumptions and estimates regarding our future plans, as well as industry, economic, and regulatory conditions. These assumptions and estimates include estimated future annual net cash flows (including net sales, cost of products sold, SG&A, depreciation and amortization, working capital, and capital expenditures), income tax considerations, discount rates, long-term growth rates, royalty rates, contributory asset charges, and other market factors. If current expectations of future growth rates and margins are not met, if market factors outside of our control, such as discount rates, market capitalization, income tax rates, foreign currency exchange rates, or inflation, change, or if managementâ€™s expectations or plans otherwise change, including updates to our long-term operating plans, then one or more of our reporting units or brands might become impaired in the future. Additionally, any decisions to divest certain non-strategic assets has led, and could in the future lead, to goodwill or intangible asset impairments.As detailed in Note 8,Â Goodwill and Intangible Assets, in Item 8,Â Financial Statements and Supplementary Data, we recorded impairment losses related to goodwill and indefinite-lived intangible assets. OurÂ reporting units and brands that were impaired in 2024, 2023, and 2022 were written down to their respective fair values resulting in zero excess fair value over carrying amount as of the applicable impairment test dates. Accordingly, these and other reporting units and brands that had 20% or less excess fair value over carrying amount as of the 2024 annual impairment test have a heightened risk of future impairments if any assumptions, estimates, or market factors change in the future.Reporting units with 10% or less fair value over carrying amount, including reporting units that were impaired as part of the 2024 annual impairment test, resulting in zero excess fair value over carrying value, had an aggregate goodwill carrying amount after impairment of $22.4Â billion as of the 2024 annual impairment test and included Taste Elevation, Ready Meals and Snacking (â€œTMSâ€), Away from Home & Kraft Heinz Ingredients (â€œAFHâ€), Meat & Cheese (â€œMCâ€), Canada and North America Coffee (â€œCNACâ€), and Continental Europe. Our Northern Europe reporting unit had 10-20% fair value over carrying amount with an aggregate goodwill carrying amount of $1.7Â billion as of the 2024 annual impairment test. Our Hydration & Desserts (â€œHDâ€) and Asia reporting units had between 20-50% fair value over carrying amount with an aggregate goodwill carrying amount of $4.6Â billion as of the 2024 annual impairment test. Our reporting units that have less than 5% excess fair value over carrying amount as of the 2024 annual impairment test are considered at a heightened risk of future impairments and include our TMS, Continental Europe, and AFH reporting units, which had an aggregate goodwill carrying amount of $19.0Â billion. Our four remaining reporting units had no goodwill carrying amount at the time of the 2024 annual impairment test.41Our indefinite-lived brands with 10% or less fair value over carrying amount, comprised entirely of brands that were impaired within 2024, resulting in zero excess fair value over carrying amount, had an aggregate carrying amount of $2.6Â billion as of the latest test for each brand and included Oscar Mayer, Lunchables, Claussen, and Wattieâ€™s. Brands with 10-20% fair value over carrying amount had an aggregate carrying amount of $14.2Â billion as of the latest test for each brand and included Kraft, Velveeta, A1, and Bagel Bites. The aggregate carrying amount of brands with fair value over carrying amount between 20-50% was $2.8Â billion as of the latest test for each brand. Although the remaining brands, with a carrying amount of $16.9Â billion, have more than 50% excess fair value over carrying amount as of the latest test for each brand, these amounts are also susceptible to impairments if any assumptions, estimates, or market factors significantly change in the future. Our brands that have less than 5% excess fair value over carrying amount as of the latest test for each brand are considered at a heightened risk of future impairments and include our Oscar Mayer, Lunchables, Claussen, and Wattieâ€™s brands, which had an aggregate carrying amount of $2.6Â billion. We generally utilize the discounted cash flow method under the income approach to estimate the fair value of our reporting units. Some of the more significant assumptions inherent in estimating the fair values include the estimated future annual net cash flows for each reporting unit (including net sales, cost of products sold, SG&A, depreciation and amortization, working capital, and capital expenditures), income tax rates, long-term growth rates, royalty rates, a discount

rate that appropriately reflects the risks inherent in each future cash flow stream, and other market factors. We selected the assumptions used in the financial forecasts using historical data, supplemented by current and anticipated market conditions, estimated product category growth rates, managementâ€™s plans, and guideline companies.We utilize the excess earnings method under the income approach to estimate the fair value of certain of our largest brands. Some of the more significant assumptions inherent in estimating the fair values include the estimated future annual net cash flows for each brand (including net sales, cost of products sold, and SG&A), contributory asset charges, income tax considerations, long-term growth rates, a discount rate that reflects the level of risk associated with the future earnings attributable to the brand, managementâ€™s intent to invest in the brand indefinitely, and other market factors. We selected the assumptions used in the financial forecasts using historical data, supplemented by current and anticipated market conditions, estimated product category growth rates, managementâ€™s plans, and guideline companies.We utilize the relief from royalty method under the income approach to estimate the fair value of our remaining brands. Some of the more significant assumptions inherent in estimating the fair values include the estimated future annual net sales for each brand, royalty rates (as a percentage of net sales that would hypothetically be charged by a licensor of the brand to an unrelated licensee), income tax considerations, long-term growth rates, a discount rate that reflects the level of risk associated with the future cost savings attributable to the brand, and managementâ€™s intent to invest in the brand indefinitely. We selected the assumptions used in the financial forecasts using historical data, supplemented by current and anticipated market conditions, estimated product category growth rates, managementâ€™s plans, and guideline companies.The discount rates, long-term growth rates, and royalty rates (for our brands valued utilizing the relief from royalty method) used to estimate the fair values of our reporting units and our brands with 20% or less excess fair value over carrying amount, as well as the goodwill or brand carrying amounts, as of the latest test for each reporting unit and brand were as follows:Goodwill or Brands Carrying Amount(in billions)Discount RateLong-Term Growth RateRoyalty RateMinimumMaximumMinimumMaximumMinimumMaximumReporting units$24.1Â 7.8Â %12.0Â %1.3Â %4.0Â %Brands(excess earnings method)13.2Â 8.3Â %8.6Â %1.3Â %1.8Â %Brands(relief from royalty method)3.6Â 8.4Â %9.3Â %0.5Â %2.0Â %4.0Â %20.0Â %Assumptions used in impairment testing are made at a point in time and require significant judgment; therefore, they are subject to change based on the facts and circumstances present at each annual and interim impairment test date. Additionally, these assumptions are generally interdependent and do not change in isolation. However, as it is reasonably possible that changes in assumptions could occur, as a sensitivity measure, we have presented the estimated effects of isolated changes in discount rates, long-term growth rates, and royalty rates (for our brands valued utilizing the relief from royalty method) on the fair values of our reporting units and brands with 20% or less excess fair value over carrying amount. These estimated changes in fair value are not necessarily representative of the actual impairment that would be recorded in the event of a fair value decline.42If we had changed the assumptions used to estimate the fair value of our reporting units and brands with 20% or less excess fair value over carrying amount, as a result of the latest test for each of these reporting units and brands, these isolated changes, which are reasonably possible to occur, would have led to the following increase/(decrease) in the aggregate fair value of these reporting units and brands (in billions):Discount RateLong-Term Growth RateRoyalty Rate50-Basis-Point25-Basis-Point100-Basis-PointIncreaseDecreaseIncreaseDecreaseIncreaseDecreaseReporting units(4.0)4.7Â $2.0Â $(1.8)Brands (excess earnings method)(1.0)1.1Â 0.4Â $(0.4)Brands (relief from royalty method)(0.2)0.3Â 0.1Â (0.1)$0.3Â $(0.3)Definite-lived intangible assets are amortized on a straight-line basis over the estimated periods benefited. We review definite-lived intangible assets for impairment when conditions exist that indicate the carrying amount of the assets may not be recoverable. Such conditions could include significant adverse changes in the business climate, current-period operating or cash flow losses, significant declines in forecasted operations, or a current expectation that an asset group will be disposed of before the end of its useful life. We perform undiscounted operating cash flow analyses to determine if an impairment exists. When testing for impairment of definite-lived intangible assets held for use, we group assets at the lowest level for which cash flows are separately identifiable. If an impairment is determined to exist, the loss is calculated based on estimated fair value. Impairment losses on definite-lived intangible assets to be disposed of, if any, are based on the estimated proceeds to be received, less costs of disposal. See Note 8, Goodwill and Intangible Assets, in Item 8, Financial Statements and Supplementary Data, for our impairment testing results.Postemployment Benefit Plans:We maintain various retirement plans for the majority of our employees. These include pension benefits, postretirement health care benefits, and defined contribution benefits. The cost of these plans is charged to expense over an appropriate term based on, among other things, the cost component and whether the plan is active or inactive. Changes in the fair value of our plan assets result in net actuarial gains or losses. These net actuarial gains and losses are deferred into accumulated other comprehensive income/(losses) and amortized within other expense/(income) in future periods using the corridor approach. The corridor is 10% of the greater of the market-related value of the planâ€™s asset or projected benefit obligation. Any actuarial gains and losses in excess of the corridor are then amortized over an appropriate term based on whether the plan is active or inactive.For our postretirement benefit plans, our 2025 health care cost trend rate assumption will be 6.2%. We established this rate based upon our most recent experience as well as our expectation for health care trend rates going forward. We anticipate the weighted average assumed ultimate trend rate will be 4.8%. The year in which the ultimate trend rate is reached varies by plan, ranging between the years 2027 and 2035. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans.Our 2025 discount rate assumption will be 5.6% for service cost and 5.2% for interest cost for our postretirement plans. Our 2025 discount rate assumption will be 6.0% for service cost and 5.5% for interest cost for our U.S. pension plans and 5.9% for service cost and 5.3% for interest cost for our non-U.S. pension plans. We model these discount rates using a portfolio of high quality, fixed-income debt instruments with durations that match the expected future cash flows of the plans. Changes in our discount rates were primarily the result of changes in bond yields year-over-year.Our 2025 expected return on plan assets will be 6.3% (net of applicable taxes) for our postretirement plans. Our 2025 expected rate of return on plan assets will be 7.0% for our U.S. pension plans and 6.3% for our non-U.S. pension plans. We determine our expected rate of return on plan assets from the plan assetsâ€™ historical long-term investment performance, current and future asset allocation, and estimates of future long-term returns by asset class. We attempt to maintain our target asset allocation by re-balancing between asset classes as we make contributions and monthly benefit payments.43While we do not anticipate further changes in the 2025 assumptions for our U.S. and non-U.S. pension and postretirement benefit plans, as a sensitivity measure, a 100-basis-point change in our discount rate or a 100-basis-point change in the expected rate of return on plan assets would have the following effects, increase/(decrease) in cost (in millions): U.S. PlansNon-U.S. Plans100-Basis-Point100-Basis-PointIncreaseDecreaseIncreaseDecreaseEffect of change in discount rate on pension costs$8Â (10)(3)$3Â Effect of change in expected rate of return on plan assets on pension costs(28)28Â (13)13Â Effect of change in discount rate on postretirement costsâ€”Â â€”Â (1)1Â Effect of change in expected rate of return on plan assets on postretirement costs(8)8Â â€”Â â€”Â Income Taxes:We compute our annual tax rate based on the statutory tax rates and tax planning opportunities available to us in the various jurisdictions in which we earn income. Significant judgment is required in determining our annual tax rate and in evaluating the uncertainty of our tax positions. We recognize a benefit for tax positions that we believe will more likely than not be sustained upon examination. The amount of benefit recognized is the largest amount of benefit that we believe has more than a 50% probability of being realized upon settlement. We regularly monitor our tax positions and adjust the amount of recognized tax benefit based on our evaluation of information that has become available since the end of our last financial reporting period. The annual tax rate includes the impact of these changes in recognized tax benefits. When adjusting the amount of recognized tax benefits, we do not consider information that has become available after the balance sheet date, however we do disclose the effects of new information whenever those effects would be material to our financial statements. Unrecognized tax benefits represent the difference between the amount of benefit taken or expected to be taken in a tax return and the amount of benefit recognized for financial reporting. These unrecognized tax benefits are recorded primarily within other non-current liabilities on the consolidated balance sheets.We record valuation allowances to reduce deferred tax assets to the amount that is more likely than not to be realized. When assessing the need for valuation allowances, we consider future taxable income and ongoing prudent and feasible tax planning strategies. Should a change in circumstances lead to a change in judgment about the realizability of deferred tax assets in future years, we would adjust related valuation allowances in the period that the change in circumstances occurs, along with a corresponding increase or decrease to income. The resolution of tax reserves and changes in valuation allowances could be material to our results of operations for any period but is not expected to be material to our financial position.As part of our planning for the changes in the international tax environment, as well as to achieve greater operational synergies, we have enacted changes to our corporate entity structure which included a transfer of and will result in the movement of certain business operations to a wholly-owned subsidiary in the Netherlands resulting in a tax benefit of $3.0 billion recorded as a non-U.S. deferred tax asset in December 2024. The deferred tax asset was recognized as a result of the book and tax basis difference on the business transferred to the Netherlands subsidiary with the tax basis determined by reference to the fair value of the business. In determining the fair value of the business transferred the Company utilized the discounted cash flow method under the income approach and in doing so, we made assumptions that have a significant impact on the fair value including, but not limited to, estimated future annual net cash flows (most significantly estimated future annual net sales), a discount rate that reflects the level of risk associated with the future cash flows of the business, long-term growth rates, income tax rates and other market factors. The associated valuation allowance of $0.6Â billion is related to uncertainty in the Pillar Two legislative interpretation and is based on our latest assessment of the total tax benefit that is more likely than not to be realized. The recognition of our future tax benefits associated with this transaction is dependent upon the acceptance of the business valuation and tax basis step-up by the associated taxing authorities.New Accounting PronouncementsSee Note 3, New Accounting Standards, in Item 8, Financial Statements and Supplementary Data, for a discussion of new accounting pronouncements.ContingenciesSee Note 15, Commitments and Contingencies, in Item 8, Financial Statements and Supplementary Data, for a discussion of our contingencies.Non-GAAP Financial MeasuresThe non-GAAP financial measures we provide in this report should be viewed in addition to, and not as an alternative for, results prepared in accordance with U.S. GAAP.44To supplement the consolidated financial statements prepared in accordance with U.S. GAAP, we have presented Organic Net Sales, Adjusted Operating Income, and Adjusted EPS, which are considered non-GAAP financial measures. The non-GAAP financial measures presented may differ from similarly titled non-GAAP financial measures presented by other companies, and other companies may not define these non-GAAP financial measures in the same way. These measures are not substitutes for their comparable U.S. GAAP financial measures, such as net sales, net income/(loss), operating income(loss), diluted EPS, or other measures prescribed by U.S. GAAP, and there are limitations to using non-GAAP financial measures. Management uses these non-GAAP financial measures to assist in comparing our performance on a consistent basis for purposes of business decision making by removing the impact of certain items that management believes do not directly reflect our underlying operations. We believe that Organic Net Sales, Adjusted Operating Income, and Adjusted EPS provide important comparability of underlying operating results, allowing investors and management to assess the Companyâ€™s operating performance on a consistent basis.Management believes that presenting our non-GAAP financial measures is useful to investors because it (i) provides investors with meaningful supplemental information regarding financial performance by excluding certain items, (ii) permits investors to view performance using the same tools that management uses to budget, make operating and strategic decisions, and evaluate historical performance, and (iii) otherwise provides supplemental information that may be useful to investors in evaluating our results. We believe that the presentation of these non-GAAP financial measures, when considered together with the corresponding U.S. GAAP financial measures and the reconciliations to those measures, provides investors with additional understanding of the factors and trends affecting our business than could be obtained absent these disclosures.Organic Net Sales is defined as net sales excluding, when they occur, the impact of currency, acquisitions and divestitures, and a 53rd week of shipments. We calculate the impact of currency on net sales by holding exchange rates constant at the previous yearâ€™s exchange rate, with the exception of highly inflationary subsidiaries, for which we calculate the previous yearâ€™s results using the current yearâ€™s exchange rate. Adjusted Operating Income is defined as operating income excluding, when they occur, the impacts restructuring activities, deal costs, unrealized gains/(losses) on commodity hedges (the unrealized gains and losses are recorded in general corporate expenses until realized; once realized, the gains and losses are recorded in the applicable segmentâ€™s operating results), impairment losses, and certain non-ordinary course legal and regulatory matters.Adjusted EPS is defined as diluted EPS excluding, when they occur, the impacts of restructuring activities, deal costs, unrealized losses/(gains) on commodity hedges, impairment losses, certain non-ordinary course legal and regulatory matters, losses/(gains) on the sale of a business, other losses/(gains) related to acquisitions and divestitures (e.g., tax and hedging impacts), nonmonetary currency devaluation (e.g., remeasurement gains and losses), debt prepayment and extinguishment (benefit)/costs, and certain significant discrete income tax items, and including, when they occur, adjustments to reflect preferred stock dividend payments on an accrual basis.45The Kraft Heinz CompanyReconciliation of Net Sales to Organic Net Sales(dollars in millions)(Unaudited)Net SalesCurrencyAcquisitions and DivestituresOrganic Net SalesPriceVolume/Mix2024North America$19,543Â (27)â€”Â $19,570Â International Developed Markets3,535Â 13Â â€”Â 3,522Â Emerging Markets2,768Â (101)12Â 2,857Â Kraft Heinz$25,846Â (115)12Â $25,949Â 2023North America$20,126Â $â€”Â $â€”Â $20,126Â International Developed Markets3,623Â â€”Â â€”Â 3,623Â Emerging Markets2,891Â 77Â 67Â 2,747Â Kraft Heinz$26,640Â $77Â $67Â $26,496Â Year-over-year growth ratesNorth America(2.9)%(0.1) pp0.0 pp(2.8)%1.4 pp(4.2) ppInternational Developed Markets(2.4)%0.4 pp0.0 pp(2.8)%0.0 pp(2.8) ppEmerging Markets(4.3)%(6.2) pp(2.1) pp4.0Â %3.5 pp0.5 ppKraft Heinz(3.0)%(0.7) pp(0.2) pp(2.1)%1.4 pp(3.5) pp46Net SalesImpact of CurrencyImpact of Acquisitions and DivestituresImpact of 53rd WeekOrganic Net SalesPriceVolume/Mix2023North America20,126Â (65)â€”Â â€”Â 20,191Â International Developed Markets3,623Â (15)7Â â€”Â 3,631Â Emerging Markets2,891Â (88)27Â â€”Â 2,952Â Kraft Heinz26,640Â (168)34Â â€”Â 26,774Â 2022North America20,340Â â€”Â â€”Â 357Â 19,983Â International Developed Markets3,401Â â€”Â 30Â 56Â 3,315Â Emerging Markets2,744Â 82Â 30Â 41Â 2,591Â Kraft Heinz26,485Â 82Â 60Â 454Â 25,889Â Year-over-year growth ratesNorth America(1.0)%(0.3) pp0.0 pp(1.7) pp1.0Â %7.5 pp(6.5) ppInternational Developed Markets6.5Â %(0.5) pp(0.7) pp(1.8) pp9.5Â %15.6 pp(6.1) ppEmerging Markets5.4Â %(6.6) pp(0.2) pp(1.7) pp13.9Â %10.9 pp3.0 ppKraft Heinz0.6Â %(0.9) pp(0.1) pp(1.8) pp3.4Â %8.9 pp(5.5) pp47The Kraft Heinz CompanyReconciliation of Operating Income/(Loss) to Adjusted Operating Income(in millions)(Unaudited)December 28, 2024December 30, 2023December 31, 2022Operating income/(loss)1,683Â 4,572Â 3,634Â Restructuring activities27Â 60Â 74Â Deal costsâ€”Â â€”Â 9Â Unrealized losses/(gains) on commodity hedges(19)1Â 63Â Impairment losses3,669Â 662Â 999Â Certain non-ordinary course legal and regulatory mattersâ€”Â 2Â 210Â Adjusted Operating Income$5,360Â $5,297Â $4,989Â 48The Kraft Heinz CompanyReconciliation of Diluted EPS to Adjusted EPS(Unaudited)December 28, 2024December 30, 2023December 31, 2022Diluted EPS$2.26Â $2.31Â $1.91Â Restructuring activities(a)0.01Â 0.16Â 0.05Â Unrealized losses/(gains) on commodity hedges(b)(0.01)â€”Â 0.04Â Impairment losses(c)2.58Â 0.50Â 0.70Â Certain non-ordinary course legal and regulatory matters(d)â€”Â â€”Â 0.13Â Losses/(gains) on sale of business(e)0.05Â â€”Â (0.01)Other losses/(gains) related to acquisitions and divestitures(f)â€”Â â€”Â (0.02)Nonmonetary currency devaluation(g)0.01Â 0.02Â 0.01Â Debt prepayment and extinguishment (benefit)/costs(h)â€”Â â€”Â (0.03)Certain significant discrete income tax items(i)(1.84)(0.01)â€”Â Adjusted EPS$3.06Â $2.98Â $2.78Â (a)Â Â Â Â Gross expenses/(income) included in restructuring activities were expenses of $20 million ($18 million after-tax) in 2024, $225 million ($193 million after-tax) in 2023 and $74Â million ($56Â million after-tax) in 2022 and were recorded in the following income statement line items:â€¢Cost of products sold included expenses of $8 million in 2024, $57 million in 2023 and $27Â million in 2022;â€¢SG&A included expenses of $19 million in 2024, $3 million in 2023, and $47Â million in 2022; andâ€¢Other expense/(income) included income of $7 million in 2024 and expenses of $165 million in 2023. The 2024 income and 2023 expenses primarily relate to the settlement of one of our U.K. defined benefit pension plans. See Note 11, Postemployment Benefits, in Item 8, Financial Statements and Supplementary Data, for additional information.(b)Â Â Â Â Gross expenses/(income) included in unrealized losses/(gains) on commodity hedges were income of $19 million ($15 million after-tax) in 2024, expenses of $1 million ($1 million after-tax) in 2023 and expenses of $63Â million ($48Â million after-tax) in 2022 and were recorded in cost of products sold.(c)Â Â Â Â Gross impairment losses included the following:â€¢Goodwill impairment losses of $1.6 billion ($1.6 billion after-tax) in 2024, $510 million ($510 million after-tax) in 2023, and $444Â million ($444Â million after-tax) in 2022, which were recorded in SG&A;â€¢Intangible asset impairment losses of $2.0 billion ($1.6 billion after-tax) in 2024, $152 million ($116 million after-tax) in 2023, and $469Â million ($358Â million after-tax) in 2022, which were recorded in SG&A; andâ€¢Property, plant and equipment asset impairment losses of $86Â million ($65Â million after-tax) in 2022, which were recorded in cost of products sold. (d)Â Â Â Â Gross expenses included in certain non-ordinary course legal and regulatory matters were $2 million ($2 million after-tax) in 2023, and $210Â million ($161Â million after-tax) in 2022 and were recorded in SG&A. See Note 15, Commitments and Contingencies, in Item 8, Financial Statements and Supplementary Data, for additional information.(e)Â Â Â Â Gross expenses/(income) included in losses/(gains) on sale of business were expenses of $81 million ($60 million after-tax) in 2024, income of $4Â million (expenses of $3 million after-tax) in 2023, and income of $25Â million ($17Â million after-tax) in 2022 and were recorded in other expense/(income). (f)Â Â Â Â Gross expenses/(income) included in other losses/(gains) related to acquisitions and divestitures were income of $38Â million ($29Â million after-tax) in 2022 and were recorded in other expense/(income).(g)Â Â Â Â Gross expenses included in nonmonetary currency devaluation were $16 million ($16 million after-tax) in 2024, $28 million ($28 million after-tax) in 2023, and $17Â million ($17Â million after-tax) in 2022 and were recorded in other expense/(income).(h)Â Â Â Â Gross expenses/(income) included in debt prepayment and extinguishment (benefit)/costs were income of $38Â million ($35Â million after-tax) in 2022 and were recorded in interest expense.(i)Â Â Â Â Certain significant discrete income tax items were a benefit of $2.2 billion in 2024 and $17 million in 2023. The benefit in 2024 represents the recognition of a foreign deferred tax asset ($3.0 billion) and an associated valuation allowance ($0.6 billion) related to the transfer of business operations to a wholly-owned subsidiary in the Netherlands, partially offset by establishing a valuation allowance against deferred tax assets in our subsidiary in Brazil. The benefit in 2023 represents the reversal of uncertain tax position reserves related to the U.S. Tax Cuts and Jobs Act resulting from a conclusion of the IRSâ€™s income tax examination for the year 2017 and the lapsing of the statute of limitations for such year.49Item 7A. Quantitative and Qualitative Disclosures About Market Risk.We are exposed to market risks from adverse changes in commodity prices, foreign exchange rates, and interest rates. We monitor and manage these exposures as part of our overall risk management program. Our risk management program focuses on the unpredictability of financial markets and seeks to reduce the potentially adverse effects that volatility in these markets may have on our operating results. We maintain risk management policies that principally use derivative financial instruments to reduce significant, unanticipated fluctuations in earnings and cash flows that may arise from variations in commodity prices, foreign currency exchange rates, and interest rates. We manage market risk by incorporating parameters within our risk management strategy that limit the types of derivative instruments, the derivative strategies we use, and the degree of market risk that we hedge with derivative instruments. See Note 2, Significant Accounting Policies, and Note 12,Â Financial Instruments, in Item 8, Financial Statements and Supplementary Data, for details of our market risk management policies and the financial instruments used to hedge those exposures.When we use financial instruments, we are exposed to credit risk that a counterparty might fail to fulfill its performance obligations under the terms of our agreement. We minimize our credit risk by entering into transactions with counterparties with investment grade credit ratings, limiting the amount of exposure we have with each counterparty, and monitoring the financial condition of our counterparties. We maintain a policy of requiring that all significant, non-exchange traded derivative contracts are governed by an International Swaps and Derivatives Association master agreement. By policy, we do not engage in speculative or leveraged transactions, nor do we hold or issue financial instruments for trading purposes. Effect of Hypothetical 10% Fluctuation in Market Prices:Â The potential gain or loss on the fair value of our outstanding commodity contracts, foreign exchange contracts, and cross-currency swap contracts, assuming a hypothetical 10% fluctuation in commodity prices and foreign currency exchange rates, would have been (in millions):December 28,2024December 30,2023Commodity contracts$81Â $77Â Foreign currency contracts165Â 37Â Cross-currency swap contracts71Â 115Â It should be noted that any change in the fair value of our derivative contracts, real or hypothetical, would be significantly offset by an inverse change in the value of the underlying hedged items. In relation to foreign currency contracts, this hypothetical calculation assumes that each exchange rate would change in the same direction relative to the U.S.Â dollar. Our utilization of financial instruments in managing market risk exposures described above is consistent with the prior year. Changes in our portfolio of financial instruments are a function of our results of operations, debt repayments and debt issuances, market effects on debt and foreign currency, and our acquisition and divestiture activities.Effect of Hypothetical 1% Fluctuation in EURIBOR:Â Based on our current variable rate debt balance as of DecemberÂ 28, 2024, a hypothetical 1% increase in EURIBOR would have an insignificant impact on our annual interest expense. 50Item 8. Financial Statements and Supplementary Data.Report of Independent Registered Public Accounting FirmTo the Board of Directors and Stockholders of The Kraft Heinz CompanyOpinions on the Financial Statements and Internal Control over Financial ReportingWe have audited the accompanying consolidated balance sheets of The Kraft Heinz Company and its subsidiaries (the â€œCompanyâ€) as of December 28, 2024 and December 30, 2023, and the related consolidated statements of income, of comprehensive income, of equity and of cash flows for each of the three years in the period ended December 28, 2024, including the related notes and financial statement schedule listed in the index appearing under Item 15(a) (collectively referred to as the â€œconsolidated financial statementsâ€). We also have audited the Company's internal control over financial reporting as of December 28, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 28, 2024 and December 30, 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 28, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 28, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.Basis for OpinionsThe Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Managementâ€™s Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Companyâ€™s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.Definition and Limitations of Internal Control over Financial ReportingA companyâ€™s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A companyâ€™s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the companyâ€™s assets that could have a material effect on the financial statements.Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.51Critical Audit MattersThe critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.Interim and Annual Goodwill Impairment Assessments for Certain Reporting UnitsAs described in Notes 2 and 8 to the consolidated financial statements, the Companyâ€™s goodwill balance was $28.7 billion as of December 28, 2024, a significant portion of which related to certain reporting units, Taste Elevation, Ready Meals, and Snacking (TMS), Away from Home & Kraft Heinz Ingredients (AFH), Meat & Cheese (MC), Canada and North America Coffee (CNAC), and Continental Europe (CE). Management tests reporting units for impairment annually as of the first day of the third quarter, or more frequently if events or circumstances indicate it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Reporting units are tested for impairment by comparing the estimated fair value of each reporting unit with its carrying amount. If the carrying amount of a reporting unit exceeds its estimated fair value, an impairment loss is recorded based on the difference between the fair value and carrying amount, not to exceed the associated carrying amount of goodwill. Management recognized non-cash goodwill impairment losses of $1.6 billion for the year ended December 28, 2024, a significant portion of which related to the AFH, MC, and CE reporting units. Management utilizes the discounted cash flow method under the income approach to estimate the fair value of reporting units. Managementâ€™s cash flow projections included significant assumptions related to net sales, cost of products sold, selling, general, and administrative costs (SG&A), depreciation and amortization, working capital, capital expenditures, income tax rates, discount rates, long-term growth rates, royalty rates, and other market factors.The principal considerations for our determination that performing procedures relating to the interim goodwill impairment assessments (for TMS, AFH, and MC) and annual goodwill impairment assessments (for TMS, AFH, MC, CNAC, and CE) is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the reporting units; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating managementâ€™s significant assumptions related to net sales, cost of products sold, SG&A, discount rate, long-term growth rate, and royalty rate, as applicable to the reporting unit; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to managementâ€™s goodwill impairment assessments, including controls over the valuation of the TMS, AFH, MC, CNAC, and CE reporting units. These procedures also included, among others (i) testing managementâ€™s process for developing the fair value estimate of the reporting units; (ii) evaluating the appropriateness of the discounted cash flow method used by management; (iii) testing the completeness and accuracy of underlying data used in the method; and (iv) evaluating the reasonableness of the significant assumptions used by management related to net sales, cost of products sold, SG&A, discount rate, long-term growth rate, and royalty rate, as applicable to the reporting unit. Evaluating managementâ€™s assumptions related to net sales, cost of products sold, SG&A, royalty rates, discount rates, and long-term growth rates involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the reporting units; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the Companyâ€™s discounted cash flow method and (ii) the reasonableness of the discount rate and long-term growth rate assumptions, as applicable to the reporting unit.Annual Impairment Assessments for Certain Indefinite-Lived Intangible Assetsâ€“ Individual BrandsAs described in Notes 2 and 8 to the consolidated financial statements, the Companyâ€™s indefinite-lived intangible assets balance, which consists primarily of individual brands, was $36.5 billion as of December 28, 2024, a portion of which related to certain brands, Kraft, Velveeta, Oscar Mayer, and Lunchables. Management tests brands for impairment annually as of the first day of the third quarter, or more frequently if events or circumstances indicate it is more likely than not that the fair value of a brand is less than its carrying amount. Brands are tested for impairment by comparing the estimated fair value of each brand with its carrying amount. If the carrying amount of a brand exceeds its estimated fair value, an impairment loss is recorded based on the difference between the fair value and carrying amount. As a result of its annual impairment test, management recognized non-cash indefinite-lived intangible asset impairment losses of $0.6 billion for the year ended December 28, 2024. As disclosed by management, management utilizes either an excess earnings method or relief from royalty method to estimate the fair value of its brands. Using the excess earnings method, managementâ€™s cash flow projections included significant 52assumptions relating to net sales, cost of products sold, SG&A, contributory asset charges, income tax considerations, long-term growth rates, discount rates, and other market factors. Using the relief from royalty method, managementâ€™s cash flow projections included significant assumptions related to net sales, royalty rates, income tax considerations, long-term growth rates, discount rates, and other market factors.The principal considerations for our determination that performing procedures relating to the annual indefinite-lived intangible impairment assessments (for Kraft, Velveeta, Oscar Mayer, and Lunchables) is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the brands; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating managementâ€™s significant assumptions related to (a) net sales, cost of products sold, SG&A, and long-term growth rates, as applicable to the brand, for the excess earnings method and (b) net sales and royalty rates, as applicable to the brand, for the relief from royalty method; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to managementâ€™s indefinite-lived intangible assets impairment assessment, including controls over the valuation of the Kraft, Velveeta, Oscar Mayer, and Lunchables brands. These procedures also included, among others (i) testing managementâ€™s process for developing the fair value estimate of the brands; (ii) evaluating the appropriateness of the excess earnings and relief from royalty methods used by management; (iii) testing the completeness and accuracy of underlying data used in the methods; and (iv) evaluating the reasonableness of the significant assumptions used by management related to (a) net sales, cost of products sold, SG&A, and long-term growth rates, as applicable to the brand, used for the excess earnings method and (b) net sales and royalty rates, as applicable to the brand, used for the relief from royalty method. Evaluating managementâ€™s assumptions related to net sales, cost of products sold, SG&A, and long-term growth rates for the excess earnings method and net sales and royalty rates for the relief from royalty method involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the brand; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the Companyâ€™s excess earnings and relief from royalty methods and (ii) the reasonableness of the long-term growth rate assumption for the excess earnings method and the reasonableness of the royalty rates assumption for the relief from royalty method.Valuation of Non-US Deferred Tax Asset Related to the Change in Entity StructureAs described in Note 9 to the consolidated financial statements, the Company enacted changes to its corporate entity structure, which included a transfer of and will result in the movement of certain business operations to a wholly-owned subsidiary in the Netherlands, resulting in a tax benefit of $3 billion recorded as a non-U.S. deferred tax asset in December 2024. The deferred tax asset was recognized as a result of the book and tax basis difference on the business transferred, with the tax basis determined by reference to the fair value of the business. As disclosed by management, management used the discounted cash flow method to estimate the fair value of the business and made significant assumptions related to net sales, discount rate, long-term growth rate, income tax rates, and other market factors. The recognition of the future tax benefits associated with the transaction are dependent upon the acceptance of the business valuation and tax step-up by the associated taxing authorities.The principal considerations for our determination that performing procedures relating to the valuation of the non-US deferred tax asset related to the change in entity structure is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the business and related value of the deferred tax asset; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating the recognition of future tax benefits and managementâ€™s significant assumptions related to net sales, discount rate, long-term growth rate, and income tax rates; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge. Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to managementâ€™s assessment of the valuation of the non-US deferred tax asset related to the change in entity structure, including controls over the valuation of the business transferred. These procedures also included, among others (i) evaluating the positive and negative evidence available to assess managementâ€™s assessment of the realizability of the deferred tax asset related to the change in entity structure; (ii) testing managementâ€™s process for developing the fair value estimate of the business, (iii) evaluating the appropriateness of the discounted cash flow method; (iv) testing the completeness and accuracy of underlying data used in the method; and (v) evaluating the reasonableness of the significant assumptions used by management related to net sales, discount rate, long term growth rate, and income tax rates. Evaluating managementâ€™s significant assumptions related to net sales, discount rate, and long-term growth rate involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the transferred business; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the Companyâ€™s 53discounted cash flow method; (ii) the reasonableness of the discount rate, income tax rates, and long-term growth rate assumptions; and (iii) the recognition of future tax benefits associated with this transaction./s/ PricewaterhouseCoopers LLPChicago, IllinoisFebruaryÂ 13, 2025 We have served as the Companyâ€™s or its predecessors' auditor since 1979.54The Kraft Heinz CompanyConsolidated Statements of Income(in millions, except per share data)December 28, 2024December 30, 2023December 31, 2022Net sales$25,846Â $26,640Â $26,485Â Cost of products sold16,878Â 17,714Â 18,363Â Gross profit8,968Â 8,926Â 8,122Â Selling, general and administrative expenses, excluding impairment losses3,616Â 3,692Â 3,575Â Goodwill impairment losses1,638Â 510Â 444Â Intangible asset impairment losses2,031Â 152Â 469Â Selling, general and administrative expenses7,285Â 4,354Â 4,488Â Operating income/(loss)1,683Â 4,572Â 3,634Â Interest expense912Â 912Â 921Â Other expense/(income)(85)27Â (253)Income/(loss) before income taxes856Â 3,633Â 2,966Â Provision for/(benefit from) income taxes(1,890)787Â 598Â Net income/(loss)2,746Â 2,846Â 2,368Â Net income/(loss) attributable to noncontrolling interest2Â (9)5Â Net income/(loss) attributable to common shareholders$2,744Â $2,855Â $2,363Â Per share data applicable to common shareholders:Basic earnings/(loss)$2.27Â $2.33Â $1.93Â Diluted earnings/(loss)2.26Â 2.31Â 1.91Â See accompanying notes to the consolidated financial statements.55The Kraft Heinz CompanyConsolidated Statements of Comprehensive Income(in millions)December 28, 2024December 30, 2023December 31, 2022Net income/(loss)$2,746Â $2,846Â $2,368Â Other comprehensive income/(loss), net of tax:Foreign currency translation adjustments(513)309Â (914)Net deferred gains/(losses) on net investment hedges121Â (119)343Â Amounts excluded from the effectiveness assessment of net investment hedges38Â 28Â 32Â Net deferred losses/(gains) on net investment hedges reclassified to net income/(loss)(38)(27)(28)Net deferred gains/(losses) on cash flow hedges21Â 3Â (72)Amounts excluded from the effectiveness assessment of cash flow hedges6Â 19Â 14Â Net deferred losses/(gains) on cash flow hedges reclassified to net income/(loss)39Â (50)26Â Amounts excluded from the effectiveness assessment of fair value hedges(23)â€”Â â€”Â Net deferred losses/(gains) on fair value hedges reclassified to net income/(loss)(3)â€”Â â€”Â Net actuarial gains/(losses) arising during the period35Â (70)(386)Prior service credits/(costs) arising during the period(7)â€”Â â€”Â Net postemployment benefit losses/(gains) reclassified to net income/(loss)(14)115Â (8)Total other comprehensive income/(loss)(338)208Â (993)Total comprehensive income/(loss)2,408Â 3,054Â 1,375Â Comprehensive income/(loss) attributable to noncontrolling interest(25)(7)(2)Comprehensive income/(loss) attributable to common shareholders$2,433Â $3,061Â $1,377Â See accompanying notes to the consolidated financial statements.56The Kraft Heinz CompanyConsolidated Balance Sheets(in millions, except per share data)Â December 28, 2024December 30, 2023ASSETSCash and cash equivalents$1,334Â $1,400Â Trade receivables (net of allowances of $26 at DecemberÂ 28, 2024 and $38 at DecemberÂ 30, 2023)2,147Â 2,112Â Inventories3,376Â 3,614Â Prepaid expenses215Â 234Â Other current assets583Â 569Â Total current assets7,655Â 7,929Â Property, plant and equipment, net7,152Â 7,122Â Goodwill28,673Â 30,459Â Intangible assets, net40,099Â 42,448Â Other non-current assets4,708Â 2,381Â TOTAL ASSETS$88,287Â $90,339Â LIABILITIES AND EQUITYCurrent portion of long-term debt654Â 638Â Accounts payable4,188Â 4,627Â Accrued marketing697Â 733Â Interest payable263Â 258Â Other current liabilities1,451Â 1,781Â Total current liabilities7,253Â 8,037Â Long-term debt19,215Â 19,394Â Deferred income taxes9,679Â 10,201Â Accrued postemployment costs135Â 143Â Long-term deferred income1,374Â 1,424Â Other non-current liabilities1,306Â 1,418Â TOTAL LIABILITIES38,962Â 40,617Â Commitments and Contingencies (Note 15)Redeemable noncontrolling interest6Â 34Â Equity:Â Common stock, $0.01 par value (5,000 shares authorized; 1,254 shares issued and 1,195 shares outstanding at DecemberÂ 28, 2024; 1,249 shares issued and 1,218 shares outstanding at DecemberÂ 30, 2023)12Â 12Â Additional paid-in capital52,135Â 52,037Â Retained earnings2,171Â 1,367Â Accumulated other comprehensive income/(losses)(2,915)(2,604)Treasury stock, at cost (59 shares at DecemberÂ 28, 2024 and 31 shares at DecemberÂ 30, 2023)(2,218)(1,286)Total shareholders' equity49,185Â 49,526Â Noncontrolling interest134Â 162Â TOTAL EQUITY49,319Â 49,688Â TOTAL LIABILITIES AND EQUITY$88,287Â $90,339Â See accompanying notes to the consolidated financial statements.57The Kraft Heinz CompanyConsolidated Statements of Equity(in millions)Common StockAdditional Paid-in CapitalRetained Earnings/(Deficit)Accumulated Other Comprehensive Income/(Losses)Treasury Stock, at CostNoncontrolling InterestTotal EquityBalance at December 25, 2021$12Â $53,379Â $(1,682)$(1,824)(587)150Â $49,448Â Net income/(loss) excluding redeemable noncontrolling interestâ€”Â â€”Â 2,363Â â€”Â â€”Â 9Â 2,372Â Other comprehensive income/(loss) excluding redeemable noncontrolling interestâ€”Â â€”Â â€”Â (986)â€”Â (4)(990)Dividends declared-common stock ($1.60 per share)â€”Â (1,779)(193)â€”Â â€”Â â€”Â (1,972)Dividends declared-noncontrolling interest ($100.30 per share)â€”Â â€”Â â€”Â â€”Â â€”Â (7)(7)Exercise of stock options, issuance of other stock awards, repurchase of common stock, and otherâ€”Â 234Â 1Â â€”Â (260)4Â (21)Balance at December 31, 202212Â 51,834Â 489Â (2,810)(847)152Â 48,830Â Net income/(loss) excluding redeemable noncontrolling interestâ€”Â â€”Â 2,855Â â€”Â â€”Â 1Â 2,856Â Other comprehensive income/(loss) excluding redeemable noncontrolling interestâ€”Â â€”Â â€”Â 206Â â€”Â â€”Â 206Â Dividends declared-common stock ($1.60 per share)â€”Â â€”Â (1,977)â€”Â â€”Â â€”Â (1,977)Exercise of stock options, issuance of other stock awards, repurchase of common stock, and otherâ€”Â 203Â â€”Â â€”Â (439)9Â (227)Balance at December 30, 202312Â 52,037Â 1,367Â (2,604)(1,286)162Â 49,688Â Net income/(loss) excluding redeemable noncontrolling interestâ€”Â â€”Â 2,744Â â€”Â â€”Â 2Â 2,746Â Other comprehensive income/(loss) excluding redeemable noncontrolling interestâ€”Â â€”Â â€”Â (311)â€”Â (20)(331)Dividends declared-common stock ($1.60 per share)â€”Â â€”Â (1,940)â€”Â â€”Â â€”Â (1,940)Dividends declared-noncontrolling interest ($98.77 per share on January 31, 2024 and $95.03 per share on December 11, 2024)â€”Â â€”Â â€”Â â€”Â â€”Â (14)(14)Repurchase of common stockâ€”Â â€”Â â€”Â â€”Â (939)â€”Â (939)Exercise of stock options, issuance of other stock awards, and otherâ€”Â 98Â â€”Â â€”Â 7Â 4Â 109Â Balance at December 28, 2024$12Â $52,135Â $2,171Â $(2,915)$(2,218)$134Â $49,319Â See accompanying notes to the consolidated financial statements.58The Kraft Heinz CompanyConsolidated Statements of Cash Flows(in millions)December 28, 2024December 30, 2023December 31, 2022CASH FLOWS FROM OPERATING ACTIVITIES:Net income/(loss)$2,746Â $2,846Â $2,368Â Adjustments to reconcile net income/(loss) to operating cash flows:Â Depreciation and amortization948Â 961Â 933Â Divestiture-related license income(54)(54)(56)Equity award compensation expense109Â 141Â 148Â Deferred income tax provision/(benefit)(2,857)17Â (278)Postemployment benefit plan asset transfers/(contributions)161Â (22)(23)Goodwill and intangible asset impairment losses3,669Â 662Â 913Â Nonmonetary currency devaluation16Â 28Â 17Â Loss/(gain) on sale of business81Â (4)(25)Loss/(gain) on extinguishment of debtâ€”Â â€”Â (38)Other items, net(46)207Â (7)Changes in current assets and liabilities:Trade receivables(139)18Â (228)Inventories(6)(106)(1,121)Accounts payable(308)(295)152Â Other current assets(38)139Â (314)Other current liabilities(98)(562)28Â Net cash provided by/(used for) operating activities4,184Â 3,976Â 2,469Â CASH FLOWS FROM INVESTING ACTIVITIES:Capital expenditures(1,024)(1,013)(916)Payments to acquire business, net of cash acquiredâ€”Â â€”Â (481)Payments to acquire intangible assets(140)â€”Â â€”Â Settlement of net investment hedges75Â 31Â 208Â Proceeds from sale of business, net of cash disposed and working capital adjustments8Â â€”Â 88Â Other investing activities, net58Â 66Â 10Â Net cash provided by/(used for) investing activities(1,023)(916)(1,091)CASH FLOWS FROM FINANCING ACTIVITIES:Repayments of long-term debt(618)(848)(1,465)Proceeds from issuance of long-term debt594Â 657Â â€”Â Debt prepayment and extinguishment benefit/(costs)â€”Â â€”Â 10Â Proceeds from issuance of commercial paperâ€”Â 150Â 228Â Repayments of commercial paperâ€”Â (150)(228)Dividends paid(1,931)(1,965)(1,960)Repurchases of common stock(988)(455)(280)Other financing activities, net(65)(67)(19)Net cash provided by/(used for) financing activities(3,008)(2,678)(3,714)Effect of exchange rate changes on cash, cash equivalents, and restricted cash(71)(19)(69)Cash, cash equivalents, and restricted cashNet increase/(decrease)82Â 363Â (2,405)Balance at beginning of period1,404Â 1,041Â 3,446Â Balance at end of period$1,486Â $1,404Â $1,041Â CASH PAID DURING THE PERIOD FOR:Interest$906Â $896Â $937Â Income taxes, net of refunds967Â 932Â 1,260Â See accompanying notes to the consolidated financial statements.59The Kraft Heinz CompanyNotes to Consolidated Financial StatementsNote 1. Basis of PresentationOrganizationOn July 2, 2015 (the â€œ2015 Merger Dateâ€), through a series of transactions, we consummated the merger of Kraft Foods Group, Inc. (â€œKraftâ€) with and into a wholly-owned subsidiary of H.J. Heinz Holding Corporation (â€œHeinzâ€) (the â€œ2015 Mergerâ€). At the closing of the 2015 Merger, Heinz was renamed The Kraft Heinz Company.We operate on a 52- or 53-week fiscal year ending on the last Saturday in December in each calendar year. Unless the context requires otherwise, references to years and quarters contained herein pertain to our fiscal years and fiscal quarters. Our 2024 fiscal year was a 52-week period that ended on December 28, 2024, our 2023 fiscal year was a 52-week period that ended on December 30, 2023, and our 2022 fiscal year was a 53-week period that ended on December 31, 2022.Principles of ConsolidationThe consolidated financial statements include The Kraft Heinz Company and all of our controlled subsidiaries. All intercompany transactions are eliminated.Reportable SegmentsIn the first quarter of 2024, we divided our International segment into three operating segments â€” Europe and Pacific Developed Markets (â€œEPDMâ€ or â€œInternational Developed Marketsâ€), West and East Emerging Markets (â€œWEEMâ€), and Asia Emerging Markets (â€œAEMâ€) â€” to enable enhanced focus on the different strategies required for each of these regions as part of our long-term strategic plan. Subsequently, we manage our operating results through four operating segments. We have two reportable segments defined by geographic region: North America and International Developed Markets. Our remaining operating segments, consisting of WEEM and AEM, are combined and disclosed as Emerging Markets.Use of EstimatesWe prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (â€œU.S. GAAPâ€), which requires us to make accounting policy elections, estimates, and assumptions that affect the reported amount of assets, liabilities, reserves, and expenses. These accounting policy elections, estimates, and assumptions are based on our best estimates and judgments. We evaluate our policy elections, estimates, and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. We believe these estimates to be reasonable given the current facts available. We adjust our policy elections, estimates, and assumptions when facts and circumstances dictate. Market volatility, including foreign currency exchange rates, increases the uncertainty inherent in our estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ significantly from estimates. If actual amounts differ from estimates, we include the revisions in our consolidated results of operations in the period the actual amounts become known. Historically, the aggregate differences, if any, between our estimates and actual amounts in any year have not had a material effect on our consolidated financial statements.ReclassificationsWe made reclassifications and adjustments to certain previously reported financial information to conform to our current period presentation.Held for SaleAt DecemberÂ 28, 2024, assets classified as held for sale were insignificant. At DecemberÂ 30, 2023, we classified certain assets as held for sale recorded in other current assets in our consolidated balance sheet, primarily relating to land use rights across the globe.60Cash, Cash Equivalents, and Restricted CashCash equivalents include term deposits with banks, money market funds, and all highly liquid investments with original maturities of three months or less. The fair value of cash equivalents approximates the carrying amount. Cash and cash equivalents that are legally restricted as to withdrawal or usage are classified in other current assets or other non-current assets, as applicable, on the consolidated balance sheets. At DecemberÂ 28, 2024, we had restricted cash of $31Â million recorded in other current assets and restricted cash of $121Â million recorded in other non-current assets. At DecemberÂ 30, 2023, we had restricted cash of $3Â million recorded in other current assets and restricted cash of $1Â million recorded in other non-current assets. The year-over-year increase was due to the conversion of certain assets related to the U.S. postretirement medical plan to cash. See Note 11, Postemployment Benefits, for additional information. Total cash, cash equivalents, and restricted cash was $1,486Â million at DecemberÂ 28, 2024 and $1,404Â million at DecemberÂ 30, 2023.Note 2. Significant Accounting PoliciesRevenue Recognition:Our revenues are primarily derived from customer orders for the purchase of our products. We recognize revenues as performance obligations are fulfilled when control passes to our customers. We record revenues net of variable consideration, including consumer incentives and performance obligations related to trade promotions, excluding taxes, and including all shipping and handling charges billed to customers (accounting for shipping and handling charges that occur after the transfer of control as fulfillment costs). We also record a refund liability for estimated product returns and customer allowances as reductions to revenues within the same period that the revenue is recognized. We base these estimates principally on historical and current period experience factors. We recognize costs paid to third-party brokers to obtain contracts as expenses as our contracts are generally less than one year.Advertising, Consumer Incentives, and Trade Promotions:We promote our products with advertising, consumer incentives, and performance obligations related to trade promotions. Consumer incentives and trade promotions include, but are not limited to, discounts, coupons, rebates, performance-based in-store display activities, and volume-based incentives. Variable consideration related to consumer incentive and trade promotion activities is recorded as a reduction to revenues based on amounts estimated as being due to customers and consumers at the end of a period. We base these estimates principally on historical utilization, redemption rates, and/or current period experience factors. We review and adjust these estimates at least quarterly based on actual experience and other information. Advertising expenses are recorded in selling, general and administrative expenses (â€œSG&Aâ€). For interim reporting purposes, we charge advertising to operations as a percentage of estimated full year sales activity and marketing costs. We then review and adjust these estimates each quarter based on actual experience and other information. Our definition of advertising expenses includes advertising production costs, in-store advertising costs, agency fees, brand promotions and events, and sponsorships, in addition to costs to obtain advertising in television, radio, print, digital, and social channels. We recorded advertising expenses of $1,031 million in 2024, $1,071 million in 2023, and $945 million in 2022. We also incur market research costs, which are recorded in SG&A but are excluded from advertising expenses.Research and Development Expense:We expense costs as incurred for product research and development within SG&A. Research and development expenses were approximately $150 million in 2024, $147 million in 2023, and $127 million in 2022. Stock-Based Compensation:We recognize compensation costs related to equity awards on a straight-line basis over the vesting period of the award, which is generally three to five years, or on a straight-line basis over the requisite service period for each separately vesting portion of the awards. These costs are primarily recognized within SG&A. We estimate expected forfeitures rather than recognizing forfeitures as they occur in determining our equity award compensation costs. We classify equity award compensation costs primarily within general corporate expenses. See Note 10, Employeesâ€™ Stock Incentive Plans, for additional information.Divestiture-Related License IncomeIn 2020, we entered into a definitive agreement with a third party, an affiliate of Groupe Lactalis (â€œLactalisâ€) to sell certain assets in our global cheese business, as well as to license the Kraft, Velveeta and Philadelphia trademarks, for a total consideration of approximately $3.3Â billion. Of the $3.3Â billion total consideration, approximately $1.6Â billion was attributed to the licensing of the Kraft, Velveeta and Philadelphia trademarks based on the estimated fair value of the licensed portion of each brand. The license income related to the perpetual licenses of the Kraft and Velveeta brands are recognized over a period of approximately 30 years. The license income related to the transitional license of the Philadelphia brand was recognized over a period of approximately three years. We recognized license income of approximately $54Â million in 2024 and 2023, and $56Â million in 2022, which is recorded as a reduction to SG&A. Related to this agreement, we have recorded approximately $1.4Â billion in long-term deferred income and $54Â million in other current liabilities at DecemberÂ 28, 2024, and $1.4Â billion in long-term deferred income and $55Â million in other current liabilities at DecemberÂ 30, 2023 on the consolidated balance sheet.61Postemployment Benefit Plans:We maintain various retirement plans for the majority of our employees. These include pension benefits, postretirement health care benefits, and defined contribution benefits. The cost of these plans is charged to expense over an appropriate term based on, among other things, the cost component and whether the plan is active or inactive. Changes in the fair value of our plan assets result in net actuarial gains or losses. These net actuarial gains and losses are deferred into accumulated other comprehensive income/(losses) and amortized within other expense/(income) in future periods using the corridor approach. The corridor is 10% of the greater of the market-related value of the planâ€™s asset or projected benefit obligation. Any actuarial gains and losses in excess of the corridor are then amortized over an appropriate term based on whether the plan is active or inactive. See Note 11, Postemployment Benefits, for additional information.Income Taxes:We recognize income taxes based on amounts refundable or payable for the current year and record deferred tax assets or liabilities for any difference between the financial reporting and tax basis of our assets and liabilities. We also recognize deferred tax assets for temporary differences, operating loss carryforwards, and tax credit carryforwards. Deferred tax assets are included in other non-current assets on the consolidated balance sheet. Inherent in determining our annual tax rate are judgments regarding business plans, planning opportunities, and expectations about future outcomes. Realization of certain deferred tax assets, primarily net operating loss and other carryforwards, is dependent upon generating sufficient taxable income in the appropriate jurisdiction prior to the expiration of the carryforward periods.We apply a more-likely-than-not threshold to the recognition and derecognition of uncertain tax positions. Accordingly, we recognize the amount of tax benefit that has a greater than 50 percent likelihood of being ultimately realized upon settlement. Future changes in judgment related to the expected ultimate resolution of uncertain tax positions will affect our results in the period of such change.We record valuation allowances to reduce deferred tax assets to the amount that is more likely than not to be realized. When assessing the need for valuation allowances, we consider future taxable income, future legislative developments, and ongoing prudent and feasible tax planning strategies. Should a change in circumstances lead to a change in judgment about the realizability of deferred tax assets in future years, we would adjust related valuation allowances in the period that the change in circumstances occurs, along with a corresponding adjustment to our provision for/(benefit from) income taxes. The resolution of tax reserves and changes in valuation allowances could be material to our results of operations for any period, but is not expected to be material to our financial position.Common Stock and Preferred Stock Dividends:Dividends are recorded as a reduction to retained earnings. When we have an accumulated retained deficit, dividends are recorded as a reduction of additional paid-in capital.Inventories:Inventories are stated at the lower of cost or net realizable value. We value inventories primarily using the average cost method.Property, Plant and Equipment:Property, plant and equipment are stated at historical cost and depreciated on the straight-line method over the estimated useful lives of the assets. Machinery and equipment are depreciated over periods ranging from three years to 20 years and buildings and improvements over periods up to 40 years. Capitalized software costs are included in property, plant and equipment if we have the contractual right to take possession of the software at any time and it is feasible for us to either run the software on our own hardware or contract with a third party to host the software. These costs are amortized on a straight-line basis over the estimated useful lives of the software, which do not exceed seven years. We review long-lived assets for impairment when conditions exist that indicate the carrying amount of the assets may not be fully recoverable. Such conditions could include significant adverse changes in the business climate, current-period operating or cash flow losses, significant declines in forecasted operations, or a current expectation that an asset group will be disposed of before the end of its useful life. We perform undiscounted operating cash flow analyses to determine if an impairment exists. When testing for impairment of assets held for use, we group assets at the lowest level for which cash flows are separately identifiable. If an impairment is determined to exist, the loss is calculated based on estimated fair value. Impairment losses on assets to be disposed of, if any, are based on the estimated proceeds to be received, less costs of disposal.62Hosted Cloud Computing Arrangement that is a Service Contract:Deferred implementation costs for hosted cloud computing service arrangements are stated at historical cost and amortized on a straight-line basis over the term of the hosting arrangement that the implementation costs relate to. Deferred implementation costs to be amortized during the next 12 months for these arrangements are included in prepaid expenses and amortized to SG&A. All remaining amounts to be amortized are included in other non-current assets. The corresponding cash flows related to these arrangements will be reported within operating activities. We review the deferred implementation costs for impairment when we believe the deferred costs may no longer be recoverable. Such conditions could include situations where the arrangement is not expected to provide substantive service potential, a significant change occurs in the manner in which the arrangement is used or expected to be used, including early cancellation or termination of the arrangement, or situations where the arrangement has had, or will have, a significant change made to it. In instances where we have concluded that an impairment exists, we accelerate the deferred costs on the consolidated balance sheet for immediate expense recognition in SG&A.Goodwill and Intangible Assets:We maintain 12 reporting units, eight of which comprise our goodwill balance. Our indefinite-lived intangible asset balance primarily consists of a number of individual brands. We test our reporting units and brands for impairment annually as of the first day of our third quarter, or more frequently if events or circumstances indicate it is more likely than not that the fair value of a reporting unit or brand is less than its carrying amount. Such events and circumstances could include a sustained decrease in our market capitalization, increased competition or unexpected loss of market share, increased input costs beyond projections, disposals of significant brands or components of our business, unexpected business disruptions (for example due to a natural disaster, pandemic, or loss of a customer, supplier, or other significant business relationship), unexpected significant declines in operating results, significant adverse changes in the markets in which we operate, changes in income tax rates, changes in interest rates, or changes in management strategy. We test reporting units for impairment by comparing the estimated fair value of each reporting unit with its carrying amount. We test brands for impairment by comparing the estimated fair value of each brand with its carrying amount. If the carrying amount of a reporting unit or brand exceeds its estimated fair value, we record an impairment loss based on the difference between fair value and carrying amount, in the case of reporting units, not to exceed the associated carrying amount of goodwill.Definite-lived intangible assets are amortized on a straight-line basis over the estimated periods benefited. We review definite-lived intangible assets for impairment when conditions exist that indicate the carrying amount of the assets may not be recoverable. Such conditions could include significant adverse changes in the business climate, current-period operating or cash flow losses, significant declines in forecasted operations, or a current expectation that an asset group will be disposed of before the end of its useful life. We perform undiscounted operating cash flow analyses to determine if an impairment exists. When testing for impairment of definite-lived intangible assets held for use, we group assets at the lowest level for which cash flows are separately identifiable. If an impairment is determined to exist, the loss is calculated based on estimated fair value. Impairment losses on definite-lived intangible assets to be disposed of, if any, are based on the estimated proceeds to be received, less costs of disposal.See Note 8, Goodwill and Intangible Assets, for additional information.Leases:We determine whether a contract is or contains a lease at contract inception based on the presence of identified assets and our right to obtain substantially all the economic benefit from and to direct the use of such assets. When we determine a lease exists, we record a right-of-use (â€œROUâ€) asset and corresponding lease liability on our consolidated balance sheet. ROU assets represent our right to use an underlying asset for the lease term. Lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets are recognized at the lease commencement date at the value of the lease liability and are adjusted for any prepayments, lease incentives received, and initial direct costs incurred. Lease liabilities are recognized at the lease commencement date based on the present value of remaining lease payments over the lease term. As the discount rate implicit in the lease is not readily determinable in most of our leases, we use our incremental borrowing rate (dependent on tenor and currency and adjusted to reflect collateralization) based on the information available at the lease commencement date in determining the present value of lease payments. Our lease terms include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.We do not record lease contracts with a term of 12 months or less on our consolidated balance sheets. We recognize fixed lease expense for operating leases on a straight-line basis over the lease term. For finance leases, we recognize amortization expense over the shorter of the estimated useful life of the underlying assets or the lease term. In instances of title transfer, expense is recognized over the useful life. Interest expense on a finance lease is recognized using the effective interest method over the lease term. 63We have lease agreements with non-lease components that relate to the lease components (e.g., common area maintenance such as cleaning or landscaping, insurance, etc.). We generally account for each lease and any non-lease components associated with that lease as a single lease component for all underlying asset classes. Accordingly, all costs associated with a lease contract are accounted for as lease costs. Certain leasing arrangements require variable payments that are dependent on usage or output or may vary for other reasons, such as insurance and tax payments. Variable lease payments that do not depend on an index or rate are excluded from lease payments in the measurement of the ROU asset and lease liability and are recognized as expense in the period in which the payment occurs. Our lease agreements typically do not include significant restrictions or covenants, and residual value guarantees are generally not included within our leases.See Note 17, Leases, for additional information.Financial Instruments:As we source our commodities on global markets and periodically enter into financing or other arrangements abroad, we use a variety of risk management strategies and financial instruments to manage commodity price, foreign currency exchange rate, and interest rate risks. Our risk management program focuses on the unpredictability of financial markets and seeks to reduce the potentially adverse effects that the volatility of these markets may have on our operating results. One way we do this is through actively hedging our risks through the use of derivative instruments. As a matter of policy, we do not use highly leveraged derivative instruments, nor do we use financial instruments for speculative purposes.Derivatives are recorded on our consolidated balance sheets as assets or liabilities at fair value, which fluctuates based on changing market conditions.Certain derivatives are designated as cash flow hedges or fair value hedges and qualify for hedge accounting treatment, while others are not designated as hedging instruments and are marked to market through net income/(loss). The gains and losses on cash flow hedges are deferred as a component of accumulated other comprehensive income/(losses) and are recognized in net income/(loss) at the time the hedged item affects net income/(loss), in the same line item as the underlying hedged item. The gains/(losses) on fair value hedges are recognized in net income/(loss) at the time the hedged item affects net income/(loss), in the same line item as the underlying hedged item. The excluded component on cash flow hedges and fair value hedges is recognized in net income/(loss) over the life of the hedging relationship in the same income statement line item as the underlying hedged item. We also designate certain derivatives and non-derivatives as net investment hedges to hedge the net assets of certain foreign subsidiaries which are exposed to volatility in foreign currency exchange rates. Changes in the value of these derivatives and remeasurements of our non-derivatives designated as net investment hedges are calculated each period using the spot method, with changes reported in foreign currency translation adjustments within accumulated other comprehensive income/(losses). Such amounts will remain in accumulated other comprehensive income/(losses) until the complete or substantially complete liquidation of our investment in the underlying foreign operations. The excluded component on derivatives designated as net investment hedges is recognized in net income/(loss) within interest expense. The income statement classification of gains and losses related to derivative instruments not designated as hedging instruments is determined based on the underlying intent of the contracts. Cash flows related to the settlement of derivative instruments designated as net investment hedges of foreign operations are classified in the consolidated statements of cash flows within investing activities. All other cash flows related to derivative instruments are classified in the same line item as the cash flows of the related hedged item, which can be within operating, investing, or financing activities.To qualify for hedge accounting, a specified level of hedging effectiveness between the hedging instrument and the item being hedged must be achieved at inception and maintained throughout the hedged period. When a hedging instrument no longer meets the specified level of hedging effectiveness, we reclassify the related hedge gains or losses previously deferred into other comprehensive income/(losses) to net income/(loss) within other expense/(income). We formally document our risk management objectives, our strategies for undertaking the various hedge transactions, the nature of and relationships between the hedging instruments and hedged items, and the method for assessing hedge effectiveness. Additionally, for qualified hedges of forecasted transactions, we specifically identify the significant characteristics and expected terms of the forecasted transactions. If it becomes probable that a forecasted transaction will not occur, the hedge will no longer be effective and all of the derivative gains or losses would be recognized in net income/(loss) in the current period.Unrealized gains and losses on our commodity derivatives not designated as hedging instruments are recorded in cost of products sold and are included within general corporate expenses until realized. Once realized, the gains and losses are included within the applicable segment operating results.64Our designated and undesignated derivative contracts include:â€¢Net investment hedges. We have numerous investments in our foreign subsidiaries, the net assets of which are exposed to volatility in foreign currency exchange rates. We manage this risk by utilizing derivative and non-derivative instruments, including cross-currency swap contracts, foreign exchange contracts, and certain foreign currency denominated debt designated as net investment hedges. We exclude the interest accruals and any off-market values on cross-currency swap contracts and the forward points on foreign exchange forward contracts from the assessment and measurement of hedge effectiveness. We recognize the interest accruals and any amortization of off-market values on cross-currency swap contracts in net income/(loss) within interest expense. We amortize the forward points on foreign exchange contracts into net income/(loss) within interest expense over the life of the hedging relationship.â€¢Foreign currency cash flow hedges. We use various financial instruments to mitigate our exposure to changes in exchange rates from third-party and intercompany actual and forecasted transactions. Our principal foreign currency exposures that are hedged include the euro, Canadian dollar, and British pound sterling. These instruments include cross-currency swap contracts and foreign exchange forward and option contracts. Substantially all of these derivative instruments are highly effective and qualify for hedge accounting treatment. We exclude the interest accruals on cross-currency swap contracts (when interest is not a hedged item) and the forward points and option premiums or discounts on foreign exchange contracts from the assessment and measurement of hedge effectiveness and amortize such amounts into net income/(loss) in the same line item as the underlying hedged item over the life of the hedging relationship.â€¢Interest rate cash flow hedges.Â From time to time, we have used derivative instruments, including interest rate swaps and treasury locks, as part of our interest rate risk management strategy. We have primarily used interest rate swaps and treasury locks to hedge the variability of interest payment cash flows on a portion of our future debt obligations.â€¢Foreign currency fair value hedges. We use derivative instruments to hedge changes in the fair value of foreign currency denominated assets or liabilities due to changes in exchange rates. These instruments may include cross-currency swap contracts and foreign exchange forward contracts. The gains/(losses) on the hedged item, driven by changes in foreign exchange rates, are economically offset by fair value movements on the effective portion of our derivative instrument, which is reported in the same income statement line item in the same period. The amounts excluded from the assessment of effectiveness are recognized in earnings over the life of the hedge on a systematic and rational basis in the same line item as the hedged item.â€¢Commodity derivatives. We are exposed to price risk related to forecasted purchases of certain commodities that we primarilyÂ use as raw materials.Â We enter into commodity purchase contracts primarily for dairy products, vegetable oils, coffee beans, corn, wheat products, sugar cane and meat products. These commodity purchase contracts generally are not subject to the accounting requirements for derivativeÂ instruments and hedging activities under the normal purchases and normal sales exception. We also use commodity futures, options, and swaps toÂ economically hedge the price of certain commodity costs, including the commodities noted above, as well as diesel fuel, packaging products, and natural gas. We do not designate these commodity contracts as hedging instruments.Â We alsoÂ occasionally use futures to economically cross hedgeÂ a commodity exposure.See Note 12,Â Financial Instruments, for additional information.Translation of Foreign Currencies:For all significant foreign operations, the functional currency is the local currency. Assets and liabilities of these operations are translated at the exchange rate in effect at each period end. Income statement accounts are translated at the average rate of exchange prevailing during the period. Foreign currency translation adjustments arising from the use of differing exchange rates from period to period are included as a component of accumulated other comprehensive income/(losses) on our consolidated balance sheet. Gains and losses from foreign currency transactions are included in net income/(loss) for the period.65Highly Inflationary Accounting:We apply highly inflationary accounting if the cumulative inflation rate in an economy for a three-year period meets or exceeds 100%. Under highly inflationary accounting, the financial statements of a subsidiary are remeasured into our reporting currency (U.S. dollars) based on the legally available exchange rate at which we expect to settle the underlying transactions. Exchange gains and losses from the remeasurement of monetary assets and liabilities are reflected in other expense/(income) on our consolidated statement of income, rather than accumulated other comprehensive income/(losses) on our consolidated balance sheet, until such time as the economy is no longer considered highly inflationary. Certain non-monetary assets and liabilities are recorded at the applicable historical exchange rates. In 2024, we applied highly inflationary accounting to the results of our subsidiaries in Turkey, Venezuela, Argentina, Egypt, and Nigeria which resulted in nonmonetary currency devaluation losses in other expense/(income) of $16 million as of DecemberÂ 28, 2024. In 2023 and 2022, we applied highly inflationary accounting to the results of our subsidiaries in Turkey, Venezuela, and Argentina which resulted in nonmonetary currency devaluation losses in other expense/(income) of $28 million as of DecemberÂ 30, 2023, and $17 million as of DecemberÂ 31, 2022. The net monetary assets of each of our subsidiaries in Turkey, Venezuela, Argentina, Egypt, and Nigeria were insignificant at DecemberÂ 28, 2024. Our results of operations in Turkey, Venezuela, Argentina, Egypt, and Nigeria reflect those of controlled subsidiaries. Note 3. New Accounting StandardsAccounting Standards Adopted in the Current YearSegment Reporting (Topic 280) â€“ Improvements to Reportable Segment Disclosures:In November 2023, the Financial Accounting Standards Board (the â€œFASBâ€) issued Accounting Standards Update (â€œASUâ€) 2023-07 to improve segment disclosure requirements under Accounting Standards Codification (â€œASCâ€) 280, Segment Reporting, through enhancing disclosures about significant segment expenses. The guidance requires entities to provide significant segment expenses that are regularly provided to the chief operating decision maker and other segment expenses included in each reported measure of segment profitability. This ASU also enhances interim segment reporting requirements by aligning interim disclosures with information that must be disclosed annually in accordance with ASC 280. We adopted this ASU in the fourth quarter of 2024 and added certain disclosures in Note 20, Segment Reporting. The disclosures were applied retrospectively and impacted all prior periods presented. There was no other impact to our financial statement disclosures as a result of adopting this ASU.Accounting Standards Not Yet AdoptedIncome Taxes (Topic 740) â€“ Improvements to Income Tax Disclosures:In December 2023, the FASB issued ASU 2023-09 to improve income tax disclosure requirements under ASC 740, Income Taxes. The guidance requires entities to provide separate information about a reporting entityâ€™s effective tax rate reconciliation and about income taxes paid. This ASU will be effective for annual periods beginning after December 15, 2024. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. While the standard will require additional disclosures related to the Companyâ€™s income taxes, we do not expect this ASU to have an impact on our financial statements.Income Statement â€“ Reporting Comprehensive Income â€“ Expense Disaggregation Disclosures (Subtopic 220-40):In November 2024, the FASB issued ASU 2024-03 to improve financial reporting under ASC 220, Income Statement-Reporting Comprehensive Income. The guidance requires entities to disclose additional information about specific expense categories related to cost of sales and SG&A in the notes to financial statements at interim and annual reporting periods. This ASU will be effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. We are still evaluating the impacts this ASU will have on our financial statements and related disclosures.Note 4. Acquisitions and DivestituresAcquisitionsHemmer Acquisition:On March 31, 2022 (the â€œHemmer Acquisition Dateâ€), we acquired a majority of the outstanding equity interests of Companhia Hemmer IndÃºstria e ComÃ©rcio (â€œHemmerâ€), a Brazilian food and beverage manufacturing company focused on the condiments and sauces category, from certain third-party shareholders (the â€œHemmer Acquisitionâ€). 66The Hemmer Acquisition was accounted for under the acquisition method of accounting for business combinations. Total cash consideration related to the Hemmer Acquisition was approximately 1.3Â billion Brazilian reais (approximately $279Â million at the Hemmer Acquisition Date). A noncontrolling interest was recognized at fair value, which was determined to be the noncontrolling interestâ€™s proportionate share of the acquireeâ€™s identifiable net assets, as of the Hemmer Acquisition Date. As of the Hemmer Acquisition Date, we acquired 94% of the outstanding shares of Hemmer. In the third quarter of 2022, we completed the redemption of the remaining outstanding shares and own 100% of the controlling interest in Hemmer.We entered into foreign exchange derivative contracts to economically hedge the foreign currency exposure related to the cash consideration for the Hemmer Acquisition. See Note 12, Financial Instruments, for additional information.We utilized fair values at the Hemmer Acquisition Date to allocate the total consideration exchanged to the net tangible and intangible assets acquired and liabilities assumed.The purchase price allocation for the Hemmer Acquisition was final as of the first quarter of 2023. The final purchase price allocation to assets acquired and liabilities assumed in the Hemmer Acquisition was (in millions):Final AllocationCash$1Â Trade receivables13Â Inventories17Â Other current assets2Â Property, plant and equipment, net14Â Identifiable intangible assets122Â Other non-current assets17Â Short-term debt(9)Trade payables(11)Other current liabilities(31)Long-term debt(11)Other non-current liabilities(44)Net assets acquired80Â Noncontrolling interest(16)Goodwill on acquisition215Â Total consideration$279Â The Hemmer Acquisition preliminarily resulted in $219Â million of non-tax deductible goodwill relating principally to Hemmerâ€™s long-term experience and large presence operating in emerging markets. This goodwill was assigned to the Latin America (â€œLATAMâ€) reporting unit within Emerging Markets. In 2022, certain insignificant measurement period adjustments were made to the initial allocation, and the final amount of goodwill was adjusted to $215Â million. In the fourth quarter of 2022, a portion of the goodwill became tax deductible following the merger of Hemmer into our existing legal entity structure. As part of our 2024 annual impairment test, we fully impaired the goodwill related to our LATAM reporting unit, and there is no goodwill carrying value remaining as of DecemberÂ 28, 2024. See Note 8, Goodwill and Intangible Assets, for additional information.The final purchase price allocation to identifiable intangible assets acquired in the Hemmer Acquisition was:Fair Value(in millions of dollars)Weighted Average Life(in years)Definite-lived trademarks$101Â 13Customer-related assets21Â 15Total$122Â 67We valued trademarks using the relief from royalty method and customer-related assets using the distributor method. Some of the more significant assumptions inherent in developing the valuations included the estimated annual net cash flows for each definite-lived intangible asset (including net sales, cost of products sold, selling and marketing costs, and working capital/contributory asset charges), the discount rate that appropriately reflects the risk inherent in each future cash flow stream, the assessment of each assetâ€™s life cycle, and competitive trends, as well as other factors. We determined the assumptions used in the financial forecasts using historical data, supplemented by current and anticipated market conditions, estimated product category growth rates, managementâ€™s plans, and market comparables.We used carrying values as of the Hemmer Acquisition Date to value certain current and non-current assets and liabilities, as we determined that they represented the fair value of those items at such date.Just Spices Acquisition:On January 18, 2022 (the â€œJust Spices Acquisition Dateâ€), we acquired 85% of the shares of Just Spices GmbH (â€œJust Spicesâ€), a German-based company focused on direct-to-consumer sales of premium spice blends, from certain third-party shareholders (the â€œJust Spices Acquisitionâ€).The Just Spices Acquisition was accounted for under the acquisition method of accounting for business combinations. Total cash consideration related to the Just Spices Acquisition was approximately 214Â million euros (approximately $243Â million at the Just Spices Acquisition Date). A noncontrolling interest was recognized at fair value, which was determined to be the noncontrolling interestâ€™s proportionate share of the acquireeâ€™s identifiable net assets, as of the Just Spices Acquisition Date. Under the terms of certain transaction agreements, Just Spicesâ€™ other equity holders each have a put option to require us to purchase the remaining equity interests beginning three years after the Just Spices Acquisition Date. If the put option is not exercised, we have a call option to acquire the remaining equity interests of Just Spices. Considering the contractual terms related to the noncontrolling interest, it is classified as redeemable noncontrolling interest on our consolidated balance sheet.Subsequent to the Just Spices Acquisition, the redeemable noncontrolling interest is measured at the greater of the amount that would be paid if settlement occurred as of the balance sheet date based on the contractually defined redemption value and its carrying amount adjusted for the net income/(loss) attributable to the noncontrolling interest. In the third quarter of 2023, we completed the redemption of an additional 5% of the outstanding shares. In the second quarter of 2024, we completed the redemption of the remaining outstanding shares and wholly own Just Spices as of DecemberÂ 28, 2024. We utilized fair values at the Just Spices Acquisition Date to allocate the total consideration exchanged to the net tangible and intangible assets acquired and liabilities assumed. The purchase price allocation for the Just Spices Acquisition was final as of the fourth quarter of 2022.The final purchase price allocation to assets acquired and liabilities assumed in the Just Spices Acquisition was (in millions):Final AllocationCash$2Â Trade receivables4Â Inventories7Â Other current assets9Â Property, plant and equipment, net1Â Identifiable intangible assets172Â Other non-current assets7Â Trade payables(10)Other current liabilities(12)Other non-current liabilities(54)Net assets acquired126Â Redeemable noncontrolling interest(39)Goodwill on acquisition156Â Total consideration$243Â The Just Spices Acquisition preliminarily resulted in $167Â million of non-tax deductible goodwill relating principally to Just Spicesâ€™ social media presence. This goodwill was assigned to the Continental Europe reporting unit within our International Developed Markets segment. In 2022, certain insignificant measurement period adjustments were made to the initial allocation, and the final amount of goodwill was adjusted to $156Â million. See Note 8, Goodwill and Intangible Assets, for additional information.The final purchase price allocation to identifiable intangible assets acquired in the Just Spices Acquisition was:68Fair Value(in millions of dollars)Weighted Average Life(in years)Definite-lived trademarks$72Â 10Customer-related assets100Â 15Total$172Â We valued trademarks using the relief from royalty method and customer-related assets using the distributor method. Some of the more significant assumptions inherent in developing the valuations included the estimated annual net cash flows for each definite-lived intangible asset (including net sales, cost of products sold, selling and marketing costs, and working capital/contributory asset charges), the discount rate that appropriately reflects the risk inherent in each future cash flow stream, the assessment of each assetâ€™s life cycle, and competitive trends, as well as other factors. We determined the assumptions used in the financial forecasts using historical data, supplemented by current and anticipated market conditions, estimated product category growth rates, managementâ€™s plans, and comparable market transactions.We used carrying values as of the Just Spices Acquisition Date to value certain current and non-current assets and liabilities, as we determined that they represented the fair value of those items at such date.Deal Costs:Related to our acquisitions, we incurred insignificant deal costs in 2024, 2023 and 2022. We recognized these deal costs in SG&A.DivestituresRussia Infant Transaction:On March 11, 2024, we closed and finalized the sale of our infant nutrition business in Russia to a third party for total cash consideration of approximately $25Â million (the â€œRussia Infant Transactionâ€). As a result of the Russia Infant Transaction, we recognized an insignificant pre-tax gain in other expense/(income) on our condensed consolidated statement of income in the first quarter of 2024.Papua New Guinea Transaction:On February 5, 2024, we closed and finalized the sale of 100% of the equity interests in our Papua New Guinea subsidiary, Hugo Canning Company Limited, to a third party for total cash consideration of approximately $22Â million, which is to be paid incrementally over two years following the transaction closing date (the â€œPapua New Guinea Transactionâ€). As a result of the Papua New Guinea Transaction, we recognized a pre-tax loss on sale of business of approximately $80Â million in other expense/(income) on our condensed consolidated statement of income in the first quarter of 2024, of which approximately $41Â million relates to the release of accumulated foreign currency losses.Powdered Cheese Transaction:In August 2022, we entered into a definitive agreement with a third party, Kerry Group, to sell our business-to-business powdered cheese business (the â€œPowdered Cheese Transactionâ€). The net assets transferred in the Powdered Cheese Transaction include, among other things, the Albany, Minnesota manufacturing facility (collectively, the â€œPowdered Cheese Disposal Groupâ€). The Powdered Cheese Transaction closed in the fourth quarter of 2022 for total cash consideration of approximately $108Â million. As a result of the Powered Cheese Transaction closing, we recognized a pre-tax gain on sale of business of approximately $26Â million in other expense/(income) on our consolidated statement of income.Deal Costs:Related to our divestitures, we incurred insignificant deal costs in 2024, 2023, and 2022. We recognized these deal costs in SG&A.Note 5. Restructuring ActivitiesAs part of our restructuring activities, we incur expenses that qualify as exit and disposal costs under U.S. GAAP. These include severance and employee benefit costs and other exit costs. Severance and employee benefit costs primarily relate to cash severance, non-cash severance, and pension and other termination benefits. Other exit costs primarily relate to lease and contract terminations. We also incur expenses that are an integral component of, and directly attributable to, our restructuring activities, which do not qualify as exit and disposal costs under U.S. GAAP. These include asset-related costs and other restructuring costs. Asset-related costs primarily relate to accelerated depreciation and asset impairment charges. Other restructuring costs primarily relate to start-up costs of new facilities, professional fees, asset relocation costs, costs to exit facilities, and costs associated with restructuring benefit plans.69Employee severance and other termination benefit packages are primarily determined based on established benefit arrangements, local statutory requirements, and historical benefit practices. We recognize the contractual component of these benefits when payment is probable and estimable; additional elements of severance and termination benefits associated with non-recurring benefits are recognized ratably over each employeeâ€™s required future service period. Charges for accelerated depreciation are recognized on long-lived assets that will be taken out of service before the end of their normal service, in which case depreciation estimates are revised to reflect the use of the asset over its shortened useful life. Asset impairments establish a new fair value basis for assets held for disposal or sale, and those assets are written down to expected net realizable value if carrying value exceeds fair value. All other costs are recognized as incurred. Restructuring Activities:We have restructuring programs globally, which are focused primarily on streamlining our organizational design. We eliminated approximately 270 positions in 2024. As of DecemberÂ 28, 2024, we expect to eliminate approximately 740 additional positions in 2025 across all zones. In 2024, restructuring activities resulted in net expenses of $20 million and included a net expense of $21 million of severance and employee benefit costs, a net benefit of $2Â million of other exit costs, and a net expense of $1 million of asset-related cost. Restructuring activities resulted in expenses of $225 million in 2023 and $74 million in 2022.Our net liability balance for restructuring project costs that qualify as exit and disposal costs under U.S. GAAP was (in millions):Severance and Employee Benefit CostsOther Exit CostsTotalBalance at December 30, 2023$23Â $14Â $37Â Charges/(credits)21Â (2)19Â Cash payments(16)(1)(17)Non-cash utilization1Â â€”Â 1Â Balance at December 28, 2024$29Â $11Â $40Â We expect the majority of the liability for severance and employee benefit costs as of DecemberÂ 28, 2024 to be paid by the second quarter of 2025. The liability for other exit costs primarily relates to lease obligations. The cash impact of these obligations will continue for the duration of the lease terms, which expire between 2026 and 2031.Total Expenses/(Income):Total expense/(income) related to restructuring activities by income statement caption, were (in millions):December 28, 2024December 30, 2023December 31, 2022Severance and employee benefit costs - Cost of products sold$2Â $9Â $1Â Severance and employee benefit costs - SG&A19Â 9Â 33Â Severance and employee benefit costs - Other expense/(income)â€”Â 3Â â€”Â Asset-related costs - Cost of products soldâ€”Â 42Â 12Â Asset-related costs - SG&A1Â (1)â€”Â Other costs - Cost of products sold6Â 6Â 14Â Other costs - SG&A(1)(5)14Â Other costs - Other expense/(income)(7)162Â â€”Â $20Â $225Â $74Â We do not include our restructuring activities within Segment Adjusted Operating Income (as defined in Note 20, Segment Reporting). The pre-tax impact of allocating such expenses/(income) to our segments would have been (in millions):Â December 28, 2024December 30, 2023December 31, 2022North America$4Â $15Â $40Â International Developed Markets(2)166Â 12Â Emerging Markets(a)9Â 50Â 12Â General corporate expenses9Â (6)10Â $20Â $225Â $74Â (a)Â Â Â Emerging Markets represents the aggregation of our WEEM and AEM operating segments.70Note 6. InventoriesInventories consisted of the following (in millions):December 28, 2024December 30, 2023Packaging and ingredients$950Â $1,014Â Spare parts245Â 233Â Work in process310Â 338Â Finished products1,871Â 2,029Â Inventories$3,376Â $3,614Â Note 7. Property, Plant and EquipmentProperty, plant and equipment, net consisted of the following (in millions):December 28, 2024December 30, 2023Land$193Â $203Â Buildings and improvements2,846Â 2,705Â Equipment, software and other7,689Â 7,735Â Construction in progress1,161Â 1,282Â 11,889Â 11,925Â Accumulated depreciation(4,737)(4,803)Property, plant and equipment, net$7,152Â $7,122Â At DecemberÂ 30, 2023, property, plant and equipment, net, excluded amounts classified as held for sale. Depreciation expense was $696 million in 2024, $710 million in 2023, and $672 million in 2022.Note 8. Goodwill and Intangible AssetsAs described in Note 1, Basis of Presentation, in the first quarter of 2024, we divided our International segment into three operating segments â€” EPDM, WEEM, and AEM. While this reorganization resulted in a change to our operating segments, it did not impact the existing composition of our reporting units that formerly comprised the goodwill balance of our International segment â€” Northern Europe, Continental Europe, Latin America (â€œLATAMâ€), and Asia â€” and, therefore, was not indicative of an impairment triggering event. We have reflected the impact of this segment change in all historical periods presented.On March 31, 2024, which was the first day of our second quarter of 2024, certain organizational changes occurred that impacted our reporting unit composition within our North America segment (the â€œQ2 North America reorganizationâ€). Two of our North America reporting units â€” Taste, Meals, and Away From Home (â€œTMAâ€), and Fresh, Beverages, and Desserts (â€œFBDâ€) â€” were reorganized into the four reporting units: Taste Elevation, Ready Meals and Snacking (â€œTMSâ€), Hydration & Desserts (â€œHDâ€), Meat & Cheese (â€œMCâ€), and Away from Home & Kraft Heinz Ingredients (â€œAFHâ€). The Canada and North America Coffee (â€œCNACâ€) and Other North America reporting units were not impacted by this reorganization.Goodwill:Changes in the carrying amount of goodwill, by segment, were (in millions):North AmericaInternational Developed MarketsEmerging MarketsTotalBalance at December 31, 2022$27,685Â $2,634Â $514Â $30,833Â Impairment losses(452)(58)â€”Â (510)Translation adjustments and other15Â 111Â 10Â 136Â Balance at December 30, 2023$27,248Â $2,687Â $524Â $30,459Â Impairment losses(959)(495)(184)(1,638)Translation adjustments and other(57)(58)(33)(148)Balance at December 28, 2024$26,232Â $2,134Â $307Â $28,673Â 71In 2024, we recorded non-cash goodwill impairment losses of $959Â million within our North America segment, $495Â million within our International Developed Markets segment, and $184Â million within Emerging Markets as a result of our 2024 goodwill impairment testing discussed below. The remaining impact to goodwill in 2024 primarily related to translation adjustments. In 2023, we recorded non-cash goodwill impairment losses of $452Â million within our North America segment and $58Â million within our International Developed Markets segment as a result of our 2023 goodwill impairment testing discussed below. The remaining impact to goodwill in 2023 primarily related to translation adjustments. 2024 Goodwill Impairment TestingAs a result of the Q2 North America reorganization, we reassigned assets and liabilities to the applicable reporting units and allocated goodwill using the relative fair value approach. We performed an interim impairment test (or â€œ2024 transition testâ€) on the affected reporting units on both a pre- and post-reorganization basis. As part of our Q2 North America pre-reorganization impairment test of the TMA and FBD reporting units, we utilized the discounted cash flow method under the income approach to estimate the fair values as of March 31, 2024, for these two reporting units and concluded that the fair value of these reporting units exceeded their carrying values and no impairment was recorded. We performed our Q2 North America post-reorganization impairment test as of March 31, 2024, and tested the new North America reporting units (TMS, HD, MC and AFH). We utilized the discounted cash flow method under the income approach to estimate the fair value of our reporting units. As a result of our Q2 North America post-reorganization impairment test, we recognized a non-cash impairment loss of approximately $854Â million in SG&A in our North America segment in the second quarter of 2024. The $854Â million impairment loss related to our MC reporting unit, which had a goodwill carrying amount of approximately $2.5Â billion after impairment. The impairment of our MC reporting unit was driven by the disaggregation of the former FBD reporting unit, which previously held all the net assets for the HD and MC reporting units as well as the Snacking category of TMS. The other three reporting units for which no impairment charge was required were TMS, which had a goodwill carrying amount of approximately $15.9Â billion; HD, which had a goodwill carrying amount of approximately $4.3Â billion; and AFH, which had a goodwill carrying amount of approximately $2.8Â billion.We performed our 2024 annual impairment test as of June 30, 2024, which was the first day of our third quarter of 2024. We utilized the discounted cash flow method under the income approach to estimate the fair value of our reporting units. As a result of our 2024 annual impairment test, we recognized non-cash goodwill impairment losses in SG&A of approximately $495Â million related to our Continental Europe reporting unit within our International Developed Markets segment, $184Â million related to our LATAM reporting unit within Emerging Markets, and $105Â million related to our AFH reporting unit within our North America segment. The impairment of our Continental Europe reporting unit was primarily driven by a reduction of future year profitability assumptions from prior estimates in non-core categories and the Just Spices business, as well as higher intercompany royalty expenses resulting from a change in our product mix. The impairment of our LATAM reporting unit was primarily driven by a reduction of future year profitability assumptions from prior estimates and negative macroeconomic factors, including weakening of the foreign currency exchange rate of the Brazilian real relative to the U.S. dollar. After these impairments, the goodwill carrying amount was approximately $2.7Â billion in our AFH reporting unit, approximately $485Â million in our Continental Europe reporting unit, and there is no goodwill carrying value remaining in our LATAM reporting unit.As of our 2024 annual impairment test, our reporting units with 20% or less fair value over carrying amount had an aggregate goodwill carrying amount of $24.1Â billion and included TMS, AFH, MC, Northern Europe, CNAC, and Continental Europe. Our HD and Asia reporting units had 20-50% fair value over carrying amount with an aggregate goodwill carrying amount of $4.6Â billion as of our 2024 annual impairment test date.As of DecemberÂ 28, 2024, we maintain 12 reporting units, eight of which comprise our goodwill balance. These eight reporting units had an aggregate goodwill carrying amount of $28.7Â billion at DecemberÂ 28, 2024. Accumulated impairment losses to goodwill were $13.5 billion as of DecemberÂ 28, 2024 and $11.8 billion at DecemberÂ 30, 2023.722023 Goodwill Impairment TestingWe performed our 2023 annual impairment test as of July 2, 2023, which was the first day of our third quarter of 2023. In performing this test, we incorporated information that was known through the date of filing of our Quarterly Report on Form 10-Q for the period ended September 30, 2023. We utilized the discounted cash flow method under the income approach to estimate the fair value of our reporting units. As a result of our 2023 annual impairment test, we recognized a non-cash goodwill impairment loss of approximately $510Â million in SG&A, which included a $452Â million impairment loss in our Canada and North America Coffee (â€œCNACâ€) reporting unit within our North America segment and a $58Â million impairment loss in our Continental Europe reporting unit within our International Developed Markets segment. These impairments were primarily driven by an increase in the discount rate, which was impacted by higher interest rates, a decline in market capitalization, and other market inputs. 2022 Goodwill Impairment TestingWe historically tested our reporting units and brands for impairment annually as of the first day of our second quarter, or more frequently if events or circumstances indicate it is more likely than not that the fair value of a reporting unit or brand is less than its carrying amount. As discussed in further detail below, we performed an annual test as of March 27, 2022, the first day of our second quarter (the â€œQ2 2022 Annual Impairment Testâ€). Beginning in the third quarter of 2022 and for subsequent annual periods, we voluntarily changed the annual impairment assessment date to the first day of our third quarter and performed an additional annual impairment test as of June 26, 2022 (the â€œQ3 2022 Annual Impairment Testâ€).In the second quarter of 2022, we changed our reporting and reportable segments and combined our United States and Canada zones to form the North America zone. As a result of these changes, the composition of certain reporting units changed and we performed an interim impairment test (or transition test) on the affected reporting units on both a pre- and post-reorganization basis.We performed our pre-reorganization impairment test as of March 27, 2022, which was our first day of the second quarter of 2022. There were six reporting units affected by the reassignment of assets and liabilities that maintained a goodwill balance as of our pre-reorganization impairment test date. These reporting units were Enhancers, Specialty, and Away From Home (â€œESAâ€); Kids, Snacks, and Beverages (â€œKSBâ€); Meal Foundations and Coffee (â€œMFCâ€); Puerto Rico; Canada Retail; and Canada Foodservice. One other reporting unit did not have a goodwill balance as of our pre-reorganization impairment test date.As part of our pre-reorganization impairment test, we utilized the discounted cash flow method under the income approach to estimate the fair values as of March 27, 2022 for the six reporting units noted above. As a result of our pre-reorganization impairment test, we recognized a non-cash impairment loss of approximately $235Â million in SG&A in our North America segment in the second quarter of 2022. This included a $221Â million impairment loss related to our Canada Retail reporting unit, and a $14Â million impairment loss related to our Puerto Rico reporting unit. The impairment of our Canada Retail reporting unit was primarily driven by an increase in the discount rate, which was impacted by higher interest rates and other market inputs, as well as a revised downward outlook for operating margin. The impairment of our Puerto Rico reporting unit was primarily driven by a revised downward outlook for operating margin. The remaining reporting units tested as part of our pre-reorganization impairment test each had excess fair value over carrying amount as of March 27, 2022. We performed our post-reorganization impairment test in conjunction with our Q2 2022 Annual Impairment Test and tested the new North America reporting units (TMA, FBD, CNAC, and Other North America) along with the reporting units in our former International segment. The new North America reporting unitsâ€™ goodwill carrying amounts for the post-reorganization and Q2 2022 Annual Impairment Test reflected the pre-reorganization test results, including impairments recorded. We tested our reporting units for impairment as of the first day of our second quarter, which was March 27, 2022 for our Q2 2022 Annual Impairment Test. In performing this test, we incorporated information that was known through the date of filing our Quarterly Report on Form 10-Q for the period ended June 25, 2022. We utilized the discounted cash flow method under the income approach to estimate the fair value of our reporting units. As a result of our Q2 2022 Annual Impairment Test, we determined that the fair value of each of the reporting units tested was in excess of its carrying amount.We performed our Q3 2022 Annual Impairment Test as of June 26, 2022, which was the first day of our third quarter of 2022. In performing this test, we incorporated information that was known through the date of filing of our Quarterly Report on Form 10-Q for the period ended September 24, 2022. We utilized the discounted cash flow method under the income approach to estimate the fair value of our reporting units. As a result of our Q3 2022 Annual Impairment Test, we recognized a non-cash impairment loss of approximately $220Â million in SG&A in our North America segment related to our CNAC reporting unit. The impairment of our CNAC reporting unit was primarily driven by reduced revenue growth assumptions and negative macroeconomic factors, including increased interest rates and foreign currency exchange rates for the Canadian dollar relative to the U.S. dollar.73Additional Goodwill ConsiderationsFair value determinations require considerable judgment and are sensitive to changes in underlying assumptions, estimates, and market factors. Estimating the fair value of individual reporting units requires us to make assumptions and estimates regarding our future plans, as well as industry, economic, and regulatory conditions. These assumptions and estimates include estimated future annual net cash flows (including net sales, cost of products sold, SG&A, depreciation and amortization, working capital, and capital expenditures), income tax rates, discount rates, long-term growth rates, royalty rates, and other market factors. If current expectations of future growth rates and margins are not met, if market factors outside of our control, such as discount rates, market capitalization, income tax rates, foreign currency exchange rates, or inflation, change, or if managementâ€™s expectations or plans otherwise change, including updates to our long-term operating plans, then one or more of our reporting units might become impaired in the future. Additionally, any decisions to divest certain non-strategic assets has led, and could in the future lead, to goodwill impairments.Our reporting units that were impaired in 2024, 2023, and 2022 were written down to their respective fair values resulting in zero excess fair value over carrying amount as of the applicable impairment test dates. Accordingly, our reporting units that had 20% or less excess fair value over carrying amount as of our 2024 annual impairment test have a heightened risk of future impairments if any assumptions, estimates, or market factors change in the future. Although the remaining reporting units had more than 20% excess fair value over carrying amount as of our 2024 annual impairment test, this amount is also susceptible to impairments if any assumptions, estimates, or market factors significantly change in the future. During the fourth quarter of 2024, certain organizational changes were announced that are expected to impact our future internal reporting and reporting units. We expect to combine the Northern Europe (â€œNEâ€) and Continental Europe (â€œCEâ€) reporting units into one reporting unit, Western Europe, in an effort to drive efficiencies in our organizational structure and reporting processes. We anticipate this change will become effective in the first quarter of 2025 and will require us to reallocate the existing goodwill from the former reporting units, NE and CE, into the new reporting unit, Western Europe. Indefinite-lived intangible assets:Changes in the carrying amount of indefinite-lived intangible assets, which primarily consisted of trademarks, were (in millions):Balance at December 31, 2022$38,552Â Impairment losses(152)Transfers to definite-lived intangible assets(73)Translation adjustments and other175Â Balance at December 30, 2023$38,502Â Impairment losses(1,903)Translation adjustments and other(143)Balance at December 28, 2024$36,456Â 2024 Indefinite-Lived Intangible Asset Impairment TestingOur indefinite-lived intangible asset balance primarily consists of a number of individual brands, which had an aggregate carrying amount of $36.5Â billion at DecemberÂ 28, 2024.As a result of our 2024 annual impairment test as of June 30, 2024, we recognized non-cash intangible asset impairment losses of $593Â million in SG&A in the third quarter of 2024 related to our Lunchables, Claussen, and Wattieâ€™s brands. We utilized the relief from royalty method under the income approach to estimate the fair values and recorded non-cash impairment losses of $560Â million in our North America segment and $33Â million in our International Developed Markets segment, consistent with ownership of the trademarks. The impairments of the Lunchables and Wattieâ€™s brands were primarily due to a reduction of future year revenue growth and margin assumptions from prior estimates. The impairment of the Claussen brand was primarily due to a reduction of future year margin assumptions from prior estimates. After these impairments, the aggregate carrying amount of these brands was $1.2Â billion.During the fourth quarter of 2024, we recognized a non-cash intangible asset impairment loss of $1.3Â billion in SG&A related to our Oscar Mayer brand. The impairment was due to additional perceived risk in achieving our long-term cash flow forecasts for the meats business.Brands with 20% or less fair value over carrying amount had an aggregate carrying amount after impairment of $16.8Â billion as of the latest test for each brand, brands with 20-50% fair value over carrying amount had an aggregate carrying amount of $2.8Â billion as of the latest test for each brand, and brands that had over 50% fair value over carrying amount had an aggregate carrying amount of $16.9Â billion as of the latest test for each brand.742023 Indefinite-Lived Intangible Asset Impairment TestingAs a result of our 2023 annual impairment test as of July 2, 2023, we recognized non-cash intangible asset impairment losses of $152Â million in SG&A in the third quarter of 2023 related to Maxwell House, Cool Whip, and two other brands. We utilized the relief from royalty method under the income approach to estimate the fair values and recorded non-cash impairment losses of $139Â million in our North America segment and $13Â million in our International Developed Markets segment, consistent with ownership of the trademarks. The impairment of these four brands was primarily due to an increase in the discount rate, which was impacted by higher interest rates, a decline in market capitalization, and other market inputs, as well as sustained expectations of declining revenue growth in future years, and decreased margin expectations.As part of our 2023 annual impairment test, we reclassified two indefinite-lived intangible assets to definite-lived intangible assets related to trademarks in our International Developed Markets segment and in Emerging Markets that had a history of impairment and expectations of limited capital investment. After the fair value assessment of these brands as part of our 2023 annual impairment test, we transferred $73Â million from indefinite-lived intangible assets to definite-lived trademarks as of July 2, 2023 and recognized six months of amortization expense as of DecemberÂ 30, 2023.2022 Indefinite-Lived Intangible Asset Impairment TestingWe performed our Q2 2022 Annual Impairment Test as of March 27, 2022, which was the first day of our second quarter in 2022. As a result of our Q2 2022 Annual Impairment Test, we recognized a non-cash impairment loss of $395Â million in SG&A in our North America segment in the second quarter of 2022 related to four brands, Maxwell House, Miracle Whip, Jet Puffed, and Classico. We utilized the relief from royalty method under the income approach to estimate the fair values of the Maxwell House, Jet Puffed, and Classico brands and the excess earnings method under the income approach to estimate the fair value of the Miracle Whip brand. The impairments of the Maxwell House, Jet Puffed, and Classico brands were primarily due to downward revisions in expected future operating margins as well as an increase in the discount rate, which was impacted by higher interest rates and other market inputs. The impairment of the Miracle Whip brand was primarily due to an increase in the discount rate as well as downward revisions in expected future operating margins due to changes in expectations for commodity input costs, including soybean oil. We performed our Q3 2022 Annual Impairment Test as of June 26, 2022, which was our first day of the third quarter of 2022. As a result of our Q3 2022 Annual Impairment Test we recognized a non-cash impairment loss of $67Â million in SG&A in the third quarter of 2022 related to two brands, Jet Puffed and Plasmon. We utilized the relief from royalty method under the income approach to estimate the fair values and recorded non-cash impairment losses of $50Â million in our North America segment and $17Â million in our International Developed Markets segment, consistent with ownership of the trademarks. The impairment of these brands was primarily due to reduced revenue growth assumptions. Additional Indefinite-Lived Intangible Asset ConsiderationsFair value determinations require considerable judgment and are sensitive to changes in underlying assumptions, estimates, and market factors. Estimating the fair value of individual brands requires us to make assumptions and estimates regarding our future plans, as well as industry, economic, and regulatory conditions. These assumptions and estimates include estimated future annual net cash flows, income tax considerations, discount rates, long-term growth rates, royalty rates, contributory asset charges, and other market factors. If current expectations of future growth rates and margins are not met, if market factors outside of our control, such as discount rates, market capitalization, income tax rates, foreign currency exchange rates, or inflation, change, or if managementâ€™s expectations or plans otherwise change, including updates to our long-term operating plans, then one or more of our brands might become impaired in the future. Additionally, any decisions to divest certain non-strategic assets has led, and could in the future lead, to intangible asset impairments.Our brands that were impaired in 2024, 2023, and 2022 were written down to their respective fair values resulting in zero excess fair value over carrying amount as of the applicable impairment test dates. Accordingly, these and other individual brands that had 20% or less excess fair value over carrying amount as of our 2024 annual impairment test have a heightened risk of future impairments if any assumptions, estimates, or market factors change in the future. Although the remaining brands had more than 20% excess fair value over carrying amount as of our 2024 annual impairment test, these amounts are also susceptible to impairments if any assumptions, estimates, or market factors significantly change in the future.75Definite-lived intangible assets:Definite-lived intangible assets were (in millions):Â December 28, 2024December 30, 2023GrossAccumulatedAmortizationNetGrossAccumulatedAmortizationNetTrademarks$2,392Â (893)1,499Â $2,313Â (755)1,558Â Customer-related assets3,665Â (1,530)2,135Â 3,710Â (1,331)2,379Â Other13Â (4)9Â 12Â (3)9Â $6,070Â $(2,427)$3,643Â $6,035Â $(2,089)$3,946Â In the second quarter of 2024, we entered into an amended license agreement to grant us the exclusive, irrevocable, royalty-free, and perpetual right to use certain TGI Friday trademarks to manufacture, distribute, market, and sell certain TGI Friday licensed products (the â€œTGI Friday Licenseâ€). The total cash consideration related to the TGI Friday License was approximately $140Â million. We recognized this TGI Friday License as a definite-lived intangible asset to be amortized over its 27-year useful life.In the third quarter of 2024, we recognized non-cash definite-lived intangible asset impairment losses of $128Â million in SG&A related to the Just Spices trademark and customer-related assets. We utilized the relief from royalty method under the income approach for the trademark and the distributor method under the income approach for the customer-related assets to estimate the fair values and recorded non-cash impairment losses in our Continental Europe reporting unit within our International Developed Markets segment, consistent with ownership of the trademarks and customer-related assets. The impairments of the Just Spices trademark and the customer-related assets were primarily due to a reduction of future year revenue growth and margin assumptions from prior expectations. Amortization expense for definite-lived intangible assets was $252 million in 2024, $251 million in 2023, and $261 million in 2022. Aside from amortization expense, the change in definite-lived intangible assets from DecemberÂ 30, 2023 to DecemberÂ 28, 2024 primarily relates to the acquisition of the TGI Friday License, the $128Â million of non-cash impairment losses related to the Just Spices trademark and customer-related assets within our International Developed Markets segment, and the impacts of foreign currency.In the third quarter of 2022, we recorded $7Â million of non-cash intangible asset impairment losses to SG&A related to two trademarks in our former International segment that had net carrying values that were deemed not to be recoverable.We estimate that amortization expense related to definite-lived intangible assets will be approximately $250 million in 2025 and for the following two years and $240 million in 2028 and 2029.76Note 9. Income TaxesProvision for/(Benefit from) Income Taxes:Income/(loss) before income taxes and the provision for/(benefit from) income taxes, consisted of the following (in millions):December 28, 2024December 30, 2023December 31, 2022Income/(loss) before income taxes:United States(165)2,324Â $1,575Â Non-U.S.1,021Â 1,309Â 1,391Â Total$856Â $3,633Â $2,966Â Provision for/(benefit from) income taxes:Current:U.S. federal$627Â $449Â $620Â U.S. state and local56Â 88Â 79Â Non-U.S.284Â 233Â 177Â 967Â 770Â 876Â Deferred:U.S. federal(417)30Â (192)U.S. state and local(79)11Â (35)Non-U.S.(2,361)(24)(51)(2,857)17Â (278)Total provision for/(benefit from) income taxes$(1,890)$787Â $598Â The Organization for Economic Co-operation and Development (OECD), a global coalition of member countries, proposed a two-pillar plan that aims to ensure a fairer distribution of profits among countries and impose a floor on tax competition through the introduction of a global minimum tax of 15%. Many countries have enacted, or begun the process of enacting, laws based on the two-pillar plan proposals.As part of our planning for the changes in the international tax environment, as well as to achieve greater operational synergies, we have enacted changes to our corporate entity structure which included a transfer of, and will result in the movement of, certain business operations to a wholly-owned subsidiary in the Netherlands resulting in a tax benefit of $3.0Â billion recorded as a non-U.S. deferred tax asset in December 2024. The deferred tax asset was recognized as a result of the book and tax basis difference on the business transferred to the Netherlands subsidiary with the tax basis determined by reference to the fair value of the business. The determination of the estimated fair value of the transferred business is complex and requires the exercise of substantial judgment due to the use of subjective assumptions in the valuation method used by management. The associated valuation allowance of $0.6Â billion is related to uncertainty in the Pillar Two legislative interpretation and is based on our latest assessment of the total tax benefit that is more likely than not to be realized. The recognition of our future tax benefits associated with this transaction is dependent upon the acceptance of the business valuation and tax basis step-up by the associated taxing authorities.We record tax expense/(benefits) related to the exercise of stock options and other equity instruments within our tax provision. Accordingly, we recognized an insignificant tax expense in our consolidated statements of income in 2024 and 2023, and an insignificant tax benefit in 2022 related to the exercise of stock options and other equity instruments.77Effective Tax Rate:The effective tax rate on income/(loss) before income taxes differed from the U.S. federal statutory tax rate for the following reasons:December 28, 2024December 30, 2023December 31, 2022U.S. federal statutory tax rate21.0Â %21.0Â %21.0Â %Tax on income of non-U.S. subsidiaries(32.1)%(6.6)%(8.2)%U.S. state and local income taxes, net of federal tax benefit0.2Â %1.8Â %1.8Â %Audit settlements and changes in uncertain tax positions3.1Â %0.3Â %1.3Â %Global intangible low-taxed income4.7Â %1.4Â %1.8Â %Goodwill impairment41.3Â %3.6Â %3.9Â %Deferred tax adjustments(347.8)%0.1Â %(1.1)%Movement of valuation allowances88.3Â %0.1Â %0.8Â %Deferred tax effect of tax law changes(4.8)%0.1Â %(0.9)%Repatriation costs3.2Â %â€"Â %0.3Â %Foreign income inclusion1.9Â %0.5Â %0.5Â %Research and development credits(1.1)%(0.3)%(0.3)%Change in prior year estimates(1.8)%(0.7)%(1.2)%Equity awards1.2Â %0.1Â %0.1Â %Other2.2Â %0.3Â %0.4Â %Effective tax rate(220.5)%21.7Â %20.2Â %The provision for income taxes consists of provisions for federal, state, and non-U.S. income taxes. We operate in an international environment; accordingly, the consolidated effective tax rate is a composite rate reflecting the earnings in various locations and the applicable tax rates. Additionally, the calculation of the percentage point impact of goodwill impairment and other items on the effective tax rate shown in the table above are affected by income/(loss) before income taxes. The percentage point impacts on the effective tax rates fluctuate due to income/(loss) before income taxes, which included goodwill and intangible asset impairment losses in all years presented in the table. Fluctuations in the amount of income generated across locations around the world could impact comparability of reconciling items between periods. Additionally, small movements in tax rates due to a change in tax law or a change in tax rates that causes us to revalue our deferred tax balances produces volatility in our effective tax rate.Our 2024 effective tax rate was a benefit of 220.5% on pre-tax income. Our effective tax rate was favorably impacted by recognizing a non-U.S. deferred tax asset as a result of the movement of certain business operations to a wholly-owned subsidiary in the Netherlands and the geographic mix of pre-tax income in various non-U.S. jurisdictions. This impact was partly offset by establishing a partial valuation allowance against the Netherlands deferred tax asset and a full valuation allowance against the Brazil net deferred tax assets and non-deductible goodwill impairments.Our 2023 effective tax rate was an expense of 21.7% on pre-tax income. Our effective tax rate was favorably impacted by geographic mix of pre-tax income in various non-U.S. jurisdictions. These impacts were partially offset by the impact of certain unfavorable rate reconciling items, primarily non-deductible goodwill impairments and the impact of the federal tax on global intangible low-taxed income (â€œGILTIâ€).The 2024 and 2023 year-over-year decrease in the effective tax rate was due primarily to recognizing a non-U.S. deferred tax asset as a result of the movement of certain business operations to a wholly-owned subsidiary in the Netherlands offset by establishing valuation allowances on certain non-U.S. deferred tax assets in the current year versus the prior year.Our 2022 effective tax rate was an expense of 20.2% on pre-tax income. Our effective tax rate was impacted by the favorable geographic mix of pre-tax income in various non-U.S. jurisdictions and certain favorable items, primarily the decrease in deferred tax liabilities due to the merger of certain foreign entities, the revaluation of deferred tax balances due to changes in state tax laws, and changes in estimates of certain 2021 U.S. income and deductions. This impact was partially offset by the impact of certain unfavorable items, primarily non-deductible goodwill impairments, the impact of the federal tax on GILTI, and the establishment of uncertain tax positions and valuation allowance reserves.The 2023 and 2022 year-over-year increase in the effective tax rate was due primarily to the decrease in deferred tax liabilities due to the merger of certain foreign entities and the revaluation of deferred tax balances due to changes in state tax laws in the prior year versus the current year.78See Note 8, Goodwill and Intangible Assets, for additional information related to our impairment losses.Deferred Income Tax Assets and Liabilities:The tax effects of temporary differences and carryforwards that gave rise to deferred income tax assets and liabilities consisted of the following (in millions):December 28, 2024December 30, 2023Deferred income tax liabilities:Intangible assets$9,310Â $9,967Â Property, plant and equipment, net673Â 707Â Right-of-use assets104Â 110Â Other400Â 358Â Deferred income tax liabilities10,487Â 11,142Â Deferred income tax assets:Intangible assets(2,959)â€"Â Deferred income(328)(343)Loss carryforwards(277)(270)Lease liabilities(114)(119)Other(441)(472)Deferred income tax assets(4,119)(1,204)Valuation allowance851Â 102Â Net deferred income tax liabilities$7,219Â $10,040Â The decrease in net deferred income tax liabilities from December 30, 2023 to December 28, 2024 was primarily driven by recognizing a non-U.S. deferred tax asset as a result of the movement of certain business operations to a wholly-owned subsidiary in the Netherlands offset by the establishment of a partial valuation allowance of approximately $0.6Â billion and the establishment of a full valuation allowance on Brazil net deferred tax assets of approximately $140Â million.As of DecemberÂ 28, 2024, non-U.S. operating loss carryforwards totaled $836 million. Of that amount, $62 million expire between 2025 and 2036; the other $774 million do not expire. We have recorded $243 million of deferred tax assets related to these non-U.S. operating loss carryforwards. Deferred tax assets of $21 million have been recorded for U.S. state and local operating loss carryforwards. These losses expire between 2025 and 2041. As of DecemberÂ 28, 2024, tax credit carryforwards totaled $39Â million, which primarily include state tax credits of $17Â million, and $22Â million in other tax credits. Uncertain Tax Positions:As of DecemberÂ 28, 2024, our unrecognized tax benefits for uncertain tax positions were $400 million. If we had recognized all of these benefits, the impact on our effective tax rate would have been $374 million. It is reasonably possible that our unrecognized tax benefits will decrease by an insignificant amount in the next 12 months primarily due to the progression of state audits in process. Our unrecognized tax benefits for uncertain tax positions are included in income taxes payable and other non-current liabilities on our consolidated balance sheets.The changes in our unrecognized tax benefits were (in millions): December 28, 2024December 30, 2023December 31, 2022Balance at the beginning of the period$443Â $455Â $441Â Increases for tax positions of prior years27Â 46Â 8Â Decreases for tax positions of prior years(14)(5)(27)Increases based on tax positions related to the current year45Â 67Â 53Â Decreases due to settlements with taxing authorities(84)(28)(6)Decreases due to lapse of statute of limitations(17)(92)(14)Balance at the end of the period$400Â $443Â $455Â Our unrecognized tax benefits decreased during 2024 mainly related to audit settlements with state, and non-U.S. taxing authorities and statute of limitations expirations partially offset by a net increase for tax positions related to the current and prior years in the U.S. and certain state and non-U.S. jurisdictions.79Our unrecognized tax benefits decreased during 2023 mainly related to audit settlements with federal, state, and non-U.S. taxing authorities and statute of limitations expirations partially offset by a net increase for tax positions related to the current and prior years in the U.S. and certain state and non-U.S. jurisdictions.Our unrecognized tax benefits increased during 2022 mainly as a result of a net increase for tax positions related to the current and prior years in the U.S. and certain state and non-U.S. jurisdictions, which were partially offset by decreases related to audit settlements with certain state and non-U.S. taxing authorities and statute of limitations expirations.We include interest and penalties related to uncertain tax positions in our tax provision. Our provision for/(benefit from) income taxes included a $19Â million benefit in 2024, a $1Â million expense in 2023, and a $20Â million expense in 2022 related to interest and penalties. Accrued interest and penalties were $83Â million as of DecemberÂ 28, 2024 and $102 million as of DecemberÂ 30, 2023.Other Income Tax Matters:Tax Examinations:We are currently under examination for income taxes by the Internal Revenue Service (â€œIRSâ€) for the years 2018 through 2022. In the third quarter of 2023, we received two Notices of Proposed Adjustment (the â€œNOPAsâ€) relating to transfer pricing with our foreign subsidiaries. The NOPAs propose an increase to our U.S. taxable income that could result in additional U.S. federal income tax expense and liability of approximately $200 million for 2018 and approximately $210Â million for 2019, excluding interest, and assert penalties of approximately $85Â million for each of 2018 and 2019. We strongly disagree with the IRSâ€™s positions, believe that our tax positions are well documented and properly supported, and intend to vigorously contest the positions taken by the IRS and pursue all available administrative and judicial remedies. Therefore, we have not recorded any reserves related to this issue. We continue to maintain the same operating model and transfer pricing methodology with our foreign subsidiaries that was in place for the years 2018 and 2019, and the IRS began its audit of 2020, 2021, and 2022 during the first quarter of 2024. We believe our income tax reserves are appropriate for all open tax years and that final adjudication of this matter will not have a material impact on our results of operations and cash flows. However, the ultimate outcome of this matter is uncertain, and if we are required to pay the IRS additional U.S. taxes, interest, and/or potential penalties, our results of operations and cash flows could be materially affected.In the normal course of business, we are subject to examination by taxing authorities throughout the world, including such major jurisdictions as Brazil, Canada, Italy, the Netherlands, the United Kingdom, and the United States. As of December 28, 2024, we have substantially concluded all national income tax matters through 2021 for the United Kingdom, through 2018 for the Netherlands, through 2017 for Italy and the United States, through 2016 for Canada, and through 2013 for Brazil, with the exception of 2007 and 2008 which are under litigation. We have concluded all U.S. state income tax matters through 2009.Cash Held by International Subsidiaries:Subsequent to January 1, 2018, we consider the unremitted earnings of certain international subsidiaries that impose local country taxes on dividends to be indefinitely reinvested. For those undistributed earnings considered to be indefinitely reinvested, our intent is to reinvest these funds in our international operations, and our current plans do not demonstrate a need to repatriate the accumulated earnings to fund our U.S. cash requirements. The amount of unrecognized deferred tax liabilities for local country withholding taxes that would be owed, if repatriated, related to our 2018 through 2024 accumulated earnings of certain international subsidiaries is approximately $80 million. Our undistributed historical earnings in foreign subsidiaries through December 31, 2017 are currently not considered to be indefinitely reinvested. Our deferred tax liability associated with these undistributed historical earnings was insignificant at DecemberÂ 28, 2024 and DecemberÂ 30, 2023, and relates to local withholding taxes that will be owed when this cash is distributed.Divestitures:In the second quarter of 2022, we paid cash taxes of approximately $620Â million related to the sale of certain assets and to the licensing of certain trademarks in our global cheese business to Lactalis.Note 10. Employeesâ€™ Stock Incentive PlansWe grant equity awards, including stock options, restricted stock units (â€œRSUsâ€), and performance share units (â€œPSUsâ€), to select employees to provide long-term performance incentives to our employees.80Stock PlansWe had activity related to equity awards from the following plans in 2024, 2023, and 2022:2020 Omnibus Incentive Plan:In May 2020, our stockholders approved The Kraft Heinz Company 2020 Omnibus Incentive Plan (the â€œ2020 Omnibus Planâ€), which was adopted by our Board of Directors (â€œBoardâ€) in March 2020. The 2020 Omnibus Plan became effective March 2, 2020 (the â€œPlan Effective Dateâ€) and will expire on the tenth anniversary of the Plan Effective Date. The 2020 Omnibus Plan authorizes the issuance of up to 36Â million shares of our common stock for awards to employees, non-employee directors, and other key personnel. The 2020 Omnibus Plan provides for the grant of options, stock appreciation rights, restricted stock, RSUs, deferred stock, performance awards, other stock-based awards, and cash-based awards. Equity awards granted under the 2020 Omnibus Plan include awards that vest in full at the end of a three-year period as well as awards that vest in annual installments over three or four years beginning on the second anniversary of the original grant date. Non-qualified stock options have a maximum exercise term of 10 years from the date of the grant. As of the Plan Effective Date, awards will no longer be granted under The Kraft Heinz Company 2016 Omnibus Incentive Plan, the H. J. Heinz Holding Corporation 2013 Omnibus Incentive Plan, Kraft Foods Group, Inc. 2012 Performance Incentive Plan (â€œ2012 Performance Incentive Planâ€), or any other equity plans other than the 2020 Omnibus Plan.2016 Omnibus Incentive Plan:In April 2016, our stockholders approved The Kraft Heinz Company 2016 Omnibus Incentive Plan (â€œ2016 Omnibus Planâ€), which was adopted by our Board in February 2016. The 2016 Omnibus Plan authorized grants of up to 18 million shares of our common stock pursuant to options, stock appreciation rights, RSUs, deferred stock, performance awards, investment rights, other stock-based awards, and cash-based awards. Equity awards granted under the 2016 Omnibus Plan prior to 2019 generally vest in full at the end of a five-year period. Equity awards granted under the 2016 Omnibus Plan in 2019 include awards that vest in full at the end of three and five-year periods as well as awards that become exercisable in annual installments over three to four years beginning on the second anniversary of the original grant date. Non-qualified stock options have a maximum exercise term of 10 years. Equity awards granted under the 2016 Omnibus Plan since inception include non-qualified stock options, RSUs, and PSUs.2013 Omnibus Incentive Plan:Prior to approval of the 2016 Omnibus Plan, we issued non-qualified stock options to select employees under the H. J. Heinz Holding Corporation 2013 Omnibus Incentive Plan (â€œ2013 Omnibus Planâ€). As a result of the 2015 Merger, each outstanding Heinz stock option was converted into 0.443332 of a Kraft Heinz stock option. Following this conversion, the 2013 Omnibus Plan authorized the issuance of up to 17,555,947 shares of our common stock. Non-qualified stock options awarded under the 2013 Omnibus Plan vest in full at the end of a five-year period and have a maximum exercise term of 10 years. These non-qualified stock options have vested and become exercisable in accordance with the terms and conditions of the 2013 Omnibus Plan and the relevant award agreements.Kraft 2012 Performance Incentive Plan:Prior to the 2015 Merger, Kraft issued equity-based awards, including stock options and RSUs, under the 2012 Performance Incentive Plan. As a result of the 2015 Merger, each outstanding Kraft stock option was converted into an option to purchase a number of shares of our common stock based upon an option adjustment ratio, and each outstanding Kraft RSU was converted into one Kraft Heinz RSU. These options generally become exercisable in three annual installments beginning on the first anniversary of the original grant date, and have a maximum exercise term of 10 years. These RSUs generally vest in full on the third anniversary of the original grant date. In accordance with the terms of the 2012 Performance Incentive Plan, vesting generally accelerated for holders of Kraft awards who were terminated without cause within 2 years of the 2015 Merger Date. These Kraft Heinz equity awards have vested and become exercisable in accordance with the terms and conditions that were applicable immediately prior to the completion of the 2015 Merger.In addition, prior to the 2015 Merger, Kraft issued performance-based, long-term incentive awards (â€œKraft Performance Sharesâ€), which vested based on varying performance, market, and service conditions. In connection with the 2015 Merger, all outstanding Kraft Performance Shares were converted into cash awards, payable in two installments: (i) a 2015 pro-rata payment based upon the portion of the Kraft Performance Share cycle completed prior to the 2015 Merger and (ii) the remaining value of the award to be paid on the earlier of the first anniversary of the closing of the 2015 Merger and a participant's termination without cause.81Stock OptionsWe use the Black-Scholes model to estimate the fair value of stock option grants. Our weighted average Black-Scholes fair value assumptions were:December 28, 2024December 30, 2023December 31, 2022Risk-free interest rate4.09Â %4.08Â %1.64Â %Expected term6.5 years6.5 years6.5 yearsExpected volatility25.0Â %26.7Â %28.5Â %Expected dividend yield4.3Â %4.0Â %4.4Â %Weighted average grant date fair value per share$6.46Â $8.00Â $6.46Â The risk-free interest rate represented the constant maturity U.S. Treasury rate in effect at the grant date, with a remaining term equal to the expected term of the options. The expected term is the period over which our employees are expected to hold their options. Due to the lack of historical data, we calculated expected term using the weighted average vesting period and the contractual term of the options. We estimated volatility using a blended volatility approach of term-matched historical volatility from our daily stock prices and weighted average implied volatility. We estimated the expected dividend yield using the quarterly dividend divided by the three-month average stock price, annualized and continuously compounded.Our stock option activity and related information was:Number of Stock OptionsWeighted Average Exercise Price(per share)Aggregate Intrinsic Value(in millions)Average Remaining Contractual TermOutstanding at December 30, 20238,022,540Â $46.87Â Granted654,724Â 35.13Â Forfeited(1,636,643)48.00Â Exercised(320,200)26.13Â Outstanding at December 28, 20246,720,421Â 46.44Â $4Â 4 yearsExercisable at December 28, 20244,756,292Â 50.15Â 4Â 2 yearsThe aggregate intrinsic value of stock options exercised during the period was insignificant in 2024, $11 million in 2023, and $24 million in 2022.Cash received from options exercised was $8 million in 2024, $43 million in 2023, and $57 million in 2022. The tax benefit realized from stock options exercised were insignificant in 2024, 2023, and 2022.Our unvested stock options and related information was:Number of Stock OptionsWeighted Average Grant Date Fair Value (per share)Unvested options at December 30, 20232,287,093Â $7.04Â Granted654,724Â 6.46Â Forfeited(221,160)7.10Â Vested(756,528)6.60Â Unvested options at December 28, 20241,964,129Â 7.01Â Restricted Stock UnitsRSUs represent a right to receive one share or the value of one share upon the terms and conditions set forth in the applicable plan and award agreement. We used the stock price on the grant date to estimate the fair value of our RSUs. Certain of our RSUs are not dividend eligible. We discounted the fair value of these RSUs based on the dividend yield. Dividend yield was estimated using the quarterly dividend divided by the three-month average stock price, annualized and continuously compounded. The grant date fair value of RSUs is amortized to expense over the vesting period.The weighted average grant date fair value per share of our RSUs granted during the year was $35.39 in 2024, $38.24 in 2023, and $37.50 in 2022. All RSUs granted in 2024, 2023, and 2022 were dividend eligible.82Our RSU activity and related information was:Number of UnitsWeighted Average Grant Date Fair Value (per share)Outstanding at December 30, 20237,722,870Â $36.80Â Granted3,171,590Â 35.39Â Forfeited(820,890)37.17Â Vested(3,368,063)34.34Â Outstanding at December 28, 20246,705,507Â 37.31Â The aggregate fair value of RSUs that vested during the period was $119 million in 2024, $134 million in 2023, and $163 million in 2022.Performance Share UnitsPSUs represent a right to receive one share or the value of one share upon the terms and conditions set forth in the applicable plan and award agreement and are subject to achievement or satisfaction of performance or market conditions specified by the Compensation Committee of our Board.For our PSUs that are tied to performance conditions, we used the stock price on the grant date to estimate the fair value. The PSUs are not dividend eligible; therefore, we discounted the fair value of the PSUs based on the dividend yield. Dividend yield was estimated using the quarterly dividend divided by the three-month average stock price, annualized and continuously compounded. The grant date fair value of PSUs is amortized to expense on a straight-line basis over the requisite service period for each separately vesting portion of the awards. We adjust the expense based on the likelihood of future achievement of performance metrics.For our PSUs that are tied to market-based conditions, the grant date fair value was determined based on a Monte Carlo simulation model, which takes into account expected volatility and dividend yield, among other things. The related compensation expense is recognized regardless of whether the market condition is satisfied, provided that the requisite service has been provided. The final award is based on the achievement of market-based components and service-based vesting conditions and may equal 0% to 150% of the target grant amount, based on achievement of the market-based conditions.The weighted average grant date fair value per share of our PSUs granted during the year was $29.14 in 2024, $33.33 in 2023, and $34.45 in 2022. Our expected dividend yield was 4.33% in 2024, 3.95% in 2023, and 4.41% in 2022. For our PSUs that are tied to market-based conditions, our expected volatility was 21.28% in 2024 and 24.48% in 2023 and 32.92% in 2022.Our PSU activity and related information was:Number of UnitsWeighted Average Grant Date Fair Value (per share)Outstanding at December 30, 20234,855,432Â $33.65Â Granted2,591,382Â 29.14Â Forfeited(913,405)32.26Â Vested(1,143,479)33.36Â Outstanding at December 28, 20245,389,930Â 31.77Â The aggregate fair value of PSUs that vested during the period was $40 million in 2024, $33Â million in 2023, and $58Â million in 2022.83Total Equity AwardsEquity award compensation cost and the related tax benefit was (in millions):December 28, 2024December 30, 2023December 31, 2022Pre-tax compensation cost$109Â $141Â $148Â Related tax benefit(24)(32)(34)After-tax compensation cost$85Â $109Â $114Â Unrecognized compensation cost related to unvested equity awards was $176 million at DecemberÂ 28, 2024 and is expected to be recognized over a weighted average period of 2 years.Note 11. Postemployment BenefitsWe maintain various retirement plans for the majority of our employees. Current defined benefit pension plans are provided primarily for certain domestic union and foreign employees. Local statutory requirements govern many of these plans. The pension benefits of our unionized workers are in accordance with the applicable collective bargaining agreement covering their employment. Defined contribution plans are provided for certain domestic unionized, non-union hourly, and salaried employees as well as certain employees in foreign locations.We provide health care and other postretirement benefits to certain of our eligible retired employees and their eligible dependents. Certain of our U.S.Â and Canadian employees may become eligible for such benefits. We may modify plan provisions or terminate plans at our discretion. The postretirement benefits of our unionized workers are in accordance with the applicable collective bargaining agreement covering their employment.We remeasure our postemployment benefit plans at least annually.Pension PlansObligations and Funded Status:The projected benefit obligations, fair value of plan assets, and funded status of our pension plans were (in millions):U.S. PlanNon-U.S. PlansDecember 28, 2024December 30, 2023December 28, 2024December 30, 2023Benefit obligation at beginning of year$2,681Â $2,653Â $1,210Â $1,326Â Service cost1Â 2Â 7Â 7Â Interest cost135Â 142Â 55Â 65Â Benefits paid(212)(235)(77)(81)Actuarial losses/(gains)(a)(144)113Â (124)105Â Plan amendmentsâ€"Â 6Â 13Â 7Â Currencyâ€"Â â€"Â (19)61Â Settlements(b)â€"Â â€"Â â€"Â (282)Curtailmentsâ€"Â â€"Â â€"Â â€"Â Special/contractual termination benefitsâ€"Â â€"Â â€"Â 2Â Benefit obligation at end of year2,461Â 2,681Â 1,065Â 1,210Â Fair value of plan assets at beginning of year3,139Â 3,113Â 1,528Â 1,709Â Actual return on plan assets46Â 261Â (43)105Â Employer contributionsâ€"Â â€"Â (22)11Â Benefits paid(212)(235)(77)(81)Currencyâ€"Â â€"Â (18)82Â Settlements(b)â€"Â â€"Â â€"Â (282)Otherâ€"Â â€"Â â€"Â (16)Fair value of plan assets at end of year2,973Â 3,139Â 1,368Â 1,528Â Net pension liability/(asset) recognized at end of year(512)(458)(303)(318)(a)Â Â Â Â Actuarial losses/(gains) were primarily due to a change in the discount rate assumption utilized in measuring plan obligations.(b)Â Â Â Â Settlements represent the settlement of our pension benefit obligation of $282Â million for one of our U.K. pension plans in 2023.84The accumulated benefit obligation, which represents benefits earned to the measurement date, was $2.5 billion at DecemberÂ 28, 2024 and $2.7 billion at DecemberÂ 30, 2023 for the U.S. pension plan. The accumulated benefit obligation for the non-U.S. pension plans was $1.0 billion at DecemberÂ 28, 2024 and $1.2 billion at DecemberÂ 30, 2023.The combined U.S. and non-U.S. pension plans resulted in net pension assets of $815 million at DecemberÂ 28, 2024 and $776 million at DecemberÂ 30, 2023. We recognized these amounts on our consolidated balance sheets as follows (in millions):December 28, 2024December 30, 2023Other non-current assets$878Â $840Â Other current liabilities(5)(4)Accrued postemployment costs(58)(60)Net pension asset/(liability) recognized$815Â $776Â For certain of our U.S. and non-U.S. plans that were underfunded based on accumulated benefit obligations in excess of plan assets, the projected benefit obligations, accumulated benefit obligations, and the fair value of plan assets were (in millions):U.S. PlanNon-U.S. PlansDecember 28, 2024December 30, 2023December 28, 2024December 30, 2023Projected benefit obligation$â€"Â $â€"Â $81Â $96Â Accumulated benefit obligationâ€"Â â€"Â 75Â 90Â Fair value of plan assetsâ€"Â â€"Â 17Â 31Â Our U.S. plan was overfunded based on plan assets in excess of accumulated benefit obligations as of DecemberÂ 28, 2024 and DecemberÂ 30, 2023.For certain of our U.S. and non-U.S. plans that were underfunded based on projected benefit obligations in excess of plan assets, the projected benefit obligations, accumulated benefit obligations, and the fair value of plan assets were (in millions):U.S. PlanNon-U.S. PlansDecember 28, 2024December 30, 2023December 28, 2024December 30, 2023Projected benefit obligation$â€"Â $â€"Â $94Â $96Â Accumulated benefit obligationâ€"Â â€"Â 88Â 90Â Fair value of plan assetsâ€"Â â€"Â 31Â 31Â Our U.S. plan was overfunded based on plan assets in excess of projected benefit obligations as of DecemberÂ 28, 2024 and DecemberÂ 30, 2023.We used the following weighted average assumptions to determine our projected benefit obligations under the pension plans:U.S. PlanNon-U.S. PlansDecember 28, 2024December 30, 2023December 28, 2024December 30, 2023Discount rate5.8Â %5.3Â %5.5Â %4.7Â %Rate of compensation increase4.0Â %4.0Â %3.7Â %3.6Â %Discount rates for our U.S. and non-U.S. plans were developed from a model portfolio of high quality, fixed-income debt instruments with durations that match the expected future cash flows of the plans.85Components of Net Pension Cost/(Benefit):Net pension cost/(benefit) consisted of the following (in millions):U.S. PlanNon-U.S. PlansDecember 28, 2024December 30, 2023December 31, 2022December 28, 2024December 30, 2023December 31, 2022Service cost$1Â $2Â $4Â $7Â $7Â $14Â Interest cost135Â 142Â 118Â 55Â 65Â 36Â Expected return on plan assets(197)(196)(193)(84)(88)(69)Amortization of prior service costs/(credits)1Â â€"Â 1Â 1Â 1Â Amortization of unrecognized losses/(gains)â€"Â â€"Â â€"Â 13Â 13Â 1Â Settlementsâ€"Â â€"Â (1)â€"Â 146Â 15Â Special/contractual termination benefitsâ€"Â â€"Â â€"Â (1)2Â â€"Â Otherâ€"Â â€"Â â€"Â (7)16Â â€"Â Net pension cost/(benefit)(60)(52)(72)(16)$162Â $(2)We present all non-service cost components of net pension cost/(benefit) within other expense/(income) on our consolidated statements of income. In 2023, we recognized settlement charges of $146Â million and other related costs of $16Â million related to the settlement of one of our U.K. defined benefit pension plans, which resulted in pre-tax losses of $162Â million within other expense/(income).We used the following weighted average assumptions to determine our net pension costs for the years ended:U.S. PlanNon-U.S. PlansDecember 28, 2024December 30, 2023December 31, 2022December 28, 2024December 30, 2023December 31, 2022Discount rate - Service cost5.4Â %5.7Â %4.0Â %5.1Â %5.3Â %2.4Â %Discount rate - Interest cost5.2Â %5.5Â %4.0Â %4.7Â %5.0Â %1.8Â %Expected rate of return on plan assets6.6Â %6.6Â %5.3Â %5.7Â %5.1Â %2.6Â %Rate of compensation increase4.0Â %4.0Â %4.0Â %3.6Â %3.8Â %3.8Â %Discount rates for our U.S. and non-U.S. plans were developed from a model portfolio of high quality, fixed-income debt instruments with durations that match the expected future cash flows of the plans. We determine our expected rate of return on plan assets from the plan assets' historical long-term investment performance, target asset allocation, and estimates of future long-term returns by asset class.Plan Assets:The underlying basis of the investment strategy of our defined benefit plans is to ensure that pension funds are available to meet the plansâ€™ benefit obligations when they are due. Our investment objectives include: investing plan assets in a high-quality, diversified manner in order to maintain the security of the funds; achieving an optimal return on plan assets within specified risk tolerances; and investing according to local regulations and requirements specific to each country in which a defined benefit plan operates. The investment strategy expects equity investments to yield a higher return over the long term than fixed-income securities, while fixed-income securities are expected to provide certain matching characteristics to the plansâ€™ benefit payment cash flow requirements. Our investment policy specifies the type of investment vehicles appropriate for the applicable plan, asset allocation guidelines, criteria for the selection of investment managers, procedures to monitor overall investment performance as well as investment manager performance. It also provides guidelines enabling the applicable plan fiduciaries to fulfill their responsibilities.86Our weighted average asset allocations were:U.S. PlanNon-U.S. PlansDecember 28, 2024December 30, 2023December 28, 2024December 30, 2023Fixed-income securities71Â %73Â %73Â %77Â %Equity securities10Â %10Â %13Â %7Â %Alternative investments, including real assets and other fixed income18Â %17Â %9Â %9Â %Cash and cash equivalents1Â %â€"Â %4Â %6Â %Certain insurance contractsâ€"Â %â€"Â %1Â %1Â %Total100Â %100Â %100Â %100Â %Our pension investment strategy for the U.S. plan is designed to align our pension assets with our projected benefit obligation to reduce volatility. We target an investment of approximately 75% of our U.S. plan assets in fixed-income securities, approximatelyÂ 15% in alternatives, primarily real assets and diversified credit, and approximately 10% in return-seeking assets, primarily equity securities.For pension plans outside the United States, our investment strategy is subject to local regulations and the asset/liability profiles of the plans in each individual country. In aggregate, the long-term asset allocation targets of our non-U.S. plans are broadly characterized as a mix of approximately 79%Â fixed-income securities and certain insurance contracts, approximately 10% in alternatives, primarily multi-asset credit, and approximately 11% in return-seeking assets, primarily equity securities.The fair value of pension plan assets at DecemberÂ 28, 2024 was determined using the following fair value measurements (in millions):Asset CategoryTotal Fair ValueQuoted Prices in Active Markets for Identical Assets (Level 1)Significant Other Observable Inputs (Level 2)Significant Unobservable Inputs (Level 3)Government bonds$698Â $263Â $435Â $â€"Â Corporate bonds and other fixed-income securities1,942Â â€"Â 1,942Â â€"Â Total fixed-income securities2,640Â 263Â 2,377Â â€"Â Cash and cash equivalents48Â 48Â â€"Â â€"Â Other8Â â€"Â 8Â â€"Â Certain insurance contracts23Â â€"Â â€"Â 23Â Fair value excluding investments measured at net asset value2,719Â 311Â 2,385Â 23Â Investments measured at net asset value(a)1,622Â Total plan assets at fair value$4,341Â (a)Â Â Â Â Amount includes cash collateral of $164 million associated with our securities lending program, which is reflected as an asset, and a corresponding securities lending payable of $164 million, which is reflected as a liability. The net impact on total plan assets at fair value is zero. 87The fair value of pension plan assets at DecemberÂ 30, 2023 was determined using the following fair value measurements (in millions):Asset CategoryTotal Fair ValueQuoted Prices in Active Markets for Identical Assets (Level 1)Significant Other Observable Inputs (Level 2)Significant Unobservable Inputs (Level 3)Government bonds$902Â $387Â $515Â $â€"Â Corporate bonds and other fixed-income securities2,115Â â€"Â 2,115Â â€"Â Total fixed-income securities3,017Â 387Â 2,630Â â€"Â Cash and cash equivalents46Â 46Â â€"Â â€"Â Other3Â â€"Â 3Â â€"Â Certain insurance contracts27Â â€"Â â€"Â 27Â Fair value excluding investments measured at net asset value3,093Â 433Â 2,633Â 27Â Investments measured at net asset value(a)1,574Â Total plan assets at fair value$4,667Â (a)Â Â Â Â Amount includes cash collateral of $192 million associated with our securities lending program, which is reflected as an asset, and a corresponding securities lending payable of $192 million, which is reflected as a liability. The net impact on total plan assets at fair value is zero.The following section describes the valuation methodologies used to measure the fair value of pension plan assets, including an indication of the level in the fair value hierarchy in which each type of asset is generally classified.Government Bonds. These securities consist of direct investments in publicly traded U.S. fixed interest obligations (principally debentures) and non-U.S. government bonds, including any related repurchases agreements. U.S. government bonds are valued using quoted prices in active markets and are included in Level 1. Non-U.S. government bonds are generally valued using observable inputs and are included in Level 2. Additionally, repurchase agreements related to the non-U.S. government bonds are valued at the contract price plus accrued interest and are included in Level 2.Corporate Bonds and Other Fixed-Income Securities. These securities consist of publicly traded U.S. and non-U.S. fixed interest obligations (principally corporate bonds). Such investments are valued through consultation and evaluation with brokers in the institutional market using quoted prices and other observable market data. As such, these securities are included in Level 2.Cash and Cash Equivalents. This consists of direct cash holdings and institutional short-term investment vehicles. Direct cash holdings are valued based on cost, which approximates fair value and are classified as Level 1. Certain institutional short-term investment vehicles are valued daily and are classified as Level 1. Other cash equivalents that are not traded on an active exchange, such as bank deposits, are classified as Level 2.Other. This consists of derivative financial instruments including foreign currency forward contracts, futures contracts, options contracts, interest rate swaps, inflation swaps and credit default swaps. Derivative financial instruments are valued based on observable market transactions or prices and classified as Level 2.Certain Insurance Contracts. This category consists of group annuity contracts that have been purchased to cover a portion of the plan members and have been classified as Level 3.Investments Measured at Net Asset Value. This category consists of pooled funds, short-term investments, and corporate feeder interests.â€¢Pooled funds. The fair values of participation units held in collective trusts are based on their net asset values, as reported by the managers of the collective trusts and as supported by the unit prices of actual purchase and sale transactions occurring as of or close to the financial statement date. The fair value of these investments measured at net asset value is excluded from the fair value hierarchy. Investments in the collective trusts can be redeemed daily, monthly, or quarterly based upon the applicable net asset value per unit and the terms of the specific trust agreements.The mutual fund investments are not traded on an exchange, and a majority of these funds are held in a separate account managed by a fixed income manager.Â The fair values of these investments are based on their net asset values, as reported by the managers and as supported by the unit prices of actual purchase and sale transactions occurring as of or close to the financial statement date.Â The fair value of these investments measured at net asset value is excluded from the fair value hierarchy. The objective of the account is to provide superior return with reasonable risk, where performance is expected to exceed Barclays Long U.S. Credit Index. Investments in this account can be redeemed with a written notice to the investment manager.88â€¢Short-term investments.Â Short-term investments largely consist of a money market fund, the fair value of which is based on the net asset value reported by the manager of the fund and supported by the unit prices of actual purchase and sale transactions.Â The fair value of these investments measured at net asset value is excluded from the fair value hierarchy.Â The money market fund is designed to provide safety of principal, daily liquidity, and a competitive yield by investing in high quality money market instruments.Â The investment objective of the money market fund is to provide the highest possible level of current income while still maintaining liquidity and preserving capital.â€¢Corporate feeder interests. The fair values of the corporate feeder are based upon the net asset values of the equity master fund in which it invests. The fair value of these investments measured at net asset value is excluded from the fair value hierarchy. Investments in the corporate feeder can be redeemed quarterly with at least 90 daysâ€™ notice. The investment objective of the corporate feeder is to generate long-term returns by investing in large, liquid equity securities with attractive fundamentals.Changes in our Level 3 plan assets for the year ended DecemberÂ 28, 2024 included (in millions):Asset CategoryDecember 30, 2023AdditionsNet Realized Gain/(Loss)Net Unrealized Gain/(Loss)Net Purchases, Issuances and SettlementsTransfers Into/(Out of) Level 3December 28, 2024Certain insurance contracts$27Â $â€"Â $â€"Â $â€"Â (4)â€"Â $23Â Total Level 3 investments$27Â $â€"Â $â€"Â $â€"Â (4)â€"Â $23Â Changes in our Level 3 plan assets for the year ended DecemberÂ 30, 2023 included (in millions):Asset CategoryDecember 31, 2022AdditionsNet Realized Gain/(Loss)Net Unrealized Gain/(Loss)Net Purchases, Issuances and SettlementsTransfers Into/(Out of) Level 3December 30, 2023Certain insurance contracts275Â â€"Â 45Â 2Â (295)â€"Â 27Â Total Level 3 investments$275Â $â€"Â $45Â $2Â (295)â€"Â $27Â Employer Contributions:In 2024, we contributed $7 million to our non-U.S. pension plans. We did not contribute to our U.S. pension plan. We estimate that 2025 pension contributions will be approximately $6 million to our non-U.S. pension plans. We do not plan to make contributions to our U.S. pension plan in 2025. Estimated future contributions take into consideration current economic conditions, which at this time are expected to have minimal impact on expected contributions for 2025. Our actual contributions and plans may change due to many factors, including changes in tax, employee benefit, or other laws and regulations, tax deductibility, significant differences between expected and actual pension asset performance or interest rates, or other factors.In 2023, we settled one of our U.K. defined benefit pension plans, which resulted in a surplus asset. During the third quarter of 2024, the surplus asset was distributed to Kraft Heinz as a negative contribution in the amount of $29Â million net of tax, which is shown as a cash inflow on the Consolidated Statements of Cash Flows.Future Benefit Payments:The estimated future benefit payments from our pension plans at DecemberÂ 28, 2024 were (in millions):U.S. PlanNon-U.S. Plans2025$261Â $74Â 2026245Â 69Â 2027235Â 72Â 2028216Â 74Â 2029208Â 74Â 2030-2034918Â 388Â 89Postretirement PlansObligations and Funded Status:The accumulated benefit obligation, fair value of plan assets, and funded status of our postretirement benefit plans were (in millions):December 28, 2024December 30, 2023Benefit obligation at beginning of year$683Â $733Â Service cost2Â 3Â Interest cost33Â 37Â Benefits paid(69)(73)Actuarial losses/(gains)(a)(39)(19)Plan amendmentsâ€"Â â€"Â Currency(7)2Â Benefit obligation at end of year603Â 683Â Fair value of plan assets at beginning of year926Â 887Â Actual return on plan assets75Â 101Â Employer contributions(b)(139)11Â Benefits paid(69)(73)Fair value of plan assets at end of year793Â 926Â Net postretirement benefit liability/(asset) recognized at end of year(190)(243)(a)Â Â Â Â Actuarial losses/(gains) were primarily due to a change in the discount rate assumption utilized in measuring plan obligations.(b)Â Â Â Â Refer to the Employer Contributions section within this footnote below for further discussion of the negative employer contributions in 2024.We recognized the net postretirement benefit asset/(liability) on our consolidated balance sheets as follows (in millions):December 28, 2024December 30, 2023Other non-current assets$271Â $332Â Other current liabilities(6)(7)Accrued postemployment costs(75)(82)Net postretirement benefit asset/(liability) recognized$190Â $243Â For certain of our postretirement benefit plans that were underfunded based on accumulated postretirement benefit obligations in excess of plan assets, the accumulated benefit obligations and the fair value of plan assets were (in millions):December 28, 2024December 30, 2023Accumulated benefit obligation$81Â $89Â Fair value of plan assetsâ€”Â â€”Â We used the following weighted average assumptions to determine our postretirement benefit obligations:December 28, 2024December 30, 2023Discount rate5.5Â %5.2Â %Health care cost trend rate assumed for next year6.2Â %6.2Â %Ultimate trend rate4.8Â %4.8Â %Discount rates for our plans were developed from a model portfolio of high-quality, fixed-income debt instruments with durations that match the expected future cash flows of the plans. Our expected health care cost trend rate is based on historical costs and our expectation for health care cost trend rates going forward.The year that the health care cost trend rate reaches the ultimate trend rate varies by plan and ranges between 2027 and 2035 as of DecemberÂ 28, 2024. Assumed health care costs trend rates have a significant impact on the amounts reported for the postretirement benefit plans.90Components of Net Postretirement Cost/(Benefit):Net postretirement cost/(benefit) consisted of the following (in millions):December 28, 2024December 30, 2023December 31, 2022Service cost$2Â $3Â $4Â Interest cost33Â 37Â 27Â Expected return on plan assets(55)(53)(54)Amortization of prior service costs/(credits)(12)(15)(15)Amortization of unrecognized losses/(gains)(22)(17)(15)Curtailmentsâ€”Â â€”Â Net postretirement cost/(benefit)(54)(45)$(53)We present all non-service cost components of net postretirement cost/(benefit) within other expense/(income) on our consolidated statements of income.We used the following weighted average assumptions to determine our net postretirement benefit plans cost for the years ended:December 28, 2024December 30, 2023December 31, 2022Discount rate - Service cost5.2Â %5.5Â %2.8Â %Discount rate - Interest cost5.1Â %5.4Â %3.4Â %Expected rate of return on plan assets6.3Â %6.3Â %5.4Â %Health care cost trend rate6.2Â %6.2Â %6.6Â %Discount rates for our plans were developed from a model portfolio of high-quality, fixed-income debt instruments with durations that match the expected future cash flows of the plans. We determine our expected rate of return on plan assets from the plan assets' target asset allocation and estimates of future long-term returns by asset class. Our expected health care cost trend rate is based on historical costs and our expectation for health care cost trend rates going forward.Plan Assets:The underlying basis of the investment strategy of our U.S. postretirement plans is to ensure that funds are available to meet the plansâ€™ benefit obligations when they are due by investing plan assets in a high-quality, diversified manner in order to maintain the security of the funds. The investment strategy expects equity investments to yield a higher return over the long term than fixed-income securities, while fixed-income securities are expected to provide certain matching characteristics to the plansâ€™ benefit payment cash flow requirements.Our weighted average asset allocations were:December 28, 2024December 30, 2023Fixed-income securities64Â %58Â %Equity securities29Â %34Â %Cash and cash equivalents7Â %8Â %Our postretirement benefit plan investment strategy is subject to local regulations and the asset/liability profiles of the plans in each individual country. Our investment strategy is designed to align our postretirement benefit plan assets with our postretirement benefit obligation to reduce volatility. In aggregate, our long-term asset allocation targets are broadly characterized as a mix of approximately 76% in fixed-income securities and approximatelyÂ 24%Â in return-seeking assets, primarily equity securities.91The fair value of postretirement benefit plan assets at DecemberÂ 28, 2024 was determined using the following fair value measurements (in millions):Asset CategoryTotal Fair ValueQuoted Prices in Active Markets for Identical Assets (Level 1)Significant Other Observable Inputs (Level 2)Significant Unobservable Inputs (Level 3)Government bonds$83Â $76Â $7Â $â€”Â Corporate bonds and other fixed-income securities421Â â€”Â 421Â â€”Â Total fixed-income securities504Â 76Â 428Â â€”Â Equity securities151Â 151Â â€”Â â€”Â Fair value excluding investments measured at net asset value655Â 227Â 428Â â€”Â Investments measured at net asset value138Â Total plan assets at fair value$793Â The fair value of postretirement benefit plan assets at DecemberÂ 30, 2023 was determined using the following fair value measurements (in millions):Asset CategoryTotal Fair ValueQuoted Prices in Active Markets for Identical Assets (Level 1)Significant Other Observable Inputs (Level 2)Significant Unobservable Inputs (Level 3)Government bonds$90Â $82Â $8Â $â€”Â Corporate bonds and other fixed-income securities445Â â€”Â 445Â â€”Â Total fixed-income securities535Â 82Â 453Â â€”Â Equity securities137Â 137Â â€”Â â€”Â Cash and cash equivalents1Â 1Â â€”Â â€”Â Fair value excluding investments measured at net asset value673Â 220Â 453Â â€”Â Investments measured at net asset value253Â Total plan assets at fair value$926Â The following section describes the valuation methodologies used to measure the fair value of postretirement benefit plan assets, including an indication of the level in the fair value hierarchy in which each type of asset is generally classified.Government Bonds. These securities consist of direct investments in publicly traded U.S. fixed interest obligations (principally debentures) and non-U.S. government bonds. U.S. government bonds are valued using quoted prices in active markets and are included in Level 1. Non-U.S. government bonds are generally valued using observable inputs and are included in Level 2.Corporate Bonds and Other Fixed-Income Securities. These securities consist of publicly traded U.S. and non-U.S. fixed interest obligations (principally corporate bonds and tax-exempt municipal bonds). Such investments are valued through consultation and evaluation with brokers in the institutional market using quoted prices and other observable market data. As such, these securities are included in Level 2.Equity Securities. These securities consist of direct investments in the stock of publicly traded companies. Such investments are valued based on the closing price reported in an active market on which the individual securities are traded. As such, the direct investments are classified as Level 1.Cash and Cash Equivalents. This consists of direct cash holdings and institutional short-term investment vehicles. Direct cash holdings are valued based on cost, which approximates fair value and are classified as Level 1. Certain institutional short-term investment vehicles are valued daily and are classified as Level 1. Other cash equivalents that are not traded on an active exchange, such as bank deposits, are classified as Level 2.Investments Measured at Net Asset Value. This category consists of pooled funds and short-term investments.â€¢Pooled funds. The fair values of participation units held in collective trusts are based on their net asset values, as reported by the managers of the collective trusts and as supported by the unit prices of actual purchase and sale transactions occurring as of or close to the financial statement date. The fair value of these investments measured at net asset value is excluded from the fair value hierarchy. Investments in the collective trusts can be redeemed on each business day based upon the applicable net asset value per unit.92The mutual fund investments are not traded on an exchange.Â The fair values of the mutual fund investments that are not traded on an exchange are based on their net asset values, as reported by the managers and as supported by the unit prices of actual purchase and sale transactions occurring as of or close to the financial statement date.Â The fair value of these investments measured at net asset value is excluded from the fair value hierarchy.Â â€¢Short-term investments.Â Short-term investments largely consist of a money market fund, the fair value of which is based on the net asset value reported by the manager of the fund and supported by the unit prices of actual purchase and sale transactions.Â The fair value of these investments measured at net asset value is excluded from the fair value hierarchy.Â The money market fund is designed to provide safety of principal, daily liquidity, and a competitive yield by investing in high quality money market instruments.Â The investment objective of the money market fund is to provide the highest possible level of current income while still maintaining liquidity and preserving capital.Employer Contributions:In 2024, we contributed $11Â million to our postretirement benefit plans. We estimate that 2025 postretirement benefit plan contributions will be approximately $11Â million. Estimated future contributions take into consideration current economic conditions, which at this time are expected to have minimal impact on expected contributions for 2025. Our actual contributions and plans may change due to many factors, including changes in tax, employee benefit, or other laws and regulations, tax deductibility, significant differences between expected and actual postretirement plan asset performance or interest rates, or other factors.During the fourth quarter of 2024, we amended the U.S. postretirement medical plan to establish a sub-trust to permit the payment of certain benefits for active union employees using $150Â million of the retiree plan surplus, which represents a portion of the retiree planâ€™s total surplus. This amount was converted to cash and treated as a negative contribution which is shown as a cash inflow in operating activities on the consolidated statement of cash flows. As a result of its designation for this purpose, the transferred amount is no longer considered an asset of the retiree plan and is recorded in restricted cash under other current assets and other non-current assets within the consolidated balance sheets. Future Benefit Payments:Our estimated future benefit payments for our postretirement plans at DecemberÂ 28, 2024 were (in millions):2025$74Â 202669Â 202764Â 202860Â 202956Â 2030-2034236Â Other PlansWe sponsor and contribute to employee savings plans that cover eligible salaried, non-union, and union employees. Our contributions and costs are determined by the matching of employee contributions, as defined by the plans. Amounts charged to expense for defined contribution plans totaled $109 million in 2024, $103 million in 2023, and $98 million in 2022.Accumulated Other Comprehensive Income/(Losses)Our accumulated other comprehensive income/(losses) pension and postretirement benefit plans balances, before tax, consisted of the following (in millions):Pension BenefitsPostretirement BenefitsTotalDecember 28, 2024December 30, 2023December 28, 2024December 30, 2023December 28, 2024December 30, 2023Net actuarial gain/(loss)(414)(414)$502Â $466Â $88Â $52Â Prior service credit/(cost)(19)(12)(19)(7)(38)(19)(433)(426)$483Â $459Â $50Â $33Â 93The net postemployment benefits recognized in other comprehensive income/(loss), consisted of the following (in millions):December 28, 2024December 30, 2023December 31, 2022Net postemployment benefit gains/(losses) arising during the period:Net actuarial gains/(losses) arising during the period - Pension Benefits(13)(145)$(468)Net actuarial gains/(losses) arising during the period - Postretirement Benefits58Â 67Â (44)Prior service credits/(costs) arising during the period - Pension Benefits(9)â€”Â â€”Â 36Â (78)(512)Tax benefit/(expense)(8)8Â 126Â $28Â (70)(386)Reclassification of net postemployment benefit losses/(gains) to net income/(loss):Amortization of unrecognized losses/(gains) - Pension Benefits$13Â $13Â $1Â Amortization of unrecognized losses/(gains) - Postretirement Benefits(22)(17)(15)Amortization of prior service costs/(credits) - Pension Benefits2Â 1Â 1Â Amortization of prior service costs/(credits) - Postretirement Benefits(12)(15)(15)Net settlement and curtailment losses/(gains) - Pension Benefitsâ€”Â 146Â 15Â (19)128Â (13)Tax (benefit)/expense5Â (13)5Â (14)115Â $(8)Note 12. Financial InstrumentsWe maintain a policy of requiring that all significant, non-exchange traded derivative contracts be governed by an International Swaps and Derivatives Association master agreement, and these master agreements and their schedules contain certain obligations regarding the delivery of certain financial information upon demand.Derivative Volume:The notional values of our outstanding derivative instruments were (in millions):Notional AmountDecember 28, 2024December 30, 2023Commodity contracts$1,152Â $954Â Foreign exchange contracts3,067Â 4,618Â Cross-currency contracts7,449Â 6,133Â 94Fair Value of Derivative Instruments:Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values and the levels within the fair value hierarchy of derivative instruments recorded on the consolidated balance sheets were (in millions):December 28, 2024Quoted Prices in Active Markets for Identical Assets and Liabilities(Level 1)Significant Other Observable Inputs (Level 2)Total Fair ValueAssetsLiabilitiesAssetsLiabilitiesAssetsLiabilitiesDerivatives designated as hedging instruments:Foreign exchange contracts(a)$â€”Â $â€”Â $45Â $9Â $45Â $9Â Cross-currency contracts(b)â€”Â â€”Â 137Â 172Â 137Â 172Â Derivatives not designated as hedging instruments:Commodity contracts(c)24Â 37Â 9Â 19Â 33Â 56Â Foreign exchange contracts(a)â€”Â â€”Â 33Â 8Â 33Â 8Â Total fair value$24Â $37Â $224Â $208Â $248Â $245Â (a)Â Â Â Â At DecemberÂ 28, 2024, the fair value of our derivative assets was recorded in other current assets ($71 million) and other non-current assets ($7 million), and the fair value of our derivative liabilities was recorded in other current liabilities ($16Â million) and other non-current liabilities ($1Â million).(b)Â Â Â Â At DecemberÂ 28, 2024, the fair value of our derivative assets was recorded in other current assets ($69Â million) and other non-current assets ($68Â million), and the fair value of our derivative liabilities was recorded in other current liabilities ($34Â million) and other non-current liabilities ($138Â million).(c) Â Â Â Â At DecemberÂ 28, 2024, the fair value of our derivative assets was recorded in other current assets and the fair value of derivative liabilities was recorded in other current liabilities ($55Â million) and other non-current liabilities ($1Â million).December 30, 2023Quoted Prices in Active Markets for Identical Assets and Liabilities(Level 1)Significant Other Observable Inputs (Level 2)Total Fair ValueAssetsLiabilitiesAssetsLiabilitiesAssetsLiabilitiesDerivatives designated as hedging instruments:Foreign exchange contracts(a)$â€”Â $â€”Â $12Â $42Â $12Â $42Â Cross-currency contracts(b)â€”Â â€”Â 140Â 165Â 140Â 165Â Derivatives not designated as hedging instruments:Commodity contracts(c)20Â 59Â 3Â 7Â 23Â 66Â Foreign exchange contracts(a)â€”Â â€”Â 17Â 23Â 17Â 23Â Total fair value$20Â $59Â $172Â $237Â $192Â $296Â (a)Â Â Â Â At DecemberÂ 30, 2023, the fair value of our derivative assets was recorded in other current assets ($21Â million) and other non-current assets ($8Â million), and the fair value of our derivative liabilities was recorded in other current liabilities ($51Â million) and other non-current liabilities ($14Â million).(b)Â Â Â Â At DecemberÂ 30, 2023, the fair value of our derivative assets was recorded in other current assets ($37Â million) and other non-current assets ($103Â million), and the fair value of our derivative liabilities was recorded in other current liabilities ($31Â million) and other non-current liabilities ($134Â million).(c)Â Â Â Â At DecemberÂ 30, 2023, the fair value of our derivative assets was recorded in other current assets and the fair value of derivative liabilities was recorded in other current liabilities ($64Â million) and other non-current liabilities ($2Â million).Our derivative financial instruments are subject to master netting arrangements that allow for the offset of assets and liabilities in the event of default or early termination of the contract. We elect to record the gross assets and liabilities of our derivative financial instruments on the consolidated balance sheets. If the derivative financial instruments had been netted on the consolidated balance sheets, the asset and liability positions each would have been reduced by $141 million at DecemberÂ 28, 2024 and $130 million at DecemberÂ 30, 2023. We had posted collateral related to commodity derivative margin requirements of $25Â million at DecemberÂ 28, 2024 and $41Â million at DecemberÂ 30, 2023, which were included in prepaid expenses on our consolidated balance sheets.Level 1 financial assets and liabilities consist of commodity future and options contracts and are valued using quoted prices in active markets for identical assets and liabilities.95Level 2 financial assets and liabilities consist of commodity swaps, foreign exchange forwards, options, and swaps, and cross-currency swaps. Commodity swaps are valued using an income approach based on the observable market commodity index prices less the contract rate multiplied by the notional amount. Foreign exchange forwards and swaps are valued using an income approach based on observable market forward rates less the contract rate multiplied by the notional amount. Foreign exchange options are valued using an income approach based on a Black-Scholes-Merton formula. This formula uses present value techniques and reflects the time value and intrinsic value based on observable market rates. Cross-currency swaps are valued based on observable market spot and swap rates.We did not have any Level 3 financial assets or liabilities in any period presented.Our calculation of the fair value of financial instruments takes into consideration the risk of nonperformance, including counterparty credit risk.Net Investment Hedging:At DecemberÂ 28, 2024, we had the following items designated as net investment hedges:â€¢Non-derivative foreign currency denominated debt with principal amounts of â‚¬300 million and Â£400 million; andâ€¢Cross-currency contracts with notional amounts of C$1.4 billion ($1.0 billion), â‚¬2.8 billion ($3.0 billion), JPY9.6 billion ($68 million), and CNY2.5 billion ($344 million).The component of the gains and losses on our net investment in these designated foreign operations, driven by changes in foreign exchange rates, are economically offset by fair value movements on the effective portion of our cross-currency contracts and foreign exchange contracts.Cash Flow Hedge Coverage:At DecemberÂ 28, 2024, we had entered into foreign exchange contracts designated as cash flow hedges for periods not exceeding the next 3 years and into cross-currency contracts designated as cash flow hedges for periods not exceeding the next 5 years.Fair Value Hedge Coverage:In 2024, we designated cross-currency contracts as fair value hedges of the foreign currency exposure of foreign currency denominated intercompany loans. At DecemberÂ 28, 2024, the notional amounts of the cross-currency contracts were Â£683Â million ($864Â million) and MXN4.8Â billion ($251Â million) and the carrying value of the hedged items was $1.1Â billion. The gains/(losses) on the hedged items, driven by changes in foreign exchange rates, are economically offset by fair value movements on the effective portion of our cross-currency contract, which is reported in the same income statement line item in the same period. The amounts excluded from the assessment of effectiveness are recognized in earnings over the life of the hedge on a systematic and rational basis in the same line item as the hedged items.Deferred Hedging Gains and Losses on Fair Value and Cash Flow Hedges:Based on our valuation at DecemberÂ 28, 2024 and assuming market rates remain constant through contract maturities, we expect transfers to net income/(loss) of the existing losses reported in accumulated other comprehensive income/(losses) on interest rate cash flow hedges and cross-currency fair value hedges during the next 12 months to be insignificant. Additionally, we expect transfers to net income/(loss) of the existing gains reported in accumulated other comprehensive income/(losses) during the next 12 months on foreign-currency cash flow hedges to be approximately $26Â million and on cross-currency cash flow hedges to be insignificant.Concentration of Credit Risk:Counterparties to our foreign exchange derivatives consist of major international financial institutions. We continually monitor our positions and the credit ratings of the counterparties involved and, by policy, limit the amount of our credit exposure to any one party. While we may be exposed to potential losses due to the credit risk of non-performance by these counterparties, losses are not anticipated. We closely monitor the credit risk associated with our counterparties and customers and to date have not experienced material losses.Economic Hedging:We enter into certain derivative contracts not designated as hedging instruments in accordance with our risk management strategy, which have an economic impact of largely mitigating commodity price risk and foreign currency exposures. Gains and losses are recorded in net income/(loss) as a component of cost of products sold for our commodity contracts and other expense/(income) for our cross currency and foreign exchange contracts.Acquisition Hedging:We entered into foreign exchange derivative contracts to economically hedge the foreign currency exposure related to the cash consideration for the Hemmer Acquisition. These derivative contracts settled in our second quarter of 2022. The related derivative gains were $38 million, and were recorded within other expense/(income). These gains are classified as other losses/96(gains) related to acquisitions and divestitures. See Note 4, Acquisitions and Divestitures, for additional information related to the Hemmer Acquisition.Derivative Impact on the Statements of Comprehensive Income:The following table presents the pre-tax amounts of derivative gains/(losses) deferred into accumulated other comprehensive income/(losses) and the income statement line item that will be affected when reclassified to net income/(loss) (in millions):Accumulated Other Comprehensive Income/(Losses) ComponentGains/(Losses) Recognized in Other Comprehensive Income/(Losses) Related to Derivatives Designated as Hedging InstrumentsLocation of Gains/(Losses) When Reclassified to Net Income/(Loss)December 28, 2024December 30, 2023December 31, 2022Cash flow hedges:Foreign exchange contracts(1)â€”Â $1Â Net salesForeign exchange contracts67Â (12)46Â Cost of products soldForeign exchange contracts (excluded component)(8)(6)(17)Cost of products soldForeign exchange contracts1Â (1)1Â SG&AForeign exchange contracts45Â (22)â€”Â Other expense/(income)Foreign exchange contracts (excluded component)8Â 2Â â€”Â Other expense/(income)Cross-currency contracts(80)83Â (132)Other expense/(income)Cross-currency contracts (excluded component)â€”Â 24Â 30Â Other expense/(income)Cross-currency contracts(29)(26)(28)Interest expenseInterest rate contractsâ€”Â (3)â€”Â Interest expenseNet investment hedges:Foreign exchange contracts4Â (1)17Â Other expense/(income)Foreign exchange contracts (excluded component)1Â 1Â â€”Â Interest expenseCross-currency contracts121Â (117)324Â Other expense/(income)Cross-currency contracts (excluded component)49Â 35Â 42Â Interest expenseFair value hedges:Cross-currency contracts (excluded component)(37)â€”Â â€”Â Other expense/(income)Total gains/(losses) recognized in statements of comprehensive income$141Â (43)284Â 97Derivative Impact on the Statements of Income: The following tables present the pre-tax amounts of derivative gains/(losses) reclassified from accumulated other comprehensive income/(losses) to net income/(loss) and the affected income statement line items (in millions):December 28, 2024December 30, 2023Cost of products soldInterest expenseOther expense/ (income)Cost of products soldInterest expenseOther expense/ (income)Total amounts presented in the consolidated statements of income in which the following effects were recorded$16,878Â $912Â (85)17,714Â $912Â $27Â Gains/(losses) related to derivatives designated as hedging instruments:Cash flow hedges(a):Foreign exchange contracts$13Â $â€”Â $45Â $38Â $â€”Â $(20)Foreign exchange contracts (excluded component)(6)â€”Â 9Â (10)â€”Â â€”Â Cross-currency contractsâ€”Â (30)(111)â€”Â (27)63Â Cross-currency contracts (excluded component)â€”Â â€”Â â€”Â â€”Â â€”Â 25Â Net investment hedges(a):Foreign exchange contracts (excluded component)â€”Â 1Â â€”Â â€”Â 1Â â€”Â Cross-currency contracts (excluded component)â€”Â 49Â â€”Â â€”Â 34Â â€”Â Fair Value hedges:Cross-currency contractsâ€”Â (1)â€”Â â€”Â â€”Â Cross-currency contracts (excluded component)(b)â€”Â 4Â â€”Â â€”Â â€”Â Hedged items(b)â€”Â 1Â â€”Â â€”Â Gains/(losses) related to derivatives not designated as hedging instruments:Commodity contracts(20)â€”Â â€”Â (110)â€”Â â€”Â Foreign exchange contractsâ€”Â â€”Â 38Â â€”Â â€”Â (12)Interest rate contracts(c)â€”Â â€”Â (3)â€”Â â€”Â â€”Â Cross-currency contractsâ€”Â â€”Â (27)â€”Â â€”Â 3Â Total gains/(losses) recognized in statements of income(13)20Â (45)(82)$8Â $59Â (a)Â Â Â Â Represents the pre-tax amounts of derivative gains/(losses) reclassified from accumulated other comprehensive income/(losses) to net income/(loss).(b)Â Â Â Â Represents the pre-tax amounts of the hedged items gains/(losses) in fair value hedges.(c)Â Â Â Â Represents recognition of realized hedge losses resulting from the discontinuance of cash flow hedges because the forecasted transactions were no longer probable of occurring.98December 31, 2022Cost of products soldSG&AInterest expenseOther expense/(income)Total amounts presented in the consolidated statements of income in which the following effects were recorded$18,363Â $4,488Â $921Â $(253)Gains/(losses) related to derivatives designated as hedging instruments:Cash flow hedges(a):Foreign exchange contracts(2)2Â $â€”Â $â€”Â Foreign exchange contracts (excluded component)(7)â€”Â â€”Â â€”Â Interest rate contractsâ€”Â â€”Â (1)â€”Â Cross-currency contractsâ€”Â â€”Â (28)(54)Cross-currency contracts (excluded component)â€”Â â€”Â â€”Â 30Â Net investment hedges(a):Foreign exchange contracts (excluded component)â€”Â â€”Â (1)â€”Â Cross-currency contracts (excluded component)â€”Â â€”Â 37Â â€”Â Gains/(losses) related to derivatives not designated as hedging instruments:Commodity contracts86Â â€”Â â€”Â â€”Â Foreign exchange contractsâ€”Â â€”Â â€”Â (26)Total gains/(losses) recognized in statements of income$77Â $2Â $7Â $(50)(a)Â Â Â Â Represents the pre-tax amounts of derivative gains/(losses) reclassified from accumulated other comprehensive income/(losses) to net income/(loss).Non-Derivative Impact on Statements of Comprehensive Income:Related to our non-derivative foreign currency denominated debt instruments designated as net investment hedges, we recognized pre-tax gains of $37 million in 2024, pre-tax losses of $39 million in 2023, and pre-tax gains of $111 million in 2022. These amounts were recognized in other comprehensive income/(loss).Note 13. Accumulated Other Comprehensive Income/(Losses)The components of, and changes in, accumulated other comprehensive income/(losses), net of tax, were as follows (in millions):Foreign Currency Translation AdjustmentsNet Postemployment Benefit Plan AdjustmentsNet Cash Flow Hedge AdjustmentsNet Fair Value HedgesTotalBalance at December 25, 2021$(2,285)$364Â $97Â $â€”Â $(1,824)Foreign currency translation adjustments(907)â€”Â â€”Â â€”Â (907)Net deferred gains/(losses) on net investment hedges343Â â€”Â â€”Â â€”Â 343Â Amounts excluded from the effectiveness assessment of net investment hedges32Â â€”Â â€”Â â€”Â 32Â Net deferred losses/(gains) on net investment hedges reclassified to net income/(loss)(28)â€”Â â€”Â â€”Â (28)Net deferred gains/(losses) on cash flow hedgesâ€”Â â€”Â (72)â€”Â (72)Amounts excluded from the effectiveness assessment of cash flow hedgesâ€”Â â€”Â 14Â â€”Â 14Â Net deferred losses/(gains) on cash flow hedges reclassified to net income/(loss)â€”Â â€”Â 26Â â€”Â 26Â Net actuarial gains/(losses) arising during the periodâ€”Â (386)â€”Â â€”Â (386)Net postemployment benefit losses/(gains) reclassified to net income/(loss)â€”Â (8)â€”Â â€”Â (8)Total other comprehensive income/(loss)(560)(394)(32)â€”Â (986)Balance at December 31, 2022(2,845)(30)65Â â€”Â (2,810)Foreign currency translation adjustments307Â â€”Â â€”Â â€”Â 307Â Net deferred gains/(losses) on net investment hedges(119)â€”Â â€”Â â€”Â (119)99Amounts excluded from the effectiveness assessment of net investment hedges28Â â€”Â â€”Â â€”Â 28Â Net deferred losses/(gains) on net investment hedges reclassified to net income/(loss)(27)â€”Â â€”Â â€”Â (27)Net deferred gains/(losses) on cash flow hedgesâ€”Â â€”Â 3Â â€”Â 3Â Amounts excluded from the effectiveness assessment of cash flow hedgesâ€”Â â€”Â 19Â â€”Â 19Â Net deferred losses/(gains) on cash flow hedges reclassified to net income/(loss)â€”Â â€”Â (50)â€”Â (50)Net actuarial gains/(losses) arising during the periodâ€”Â (70)â€”Â â€”Â (70)Prior service credits/(costs) arising during the periodâ€”Â â€”Â â€”Â â€”Â â€”Â Net postemployment benefit losses/(gains) reclassified to net income/(loss)â€”Â 115Â â€”Â â€”Â 115Â Other activity22Â â€”Â (22)â€”Â â€”Â Total other comprehensive income/(loss)211Â 45Â (50)â€”Â 206Â Balance at December 30, 2023(2,634)15Â 15Â â€”Â (2,604)Foreign currency translation adjustments(486)â€”Â â€”Â â€”Â (486)Net deferred gains/(losses) on net investment hedges121Â â€”Â â€”Â â€”Â 121Â Amounts excluded from the effectiveness assessment of net investment hedges38Â â€”Â â€”Â â€”Â 38Â Net deferred losses/(gains) on net investment hedges reclassified to net income/(loss)(38)â€”Â â€”Â â€”Â (38)Net deferred gains/(losses) on cash flow hedgesâ€”Â â€”Â 21Â â€”Â 21Â Amounts excluded from the effectiveness assessment of cash flow hedgesâ€”Â â€”Â 6Â â€”Â 6Â Net deferred losses/(gains) on cash flow hedges reclassified to net income/(loss)â€”Â â€”Â 39Â â€”Â 39Â Amounts excluded from the effectiveness assessment of fair value hedgesâ€”Â â€”Â â€”Â (23)(23)Net deferred losses/(gains) on fair value hedges reclassified to net income/(loss)â€”Â â€”Â â€”Â (3)(3)Net actuarial gains/(losses) arising during the periodâ€”Â 35Â â€”Â â€”Â 35Â Prior service credits/(costs) arising during the periodâ€”Â (7)â€”Â â€”Â (7)Net postemployment benefit losses/(gains) reclassified to net income/(loss)â€”Â (14)â€”Â â€”Â (14)Total other comprehensive income/(loss)(365)14Â 66Â (26)(311)Balance at December 28, 2024$(2,999)$29Â $81Â (26)(2,915)100The gross amount and related tax benefit/(expense) recorded in, and associated with, each component of other comprehensive income/(loss) were as follows (in millions):December 28, 2024December 30, 2023December 31, 2022Before Tax AmountTaxNet of Tax AmountBefore Tax AmountTaxNet of Tax AmountBefore Tax AmountTaxNet of Tax AmountForeign currency translation adjustments(486)â€”Â (486)307Â $â€”Â $307Â (907)â€”Â $(907)Net deferred gains/(losses) on net investment hedges162Â (41)121Â (157)38Â (119)452Â (109)343Â Amounts excluded from the effectiveness assessment of net investment hedges50Â (12)38Â 36Â (8)28Â 42Â (10)32Â Net deferred losses/(gains) on net investment hedges reclassified to net income/(loss)(50)12Â (38)(35)8Â (27)(36)8Â (28)Net deferred gains/(losses) on cash flow hedges3Â 18Â 21Â 19Â (16)3Â (112)40Â (72)Amounts excluded from the effectiveness assessment of cash flow hedgesâ€”Â 6Â 6Â 20Â (1)19Â 13Â 1Â 14Â Net deferred losses/(gains) on cash flow hedges reclassified to net income/(loss)83Â (44)39Â (69)19Â (50)60Â (34)26Â Amounts excluded from the effectiveness assessment of fair value hedges(37)14Â (23)â€”Â â€”Â â€”Â â€”Â â€”Â â€”Â Net deferred losses/(gains) on fair value hedges reclassified to net income/(loss)(4)1Â (3)â€”Â â€”Â â€”Â â€”Â â€”Â â€”Â Net actuarial gains/(losses) arising during the period45Â (10)35Â (78)8Â (70)(512)126Â (386)Prior service credits/(costs) arising during the period(9)2Â (7)â€”Â â€”Â â€”Â â€”Â â€”Â â€”Â Net postemployment benefit losses/(gains) reclassified to net income/(loss)(19)5Â (14)128Â (13)115Â (13)5Â (8)101The amounts reclassified from accumulated other comprehensive income/(losses) were as follows (in millions):Accumulated Other Comprehensive Income/(Losses) ComponentÂ Reclassified from Accumulated Other Comprehensive Income/(Losses) to Net Income/(Loss)Affected Line Item in the Statements of IncomeDecember 28, 2024December 30, 2023December 31, 2022Losses/(gains) on net investment hedges:Foreign exchange contracts(a)(1)(1)$1Â Interest expenseCross-currency contracts(a)(49)(34)(37)Interest expenseLosses/(gains) on cash flow hedges:Foreign exchange contracts(b)(7)(28)9Â Cost of products soldForeign exchange contracts(b)â€”Â â€”Â (2)SG&AForeign exchange contracts(b)(54)20Â â€”Â Other expense/(income)Cross-currency contracts(b)111Â (88)24Â Other expense/(income)Cross-currency contracts(b)30Â 27Â 28Â Interest expenseInterest rate contracts(c)3Â â€”Â â€”Â Other expense/(incomeInterest rate contracts(d)â€”Â â€”Â 1Â Interest expenseLosses/(gains) on fair value hedges:Cross-currency contracts(e)(4)â€”Â â€”Â Other expense/(incomeLosses/(gains) on hedges before income taxes29Â (104)24Â Losses/(gains) on hedges, income taxes(31)27Â (26)Losses/(gains) on hedges(2)(77)$(2)Losses/(gains) on postemployment benefits:Amortization of unrecognized losses/(gains)(f)(9)(4)$(14)Amortization of prior service costs/(credits)(f)(10)(14)(14)Settlement and curtailment losses/(gains)(f)â€”Â 146Â 15Â Losses/(gains) on postemployment benefits before income taxes(19)128Â (13)Losses/(gains) on postemployment benefits, income taxes5Â (13)5Â Losses/(gains) on postemployment benefits(14)115Â $(8)(a)Â Â Â Â Represents recognition of the excluded component in net income/(loss).(b)Â Â Â Â Includes amortization of the excluded component and the effective portion of the related hedges.(c)Â Â Â Â Represents recognition of realized hedge losses resulting from the discontinuance of cash flow hedges because the forecasted transactions were no longer probable of occurring.(d)Â Â Â Â Represents amortization of realized hedge losses that were deferred into accumulated other comprehensive income/(losses) through the maturity of the related long-term debt instruments. (e)Â Â Â Â Represents amortization of the excluded component.(f)Â Â Â Â These components are included in the computation of net periodic postemployment benefit costs. See Note 11, Postemployment Benefits, for additional information.In this note we have excluded activity and balances related to noncontrolling interest due to their insignificance. This activity was primarily related to foreign currency translation adjustments.102Note 14. Financing ArrangementsTransfers of Financial Assets:Since 2020, we have had a nonrecourse accounts receivable factoring program whereby certain eligible receivables are sold to third-party financial institutions in exchange for cash. The program provides us with an additional means for managing liquidity. Under the terms of the arrangement, we act as the collecting agent on behalf of the financial institutions to collect amounts due from customers for the receivables sold. We account for the transfer of receivables as a true sale at the point control is transferred through derecognition of the receivable on our consolidated balance sheet. The accounts receivable factoring program was not utilized in 2024 as there were noÂ receivables sold under the program during 2024, and no amounts were outstanding as of DecemberÂ 28, 2024. There were no incremental costs of factoring receivables under this arrangement for the year ended DecemberÂ 28, 2024. Receivables sold under this accounts receivable factoring program were approximately $863Â million during 2023, with no amounts outstanding as of DecemberÂ 30, 2023. The incremental costs of factoring receivables under this arrangement were insignificant for the year ended DecemberÂ 30, 2023. Receivables sold under this accounts receivable factoring program were approximately $197Â million during 2022, with an insignificant amount outstanding as of December 31, 2022. The incremental costs of factoring receivables under this arrangement were insignificant for the year ended December 31, 2022. The proceeds from the sales of receivables are included in cash from operating activities in the consolidated statement of cash flows. As of December 28, 2024, the Company has elected not to renew the accounts receivable factoring program. There were no outstanding obligations at the time the program was terminated.Trade Payables Programs:We maintain agreements with third-party administrators that allow participating suppliers to track payment obligations from us, and, at the sole discretion of the supplier, sell one or more of those payment obligations to participating financial institutions. We have no economic interest in a supplierâ€™s decision to enter into these agreements and no direct financial relationship with the financial institutions related to these programs. We pledged no assets or other forms of guarantees in connection with our trade payable programs. Our obligations to our suppliers, including amounts due and scheduled payment terms, are not impacted. Our current payment terms with our suppliers, which we deem to be commercially reasonable, generally range from 0 to 250 days. All amounts due to participating suppliers are paid to the third party on the original invoice due dates, regardless of whether a particular invoice was sold. Supplier participation in these agreements is voluntary. The amounts confirmed outstanding under these programs were $745 million at DecemberÂ 28, 2024 and $819 million at DecemberÂ 30, 2023. The amounts were included in trade payables on our consolidated balance sheets. During 2024, we added $2,669 million of obligations to these programs and settled $2,743 million of obligations.Changes in the amounts outstanding on our trade payables programs, were (in millions):Ending Balance at December 30, 2023$819Â Obligations confirmed2,669Â Confirmed obligations settled(2,743)Ending Balance at December 28, 2024$745Â Note 15. Commitments and ContingenciesLegal ProceedingsWe are involved in legal proceedings, claims, and governmental inquiries, inspections, or investigations (â€œLegal Mattersâ€) arising in the ordinary course of our business. While we cannot predict with certainty the results of Legal Matters in which we are currently involved or may in the future be involved, we do not expect that the ultimate costs to resolve the Legal Matters that are currently pending will have a material adverse effect on our financial condition, results of operations, or cash flows.103Class Actions and Stockholder Derivative Actions:The Kraft Heinz Company and certain of our current and former officers and directors were defendants in a consolidated securities class action lawsuit pending in the United States District Court for the Northern District of Illinois, Union Asset Management Holding AG, et al. v. The Kraft Heinz Company, et al. The consolidated amended class action complaint, which was filed on August 14, 2020 and also named 3G Capital, Inc. and several of its subsidiaries and affiliates (the â€œ3G Entitiesâ€) as defendants, asserted claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the â€œExchange Actâ€), and Rule 10b-5 promulgated thereunder, based on allegedly materially false or misleading statements and omissions in public statements, press releases, investor presentations, earnings calls, Company documents, and SEC filings regarding the Companyâ€™s business, financial results, and internal controls, and further alleged the 3G Entities engaged in insider trading and misappropriated the Companyâ€™s material, non-public information. In February 2023, the parties to the litigation reached a preliminary class settlement agreement. Related to that agreement, we recorded a net expense of $210Â million within SG&A in our consolidated statements of income for the fourth quarter of 2022, representative of the Companyâ€™s then-estimated liability after insurance recoveries and contributions from other defendants. The Companyâ€™s then-estimated liability and the insurance recoveries are reflected in current liabilities and current assets on the consolidated balance sheets at December 31, 2022. In the third quarter of 2023, we paid our remaining liability after insurance recoveries. On September 12, 2023, the United States District Court for the Northern District of Illinois issued a Judgment Approving Class Action Settlement, wherein it granted final approval of the class settlement and dismissed the lawsuit with prejudice. Certain of The Kraft Heinz Companyâ€™s current and former officers and directors and the 3G Entities were named as defendants in two stockholder derivative actions previously pending in the Delaware Court of Chancery, Datnoff, et al. v. Behring, et al., which was filed on May 6, 2022, and Felicetti, et al. v. Behring, et al., which was filed on March 6, 2023. The complaints alleged state law claims and contended that The Kraft Heinz Companyâ€™s Board of Directors wrongfully refused plaintiffsâ€™ demands to pursue legal action against the named defendants. Specifically, the complaints alleged that certain of the Companyâ€™s current and former officers and directors breached their fiduciary duties to the Company by purportedly making materially misleading statements and omissions regarding the Companyâ€™s financial performance and the impairment of its goodwill and intangible assets. The complaints further alleged that the 3G Entities and certain of the Companyâ€™s current and former officers and directors breached their fiduciary duties by engaging in insider trading and misappropriating the Companyâ€™s material, non-public information, or aided and abetted such alleged breaches of fiduciary duty. The complaints sought relief against the defendants, principally in the form of damages, disgorgement of all profits obtained from the alleged insider trading, contribution and indemnification, and an award of attorneysâ€™ fees and costs. The defendants filed a motion to dismiss the complaints, which the Delaware Chancery Court granted in an order dated July 23, 2024, dismissing the complaints with prejudice. The plaintiffs filed a notice of appeal on August 19, 2024, followed by a notice of voluntary dismissal of the appeal on September 3, 2024. The Delaware Supreme Court closed the case on September 4, 2024, formally concluding this matter in full.Certain of The Kraft Heinz Companyâ€™s current and former officers and directors and the 3G Entities were also named as defendants in a consolidated stockholder derivative action, In re Kraft Heinz Company Derivative Litigation, which was filed in the Delaware Court of Chancery. The consolidated amended complaint, which was filed on April 27, 2020, alleged state law claims, contending that the 3G Entities were controlling stockholders who owed fiduciary duties to the Company, and that they breached those duties by allegedly engaging in insider trading and misappropriating the Companyâ€™s material, non-public information. The complaint further alleged that certain of The Kraft Heinz Companyâ€™s current and former officers and directors breached their fiduciary duties to the Company by purportedly making materially misleading statements and omissions regarding the Companyâ€™s financial performance and the impairment of its goodwill and intangible assets, and by supposedly approving or allowing the 3G Entitiesâ€™ alleged insider trading. The complaint sought relief against the defendants in the form of damages, disgorgement of all profits obtained from the alleged insider trading, contribution and indemnification, and an award of attorneysâ€™ fees and costs. The defendants filed a motion to dismiss the consolidated amended complaint, which motion the Delaware Chancery Court granted in an order dated December 15, 2021. The plaintiffs filed a notice of appeal on January 13, 2022, and the Delaware Supreme Court affirmed the trial courtâ€™s dismissal with prejudice of the consolidated amended complaint in an order dated August 1, 2022. One of the plaintiffs in said dismissed derivative litigation subsequently filed a new complaint, Erste Asset Management v. Hees, et al., against certain current and former officers and directors of The Kraft Heinz Company on November 28, 2023 in the Delaware Court of Chancery, seeking to reinstate the plaintiffâ€™s previously-dismissed claims and recover attorneysâ€™ fees and costs incurred in the dismissed litigation on the basis of alleged newly discovered evidence. Specifically, the plaintiff alleges the 3G Entities caused the Company to make false and misleading public disclosures regarding the independence of two directors of The Kraft Heinz Company, one of whose independence plaintiff contends formed a basis for the courtâ€™s prior dismissal of the consolidated amended complaint. The defendants filed a motion to dismiss the complaint, which the Delaware Chancery Court granted in an order dated August 8, 2024, dismissing the complaint with prejudice. The plaintiff filed a notice of appeal on September 5, 2024. We intend to vigorously defend against this lawsuit; however, we cannot reasonably estimate the potential range of loss, if any, due to the early stage of the proceedings.104Environmental Actions:Since March 2024, the Company has been engaged in ongoing discussions with the U.S. Department of Justice, joined by the U.S. Environmental Protection Agency (â€œU.S. EPAâ€) and the Indiana Department of Environmental Management, concerning alleged violations of the Clean Water Act related to a Company facility in Kendallville, Indiana. Previously, the Company entered into an Administrative Order on Consent with the U.S. EPA that requires the Company to implement a compliance plan to address related alleged violations of the Clean Water Act related to the facility in Kendallville, Indiana. While we cannot predict with certainty the resolution of these discussions, we do not expect that the ultimate costs to resolve this matter will have a material adverse effect on our financial condition, results of operations, or cash flows.Other Commitments and ContingenciesPurchase Obligations:We have purchase obligations for materials, supplies, property, plant and equipment, and co-packing, storage, and distribution services based on projected needs to be utilized in the normal course of business. Other purchase obligations include commitments for marketing, advertising, capital expenditures, information technology, and professional services.As of DecemberÂ 28, 2024, our take-or-pay purchase obligations were as follows (in millions):2025$698Â 2026500Â 2027425Â 2028338Â 2029122Â Thereafter277Â Total$2,360Â Note 16. DebtWe may from time to time seek to retire or purchase our outstanding debt through redemptions, tender offers, cash purchases, prepayments, refinancing, exchange offers, open market or privately negotiated transactions, Rule 10b5-1 plans, or otherwise. Cash payments related to debt extinguishment are classified as cash outflows from financing activities on the consolidated statements of cash flows. Any gains or losses on extinguishment of debt are recognized in interest expense on the consolidated statements of income.Borrowing Arrangements:Together with Kraft Heinz Foods Company (â€œKHFCâ€), our 100% owned operating subsidiary, we have a credit agreement (the â€œCredit Agreementâ€), which provides for a five-year senior unsecured revolving credit facility in an aggregate amount of $4.0Â billion (the â€œSenior Credit Facilityâ€). On September 27, 2024, we entered into an agreement to extend the maturity date of our Senior Credit Facility from July 8, 2028 to July 8, 2029. The Credit Agreement includes a $1.0Â billion sublimit for borrowings in Canadian dollars, euro, or British pound sterling, as well as a swingline sub-facility of up to $400Â million, and a letter of credit sub-facility of up to $300Â million. Additionally, and subject to certain conditions, we may increase the amount of revolving commitments and/or add tranches of term loans in a combined aggregate amount of up to $1.0Â billion.Borrowings under the Senior Credit Facility will bear interest at the rates specified in the Credit Agreement, which vary based on the type of borrowing and certain other customary conditions.The Credit Agreement contains customary representations, warranties, and covenants that are typical for these types of facilities and could, upon the occurrence of certain events of default, restrict our ability to access our Senior Credit Facility. The Credit Agreement requires us to maintain a minimum shareholdersâ€™ equity (excluding accumulated other comprehensive income/(losses)) of at least $35Â billion. The obligations under the Credit Agreement are guaranteed by KHFC and The Kraft Heinz Company in the case of indebtedness and other liabilities of any subsidiary borrower.NoÂ amounts were drawn on our Senior Credit Facility at DecemberÂ 28, 2024 or DecemberÂ 30, 2023. No amounts were drawn on our Senior Credit Facility during the years ended DecemberÂ 28, 2024 or DecemberÂ 30, 2023.From time to time, we obtain funding through our commercial paper programs. We had no commercial paper outstanding at DecemberÂ 28, 2024 or at DecemberÂ 30, 2023. We had no commercial paper outstanding during the year ended DecemberÂ 28, 2024, and the maximum amount of commercial paper outstanding was $150Â million during the year ended and DecemberÂ 30, 2023.105Long-Term Debt:The following table summarizes our long-term debt obligations.Priority (a)Maturity Dates(b)Interest Rates(b)Carrying ValuesDecember 28, 2024December 30, 2023(in millions)U.S. dollar notes(c)Senior Notes2026â€"20503.000%â€"7.125%$16,535Â $16,545Â Euro notes(c)Senior Notes2025â€"20292.250%â€"3.532%2,494Â 2,642Â British pound sterling notes:2030 Notes(d)Senior NotesFebruary 18, 20306.250%161Â 163Â Other British pound sterling notes(c)Senior NotesJuly 1, 20274.125%502Â 507Â Other debtVarious2025â€"20350.170%â€"16.350%26Â 30Â Finance lease obligations 151Â 145Â Total long-term debt19,869Â 20,032Â Current portion of long-term debt654Â 638Â Long-term debt, excluding current portion$19,215Â $19,394Â (a)Â Â Â Â Priority of debt indicates the order which debt would be paid if all debt obligations were due on the same day. Senior secured debt takes priority over unsecured debt. Senior debtÂ has greater seniority than subordinatedÂ debt.(b)Â Â Â Â Maturity dates and interest rates presented are for the outstanding long-term debt obligations at DecemberÂ 28, 2024. Floating interest rates stated are as of DecemberÂ 28, 2024.(c)Â Â Â Â Kraft Heinz fully and unconditionally guarantees these notes, which were issued by KHFC.(d)Â Â Â Â The 6.250% Pound Sterling Senior Notes dueÂ February 18, 2030Â (the â€œ2030 Notesâ€) were issued by H.J. Heinz Finance UK Plc. Kraft Heinz and KHFC fully and unconditionally guarantee the 2030 Notes. The 2030 Notes rank pari passu in right of payment with all of our existing and future senior obligations. Kraft Heinz became guarantor of the 2030 Notes in connection with the 2015 Merger. The 2030 Notes were previously only guaranteed by KHFC.Our long-term debt contains customary representations, covenants, and events of default. We were in compliance with all financial covenants as of DecemberÂ 28, 2024.At DecemberÂ 28, 2024, aggregate principal maturities of our long-term debt excluding finance leases were (in millions):2025$629Â 20261,879Â 20271,856Â 20281,510Â 2029935Â Thereafter12,766Â Open Market Debt Repurchases:2022 Open Market Debt RepurchasesIn 2022, we repurchased approximately $755Â million of certain of our senior notes under Rule 10b5-1 plans, including $268Â million in the second quarter of 2022 (the â€œQ2 2022 Repurchasesâ€), $180Â million in the third quarter of 2022 (the â€œQ3 2022 Repurchasesâ€), and $307Â million in the fourth quarter of 2022 (the â€œQ4 2022 Repurchasesâ€ and, together with the Q2 2022 Repurchases and the Q3 2022 Repurchases, the â€œ2022 Repurchasesâ€). In connection with the 2022 Repurchases, we recognized a net gain on extinguishment of debt of approximately $38Â million within interest expense on the consolidated statement of income for the year ended December 31, 2022, which included a net gain of $9Â million in the second quarter of 2022 related to the Q2 2022 Repurchases, a net gain of $3Â million in the third quarter of 2022 related to the Q3 2022 Repurchases, and a net gain of $26Â million in the fourth quarter related to the Q4 2022 Repurchases. This gain primarily reflects the write-off of unamortized premiums and a net discount associated with the 2022 Repurchases. Related to the 2022 Repurchases, we recognized a debt prepayment and extinguishment benefit of $10Â million on the consolidated statement of cash flows for the year ended DecemberÂ 31, 2022, which reflect the $38Â million net gain on extinguishment of debt adjusted for the non-cash write-off of unamortized premiums of $33Â million, unamortized debt issuance costs of $3Â million, and unamortized discounts of $2Â million.106Debt Issuances:2024 Debt IssuancesIn the first quarter of 2024, KHFC issued 550Â million euro aggregate principal amount of 3.500% senior notes due March 2029 (the â€œ2024 Notesâ€). The 2024 Notes are fully and unconditionally guaranteed by The Kraft Heinz Company as to payment of principal, premium, and interest on a senior unsecured basis. We used the net proceeds from the 2024 Notes for general corporate purposes, including to fund the repayment of our 550Â million euro senior notes that matured in May 2024.2023 Debt IssuancesIn May 2023, KHFC issued 600Â million euro aggregate principal amount of floating rate senior notes due May 2025 (the â€œ2023 Notesâ€). The 2023 Notes are fully and unconditionally guaranteed by The Kraft Heinz Company as to payment of principal and interest on a senior unsecured basis. We used the proceeds from the 2023 Notes for general corporate purposes, including to partially fund the repayment of our 750Â million euro senior notes that matured in June 2023.Debt Issuance Costs:Debt issuance costs are reflected as a direct deduction of our current portion of long-term debt and long-term debt balances on the consolidated balance sheets. We incurred an insignificant amount of debt issuance costs in 2024, 2023, and 2022. Unamortized debt issuance costs were $75Â million at DecemberÂ 28, 2024 and $81 million at DecemberÂ 30, 2023. Amortization of debt issuance costs was $12 million in 2024 and $11 million in 2023 and 2022.Â Debt Premium:Unamortized debt premiums are presented on the consolidated balance sheets as a direct addition to the carrying amount of debt. Unamortized debt premium, net, was $217Â million at DecemberÂ 28, 2024 and $234 million at DecemberÂ 30, 2023. Amortization of our debt premium, net, was $16 million in 2024 and 2023, and $17 million in 2022.Debt Repayments:In May 2024, we repaid 550Â million euro aggregate principal amount of senior notes that matured in the period.In June 2023, we repaid 750Â million euro aggregate principal amount of senior notes that matured in the period.In March 2022, we repaid $6Â million aggregate principal amount of senior notes that matured in the period.In June 2022, we repaid $381Â million aggregate principal amount of senior notes that matured in the period.In August 2022, we repaid $315Â million aggregate principal amount of floating rate senior notes that matured in the period.Fair Value of Debt:At DecemberÂ 28, 2024, the aggregate fair value of our total debt was $18.7 billion as compared with a carrying value of $19.9 billion. At DecemberÂ 30, 2023, the aggregate fair value of our total debt wasÂ $19.6 billionÂ as compared with a carrying value ofÂ $20.0 billion. Our short-term debt had a carrying value that approximated its fair value at DecemberÂ 28, 2024 and DecemberÂ 30, 2023. We determined the fair value of our long-term debt using Level 2 inputs. Fair values are generally estimated based on quoted market prices for identical or similar instruments.Note 17. LeasesWe have operating and finance leases, primarily for warehouse, production, and office facilities and equipment. Our lease contracts have remaining contractual lease terms of up to 17 years, some of which include options to extend the term by up to 15 years. We include renewal options that are reasonably certain to be exercised as part of the lease term. Additionally, some lease contracts include termination options. We do not expect to exercise the majority of our termination options and generally exclude such options when determining the term of our leases. See Note 2, Significant Accounting Policies, for our lease accounting policy.107The components of our lease costs were (in millions):December 28, 2024December 30, 2023December 31, 2022Operating lease costs$141Â $152Â $173Â Finance lease costs:Amortization of right-of-use assets27Â 28Â 34Â Interest on lease liabilities7Â 5Â 5Â Short-term lease costs9Â 12Â 8Â Variable lease costs334Â 659Â 1,232Â Sublease income(9)(10)(10)Total lease costs$509Â $846Â $1,442Â Our variable lease costs primarily consist of inventory related costs, such as materials, labor, and overhead components in our manufacturing and distribution arrangements that also contain a fixed component related to an embedded lease. These variable lease costs are determined based on usage or output or may vary for other reasons such as changes in material prices, taxes, or insurance. Certain of our variable lease costs are based on fluctuating indices or rates. These leases are included in our ROU assets and lease liabilities based on the index or rate at the lease commencement date. The future variability in these indices and rates is unknown; therefore, it is excluded from our future minimum lease payments and is not a component of our ROU assets or lease liabilities.We had no losses/(gains) on sale and leaseback transactions in 2024 and 2023. Losses/(gains) on sales and leaseback transactions, net, were insignificant for 2022.Supplemental balance sheet information related to our leases was (in millions, except lease term and discount rate):December 28, 2024December 30, 2023OperatingLeasesFinanceLeasesOperatingLeasesFinanceLeasesRight-of-use assets$539Â $148Â $574Â $135Â Lease liabilities (current)117Â 25Â 116Â 27Â Lease liabilities (non-current)464Â 126Â 501Â 118Â Weighted average remaining lease term7 years9 years8 years10 yearsWeighted average discount rate3.9Â %4.6Â %3.7Â %4.5Â %Operating lease ROU assets are included in other non-current assets and finance lease ROU assets are included in property, plant and equipment, net, on our consolidated balance sheets. The current portion of operating lease liabilities is included in other current liabilities, and the current portion of finance lease liabilities is included in the current portion of long-term debt on our consolidated balance sheets. The non-current portion of operating lease liabilities is included in other non-current liabilities, and the non-current portion of finance lease liabilities is included in long-term debt on our consolidated balance sheets.Cash flows arising from lease transactions were (in millions):December 28, 2024December 30, 2023December 31, 2022Cash paid for amounts included in the measurement of lease liabilities:Operating cash inflows/(outflows) from operating leases(144)(156)$(176)Operating cash inflows/(outflows) from finance leases(7)(5)(5)Financing cash inflows/(outflows) from finance leases(32)(26)(38)Right-of-use assets obtained in exchange for lease liabilities:Operating leases64Â 44Â 197Â Finance leases48Â 25Â 34Â 108Future minimum lease payments for leases in effect at DecemberÂ 28, 2024 were (in millions):OperatingLeasesFinanceLeases2025$139Â $33Â 2026117Â 30Â 202786Â 24Â 202872Â 31Â 202961Â 12Â Thereafter195Â 55Â Total future undiscounted lease payments670Â 185Â Less imputed interest(89)(34)Total lease liability$581Â $151Â At DecemberÂ 28, 2024, our operating and finance leases that had not yet commenced were approximately $214Â million. This balance is primarily composed of a non-cancellable synthetic lease with a future minimum lease commitment of approximately $157Â million. See below for discussion of our synthetic lease arrangement. Synthetic Lease Arrangements:In June 2023, we entered into a non-cancellable synthetic lease for a distribution facility, for which we are the construction agent, that we now anticipate the estimated construction cost to be approximately $625Â million. The lease will commence upon completion of construction of the facility which is now expected to be in the later part of 2027. The term of the lease is five years after commencement. At the end of the lease term, we will be required to either purchase the facility or, in the event that option is not elected, to remarket the facility. Upon lease commencement, the lease classification, right-of-use asset, and lease liability will be determined and recorded. The lease arrangement contains a residual value guarantee of approximately 85% of the total construction cost. The construction agreement and lease contain covenants that are consistent with our Senior Credit Facility as disclosed in Note 16, Debt.Note 18. Capital StockCommon StockOur Second Amended and Restated Certificate of Incorporation authorizes the issuance of up toÂ 5.0 billionÂ shares of common stock.Shares of common stock issued, in treasury, and outstanding were (in millions of shares):Shares IssuedTreasury SharesShares OutstandingBalance at December 25, 20211,235Â (11)1,224Â Exercise of stock options, issuance of other stock awards, repurchase of common stock, and other8Â (7)1Â Balance at December 31, 20221,243Â (18)1,225Â Exercise of stock options, issuance of other stock awards, repurchase of common stock, and other6Â (13)(7)Balance at December 30, 20231,249Â (31)1,218Â Exercise of stock options, issuance of other stock awards, repurchase of common stock, and other5Â (28)(23)Balance at December 28, 20241,254Â (59)1,195Â Share Repurchase ProgramOn November 27, 2023, we announced that the Board approved a share repurchase program authorizing the Company to purchase up to $3.0Â billion, exclusive of fees, of the Companyâ€™s common stock through December 26, 2026. We are not obligated to repurchase any specific number of shares and the program may be modified, suspended, or discontinued at any time. Under the program, shares may be repurchased in open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act, privately negotiated transactions, transactions structured through investment banking institutions, or other means. As of DecemberÂ 28, 2024, we had remaining authorization under the share repurchase program of approximately $1.9Â billion. The share repurchase program is in addition to our share repurchases to offset the dilutive effect of equity-based compensation. 109Note 19. Earnings Per ShareOur earnings per common share (â€œEPSâ€) were:December 28, 2024December 30, 2023December 31, 2022Â (in millions, except per share data)Basic Earnings Per Common Share:Net income/(loss) attributable to common shareholders$2,744Â $2,855Â $2,363Â Weighted average shares of common stock outstanding1,210Â 1,227Â 1,226Â Net earnings/(loss)$2.27Â $2.33Â $1.93Â Diluted Earnings Per Common Share:Net income/(loss) attributable to common shareholders$2,744Â $2,855Â $2,363Â Weighted average shares of common stock outstanding1,210Â 1,227Â 1,226Â Effect of dilutive equity awards5Â 8Â 9Â Weighted average shares of common stock outstanding, including dilutive effect1,215Â 1,235Â 1,235Â Net earnings/(loss)$2.26Â $2.31Â $1.91Â We use the treasury stock method to calculate the dilutive effect of outstanding equity awards in the denominator for diluted EPS. Anti-dilutive shares were 6 million in 2024, 7 million in 2023, and 6 million in 2022.Note 20. Segment ReportingIn the first quarter of 2024, our internal reporting and reportable segments changed. We divided our International segment into three operating segments â€" EPDM, WEEM, and AEM â€" to enable enhanced focus on the different strategies required for each of these regions as part of our long-term strategic plan. Subsequently, we manage our operating results through four operating segments. We have two reportable segments defined by geographic region: North America and International Developed Markets. Our remaining operating segments, consisting of WEEM and AEM, are combined and disclosed as Emerging Markets. We have reflected this segment change in all historical periods presented.As part of the segment reorganization, management reallocated certain corporate expenses previously reported within our International segment to general corporate expenses. This reflects managementâ€™s approach to centrally manage these expenses. We have reflected this reallocation in all historical periods presented.Our chief operating decision maker (â€œCODMâ€), Carlos Abrams-Rivera, Chief Executive Officer, evaluates segment performance based on several factors, including net sales and Segment Adjusted Operating Income. In the first quarter of 2024, following changes to our segments, our CODM reevaluated and changed the primary measure utilized to evaluate segment profitability from Segment Adjusted EBITDA to Segment Adjusted Operating Income. We have reflected this change from Segment Adjusted EBITDA to Segment Adjusted Operating Income in all historical periods presented. Segment Adjusted Operating Income is defined as operating income/(loss) excluding, when they occur, the impacts of restructuring activities, deal costs, unrealized gains/(losses) on commodity hedges (the unrealized gains and losses are recorded in general corporate expenses until realized; once realized, the gains and losses are recorded in the applicable segmentâ€™s operating results), impairment losses, and certain non-ordinary course legal and regulatory matters. Segment Adjusted Operating Income is a financial measure that assists our CODM in comparing our performance on a consistent basis by removing the impact of certain items that our CODM believes do not directly reflect our underlying operations. Our CODM also considers monthly budget-to-actual variances and year-over-year performance of Segment Adjusted Operating Income when making decisions about allocating resources to our segments. Our CODM does not use assets by segment to evaluate performance or allocate resources. Therefore, we do not disclose assets by segment. Emerging Markets represents the aggregation of our WEEM and AEM operating segments. Adjusted Operating Income for WEEM and AEM is the measure reported to our chief operating decision maker for purposes of making decisions about allocating resources to these operating segments and assessing their performance.110Net sales by segment were (in millions):December 28, 2024December 30, 2023December 31, 2022Net sales:North America$19,543Â $20,126Â $20,340Â International Developed Markets3,535Â 3,623Â 3,401Â Total segment net sales23,078Â 23,749Â 23,741Â Emerging Markets2,768Â 2,891Â 2,744Â Total net sales$25,846Â $26,640Â $26,485Â Segment Adjusted Operating Income was (in millions):December 28, 2024North AmericaInternational Developed MarketsTotalNet Sales$19,543Â $3,535Â Adjusted Cost of Products Sold(a)12,356Â 2,482Â Other segment items(b)2,076Â 516Â Segment Adjusted Operating Income$5,111Â $537Â $5,648Â Emerging Markets321Â General corporate expenses(609)Restructuring activities(27)Unrealized gains/(losses) on commodity hedges19Â Impairment losses(3,669)Operating income/(loss)1,683Â Interest expense912Â Other expense/(income)(85)Income/(loss) before income taxes$856Â (a) Adjusted Cost of Products Sold is defined as cost of products sold excluding, when they occur, the impacts of restructuring activities, deal costs, unrealized gains/(losses) on commodity hedges (the unrealized gains and losses are recorded in general corporate expenses until realized; once realized, the gains and losses are recorded in the applicable segmentâ€™s operating results), impairment losses, and certain non-ordinary course legal and regulatory matters. (b) Other segment items for North America and International Developed Markets includes SG&A, primarily for marketing and advertising expenses, employee compensation-related expenses, amortization of definite-lived intangible assets, and research and development costs.111December 30, 2023North AmericaInternational Developed MarketsTotalNet Sales$20,126Â $3,623Â Adjusted Cost of Products Sold(a)12,948Â 2,580Â Other segment items(b)2,128Â 521Â Segment Adjusted Operating Income$5,050Â $522Â $5,572Â Emerging Markets376Â General corporate expenses(651)Restructuring activities(60)Unrealized gains/(losses) on commodity hedges(1)Impairment losses(662)Certain non-ordinary course legal and regulatory matters(2)Operating income/(loss)4,572Â Interest expense912Â Other expense/(income)27Â Income/(loss) before income taxes$3,633Â (a) Adjusted Cost of Products Sold is defined as cost of products sold excluding, when they occur, the impacts of restructuring activities, deal costs, unrealized gains/(losses) on commodity hedges (the unrealized gains and losses are recorded in general corporate expenses until realized; once realized, the gains and losses are recorded in the applicable segmentâ€™s operating results), impairment losses, and certain non-ordinary course legal and regulatory matters.(b) Other segment items for North America and International Developed Markets includes SG&A, primarily for marketing and advertising expenses, employee compensation-related expenses, amortization of definite-lived intangible assets, and research and development costs.112December 31, 2022North AmericaInternational Developed MarketsTotalNet Sales$20,340Â $3,401Â Adjusted Cost of Products Sold(a)13,676Â 2,424Â Other segment items(b)1,929Â 455Â Segment Adjusted Operating Income$4,735Â $522Â $5,257Â Emerging Markets319Â General corporate expenses(587)Restructuring activities(74)Deal costs(9)Unrealized gains/(losses) on commodity hedges(63)Impairment losses(999)Certain non-ordinary course legal and regulatory matters(210)Operating income/(loss)3,634Â Interest expense921Â Other expense/(income)(253)Income/(loss) before income taxes$2,966Â (a) Adjusted Cost of Products Sold is defined as cost of products sold excluding, when they occur, the impacts of restructuring activities, deal costs, unrealized gains/(losses) on commodity hedges (the unrealized gains and losses are recorded in general corporate expenses until realized; once realized, the gains and losses are recorded in the applicable segmentâ€™s operating results), impairment losses, and certain non-ordinary course legal and regulatory matters.(b) Other segment items for North America and International Developed Markets includes SG&A, primarily for marketing and advertising expenses, employee compensation-related expenses, amortization of definite-lived intangible assets, and research and development costs.Total depreciation and amortization expense by segment was (in millions):December 28, 2024December 30, 2023December 31, 2022Depreciation and amortization expense:North America$614Â $561Â $579Â International Developed Markets156Â 157Â 155Â Total segment depreciation and amortization expense770Â 718Â 734Â Emerging Markets106Â 157Â 103Â General corporate expenses72Â 86Â 96Â Total depreciation and amortization expense$948Â $961Â $933Â Total capital expenditures by segment were (in millions):December 28, 2024December 30, 2023December 31, 2022Capital expenditures:North America$643Â $604Â $513Â International Developed Markets154Â 178Â 150Â Total segment capital expenditures797Â 782Â 663Â Emerging Markets115Â 163Â 176Â General corporate expenses112Â 68Â 77Â Total capital expenditures$1,024Â $1,013Â $916Â 113In the first quarter of 2024, we changed the way we manage our product portfolio to align with our future growth strategy. As of DecemberÂ 28, 2024, we manage our product portfolio through eight consumer-driven product platforms: Taste Elevation, Easy Ready Meals, Substantial Snacking, Desserts, Hydration, Cheese, Coffee, and Meats. A platform is a lens created for the portfolio based on a grouping of consumer needs. The platforms help us to manage and organize our business effectively by providing insight into our various product categories and brands. Taste Elevation includes condiments, sauces, dressings, and spreads. Easy Ready Meals includes Kraft Mac & Cheese varieties, frozen potato products, and other frozen meals. Substantial Snacking includes Lunchables meal kits, frozen snacks, and pickles. Desserts includes dry packaged desserts, refrigerated ready to eat desserts, and other dessert toppings. Hydration includes ready to drink beverages, powdered beverages, and liquid concentrates. Cheese includes American sliced and recipe cheeses. Coffee includes mainstream coffee, coffee pods, and premium coffee. Meats includes cold cuts, bacon, and hot dogs.Each platform is assigned a role within our business to help inform our resource allocation and investment decisions, which are made at the operating segment level. These roles include: Accelerate, Protect, and Balance. Our Accelerate role contains platforms that are expected to have long-term high growth potential, generate higher gross margins, and are in markets in which we have higher market share. Our Protect role contains platforms that are expected to have moderate growth potential, tend to generate higher gross margins, and are in markets in which we have higher market share. Our Balance role contains platforms that include commodity-heavy categories with relatively flat growth potential but help us to maintain our brand footprint.We have reflected this change to our platforms in all historical periods presented.Net sales by platform were (in millions):December 28, 2024December 30, 2023December 31, 2022ACCELERATETaste Elevation$11,371Â $11,573Â $10,843Â Easy Ready Meals4,748Â 4,908Â 4,971Â Substantial Snacking1,230Â 1,382Â 1,514Â Total Accelerate$17,349Â $17,863Â $17,328Â PROTECTDesserts$1,152Â $1,153Â $1,132Â Hydration2,129Â 2,242Â 2,354Â Total Protect$3,281Â $3,395Â $3,486Â BALANCECheese$1,746Â $1,786Â $1,915Â Coffee835Â 891Â 891Â Meats2,136Â 2,197Â 2,395Â Other499Â 508Â 470Â Total Balance$5,216Â $5,382Â $5,671Â Total net sales$25,846Â $26,640Â $26,485Â Concentration of Risk:Our largest customer, Walmart Inc., represented approximately 21% of our net sales in 2024, 2023, and 2022. Both of our reportable segments have sales to Walmart Inc.114Geographic Financial Information:We had significant sales in the United States, Canada, and the United Kingdom. Our net sales by geography were (in millions):December 28, 2024December 30, 2023December 31, 2022Net sales:United States$17,768Â $18,377Â $18,587Â Canada1,775Â 1,749Â 1,752Â United Kingdom1,280Â 1,271Â 1,160Â Other5,023Â 5,243Â 4,986Â Total net sales$25,846Â $26,640Â $26,485Â We had significant long-lived assets in the United States. Long-lived assets are comprised of property, plant and equipment, net of related accumulated depreciation; operating lease right-of-use assets, net of related accumulated depreciation; and the non-current portion of deferred implementation costs for hosted cloud computing service arrangements. Our long-lived assets by geography were (in millions):December 28, 2024December 30, 2023Long-lived assets:United States$5,415Â $5,290Â Other2,381Â 2,536Â Total long-lived assets$7,796Â $7,826Â At DecemberÂ 30, 2023, long-lived assets by geography excluded amounts classified as held for sale. Note 21. Other Financial DataConsolidated Statements of Income InformationOther expense/(income)Other expense/(income) consists of the following (in millions):December 28, 2024December 30, 2023December 31, 2022Amortization of postemployment benefit plans prior service costs/(credits)(10)(14)$(14)Net pension and postretirement non-service cost/(benefit)(a)(130)67Â (135)Loss/(gain) on sale of business81Â (4)(25)Interest income(69)(40)(27)Foreign exchange losses/(gains)(21)73Â (106)Derivative losses/(gains)45Â (59)50Â Other miscellaneous expense/(income)19Â 4Â 4Â Other expense/(income)(85)27Â $(253)(a)Â Â Â Â Excludes amortization of prior service costs/(credits).We present all non-service cost components of net pension cost/(benefit) and net postretirement cost/(benefit) within other expense/(income) on our consolidated statements of income. See Note 11, Postemployment Benefits, for additional information on these components, including any curtailments and settlements, as well as information on our prior service costs/(credits) amortization. See Note 4, Acquisitions and Divestitures, for additional information related to our loss/(gain) on sale of business. See Note 12, Financial Instruments, for information related to our derivative impacts.Other expense/(income) was $85 million of income in 2024 compared to $27 million of expense in 2023. This change was primarily driven by a $130 million net pension and postretirement non-service benefit in 2024 compared to a $67 million net pension and postretirement non-service cost in 2023, a $21 million net foreign exchange gain in 2024 compared to a $73 million net foreign exchange loss in 2023, and $69 million in interest income in 2024 compared to $40 million in interest income in 2023. These impacts were partially offset by a $45 million net loss on derivative activities in 2024 compared to a $59 million net gain on derivative activities in 2023, a $81 million net loss on the sale of businesses in 2024 compared to a $4 million net gain on the sale of business in 2023, and a $19 million expense in other miscellaneous expenses in 2024 compared to a $4 million expense in other miscellaneous expenses in 2023. 115Other expense/(income) was $27 million of expense in 2023 compared to $253 million of income in 2022. This change was primarily driven by a $67 million net pension and postretirement non-service costs in 2023 compared to a $135 million net pension and postretirement non-service benefit in 2022, a $73 million net foreign exchange loss in 2023 compared to a $106 million net foreign exchange gain in 2022, and a $21 million decrease in gain on sale of businesses. These impacts were partially offset by a $59 million net gain on derivative activities in 2023 compared to a $50 million net loss on derivative activities in 2022, and a $13 million increase in interest income as compared to the prior year period.116Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.None.Item 9A. Controls and Procedures.Evaluation of Disclosure Controls and ProceduresOur management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of DecemberÂ 28, 2024. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures, as of DecemberÂ 28, 2024, were effective and provided reasonable assurance that the information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SECâ€™s rules and forms, and that such information isÂ accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.Changes in Internal Control Over Financial ReportingOur Chief Executive Officer and Chief Financial Officer, with other members of management, evaluated the changes in our internal control over financial reporting during the quarter ended DecemberÂ 28, 2024. We determined that there were no changes in our internal control over financial reporting during theÂ quarterÂ endedÂ DecemberÂ 28, 2024Â that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.During 2024, we started a multi-year migration of certain of our financial processing systems, including the implementation of a new enterprise resource planning (ERP) solution which will replace our existing ERPs. The implementation is expected to occur in phases throughout our businesses over the next several years, and we anticipate the first phase to be completed in the first half of 2025. We are evaluating the design and operating effectiveness of internal controls as they relate to the system upgrades, and we will implement any required control changes prior to relevant go-live dates associated with the system implementations.Managementâ€™s Report on Internal Control Over Financial ReportingManagement is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those written policies and procedures that:â€¢pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets;â€¢provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles;â€¢provide reasonable assurance that receipts and expenditures are being made only in accordance with management and director authorization; and â€¢provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of assets that could have a material effect on the consolidated financial statements.Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of DecemberÂ 28, 2024 based on the framework described in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, our management concluded that we maintained effective internal control over financial reporting as of DecemberÂ 28, 2024.PricewaterhouseCoopers LLP, an independent registered public accounting firm that audited the consolidated financial statements included in this Annual Report on Form 10-K, has also audited the effectiveness of our internal control over financial reporting as of DecemberÂ 28, 2024, as stated in their report which appears herein under Item 8,Â Financial Statements and Supplementary Data.117Item 9B. Other Information.(b) Insider Stock Trading Arrangements:None.Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.None.PARTÂ IIIItem 10. Directors, Executive Officers and Corporate Governance.Information required by this ItemÂ 10 is included under the caption â€œInformation about our Executive Officersâ€ contained in Item 1, Business, of this report and under the headings Our Board, Beneficial Ownership of Kraft Heinz Stockâ€”Delinquent Section 16(a) Reports, Governanceâ€”Other Governance Policies and Practices, Governanceâ€”Committees of the Board, and Other Informationâ€”Stockholder Proposals in our definitive Proxy Statement for our Annual Meeting of Stockholders expected to be held on MayÂ 8, 2025 (â€œ2025 Proxy Statementâ€). This information is incorporated by reference into this Annual Report on Form 10-K.Item 11. Executive Compensation.Information required by this ItemÂ 11 is included under the headings Governanceâ€”Committees of the Board, Director Compensation, and Executive Compensationâ€”Compensation Discussion and Analysis, Executive Compensationâ€”Executive Compensation Tables, and Executive Compensationâ€”Pay Ratio Disclosure in our 2025 Proxy Statement. This information is incorporated by reference into this Annual Report on Form 10-K.Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.The number of shares to be issued upon exercise or vesting of awards issued under, and the number of shares remaining available for future issuance under our equity compensation plans at DecemberÂ 28, 2024 were:NumberÂ ofÂ securitiesÂ to beÂ issuedÂ uponÂ exercise ofÂ outstandingÂ options, warrantsÂ andÂ rights(1)Weighted average exerciseÂ priceÂ per share of outstandingÂ options, warrantsÂ andÂ rightsNumberÂ ofÂ securities remainingÂ availableÂ for futureÂ issuanceÂ under equityÂ compensationÂ plans (excludingÂ securities reflectedÂ inÂ column (a))Plan Category(a)(b)(c)Equity compensation plans approved by security holders18,815,858Â $46.44Â 13,209,051Â Equity compensation plans not approved by security holders â€”Â â€”Â â€”Â Total18,815,858Â 13,209,051Â (1)Â Â Â Â Includes the vesting of RSUs and PSUs.Information related to the security ownership of certain beneficial owners and management is included under the heading Beneficial Ownership of Kraft Heinz Stock in our 2025 Proxy Statement. This information is incorporated by reference into this Annual Report on Form 10-K.Item 13. Certain Relationships and Related Transactions, and Director Independence.Information required by this ItemÂ 13 is included under the headings Our Board and Governanceâ€”Other Governance Policies and Practices in our 2025 Proxy Statement.Â This information is incorporated by reference into this Annual Report on Form 10-K.Item 14. Principal Accountant Fees and Services.Information required by this ItemÂ 14 is included under the headings Audit Mattersâ€”Independent Auditorsâ€™ Fees and Services and Audit

Mattersâ€"Pre-Approval Policy in our 2025 Proxy Statement.Â This information is incorporated by reference into this Annual Report on Form 10-K.118PARTÂ IVItem 15. Exhibits, Financial Statement Schedules.(a) Index to Consolidated Financial Statements and SchedulesPage No.Report of Independent Registered Public Accounting Firm (PCAOB ID 238)51Consolidated Statements of Income for the Years Ended December 28, 2024, December 30, 2023, and December 31, 202255Consolidated Statements of Comprehensive Income for the Years Ended December 28, 2024, December 30, 2023, and December 31, 202256Consolidated Balance Sheets at December 28, 2024 and December 30, 202357Consolidated Statements of Equity for the Years Ended December 28, 2024, December 30, 2023, and December 31, 202258Consolidated Statements of Cash Flows for the Years Ended December 28, 2024, December 30, 2023, and December 31, 202259Notes to the Consolidated Financial Statements60Financial Statement Schedule - Valuation and Qualifying Accounts for the Years Ended December 28, 2024, December 30, 2023, and December 31, 2022S-1Schedules other than those listed above have been omitted either because such schedules are not required or are not applicable.(b) The following exhibits are filed as part of, or incorporated by reference into, this Annual Report:Exhibit No.Descriptions2.1Separation and Distribution Agreement, dated September 27, 2012, between Kraft Foods Inc. and Kraft Foods Group, Inc. (incorporated by reference to Exhibit 2.1 of Amendment No. 1 to Kraft Foods Group, Inc.â€™s Registration Statement onÂ Form S-4, filed on OctoberÂ 26, 2012).2.2Master Ownership and License Agreement Regarding Patents, Trade Secrets and Related Intellectual Property, effective October 1, 2012, between Kraft Foods Global Brands LLC, Kraft Foods Group Brands LLC, Kraft Foods UK Ltd., and Kraft Foods R&D Inc. (incorporated by reference to Exhibit 2.3 of Amendment No. 2 to Kraft Foods Group, Inc.â€™s Registration Statement onÂ Form S-4, filed on December 4, 2012).3.1Second Amended and Restated Certificate of Incorporation of H.J. Heinz Holding Corporation (incorporated by reference to Exhibit 3.1 of the Companyâ€™s Current Report onÂ Form 8-K, filed on July 2, 2015).3.2Amended and Restated By-Laws of The Kraft Heinz Company, effective November 3, 2022 (incorporated by reference to Exhibit 3.1 of the Companyâ€™s Current Report onÂ Form 8-K, filed on November 7, 2022).3.3Certificate of Retirement of Series A Preferred Stock of The Kraft Heinz Company, dated June 7, 2016 (incorporated by reference to Exhibit 3.1 of the Companyâ€™s Current Report on Form 8-K, filed on June 7, 2016).4.1Amended and Restated Registration Rights Agreement, dated July 2, 2015, among The Kraft Heinz Company, 3G Global Food Holdings LP, and Berkshire Hathaway Inc. (incorporated by reference to Exhibit 4.1 of the Companyâ€™s Current Report onÂ Form 8-K, filed on July 2, 2015).4.2Indenture, dated July 1, 2015, among H. J. Heinz Company, as issuer, H.J. Heinz Holding Corporation, as guarantor, and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 of the Companyâ€™s Current Report onÂ Form 8-K, filed on July 6, 2015).4.3First Supplemental Indenture, dated July 1, 2015, relating to the 2.000% Senior Notes due 2023, among H. J. Heinz Company, as issuer, H.J. Heinz Holding Corporation, as guarantor, Wells Fargo Bank, National Association, as trustee, and SociÃ©tÃ© GÃ©nÃ©rale Bank & Trust, as paying agent, security registrar, and transfer agent (incorporated by reference to Exhibit 4.2 of the Companyâ€™s Current Report onÂ Form 8-K, filed on July 6, 2015).4.4Second Supplemental Indenture, dated July 1, 2015, relating to the 4.125% Senior Notes due 2027, among H. J. Heinz Company, as issuer, H.J. Heinz Holding Corporation, as guarantor, Wells Fargo Bank, National Association, as trustee, and SociÃ©tÃ© GÃ©nÃ©rale Bank & Trust, as paying agent, security registrar, and transfer agent (incorporated by reference to Exhibit 4.4 of the Companyâ€™s Current Report on Form 8-K, filed on July 6, 2015).4.5Third Supplemental Indenture, dated July 2, 2015, relating to the 1.60% Senior Notes due 2017, 2.00% Senior Notes due 2018, 2.80% Senior Notes due 2020, 3.50% Senior Notes due 2022, 3.95% Senior Notes due 2025, 5.00% Senior Notes due 2035, and 5.20% Senior Notes due 2045, among H. J. Heinz Company, as issuer, H.J. Heinz Holding Corporation, as guarantor, and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.6 of the Companyâ€™s Current Report onÂ Form 8-K, filed on July 6, 2015).1194.6Indenture, dated June 4, 2012, between Kraft Foods Group, Inc. and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 10.4 of Amendment No. 3 to Kraft Foods Group, Inc.â€™s Registration Statement onÂ Form 10, filed on June 21, 2012).4.7Supplemental Indenture No. 1, dated June 4, 2012, relating to the 1.625% Notes due 2015, 2.250% Notes due 2017, 3.500% Notes due 2022, and 5.000% Notes due 2042, among Kraft Foods Group, Inc., Kraft Foods Inc., as guarantor, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 10.5 of Amendment No. 3 to Kraft Foods Group, Inc.â€™s Registration Statement onÂ Form 10, filed on June 21, 2012).4.8Supplemental Indenture No. 2, dated July 18, 2012, relating to the 6.125% Senior Notes due 2018, 5.375% Senior Notes due 2020, 6.875% Senior Notes due 2039, and 6.500% Senior Notes due 2040, among Kraft Foods Group, Inc., Kraft Foods Inc., as guarantor, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 10.27 of Amendment No. 5 to Kraft Foods Group, Inc.â€™s Registration Statement onÂ Form 10, filed on August 6, 2012).4.9Supplemental Indenture No. 3, dated July 2, 2015, among Kraft Foods Group, Inc., as issuer, Kite Merger Sub LLC, H.J. Heinz Holding Corporation, as parent guarantor, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.17 of the Companyâ€™s Current Report onÂ Form 8-K, filed on July 6, 2015).4.10Third Supplemental Indenture, dated JulyÂ 2, 2015, relating to the 6.75% Debentures due 2032 and 7.125% Debentures due 2039, among H.J. Heinz Holding Corporation, H. J. Heinz Company, and The Bank of New York Mellon, as successor trustee to Bank One, National Association (incorporated by reference to Exhibit 4.18 of the Companyâ€™s Current Report on Form 8-K, filed on July 6, 2015).4.11Third Supplemental Indenture, dated July 2, 2015, relating to the 6.375% Debentures due 2028, among H.J. Heinz Holding Corporation, H. J. Heinz Company, and The Bank of New York Mellon, as successor trustee to Bank One, National Association (incorporated by reference to Exhibit 4.19 of the Companyâ€™s Current Report onÂ Form 8-K, filed on July 6, 2015).4.12Indenture, dated July 6, 2001, among H. J. Heinz Finance Company, as issuer, H.J. Heinz Company, as guarantor, and Bank One, National Association, as trustee (incorporated herein by reference to Exhibit 4(c) of H. J. Heinz Companyâ€™s Annual Report on Form 10-K for the fiscal year ended May 1, 2002, filed on July 30, 2002).4.13Indenture, dated July 15, 2008, among H.J. Heinz Company and Union Bank of California, N.A., as trustee (incorporated herein by reference to ExhibitÂ 4(d) of H. J. Heinz Companyâ€™s Annual Report on FormÂ 10-K for the fiscal year ended April 29, 2009, filed on June 17, 2009).4.14First Supplemental Indenture, dated July 2, 2015, relating to the 2.00% Notes due September 2016, 1.50% Notes due March 2017, 3.125% Notes due September 2021 and 2.85% Notes due March 2022, among H.J. Heinz Holding Corporation, H. J. Heinz Company, and MUFG Union Bank, N.A., as trustee (incorporated by reference to Exhibit 4.14 to the Company's Annual Report on Form 10-K for the fiscal year ended December 26, 2020, filed on February 17, 2021).4.15Supplemental Indenture No. 4, dated November 11, 2015, relating to the 2.250% Notes due 2017, 6.125% Notes due 2018, 5.375% Notes due 2020, 3.500% Notes due 2022, 6.875% Notes due 2039, 6.500% Notes due 2040, and 5.000% Notes due 2042, between Kraft Heinz Foods Company and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.21 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended January 3, 2016, filed on March 3, 2016).4.16Indenture, dated July 15, 1992, between H. J. Heinz Company and The First National Bank of Chicago, as trustee (incorporated by reference to Exhibit 4(a) of H. J. Heinz Companyâ€™s Registration Statement on Form S-3, filed on March 16, 1998).4.17Fourth Supplemental Indenture, dated May 24, 2016, relating to the 3.000% Senior Notes due 2026 and 4.375% Senior Notes due 2046, among Kraft Heinz Foods Company, as issuer, The Kraft Heinz Company, as guarantor, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.1 of the Companyâ€™s Current Report on Form 8-K, filed on May 25, 2016).4.18Form of 3.000% Senior Notes due 2026 and 4.375% Senior Notes due 2046 (included in Exhibit 4.17).4.19Fifth Supplemental Indenture, dated May 25, 2016, relating to the 1.500% Senior Notes due 2024 and 2.250% Senior Notes due 2028, among Kraft Heinz Foods Company, as issuer, The Kraft Heinz Company, as guarantor, and Deutsche Bank Trust Company Americas, as trustee, paying agent, security registrar, and transfer agent (incorporated by reference to Exhibit 4.3 of the Companyâ€™s Current Report on Form 8-K, filed on May 25, 2016).4.20Form of 1.500% Senior Notes due 2024 and 2.250% Senior Notes due 2028 (included in Exhibit 4.19).4.21Sixth Supplemental Indenture, dated August 10, 2017, relating to the Floating Rate Senior Notes due 2019, Floating Rate Senior Notes due 2021, and Floating Rate Senior Notes due 2022, among Kraft Heinz Foods Company, as issuer, The Kraft Heinz Company, as guarantor, and Deutsche Bank Trust Company Americas, as trustee, paying agent, security registrar, and calculation agent (incorporated by reference to Exhibit 4.1 of the Companyâ€™s Current Report on Form 8-K, filed on August 10, 2017).4.22Form of Floating Rate Senior Notes due 2019, Floating Rate Senior Notes due 2021, and Floating Rate Senior Notes due 2022 (included in Exhibit 4.21).1204.23Seventh Supplemental Indenture, dated June 15, 2018, relating to the 3.375% Senior Notes due 2021, 4.000% Senior Notes due 2023, and 4.625% Senior Notes due 2029, among Kraft Heinz Foods Company, as issuer, The Kraft Heinz Company, as guarantor, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.1 of the Companyâ€™s Current Report on Form 8-K, filed on June 15, 2018).4.24Form of 3.375% Senior Notes due 2021, 4.000% Senior Notes due 2023, and 4.625% Senior Notes due 2029 (included in Exhibit 4.23).4.25Description of Kraft Heinz Securities registered under Section 12 of the Exchange Act.*4.26Eighth Supplemental Indenture, dated September 25, 2019, relating to the 3.750% Senior Notes due 2030, 4.625% Senior Notes due 2039, and 4.875% Senior Notes due 2049, among Kraft Heinz Foods Company, as issuer, The Kraft Heinz Company, as guarantor, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.1 of the Companyâ€™s Current Report on Form 8-K, filed on September 25, 2019).4.27Form of 3.750% Senior Notes due 2030, 4.625% Senior Notes due 2039, and 4.875% Senior Notes due 2049 (included in Exhibit 4.26).4.28Registration Rights Agreement, dated September 25, 2019, among Kraft Heinz Foods Company, The Kraft Heinz Company, as guarantor, and BofA Securities, Inc., Citigroup Global Markets Inc., and Wells Fargo Securities, LLC, as representatives of the other initial purchasers (incorporated by reference to Exhibit 4.3 of the Companyâ€™s Current Report on Form 8-K, filed on September 25, 2019).4.29Ninth Supplemental Indenture, dated May 18, 2020, relating to the 3.875% Senior Notes due 2027, 4.250% Senior Notes due 2031, and 5.500% Senior Notes due 2050, among Kraft Heinz Foods Company, as issuer, The Kraft Heinz Company, as guarantor, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.1 of the Companyâ€™s Current Report on Form 8-K, filed on May 18, 2020).4.30Form of 3.875% Senior Notes due 2027, 4.250% Senior Notes due 2031, and 5.500% Senior Notes due 2050 (included in Exhibit 4.29).4.31Registration Rights Agreement, dated May 18, 2020, among Kraft Heinz Foods Company, The Kraft Heinz Company, as guarantor, and J.P. Morgan Securities LLC, as representative of the other initial purchasers (incorporated by reference to Exhibit 4.3 of the Companyâ€™s Current Report on Form 8-K, filed on May 18, 2020).4.32Tenth Supplemental Indenture, dated May 10, 2023, relating to the â‚¬600,000,000 Floating Rate Senior Notes due 2025, among Kraft Heinz Foods Company, as issuer, The Kraft Heinz Company, as guarantor, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.1 of the Companyâ€™s Current Report on Form 8-K, filed on May 10, 2023).4.33Form of â‚¬600,000,000 Floating Rate Senior Notes due 2025 (included in Exhibit 4.32).4.34Eleventh Supplemental Indenture, dated as of March 1, 2024, relating to the â‚¬550,000,000 Senior Notes due 2029, among Kraft Heinz Foods Company, as issuer, The Kraft Heinz Company, as guarantor, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.1 of the Companyâ€™s Current Report on Form 8-K, filed on March 1, 2024).4.35Form of â‚¬550,000,000 Senior Notes due 2029 (included as Exhibit A to Exhibit 4.34). 10.1Tax Sharing and Indemnity Agreement, dated September 27, 2012, between Kraft Foods Inc. and Kraft Foods Group, Inc. (incorporated by reference to Exhibit 10.3 of Amendment No. 1 to Kraft Foods Group, Inc.â€™s Registration Statement onÂ Form S-4, filed on October 26, 2012).10.2Kraft Foods Group, Inc. 2012 Performance Incentive Plan (incorporated by reference to Exhibit 4.3 of Kraft Foods Group, Inc.â€™s Registration Statement on Form S-8, filed on SeptemberÂ 12, 2012). +10.3Form of Kraft Foods Group, Inc. 2012 Performance Incentive Plan Global Stock Option Award Agreement (incorporated by reference to Exhibit 10.1 of Kraft Foods Group, Inc.â€™s Quarterly Report onÂ Form 10-QÂ for the quarterly period ended March 29, 2014, filed on May 2, 2014).+10.4H.J. Heinz Holding Corporation 2013 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 of Amendment No. 4 to H.J. Heinz Holding Corporationâ€™s Registration Statement onÂ Form S-4, filed on May 29, 2015).+10.5Amendments to the H. J. Heinz Holding Corporation 2013 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended January 3, 2016, filed on March 3, 2016).+10.6Form of H.J. Heinz Holding Corporation 2013 Omnibus Incentive Plan Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.2 of Amendment No. 4 to H.J. Heinz Holding Corporationâ€™s Registration Statement onÂ Form S-4, filed on May 29, 2015).+10.7The Kraft Heinz Company Amended & Restated Deferred Compensation Plan for Non-Management Directors (incorporated by reference to Exhibit 10.7 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 30, 2023, filed on February 15, 2024).+12110.8Settlement Agreement, dated JuneÂ 22, 2015, between Mondelez International Inc. and Kraft Foods Group, Inc. (incorporated by reference to Exhibit 10.1 of Kraft Foods Group, Inc.â€™s Current Report onÂ Form 8-K, filed on June 24, 2015).10.9Credit Agreement, dated July 8, 2022, among The Kraft Heinz Company, Kraft Heinz Foods Company, the initial lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 of the Companyâ€™s Current Report onÂ Form 8-K, filed on July 8, 2022).10.10The Kraft Heinz Company Amended & Restated Severance Pay Plan for Salaried Employees, effective January 1, 2023 (incorporated by reference to Exhibit 10.10 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed on February 16, 2023).+10.11The Kraft Heinz Company Change in Control Severance Plan, effective January 1, 2023 (incorporated by reference to Exhibit 10.2 of the Companyâ€™s Current Report on Form 8-K, filed on December 9, 2022).+10.12The Kraft Heinz Company 2016 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 of the Companyâ€™s Quarterly Report on Form 10-Q for the quarterly period ended April 3, 2016, filed on May 5, 2016).+10.13Amendment to the Companyâ€™s 2016 Omnibus Incentive Plan, effective January 1, 2023 (incorporated by reference to Exhibit 10.3 of the Companyâ€™s Current Report on Form 8-K, filed on December 9, 2022).+10.142018 Form of The Kraft Heinz Company 2016 Omnibus Incentive Plan Non-Qualified Stock Option Award Agreement, as amended and restated (incorporated by reference to Exhibit 10.15 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 29, 2018, filed on June 7, 2019).+10.152018 Form of The Kraft Heinz Company 2016 Omnibus Incentive Plan Matching Restricted Stock Unit Award Agreement, as amended and restated (incorporated by reference to Exhibit 10.16 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 29, 2018, filed on June 7, 2019).+10.162018 Form of The Kraft Heinz Company 2016 Omnibus Incentive Plan Restricted Stock Unit Award Agreement, as amended and restated (incorporated by reference to Exhibit 10.17 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 29, 2018, filed on June 7, 2019).+10.172019 Form of The Kraft Heinz Company 2016 Omnibus Incentive Plan Non-Qualified Stock Option Agreement, as amended and restated (incorporated by reference to Exhibit 10.3 of the Companyâ€™s Quarterly Report on Form 10-Q for the quarterly period ended September 28, 2019, filed on October 31, 2019).+10.182019 Form of The Kraft Heinz Company 2016 Omnibus Incentive Plan Restricted Stock Unit Award Agreement, as amended and restated (incorporated by reference to Exhibit 10.4 of the Companyâ€™s Quarterly Report on Form 10-Q for the quarterly period ended September 28, 2019, filed on October 31, 2019).+10.192019 Form of The Kraft Heinz Company 2016 Omnibus Incentive Plan Performance Share Award Notice, as amended and restated (incorporated by reference to Exhibit 10.5 of the Companyâ€™s Quarterly Report on Form 10-Q for the quarterly period ended September 28, 2019, filed on October 31, 2019).+10.20The Kraft Heinz Company 2020 Omnibus Incentive Plan (incorporated by reference to Exhibit 99.1 of the Companyâ€™s Registration Statement on Form S-8 (File No. 333-238073), filed on May 7, 2020).+10.21Amendment to the Companyâ€™s 2020 Omnibus Incentive Plan, effective January 1, 2023 (incorporated by reference to Exhibit 10.4 of the Companyâ€™s Current Report on Form 8-K, filed on December 9, 2022).+10.222020 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 27, 2020, filed on July 31, 2020).+10.232020 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Performance Share Award Notice (incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 27, 2020, filed on July 31, 2020).+10.242020 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.4 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 27, 2020, filed on July 31, 2020).+10.252020 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Restricted Stock Unit Award Agreement for Bands B02-B09 (incorporated by reference to Exhibit 10.5 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 27, 2020, filed on July 31, 2020).+10.262020 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Matching Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.6 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 27, 2020, filed on July 31, 2020).+10.272021/2022 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 26, 2021, filed on August 4, 2021).+10.282021/2022 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Performance Share Award Notice (incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 26, 2021, filed on August 4, 2021).+10.292021/2022 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Performance Share Award Notice (Bands) (incorporated by reference to Exhibit 10.4 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 26, 2021, filed on August 4, 2021).+12210.302021/2022 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.5 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 26, 2021, filed on August 4, 2021).+10.312021/2022 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Restricted Stock Unit Award Agreement for Bands B02-B09 (incorporated by reference to Exhibit 10.6 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June

26, 2021, filed on August 4, 2021).+10.322021/2022 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Matching Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.7 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 26, 2021, filed on August 4, 2021).+10.332021 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Deferred Stock Award Agreement (incorporated by reference to Exhibit 10.8 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 26, 2021, filed on August 4, 2021).+10.342022 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Deferred Stock Award Agreement (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 26, 2022, filed on April 28, 2022).+10.352023 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.35 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed on February 16, 2023).+10.362023 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Performance Share Award Notice (incorporated by reference to Exhibit 10.36 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed on February 16, 2023).+10.372023 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.37 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed on February 16, 2023.+10.382023 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Matching Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.38 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed on February 16, 2023).+10.392023 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Deferred Stock Award Agreement (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended April 1, 2023, filed on May 3, 2023).+10.40First Amendment, dated as of July 21, 2023, to the Credit Agreement dated as of July 8, 2022, among The Kraft Heinz Company, Kraft Heinz Foods Company, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 of the Companyâ€™s Current Report on Form 8-K, filed on July 21, 2023).10.412024 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.41 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 30, 2023, filed on February 15, 2024).+10.422024 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Performance Share Award Notice (incorporated by reference to Exhibit 10.42 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 30, 2023, filed on February 15, 2024).+10.432024 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.43 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 30, 2023, filed on February 15, 2024).+10.442024 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Matching Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.44 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 30, 2023, filed on February 15, 2024).+10.452024 Form of The Kraft Heinz Company 2020 Omnibus Incentive Plan Deferred Stock Award Agreement (incorporated by reference to Exhibit 10.45 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 30, 2023, filed on February 15, 2024).+10.46Separation Agreement and General Release, dated August 5, 2024, between The Kraft Heinz Company and Rashida La Lande (incorporated by reference to Exhibit 10.1 of the Companyâ€™s Quarterly Report on Form 10-Q for the quarterly period ended September 28, 2024, filed on October 30, 2024).+10.47Second Amendment, dated June 21, 2024, to the Credit Agreement dated July 8, 2022, among The Kraft Heinz Company, Kraft Heinz Foods Company, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.2 of the Companyâ€™s Quarterly Report on Form 10-Q for the quarterly period ended September 28, 2024, filed on October 30, 2024).10.48Third Amendment, dated September 27, 2024, to the Credit Agreement dated July 8, 2022, among The Kraft Heinz Company, Kraft Heinz Foods Company, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 of the Companyâ€™s Current Report on Form 8-K, filed on September 27, 2024).19.1The Kraft Heinz Insider Trading Policy.*21.1List of subsidiaries of The Kraft Heinz Company.*22.1List of Guarantor Subsidiaries.*12323.1Consent of PricewaterhouseCoopers LLP.*24.1Power of Attorney.*31.1Certification of Chief Executive Officer pursuant to Rule 13a 14(a)/15d 14(a) of the Securities Exchange Act of 1934.*31.2Certification of Chief Financial Officer pursuant to Rule 13a 14(a)/15d 14(a) of the Securities Exchange Act of 1934.*32.1Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**32.2Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**97.1The Kraft Heinz Clawback Policy (incorporated by reference to Exhibit 97.1 of the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 30, 2023, filed on February 15, 2024).101.1The following materials from The Kraft Heinz Companyâ€™s Annual Report onÂ Form 10-KÂ for the period ended December 28, 2024 formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Statements of Income, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Equity, (v) the Consolidated Statements of Cash Flows, (vi) Notes to Consolidated Financial Statements, and (vii) document and entity information.*104.1The cover page from The Kraft Heinz Companyâ€™s Annual Report on Form 10-K for the period ended December 28, 2024, formatted in inline XBRL.*+Indicates a management contract or compensatory plan or arrangement.*Filed herewith.**Furnished herewith.Item 16. Form 10-K Summary.None.124SIGNATURESPursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.The Kraft Heinz CompanyDate:February 13, 2025By:/s/ Andre MacielAndre MacielExecutive Vice President and Global Chief Financial Officer(Principal Financial Officer)Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated:SignatureTitleDate/s/ Carlos Abrams-RiveraChief Executive Officer and DirectorFebruary 13, 2025Carlos Abrams-Rivera(Principal Executive Officer)/s/ Andre MacielExecutive Vice President and Global Chief Financial OfficerFebruary 13, 2025Andre Maciel(Principal Financial Officer)/s/ Vince GarlatiVice President and Global ControllerFebruary 13, 2025Vince Garlati(Principal Accounting Officer)*Chair of the BoardFebruary 13, 2025Miguel Patricio*Vice Chair of the BoardFebruary 13, 2025John T. Cahill*Lead DirectorFebruary 13, 2025John C. Pope*DirectorFebruary 13, 2025Humberto P. Alfonso*DirectorFebruary 13, 2025Lori Dickerson FouchÃ©*DirectorFebruary 13, 2025Diane Gherson*DirectorFebruary 13, 2025Timothy Kenesey*DirectorFebruary 13, 2025Alicia Knapp*DirectorFebruary 13, 2025Elio Leoni Sceti*DirectorFebruary 13, 2025James Park*DirectorFebruary 13, 2025Debby Soo125*By:/s/ Andre MacielAndre MacielAttorney-In-FactFebruary 13, 2025126The Kraft Heinz Company Valuation and Qualifying AccountsFor the Years Ended DecemberÂ 28, 2024, DecemberÂ 30, 2023, and DecemberÂ 31, 2022 (in millions)AdditionsDeductionsDescriptionBalance at Beginning of PeriodCharged to Costs and ExpensesCharged to Other Accounts(a)Write-offs and ReclassificationsBalance at End of PeriodYear ended December 28, 2024Allowances related to trade accounts receivable$38Â (10)(1)(1)26Â Allowances related to deferred taxes102Â 749Â â€”Â â€”Â 851Â $140Â $739Â (1)(1)$877Â Year ended December 30, 2023Allowances related to trade accounts receivable$46Â (8)â€”Â $â€”Â $38Â Allowances related to deferred taxes96Â 5Â â€”Â 1Â 102Â $142Â (3)â€”Â $1Â $140Â Year ended December 31, 2022Allowances related to trade accounts receivable$48Â (4)â€”Â $2Â $46Â Allowances related to deferred taxes101Â (5)â€”Â â€”Â 96Â $149Â (9)â€”Â $2Â $142Â (a) Â Â Â Â Primarily relates to acquisitions and currency translation.S-1DocumentDESCRIPTION OF KRAFT HEINZâ€™S SECURITIESThe Kraft Heinz Company (â€œKraft Heinz,â€ the â€œCompany,â€ the â€œGuarantor,â€ â€œwe,â€ â€œusâ€ or â€œourâ€) has three classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the â€œExchange Actâ€): our common stock, par value $0.01 per share (the â€œCommon Stockâ€), our Floating Rate Senior Notes due 2025, and our 3.500% Senior Notes due 2029). Each of the Companyâ€™s securities registered under Section 12 of the Exchange Act is listed on The Nasdaq Stock Market LLC.Description of Common StockThe following description is a summary that is not complete and is qualified in its entirety by reference to Kraft Heinzâ€™s Second Amended and Restated Certificate of Incorporation, as amended (â€œCertificate of Incorporationâ€) and Kraft Heinzâ€™s Amended and Restated By-Laws (â€œBy-Lawsâ€).GeneralKraft Heinz is authorized to issue five billion (5,000,000,000) shares of Common Stock, par value $0.01 per share, and nine hundred twenty thousand (920,000) shares of preferred stock, par value $0.01 per share.Under the Certificate of Incorporation, Kraft Heinz may issue preferred stock in one or more series, with preferences, limitations and rights as authorized by Kraft Heinzâ€™s board of directors, to the extent permitted by Delaware law. The powers (including voting, if any), preferences and relative, participating, optional and other special rights of each series of preferred stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other classes and series of preferred stock at any time outstanding. The issuance of preferred stock may adversely affect the rights of Kraft Heinzâ€™s common shareholders by, among other things:â€¢restricting dividends on the Common Stock;â€¢diluting the voting power of the Common Stock;â€¢impairing the liquidation rights of the Common Stock; orâ€¢delaying or preventing a change in control without further action by the stockholders.As a result of these or other factors, the issuance of preferred stock could have an adverse impact on the market price of the Common Stock. The Common Stock is listed on the Nasdaq Stock Market LLC (â€œNasdaqâ€) and trades under the ticker symbol â€œKHC.â€ All outstanding shares of Common Stock are validly issued, fully paid and non-assessable.Dividend and Liquidation RightsSubject to the preferences applicable to any shares of preferred stock outstanding at any time, holders of the Common Stock are entitled to receive dividends when and as declared by its board of directors from assets or funds legally available therefore. The timing, declaration, amount and payment of future dividends will depend on Kraft Heinzâ€™s financial condition, earnings, capital requirements and debt service obligations, as well as legal requirements, regulatory constraints, industry practice and other factors that Kraft Heinzâ€™s board of directors deems relevant. Kraft Heinzâ€™s board of directors will make all decisions regarding the payment of dividends from time to time in accordance with applicable law. Subject to any preferential liquidation rights of holders of preferred stock that may be outstanding, upon Kraft Heinzâ€™s dissolution, the holders of the Common Stock will be entitled to share ratably in Kraft Heinzâ€™s assets legally available for distribution to Kraft Heinzâ€™s stockholders.Voting and Other RightsEach share of Common Stock outstanding is entitled to one vote on all matters on which stockholders generally are entitled to vote. However, except as required by law, holders of the Common Stock are not entitled to vote on any amendment to the Certificate of Incorporation that relates solely to the terms of one or more outstanding class or series of preferred stock if the holders of such affected class or series are entitled, either separately or together with the holders of one or more other such class or series, to vote thereon pursuant to the Certificate of Incorporation or the Delaware General Corporation Law.The By-Laws provide that, except as required by law, the Certificate of Incorporation or the rules of any stock exchange upon which Kraft Heinzâ€™s capital stock is listed, all corporate actions to be taken by vote of the shareholders shall be authorized by a majority of the votes cast by the shareholders entitled to vote thereon who are present in person or represented by proxy, and where a separate vote by class or series is required, a majority of the votes cast by the shareholders of such class or series who are present in person or represented by proxy shall be the act of such class or series; provided that the election of directors shall be determined by the vote of a majority of the votes cast or a plurality.The holders of the Common Stock have no preemptive rights and no rights to convert their Common Stock into any other securities. The Common Stock is not subject to any redemption or sinking fund provisions.Anti-takeover Effects of Certain Provisions of the Certificate of Incorporation and By-LawsGeneralThe Certificate of Incorporation and the By-Laws contain provisions that are intended to enhance the likelihood of continuity and stability in the composition of the board of directors and that could make it more difficult to acquire control of the company by means of a tender offer, open market purchases, a proxy contest or otherwise. A description of these provisions is set forth below.No Cumulative VotingUnder Delaware law, the right to vote cumulatively does not exist unless the certificate of incorporation specifically authorizes cumulative voting. The Certificate of Incorporation does not grant shareholders the right to vote cumulatively.Blank Check Preferred StockWe believe that the availability of the preferred stock under the Certificate of Incorporation provides the company with flexibility in addressing corporate issues that may arise. Having these authorized shares available for issuance will allow the company to issue shares of preferred stock without the expense and delay of a special shareholdersâ€™ meeting. The authorized shares of preferred stock, as well as shares of Common Stock, will be available for issuance without further action by the companyâ€™s shareholders, with the exception of any actions required by applicable law or the rules of any stock exchange on which Kraft Heinzâ€™s securities may be listed. The board of directors will have the power, subject to applicable law, to issue classes or series of preferred stock that could, depending on the terms of the class or series, impede the completion of a merger, tender offer or other takeover attempt.Shareholder Action by Written ConsentThe Certificate of Incorporation provides that any action required or permitted to be taken at any annual or special meeting of the shareholders of Kraft Heinz may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, are signed by the holders of outstanding capital stock of Kraft Heinz having not less than the minimum number of votes necessary to authorize such action at a meeting at which all shares of capital stock entitled to vote thereon were present and voted.Description of NotesThe following description of the Notes is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to the indenture, dated JulyÂ 1, 2015 (the â€œBase Indentureâ€), among Kraft Heinz Foods Company, a Pennsylvania limited liability company (the â€œIssuerâ€), The Kraft Heinz Company, a Delaware corporation (the â€œGuarantorâ€), and Deutsche Bank Trust Company Americas (as successor to Wells Fargo Bank, National Association), as trustee (the â€œTrusteeâ€), as previously supplemented and as further supplemented in respect of the â‚¬600,000,000 Floating Rate Senior Notes due 2025 (the â€œ2025 Notesâ€) by the he Tenth Supplemental Indenture, dated as of May 10, 2023, and â‚¬550,000,000 3.500% Senior Notes due 2029 (the â€œ2029 Notesâ€) by the Eleventh Supplemental Indenture, dated as of March 1, 2024 (the Base Indenture as so supplemented and modified, the â€œIndentureâ€).The 2025 Notes together with the 2029 Notes collectively referred to as the â€œNotesâ€.The Indenture is incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.25 is a part, and this description is qualified in all respects by reference to the actual text of the Indenture. We encourage you to read the indenture for additional information. The 2025 Notes and the 2029 Notes are listed on The Nasdaq Stock Market under the symbol â€œKHC25â€ and â€œKHC29â€, respectively.Unless an earlier redemption has occurred, the entire principal amount of the 2025 Notes will mature and become due and payable, together with any accrued and unpaid interest thereon, on MayÂ 9, 2025. Unless an earlier redemption has occurred, the entire principal amount of the 2029 Notes will mature and become due and payable, together with any accrued and unpaid interest thereon, on March 15, 2029. The Notes do not have the benefit of any sinking fund. However, under certain circumstances, we may be required to offer to purchase the Notes as described under the caption â€œâ€”Change of Control Triggering Event.â€ We may at any time and from time to time purchase additional Notes in the open market or otherwise.As used herein, the term â€œIssuerâ€ refers only to Kraft Heinz Foods Company and not any of its Subsidiaries (as defined below). Certain defined terms used in this description but not defined herein have the meanings assigned to them in the Indenture.GeneralThe Notes: â€¢are senior unsecured obligations of ours; â€¢rank equally with all of our other senior unsecured indebtedness (including indebtedness under our senior unsecured revolving credit facility); â€¢rank senior in right of payment to all of our future subordinated indebtedness; â€¢are effectively subordinated to all of our secured indebtedness; â€¢are structurally subordinated to all of the indebtedness and other liabilities of our Subsidiaries, including claims with respect to trade payables; and â€¢are unconditionally guaranteed on a senior unsecured basis by the Guarantor.Interest on the 2025 NotesThe 2025 Notes bear interest at a floating rate per annum equal to the Applicable Rate (as defined below) plus 50 basis points, provided, however, that in no event will the interest rate be less than zero. Interest on the Notes began to accrue from May 10, 2023 and is payableÂ quarterly in arrears on February 9, May 9, August 9, and November 9 of each year, commencing on August 9, 2023 (each such date being an â€œinterest payment dateâ€), to the persons in whose names the Notes are registered in the security register one business day preceding the respective interest payment date, whether or not a business day (each such date being a â€œregular record dateâ€). The interest rate for each Interest Period will be set on February 9, May 9, August 9, and November 9 of each year (each such date, an â€œInterest Reset Dateâ€) until the principal on the Notes is paid or made available for payment (the â€œPrincipal Payment Dateâ€). If any Interest Reset Date (other than the initial Interest Reset Date) or interest payment date would otherwise be a day that is not a business day, such Interest Reset Date or interest payment date shall be the next succeeding business day, unless the next succeeding business day is in the next succeeding calendar month, in which case such Interest Reset Date or interest payment date shall be the immediately preceding business day.â€œInterest Periodâ€ shall mean the period from and including an Interest Reset Date to, but excluding, the next succeeding Interest Reset Date and, in the case of the last such period, from and including the Interest Reset Date immediately preceding the maturity date or Principal Payment Date, as the case may be, to, but excluding, the maturity date or Principal Payment Date, as the case may be. If the Principal Payment Date or maturity date is not a business day, then the principal amount of the Notes, plus accrued and unpaid interest thereon, if any, shall be paid on the next succeeding business day and no interest shall accrue for the maturity date, the Principal Payment Date or any day thereafter.The â€œApplicable Rateâ€ shall mean the rate determined in accordance with the following provisions: (1)Two prior T2 Days (as defined below) on which dealings in deposits in euros are transacted in the euro-zone interbank market preceding each Interest Reset Date (each such date, an â€œInterest Determination Dateâ€), Deutsch Bank AG, London Branch (the â€œCalculation Agentâ€), as agent for us, will determine the Applicable Rate, which shall be the rate that appears on the Reuters Screen EURIBOR01 Page as of 11:00 a.m., Brussels time, on such Interest Determination Date for deposits in euro having a maturity of three months commencing on such Interest Determination Date. â€œReuters Screen EURIBOR01 Pageâ€ means the display designated on page â€œEURIBOR01â€ on Reuters (or such other page as may replace the EURIBOR01 page on that service or any successor service for the purpose of displaying euro-zone interbank offered rates for euro denominated deposits of major banks). If the Applicable Rate on such Interest Determination Date does not appear on the Reuters Screen EURIBOR01 Page, the Applicable Rate will be determined as described in (2)Â below.(2)With respect to an Interest Determination Date for which the Applicable Rate does not appear on the Reuters Screen EURIBOR01 Page as specified in (1)Â above, the Applicable Rate will be determined on the basis of the rates at which deposits in euro are offered by four major banks in the euro-zone interbank market selected by us (the â€œReference Banksâ€) at approximately 11:00 a.m., Brussels time, on such Interest Determination Date to prime banks in the euro-zone interbank market having a maturity of three months, and in a principal amount equal to an amount of not less than â‚¬1,000,000 that is representative for a single transaction in such market at such time. We will request the principal euro-zone office of each such Reference Bank to provide a quotation of its rate. If at least two such quotations are provided, the Applicable Rate on such Interest Determination Date will be the arithmetic mean (rounded upwards) of such quotations. If fewer than two quotations are provided, the Applicable Rate on such Interest Determination Date will be the arithmetic mean (rounded upwards) of the rates quoted by three major banks in the euro-zone selected by us at approximately 11:00 a.m., Brussels time, on such Interest Determination Date for loans in euro to leading European banks, having a maturity of three months, and in a principal amount equal to an amount of not less than â‚¬1,000,000 that is representative for a single transaction in such market at such time; provided, however, that if the banks so selected by us are not quoting as described in this sentence, the relevant interest rate for the Interest Period commencing on the Interest Reset Date following such Interest Determination Date will be the interest rate in effect on such Interest Determination Date (i.e., the same rate as the rate determined for the immediately preceding Interest Reset Date).The amount of interest for each day that the Notes are outstanding (the â€œDaily Interest Amountâ€) is calculated by dividing the interest rate in effect for such day by 360 and multiplying the result by the outstanding principal amount of the Notes (known as the â€œActual/360â€ day count). The amount of interest to be paid on the Notes for any Interest Period is calculated by adding the Daily Interest Amounts for each day in such Interest Period.The interest rate and amount of interest to be paid on the Notes for each Interest Period is determined by the Calculation Agent. The Calculation Agent will, upon the request of any holder of the Notes, provide the interest rate at the time of the last interest payment date with respect to the Notes. All calculations made by the Calculation Agent shall in the absence of manifest error be conclusive for all purposes and binding on us and the holders of the Notes. So long as the Applicable Rate is required to be determined with respect to the Notes, there will at all times be a Calculation Agent. In the event that any then acting Calculation Agent shall be unable or unwilling to act, or that such Calculation Agent shall fail duly to establish the Applicable Rate for any Interest Period, or that we propose to remove such Calculation Agent, we shall appoint ourselves or another person which is a bank, trust company, investment banking firm or other financial institution to act as the Calculation Agent.Notwithstanding the foregoing, if we, in our sole discretion, determine that EURIBOR has been permanently discontinued, or the reference to EURIBOR becomes illegal, or most other debt obligations similar to the Notes have converted away from EURIBOR to a new reference rate, the Calculation Agent will use, as directed in writing by us, as a substitute for EURIBOR for each future Interest Determination Date, the alternative reference rate (the â€œAlternative Rateâ€) selected by a central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) that is consistent with accepted market practice regarding a substitute for EURIBOR. As part of such substitution, the Calculation Agent will, as directed in writing by us, make such adjustments (â€œAdjustmentsâ€) to the Alternative Rate and/or the spread thereon, as well as the business day convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such Alternative Rate for debt obligations such as the Notes. If we determine there is no clear market consensus as to whether any rate has replaced EURIBOR in customary market usage, we may appoint an independent financial advisor (the â€œIFAâ€) to determine an appropriate Alternative Rate, and any Adjustments, and the decision of the IFA will be binding on us, the Calculation Agent, the Trustee and the holders. If, however, we determine that EURIBOR has been discontinued, but for any reason an Alternative Rate has not been determined, the rate of EURIBOR for the next interest period will be equal to such rate on the Interest Determination Date when EURIBOR was last available on Reuters Page EURIBOR01, as determined by the Calculation Agent.Neither the Trustee nor the Paying Agent will be the designee of the Calculation Agent or us for purposes of determinations to be made under the terms of the Notes. None of the Trustee, the Paying Agent or the Calculation Agent shall be responsible for determining the Alternative Rate or for making any Adjustments to the Alternative Rate and/or the spread thereon, or the business day convention, interest determination dates or related provisions and definitions, and shall be entitled to rely on any such determinations made by us and will have no liability for any actions taken at our direction.Interest on the 2029 NotesThe 2029 Notes bear interest at 3.500% per annum. Interest on the 2029 Notes is paid annually in arrears on March 15 of each year, beginning on March 15, 2024 (each, an â€œInterest Payment Dateâ€). Interest on an Interest Payment Date will be paid to the Holders of the 2029 Notes in whose names the 2029 Notes are registered on the security register at the close of business on the Business Day immediately preceding the related Interest Payment Date (the â€œRegular Record Dateâ€). Interest on the 2029 Notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the Notes, to, but excluding, the next scheduled Interest Payment Date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA)â€ in the rulebook of the International Capital Markets Association. If any Interest Payment Date, the maturity date or earlier date of redemption for the 2029 Notes falls on a day that is not a Business Day, the required payment will be made on the next Business Day and no interest will accrue or otherwise accumulate on the amount so payable for the period from and after such Interest Payment Date, maturity date or date of redemption, as the case may be.Issuance in EurosInitial holders were required to pay for the Notes in euros, and principal, premium, if any, and interest payments in respect of the Notes will be payable in euros. If the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or the euro is no longer used by the member states of the European Economic and Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the Notes will be made in U.S. dollars until the euro is again available to us or so used. In such circumstances, the amount payable on any date in euros will be converted into U.S. dollars at the rate mandated by the Board of Governors of the Federal Reserve System as of the close of business on the second business day prior to the relevant payment date or, if the Board of Governors of the Federal Reserve System has not announced a rate of conversion, on the basis of the most recent U.S. dollar/euro exchange rate published in The Wall Street Journal on or prior to the second business day prior to the relevant payment date or, in the event The Wall Street Journal has not published such exchange rate, the rate will be determined in our sole discretion on the basis of the most recently available market exchange rate for euros. Any payment in respect of the Notes so made in U.S. dollars will not constitute an event of default (as defined in the Indenture). Neither the Trustee nor the Paying Agent shall be responsible for obtaining exchange rates, effecting conversions or otherwise handling redenomination. Investors will be subject to foreign exchange risks as to payments of principal and interest that may have important economic and tax consequences to them.Change of Control Triggering EventIf a Change of Control Triggering Event (as defined below) occurs, unless we have previously or concurrently (i)Â delivered a redemption notice with respect to all the outstanding Notes as described under â€œâ€"Optional Redemptionâ€ of the Indenture, or (ii)Â sent a redemption notice with respect to all the outstanding Notes as described under â€œâ€"Redemption for Tax Reasons,â€ holders of the Notes will have the right to require us to repurchase all or any part (equal to â‚¬100,000 or an integral multiple of â‚¬1,000 in excess thereof) of their Notes pursuant to the offer described below (the â€œChange of Control Offerâ€). Pursuant to the Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of the Notes repurchased plus accrued but unpaid interest, if any, on the Notes repurchased, to, but excluding, the date of repurchase (the â€œChange of Control Paymentâ€). Within 30 days following any Change of Control Triggering Event, except to the extent that we have exercised our right to redeem all the outstanding Notes as described under clause (i)Â or (ii) above, we will be required to deliver a notice to each holder of the Notes, electronically or by first class mail at the address of such holder appearing in the security register or otherwise in accordance with the procedures of Euroclear and Clearstream, describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the Notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is delivered (the â€œChange of Control Payment Dateâ€), pursuant to the procedures required by the Indenture and described in such notice.We must comply with the requirements of Rule 14e-1 under the Exchange Act, and any other securities laws, rules and regulations thereunder to the extent those laws, rules and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws, rules or regulations conflict with the Change of Control provisions of the Indenture, we will be required to comply with the applicable securities laws, rules and regulations and will not be deemed to have breached our obligations under the Change of Control Triggering Event provisions of the Notes by virtue of such conflictsOn the Change of Control Payment Date, we will be required, to the extent lawful, to: â€¢accept for payment all Notes or portions of Notes validly tendered pursuant to the Change of Control Offer; â€¢deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes validly tendered; andâ€¢deliver or cause to be delivered to the Trustee the Notes properly accepted together with an officerâ€™s certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by us.The Paying Agent will promptly deliver to each holder of Notes properly tendered the purchase price for the Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new Note equal in principal amount to any unpurchased portion of any Notes surrendered, if any; provided that each such new Note will be in a principal amount of â‚¬100,000 or an integral multiple of â‚¬1,000 in excess thereof.We will not be required to make a Change of Control Offer with respect to the Notes upon a Change of Control Triggering Event if (1)Â a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements for a Change of Control Offer made by us and such third party purchases all Notes validly tendered and not validly withdrawn pursuant to such Change of Control Offer or (2)Â a notice of redemption of all outstanding Notes has, prior to or concurrently with such Change of Control Triggering Event, been given pursuant to the Indenture as described under the caption â€œâ€"Optional Redemptionâ€ or â€œâ€"Redemption for Tax Reasons,â€ unless and until there is a default in the payment of the redemption price on the applicable redemption date or the redemption is not consummated due to the failure of a condition precedent contained in the applicable redemption notice to be satisfied. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control Triggering Event, conditional upon such Change of Control Triggering Event, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.Notwithstanding the provisions under the caption â€œâ€"Amendments or Supplements Requiring Consent of Holdersâ€ of the Base Indenture, the provisions under the Indenture relative to the Issuerâ€™s obligation to make an offer to repurchase the Notes as a result of a Change of Control Triggering Event may be waived or modified prior to the occurrence of a Change of Control Triggering Event with the written consent of the holders of a majority in principal amount of the Notes then outstanding.Our ability to pay cash to holders of the Notes following the occurrence of a Change of Control Triggering Event may be limited by our then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases.For purposes of the foregoing, the following definitions are applicable: â€œAffiliateâ€ of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, â€œcontrolâ€ when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms â€œcontrollingâ€ and â€œcontrolledâ€ have meanings correlative to the foregoing.â€œBelow Investment Grade Rating Eventâ€ means that, on any date during the period commencing on the earlier of (i)Â the occurrence of a Change of Control and (ii)Â the date of first public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of the Change of Control (which 60-day period shall be extended for so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies), the rating of the Notes is lowered, and the Notes are rated below an Investment Grade Rating by, two Rating Agencies if the Notes are only rated by two Rating Agencies, or by all three Rating Agencies if the Notes are rated by all three Rating Agencies; provided that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred with respect to a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Triggering Event hereunder) if each of the Rating Agencies making the reduction in rating to which this definition would otherwise apply does not announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprising or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).â€œChange of Controlâ€ means the occurrence of any of the following: (1)Â the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger, amalgamation, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the properties or assets of the Guarantor and its Subsidiaries taken as a whole to any Person (as defined below) or group of related Persons for purposes of SectionÂ 13(d) of the Exchange Act (a â€œGroupâ€) other than to the Issuer or one of its wholly owned Subsidiaries or one or more Permitted Holders (as defined below); (2) the approval by the holders of our Common Stock of any plan or proposal for the liquidation or dissolution of the Guarantor (whether or not otherwise in compliance with the provisions of the Indenture); (3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any Person or Group (other than to one or more Permitted Holders) becomes the beneficial owner (as defined in Rules 13d-3 (without giving effect to the proviso in clause (d)(1)(i) thereof) and 13d-5 under the Exchange Act as in effect on the original issuance date of the Notes), directly or indirectly, of more than 50% of the then-outstanding number of shares of the Guarantorâ€™s voting stock; or (4)Â the Guarantor ceasing to own, directly or indirectly, 100% of the issued and outstanding shares of voting stock of the Issuer.The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of â€œall or substantially allâ€ of the properties or assets of the Guarantor and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase â€œsubstantially all,â€ there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuer to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Guarantor and its Subsidiaries taken as a whole to another Person or Group may be uncertain.â€œChange of Control Triggering Eventâ€ means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.â€œFitchâ€ means Fitch, Inc. or any successor to the rating agency business thereof.â€œInvestment Grade Ratingâ€ means a rating equal to or higher than Baa3 (or the equivalent) by Moodyâ€™s (as defined below), BBB- (or the equivalent) by S&P (as defined below), and BBB- (or the equivalent) by Fitch.â€œMoodyâ€™sâ€ means Moodyâ€™s Investors Service, Inc., and its successors.â€œPermitted Holdersâ€ means, collectively, (1) 3G Capital, Inc., and each of its Affiliates but not including, however, any portfolio companies of any of the foregoing, (2)Â Berkshire Hathaway, Inc., and each of its Affiliates but not including, however, any portfolio companies of any of the foregoing, (3)Â any one or more Persons, together with such Personsâ€™ Affiliates, whose beneficial ownership constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture, (4)Â the members of management of the Guarantor (or any parent entity of the Guarantor) or its Subsidiaries who are holders of capital stock of the Guarantor or of any parent entity of the Guarantor on the original date of issuance of the Notes, (5)Â any Person who is acting solely as an underwriter in connection with a public or private offering of capital stock of any parent entity of the Guarantor or the Guarantor, acting in such capacity, and (6)Â any group (within the meaning of SectionÂ 13(d)(3) or SectionÂ 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; provided that, in the case of such group and without giving effect to the existence of such group or any other group, the Persons referred to in clauses (1)Â through (4) above collectively have beneficial ownership of more than 50% of the total voting power of the voting stock of the Guarantor or any of its direct or indirect parent entities of the Guarantor held by such group.â€œPersonâ€ has the meaning set forth in the Indenture and includes a â€œpersonâ€ as used in SectionÂ 13(d)(3) of the Exchange Act.â€œRating Agenciesâ€ means (1)Â each of Moodyâ€™s, S&P and Fitch; or (2)Â if any of Moodyâ€™s, S&P and Fitch ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of our control, a â€œnationally recognized statistical rating organizationâ€ within the meaning of SectionÂ 3(a)(62) of the Exchange Act, selected by us (as certified by a resolution of our board of directors) as a replacement agency for Moodyâ€™s, S&P or Fitch, or two or all of them, as the case may be.â€œS&Pâ€ means S&P Global Ratings Services, a division of S&P Global, Inc., and its successors.DefeasanceWe are able to terminate all of our obligations under the Indenture with respect to the Notes, other than the obligation to pay the principal of, and any premium and interest on, the Notes and certain other obligations, at any time by: â€¢depositing money or United States government obligations with the Trustee in an amount sufficient in the opinion of an internationally recognized firm of independent public accountants to pay the principal of, and any premium and interest on, such Notes to their maturity; andâ€¢complying with certain other conditions, including delivery to the Trustee of an opinion of counsel to the effect that holders of such Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of our defeasance.We are able to terminate all of our obligations under the Indenture with respect to the Notes, with minor exceptions, including the obligation to pay the principal of, and any premium and interest on, the Notes, at any time by: â€¢depositing money or United States government obligations with the Trustee in an amount sufficient in the opinion of an internationally recognized firm of independent public accountants to pay the principal of, and the interest and any premium on, such Notes to their maturity; andâ€¢complying with certain other conditions, including delivery to the Trustee of an opinion of counsel stating that there has been a ruling by the Internal Revenue Service, or a change in the United States federal tax law since the date of the Indenture, to the effect that holders of such Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of our defeasance.We will deliver to the Trustee an officerâ€™s certificate and an opinion of counsel, each stating that conditions precedent with respect to such defeasance have been complied with.Events of DefaultWhen we use the term â€œEvent of Defaultâ€ in the Indenture with respect to the Notes, we mean any of the following: â€¢we fail to pay interest on any Note for 30 days after payment was due; â€¢we fail to make payment of the principal of, or any premium on, any Note when due; â€¢we fail to perform any other covenant or warranty in the Indenture and this failure continues unremedied for 90 days after we receive written notice of it from the Trustee or holders of 25% in principal amount of the outstanding Notes; orâ€¢we file for bankruptcy, or certain other events of bankruptcy, insolvency or reorganization specified in the Indenture occur.The Trustee may withhold notice to the holders of Notes of any default, except for defaults that involve our failure to pay principal or interest, if it determines in good faith that the withholding of notice is in the interest of the holders.If an Event of Default in respect of the Notes occurs and continues (other than an Event of Default involving our bankruptcy, insolvency or reorganization), either the Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Notes may require us, upon notice in writing to us, to immediately repay the entire principal of all of the Notes, including accrued interest thereon.If an Event of Default occurs which involves our bankruptcy, insolvency or reorganization, then all unpaid principal amounts and accrued interest on all of the Notes will immediately become due and payable, without any action by the Trustee or any holder of Notes.Subject to certain conditions, the holders of a majority in principal amount of the outstanding Notes may rescind and annul a declaration of acceleration of the Notes if all Events of Default, other than the failure to pay principal or interest due solely because of the declaration of acceleration, have been cured or waived.Other than its duties in case of a default, the Trustee is not obligated to exercise any of its rights or powers under the Indenture at the written request, order or direction of any holders of Notes, unless such holders offer the Trustee an indemnity satisfactory to it. The holders of a majority in principal amount outstanding of the Notes may, subject to certain limitations, direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any power conferred upon the Trustee, for the Notes.Except to enforce the right to receive payment of principal or interest when due, no holder of Notes may pursue any remedy with respect to the Indenture or the Notes unless: (1) such holder has previously given the Trustee written notice that an Event of Default is continuing; (2)Â holders of at least 25% in principal amount of the outstanding Notes have requested in writing that the Trustee pursue the remedy; (3)Â such holders have offered in writing to the Trustee security or indemnity satisfactory to the Trustee against any loss, liability or expense; (4)Â the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security or indemnity; and (5)Â the holders of a majority in principal amount of the outstanding Notes have not given the Trustee a written direction that is inconsistent with such request within such 60-day period.The Indenture requires us to file each year with the Trustee, an officerâ€™s certificate as to the absence of a default under the Indenture.Payment and TransferWe will pay the principal of, and any premium and interest on, fully registered securities at the place or places that we will designate for such purposes. We will make payment to the persons in whose names the Notes are registered on the close of business on the day or days that we will specify in accordance with the Indenture. We will pay the principal of, and any premium on, registered Notes only against surrender of those Notes. Holders of the Notes may transfer or exchange fully registered securities at the corporate trust office of the Paying Agent or at any other office or agency, maintained for such purposes, without the payment of any service charge except for any tax or governmental charge.Optional RedemptionThe 2025 Notes On, and only on, May 24, 2024, we may redeem the 2025 Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2025 Notes to be redeemed, plus accrued and unpaid interest, if any, on the principal amount being redeemed to, but excluding, the redemption date.Notice of such redemption will be mailed or electronically delivered (or otherwise transmitted in accordance with the depositaryâ€™s procedures) to each holder of 2025 Notes to be redeemed at least 10 days but not more than 60 days prior to the redemption date.In the case of a partial redemption, selection of the 2025 Notes for redemption will be made pro rata, by lot or by such other method as the Trustee in its sole discretion deems appropriate and fair. No 2025 Notes of a principal amount of â‚¬100,000 or less will be redeemed in part. If any of the 2025 Notes is to be redeemed in part only, the notice of redemption that relates to the Note will state the portion of the principal amount of the 2025 Note to be redeemed. A new 2025 Note in a principal amount equal to the unredeemed portion of the 2025 Note will be issued in the name of the holder of the 2025 Note upon surrender for cancellation of the original 2025 Note. For so long as the 2025 Notes are held by Euroclear or Clearstream (or another depositary), the redemption of the 2025 Notes shall be done in accordance with the policies and procedures of the applicable depositary.Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the 2025 Notes or portions thereof called for redemption.The 2029 NotesAt any time prior to the DecemberÂ 15, 2028, the Company shall have the option to redeem the 2029 Notes in whole at any time, or in part from time to time, at a redemption price calculated by the Company and equal to the greater of (i) 100% of the principal amount of the 2029 Notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the 2029 Notes matured on DecemberÂ 15, 2028 (exclusive of interest accrued to the redemption date), determined by discounting to the redemption date, on an annual basis (ACTUAL/ACTUAL (ICMA)), such principal and interest at the applicable Comparable Government Bond Rate plus 20 basis points; plus, in the case of each of (i) and (ii), accrued and unpaid interest, if any, to, but not including, the redemption date.On or after DecemberÂ 15, 2028, the Company shall have the option to redeem the 2029 Notes in whole at any time, or in part from time to time, at a redemption price equal to 100% of the principal amount of the 2029 Notes to be redeemed plus accrued and unpaid interest, if any, to, but not including the redemption date.A notice of any redemption of the 2029 Notes will be mailed or electronically delivered (or otherwise transmitted in accordance with the applicable procedures of Euroclear and Clearstream, as applicable) to each Holder of 2029 Notes to be redeemed at least 10 days but not more than 60 days prior to the date fixed for redemption.In the case of a partial redemption, selection of the 2029 Notes for redemption will be made pro rata, by lot or by such other method as the Trustee in its sole discretion deems appropriate and fair. No 2029 Notes of a principal amount of â‚¬100,000 or less will be redeemed in part. If any 2029 Note is to be redeemed in part only, the notice of redemption that relates to the 2029n Note will state the portion of the principal amount and the CUSIP or ISIN number, as applicable, of the 2029 Note to be redeemed. A new 2029 Note in a principal amount equal to the unredeemed portion of the 2029 Note will be issued in the name of the Holder of the 2029 Note upon surrender for cancellation of the original 2029 Note. For so long as the 2029 Notes are held by Euroclear or Clearstream (or another depositary), the redemption of the 2029 Notes shall be done in accordance with the policies and procedures of the applicable depositary.Unless the Company defaults in payment of the redemption price, on and after the date fixed for redemption, interest will cease to accrue on the 2029 Notes or portions thereof called for redemption.Redemption for Tax ReasonsIf, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under the laws) of the United States, or any change in, or amendments to, an official position regarding the application, interpretation, administration or enforcement of such laws, regulations or rulings (including by virtue of any action taken by a taxing authority, a holding, judgment or order by a court of competent jurisdiction (whether or not such action was taken or brought with respect to the Issuer), or a change in published administrative practice), which change or amendment is announced and becomes effective after the date of the prospectus supplement pursuant to which the Notes were offered, the Issuer or Guarantor becomes or will become obligated to pay Additional Amounts as described under the heading â€œâ€" Payment of Additional Amountsâ€ with respect to the Notes, then the Issuer or Guarantor may, at any time at its option, redeem, in whole, but not in part, the Notes on not less than 10 nor more than 60 days prior notice to the holders of the Notes, at a redemption price equal to 100% of the outstanding principal amount thereof, together with accrued and unpaid interest (if any) on the Notes being redeemed to, but excluding, the redemption date (subject to the rights of holders of record on the relevant record date to receive interest due on the relevant interest date and Additional Amounts, if any, in respect thereof) and all Additional Amounts, if any, then due and which will become due on the redemption date as a result of the redemption or otherwise. Prior to any such notice of redemption, the Issuer or Guarantor will deliver to the Trustee (a)Â an officerâ€™s certificate stating that it is entitled to effect such redemption, and (b)Â a written opinion of independent counsel selected by the Issuer to the effect that the Issuer has been or will become obligated to pay Additional Amounts.The Trustee and Paying Agent will accept and will be entitled to conclusively rely upon such officerâ€™s certificate and opinion of counsel as sufficient evidence of the satisfaction of the conditions precedent described above for the Issuer or Guarantor to exercise its right to redeem the Notes, which determination will be conclusive and binding on the holders.Business Day For purposes of the Notes, â€œbusiness dayâ€ means any day, other than a Saturday or Sunday, that is not a day on which banking institutions are generally authorized or obligated by law to close in the City of New York or the City of London, and is a day on which the real time gross settlement system operated by the Eurosystem, or any successor thereto, operates (a â€œT2 Dayâ€).Paying AgentThe paying agent for the Notes is initially Deutsche Bank Trust Company Americas (the â€œPaying Agentâ€). The principal on the Notes payable at maturity or earlier redemption will be paid against presentation and surrender at the office or agency maintained for such purpose in New York, initially the corporate trust office of the Paying Agent, located at Deutsche Bank Trust Company Americas, Corporate Debt & Agency, 1 Columbus Circle, 17th Floor New York, NY 10019, in euros.Additional NotesWe are permitted to issue additional Notes from time to time (the â€œAdditional Notesâ€) having the same terms in all respects as the Notes (except for the issue date, issue price and, in some cases, the first payment of interest or interest accruing prior to the issue date of such Additional Notes). The Notes and the Additional Notes, if any, will be treated as a single class for all purposes under the Indenture, including waivers, amendments, redemptions and offers to purchase; provided that if the Additional Notes are not fungible with the Notes for United States federal income tax purposes, such Additional Notes will have a separate CUSIP number. Unless the context otherwise requires, for all purposes of the Indenture and this Description of the Notes, references to the Notes include any Additional Notes actually issued.Consolidation, Merger or SaleThe Issuer and the Guarantor have agreed not to consolidate with or merge into any other corporation or convey, transfer or lease all or substantially all of the Issuerâ€™s or the Guarantorâ€™s properties and assets to any Person, unless: (1)the Issuer or the Guarantor, as applicable, is the continuing corporation or any resulting, surviving or transferee Person (the â€œsuccessor purchaserâ€) is an entity organized under the laws of the United States, any state of the United States or the District of Columbia; (2)the successor purchaser (if not the Issuer or the Guarantor, as applicable) expressly assumes by a supplemental indenture (A)(i) the due and punctual payment of the principal of, and any premium and interest on, all of the Notes (in the case of a successor purchaser to the Issuer) or (ii)Â the Guarantee (in the case of a successor purchaser to the Guarantor) and (B)Â the performance of every covenant in the Indenture that the Issuer or the Guarantor, as applicable, would otherwise have to perform as if it were an original party to the Indenture; (3)immediately after the effective date of the transaction, no Event of Default (as defined below) has occurred and is continuing under the Indenture; and (4)we deliver to the Trustee an officerâ€™s certificate and an opinion of counsel, each stating that the consolidation, merger, conveyance or transfer and the supplemental indenture, if applicable, comply with these provisions and that all conditions precedent provided for in the Indenture relating to such transaction shall have been complied with.In the event that the Issuer or the Guarantor consolidates with or merges into another entity or conveys, transfers or leases all or substantially all of the Issuerâ€™s or the Guarantorâ€™s properties and assets to any Person, the successor purchaser will assume all of the Issuerâ€™s or the Guarantorâ€™s obligations, as applicable, under the Indenture as if it were an original party to the Indenture, and the Issuer or the Guarantor, as applicable, will be discharged from all of its obligations under the Indenture. After assuming such obligations, the successor purchaser will have all of the Issuerâ€™s or the Guarantorâ€™s rights and powers, as applicable, under the Indenture.For the avoidance of doubt, this covenant does not apply to transactions by and among the Issuer, the Guarantor and their Subsidiaries.Restrictive CovenantsThe Indenture includes the following restrictive covenants:1)Limitation on LiensThe Indenture limits the Liens (as defined below) that the Guarantor and its Restricted Subsidiaries (as defined below) may incur or otherwise create, securing indebtedness for borrowed money, upon any Principal Facility (as defined below) or any shares of capital stock that any of the Guarantorâ€™s Restricted Subsidiaries owning any Principal Facility has issued to the Guarantor or any of its Restricted Subsidiaries. If the Guarantor or any of its Restricted Subsidiaries incurs such Liens, then we will secure the Notes with a Lien on such Principal Facility or such capital stock to the same extent and in the same proportion as the indebtedness for borrowed money that is secured by such Liens. This covenant does not apply, however, to any of the following:â€¢Liens incurred in connection with the issuance by a governmental entity, state or political subdivision of any securities the interest on which is exempt from United States federal income taxes by virtue of SectionÂ 103 of the Internal Revenue Code or any other laws and regulations in effect at the time of such issuance; â€¢Liens existing on the issue date of the Notes; â€¢Liens on property existing at the time the Guarantor or any of its Restricted Subsidiaries acquires such property or existing on property of any Person that becomes a Subsidiary at the time such Person becomes a Subsidiary, including through a merger, share exchange or consolidation, or securing the payment of all or part of the purchase price of such property or to secure indebtedness incurred solely for the purpose of financing the acquisition of such property; â€¢Liens securing indebtedness incurred to finance the development, construction, repair, alteration or improvement of property incurred prior to, or within 180 days after the later of, completion of development, construction, repair, alteration or improvement of such property and the commencement of full operation of such property; provided, however, that such Liens shall not apply to any other property of the Guarantor or any Restricted Subsidiary; â€¢Liens in favor of a U.S. federal, state or municipal governmental entity entered into for the purposes of reducing certain tax liabilities of the Issuer or its Subsidiaries, provided that the Issuer or such Subsidiary may upon not more than 120 daysâ€™ notice obtain title from such governmental entity to such property free and clear of any Liens (other than Liens permitted by this paragraph) by paying a nominal fee or the amount of any taxes (or any portion thereof) that would have otherwise been due and payable had such transaction not been terminated, by canceling issued bonds, if any, or otherwise terminating or unwinding such transaction; â€¢Liens in favor of the Guarantor or any of its Restricted Subsidiaries; â€¢Liens required in connection with governmental programs which provide financial or tax benefits, as long as substantially all of the obligations secured are in lieu of or reduce an obligation that would have been secured by a Lien permitted under the Indenture; andâ€¢Liens for the sole purpose of refunding, refinancing, exchanging, repaying, extending, renewing or replacing (including pursuant to any defeasance or discharge mechanism) all or part of the indebtedness secured by any Lien referred to in the previous bullet points (other than the sixth bullet point) or in this bullet point if the extension, removal and replacement is limited to all or a part of the property secured by the original Lien.For the avoidance of doubt, an increase in the amount of indebtedness in connection with any accrual of interest, accretion of original issue discount, payment of interest in the form of additional indebtedness with the same terms and increases in the amount of indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing indebtedness, shall not constitute an assumption, incurrence or guarantee for the purposes of this covenant, so long as the original Liens securing such indebtedness were permitted under the Indenture.Notwithstanding the foregoing, the Guarantor and/or any of its Restricted Subsidiaries may incur or otherwise create Liens that would otherwise be subject to the restriction described above, without securing the Notes, if the aggregate value of all outstanding indebtedness secured by the Liens and the value of all Sale and Leaseback Transactions (as defined below) does not, at the time of such incurrence or creation, exceed the greater of:â€¢10% of the Guarantorâ€™s Consolidated Net Tangible Assets (as defined below); andâ€¢10% of the Guarantorâ€™s Consolidated Capitalization (as defined below).2)Sale and Leaseback TransactionsA Sale and Leaseback Transaction by the Guarantor or any Restricted Subsidiary of any Principal Facility is prohibited, unless: â€¢within 180 days of the effective date of the arrangement, an amount equal to the greater of the proceeds of the Sale and Leaseback Transaction and the fair value of the property subject to the Sale and Leaseback Transaction (â€œvalueâ€) (as determined by the Issuer in good faith) is applied to the retirement of long-term unsubordinated indebtedness for borrowed money with more than one-year stated maturity (which may include the Notes); â€¢the sum of (1)Â the aggregate amount of all Attributable Debt then outstanding with respect to such Sale and Leaseback Transaction and (2)Â all Attributable Debt then outstanding under this bullet and all indebtedness secured by Liens pursuant to the third paragraph under â€œâ€"Limitation on Liensâ€ above would not, at the time such transaction is entered into, exceed the greater of 10% of the Guarantorâ€™s Consolidated Net Tangible Assets and 10% of the Guarantorâ€™s Consolidated Capitalization; â€¢the Sale and Leaseback Transaction exists on the issue date of the Notes or at the time any Person that owns a Principal Facility becomes a Restricted Subsidiary; â€¢the Sale and Leaseback Transaction is entered into solely between the Guarantor and any Subsidiary or between its Subsidiaries; â€¢the Sale and Leaseback Transaction is with a governmental authority that provides financial or tax benefits; orâ€¢the Sale and Leaseback Transaction is entered into within 180 days after the initial acquisition of the Principal Facility subject to the Sale and Leaseback Transaction.There are no other restrictive covenants in the Indenture. The Indenture does not require us to maintain any financial ratios or minimum levels of net worth or liquidity and does not restrict the payment of dividends or other distributions on our capital stock or the redemption or purchase of our capital stock.Defined Termsâ€œAttributable Debtâ€ means, with regard to a Sale and Leaseback Transaction with respect to a Principal Facility, an amount equal to the lesser of: (a)Â the fair market value of the property (as determined in good faith by our board of directors); and (b)Â the present value of the total net amount of rent payments to be made under the lease during its remaining term (including any period for which such lease has been extended and excluding any unexercised renewal or other extension options exercisable by the lessee, and excluding amounts on account of maintenance and repairs, services, taxes and similar charges and contingent rents), discounted at the rate of interest set forth or implicit in the terms of the lease (or, if not practicable to determine such rate, the weighted average interest rate per annum borne by the Notes then outstanding), compounded semi-annually.â€œConsolidated Capitalizationâ€ means the total assets appearing on the Guarantorâ€™s most recent available consolidated balance sheet, less: â€¢current liabilities reflected on such consolidated balance sheet, including liabilities for indebtedness maturing more than 12 months from the date of the original creation thereof, but maturing within 12 months from the date of such consolidated balance sheet; andâ€¢deferred income tax liabilities reflected in such consolidated balance sheet.â€œConsolidated Net Tangible Assetsâ€ means the excess of all assets over current liabilities appearing on the Guarantorâ€™s most recent available consolidated balance sheet, less goodwill and other intangible assets and the minority interests of third parties in Subsidiaries.â€œLienâ€ means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, assignment, easement, hypothecation, claim, preference, priority or other encumbrance upon or with respect to any priority of any kind (including any conditional sale, capital lease or other title retention agreement, any leases in the nature thereof) real or personal, moveable or immovable, now owned or hereafter acquired; provided, however, that in no event shall an operating lease be deemed to constitute a Lien.â€œPrincipal Facilityâ€ means all real property owned and operated by the Guarantor or any Subsidiary located within the United States and constituting part of any manufacturing plant or distribution facility, including all attached plumbing, electrical, ventilating, heating, cooling, lighting and other utility systems, ducts and pipes but excluding trade fixtures (unless their removal would cause substantial damage to the manufacturing plant or distribution facility), business machinery, equipment, motorized vehicles, tools, supplies and materials, security systems, cameras, inventory and other personal property and materials. However, no manufacturing plant or distribution facility will be a Principal Facility unless its net book value exceeds 2% of Consolidated Net Tangible Assets.â€œRestricted Subsidiaryâ€ means any Subsidiary of the Guarantor (a)Â substantially all the property of which is located, or substantially all the business of which is carried on, within the United States and (b)Â that owns a Principal Facility.â€œSale and Leaseback Transactionâ€ means the sale or transfer of a Principal Facility with the intention of taking back a lease of the property, except (i)Â a lease for a temporary period of less than 3 years, including renewals, with the intent that the use by the Guarantor or any Restricted Subsidiary will be discontinued on or before the expiration of such period or (ii)Â a lease between the Guarantor and one or more of its Subsidiaries or between one or more Subsidiaries of the Guarantor.â€œSubsidiaryâ€ means, with respect to any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power is at the time owned or controlled, directly or indirectly, by: (1)Â such Person, (2)Â such Person and one or more Subsidiaries of such Person or (3)Â one or more Subsidiaries of such Person. Unless otherwise specified or the context shall otherwise require, â€œSubsidiaryâ€ means a Subsidiary of the Guarantor.Satisfaction and DischargeUnder the Indenture, we are able to discharge certain obligations to the holders of the Notes that have not already been delivered to the Trustee for cancellation and that either have become due and payable or will become due and payable within one year (or scheduled for redemption within one year) by depositing with the Trustee, in trust, funds in an amount sufficient to pay the entire indebtedness on such Notes in respect of principal and premium, if any, and interest, if any, to the date of such deposit (if such Notes have become due and payable) or to the maturity thereof or redemption date, as the case may be, along with an officerâ€™s certificate and an opinion of counsel stating that all conditions precedent relating to the satisfaction and discharge of the Indenture have been complied with.Payments of Unclaimed MoneysMoneys deposited with the Trustee or any Paying Agent for the payment of principal of, or any premium and interest on, any Notes that remain unclaimed for two years will be repaid to us at our written request, unless the law requires otherwise. If this happens and the applicable holder wants to claim these moneys, the holder must look to us and not to the Trustee or Paying Agent.Amendments or Supplements Not Requiring Consent of HoldersWithout the consent of any holders of the Notes, we and the Trustee may amend or supplement the Indenture or the Notes, among other things, to: â€¢pledge property to the Trustee as security for the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Lien with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the Indenture; â€¢reflect that another entity has succeeded the Issuer or the Guarantor and assumed the covenants and obligations of the Issuer or the Guarantor, as applicable, under the Notes and the Indenture; â€¢cure any ambiguity, omission, mistake, defect, error or inconsistency, or conform any provision to this â€œDescription of the Notesâ€; â€¢reduce the minimum denomination of the Notes; â€¢make any other provisions necessary or desirable, as long as the interests of the holders of the Notes are not adversely affected in any material respect; â€¢issue and establish the form and terms of any Additional Notes as provided in the Indenture; â€¢add further covenants or provide for guarantees for the benefit of the holders of the Notes or surrender any right or power therein conferred upon the Issuer, the Guarantor or any Subsidiary; â€¢add any additional event of default; â€¢change the Trustee or provide for an additional trustee; â€¢provide additional provisions for bearer Notes so long as the action does not adversely affect the interests of holders of any of the Notes in any material respect; orâ€¢modify the Indenture in order to continue its qualification under the TIA, or as may be necessary or desirable in accordance with amendments to the TIA.Amendments or Supplements Requiring Consent of HoldersWith the consent of the holders of a majority in principal amount of the Notes, we and the Trustee may supplement the Indenture or the Notes or modify in any way the terms of the Indenture, the Notes or the rights of the holders of the Notes. However, without the consent of each holder of all of the Notes affected by that modification, we and the Trustee may not: â€¢modify the maturity date of, or reduce the principal of, or premium on, or change the stated final maturity of, any Note; â€¢reduce the rate of or change the time for payment of interest on any Note; â€¢reduce or alter the method of computation of any amount payable upon redemption, repayment or purchase of any Note by us, or the time when the redemption, repayment or purchase may be made; â€¢make the principal or interest on any Note payable in a currency other than that stated in the Note or change the place of payment; â€¢impair any right of any holder of the Notes to receive payment of principal of and interest on such holderâ€™s Notes on or after the due dates thereof; â€¢reduce the right of any holder of the Notes to sue for the enforcement of payment of the principal or interest on or with respect to such holderâ€™s Notes; â€¢make any change in the ranking or priority of any Note that would adversely affect the holders of the Notes; orâ€¢reduce the percentage in principal amount of the outstanding Notes required to supplement or modify the Indenture or to waive any of its provisions.Waivers Under the IndentureUnder the Indenture, the holders of a majority in aggregate principal amount of the outstanding Notes may on behalf of all holders of the Notes: â€¢waive our compliance with certain covenants in the Indenture; orâ€¢waive any past default under the Indenture, except (i)Â a default in the payment of the principal of, or any premium or interest on, any Notes; and (ii)Â a default under any provision of the Indenture which itself cannot be modified without the consent of the holders of the Notes.Payment of Additional AmountsAll payments by the Issuer or the Guarantor on the Notes or the Guarantee will be made free and clear of and without withholding or deduction for or on account of any present or future tax, assessment or other governmental charges and any penalties, interest or additions to tax with respect thereto (each a â€œtaxâ€) imposed by the United States, unless the withholding or deduction of such taxes is required by law or the official interpretation or administration thereof.If any taxes imposed by the United States are required to be withheld or deducted in respect of any payment made under or with respect to the Notes or the Guarantee, the Issuer or the Guarantor will, subject to the exceptions and limitations set forth below, pay additional amounts (â€œAdditional Amountsâ€) as are necessary in order that the net amounts received in respect of such payments by each beneficial owner who is not a United States person after such withholding or deduction by any applicable withholding agent (including any withholding or deduction in respect of such Additional Amounts) will equal the amounts which would have been received in respect of such payments on any Note or the Guarantee in the absence of such withholding or deduction; provided, however, that the foregoing obligation to pay additional amounts shall not apply: (a)to any tax to the extent such tax is imposed by reason of the holder (or the beneficial owner for whose benefit such holder holds such Note), or a fiduciary, settlor, beneficiary, member or stockholder of the holder if the holder is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary holder, being considered as: (i)being or having been engaged in a trade or business in the United States or having or having had a permanent establishment in the United States; (ii)having or having had any other connection with the United States (other than a connection arising solely as a result of the ownership of the Notes, the receipt of any payment or the enforcement of any rights under the Notes or the Guarantee), including being or having been a citizen or resident of the United States; (iii)being or having been a personal holding company, a passive foreign investment company or a controlled foreign corporation for United States federal income tax purposes or a corporation that has accumulated earnings to avoid United States federal income tax; (iv)being or having been a â€œ10-percent shareholderâ€ of the Guarantor or the Issuer as defined in section 871(h)(3) of the United States Internal Revenue Code of 1986, as amended (the â€œCodeâ€); or(v)being or having been a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, as described in section 881(c)(3)(A) of the Code or any successor provisions; (b)to any holder that is not the sole beneficial owner of the Notes or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficial owner with respect to the holder, a beneficiary or settlor with respect to the fiduciary, or a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment; (c)to any tax to the extent such tax would not have been imposed but for the failure of the holder or the beneficial owner to comply with certification, identification or other information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the Notes, if compliance is required by statute, by regulation of the United States or any taxing authority therein or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from, or reduction of, such tax, but only to the extent that the holder or beneficial owner is legally eligible to provide such certification or other evidence; (d)to any tax that is imposed otherwise than by withholding or deduction in respect of a payment on the Notes or the Guarantee; (e)to any estate, inheritance, gift, sales, transfer, wealth or similar tax; (f)to any withholding or deduction that is imposed on a payment to a holder or beneficial owner and that is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, any European Union Directive on the taxation of savings; (g)to any tax required to be withheld by any paying agent from any payment of principal of or interest on any Note, if such payment can be made without such withholding by at least one other paying agent; (h)to any tax to the extent such tax would not have been imposed or levied but for the presentation by the holder or beneficial owner of any Note, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later; (i)to any tax to the extent such tax is imposed or withheld solely by reason of the beneficial owner being a bank (1)Â purchasing the Notes in the ordinary course of its lending business or (2)Â that is neither (A)Â buying the Notes for investment purposes only nor (B)Â buying the Notes for resale to a third-party that either is not a bank or holding the Notes for investment purposes only; (j)to any tax imposed under sections 1471 through 1474 of the Code as of the issue date (or any amended or successor provision that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to current section 1471(b) of the Code (or any amended or successor version described above) or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement (or related laws or official administrative practices) implementing the foregoing; or(k)in the case of any combination of clauses (a)Â through (j).The Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable to the Notes. Except as specifically provided under this heading â€œâ€" Payment of Additional Amounts,â€ the Issuer (or the Guarantor, if applicable) will not be required to make any payment for any tax imposed by any government or a political subdivision or taxing authority of or in any government or political subdivision.The Issuer or the Guarantor will use reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any taxes so deducted or withheld, or other evidence reasonably satisfactory to the Trustee, and will provide such copies or other evidence to the Trustee.The foregoing obligations will survive any termination, defeasance or discharge of the indenture and will apply mutatis mutandis to any successor to the Issuer or the Guarantor.For purposes of the foregoing, â€œUnited States personâ€ means any individual who is a citizen or resident of the United States for United States federal income tax purposes, a corporation, partnership or other entity created or organized in or under the laws of the United States, any state of the United States or the District of Columbia, an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust, if (a)Â a court within the United States is able to exercise primary jurisdiction over its administration and one or more United States persons have the authority to control all of its substantial decisions or (b)Â it has a valid election in place under applicable United States Treasury regulations to be treated as a domestic trust.NoticesNotices to holders of the Notes will be sent by mail or electronically delivered to the registered holders of the Notes.Concerning the Trustee, Registrar and Paying AgentDeutsche Bank Trust Company Americas is the trustee, registrar and paying agent under the Indenture. Deutsche Bank Trust Company Americas has performed and will perform other services for us and certain of our Subsidiaries in the normal course of its business.Governing LawThe Indenture and the Notes are governed by, and construed in accordance with, the laws of the State of New York.DocumentTitle: Insider Trading PolicyPolicy Owner: Global General CounselDate of Issue: February 5, 2025Effective Date: February 5, 2025Supersedes: Insider Trading PolicyÂ Â Â Â Dated: August 23, 2024PURPOSEAt The Kraft Heinz Company (together with its subsidiaries, â€œKraft Heinzâ€ or the â€œCompanyâ€), We Do the Right Thing. The purpose of this Insider Trading Policy (the â€œPolicyâ€) is to promote compliance with securities laws, protect Kraft Heinzâ€™s reputation for integrity and ethical conduct, and provide guidance and expectations to Kraft Heinz directors, officers, and other employees with respect to transactions in the Companyâ€™s securities and securities of the Companyâ€™s business partners (as defined below). Failure to follow this Policy may result in termination of employment, as well as severe civil and criminal penalties.YOU are responsible for knowing and following the laws and regulations that apply to your transactions in Kraft Heinz securities and other companiesâ€™ securities (including Kraft Heinz business partners). While the Policy is designed to reduce the risk of violation of insider trading laws, compliance with the Policy, including any trading preclearance, is not a guarantee against a finding of insider trading violations. In addition, if any securities transaction ever becomes subject of scrutiny, they are likely to be evaluated by regulatory authorities or others after the fact. Before engaging in any transaction, you should carefully consider how it may be viewed in the bright light of hindsight.CONTACTS AND QUESTIONSIf you have any questions regarding this Policy or the applicability of any provisions to you or your activities, please contact Kraft Heinzâ€™s Corporate Secretaryâ€™s Office.GLOSSARY OF TERMSTermLocation of Definition or MeaningBlackout InsiderSection 4.1business partnerSection 1.2Controlled EntitiesSection 1.1CompanyCover page, under PurposeExchange ActSection 5.3Family MembersSection 1.1Kraft HeinzCover page, under PurposeMaterial nonpublic informationSection 2PolicyCover page, under PurposePreclearance InsiderSection 5.1Insider Trading Policy | 1 of 9Related PersonsSection 1.1Rule 10b5-1 Trading PlanSection 7POLICY1.WHO AND WHAT IS COVERED1.1.Who is subject to this Policy?All Kraft Heinz Board members, employees, consultants, and contractors worldwide, as well as any family members who reside with them, anyone else who resides with them, and any family members who do not live with them but whose transactions in Kraft Heinz securities are subject to their influence or control (such as parents or children who consult with them before they trade in Kraft Heinz securities) (collectively, â€œFamily Membersâ€), any entities (such as trusts or corporations) whose transactions in Kraft Heinz securities are controlled, managed or influenced by any of the foregoing persons or their Family Members (â€œControlled Entitiesâ€ and together with the Family Members, â€œRelated Personsâ€).You are responsible for making sure that your Related Persons comply with this Policy.This Policy continues to apply even after you cease to be a Board member, employee, consultant, or contractor of Kraft Heinz. If you are aware of material nonpublic information about Kraft Heinz or its business partners when your employment or service relationship terminates, you may not trade in Kraft Heinz securities or securities of Kraft Heinz business partners, as applicable, until that information becomes public or not material. 1.2.What transactions are covered by this Policy?Except as specifically set forth in this Policy, all transactions, direct or indirect, in the Companyâ€™s securities, including common stock, preferred stock, warrants, options to purchase stock, performance share units (PSUs), restricted stock units (RSUs), notes, and any other equity or debt securities of the Company, as well as any puts, calls, swaps, convertible instruments, or other derivative securities, whether or not issued by the Company. For purposes of this Policy, the term â€œtransactionsâ€ or â€œtradeâ€ means broadly any purchase, sale or other transaction to acquire, transfer or dispose of securities or an interest therein, including any gift, pledge, contribution to a trust, or loan of securities. This Policy also applies to all transactions in the securities of other entities with which Kraft Heinz does business, such as customers, suppliers, vendors, and any entities with which Kraft Heinz may be negotiating a transaction (including an acquisition, investment, or sale of assets) (collectively, â€œbusiness partnersâ€) when you are aware of material nonpublic information about such business partner as a result of your employment or other relationship with Kraft Heinz. Information that is not material to the Company may nevertheless be material to those entities.Insider Trading Policy | 2 of 92.MEANING OF MATERIAL NONPUBLIC INFORMATION2.1.What is Material Information?Information that a reasonable person would likely consider important in making a decision to buy, sell, or hold securities or that could reasonably be expected to affect the price of a security, whether positively or negatively.It may include events that have already occurred as well as projections or forecasts. For future events, materiality is determined by considering both the probability that the event will occur and the magnitude of the effect the event would have if it occurred. Even if the possibility that an event will occur in the future is relatively small, if it would have a large effect on stock price, it may be material. Information generally regarded as material includes (but is not limited to):â€¢financial results, including projections of future results or other guidanceâ€¢major proposed or pending transactions, business plans, or restructurings (including acquisitions, divestitures, investments, or facility openings or closures)â€¢significant project, product, or intellectual property developments or innovationsâ€¢product recallsâ€¢changes in directors or senior managementâ€¢changes in dividendsâ€¢equity or debt offerings, repurchases, or redemptionsâ€¢gain or loss of significant suppliers or contractsâ€¢developments in actual or threatened litigation, inquiries by a governmental or regulatory authority, or labor disputesâ€¢actual or potential cybersecurity incidents or risks that could adversely impact Kraft Heinz or third-party providers that support the Companyâ€™s business operationsâ€¢interruptions or disruptions to production or the Companyâ€™s businessâ€¢major environmental incidents or risksâ€¢events that may result in the creation of a significant reserve or write-off or other significant adjustments to the financial statements2.2.What is Nonpublic Information?Information that has not been disclosed broadly to the general public. The information must have been disseminated in a manner designed to reach investors generally, e.g., in a Company press release or official statement or filing with the U.S. Securities and Exchange Commission or by means of a Regulation FD-compliant webcast, and investors must be given sufficient time to fully absorb the information.Examples of information that is not public include: Rumors, even if accurate, widespread, and reported in the media. Information disclosed to a few members of the public. Information only partially disclosed to the public.As a general rule, information is considered nonpublic until the close of market following the completion of one (1) full trading day after it has been publicly released.Insider Trading Policy | 3 of 9If you are not sure whether the information is material or nonpublic, you should assume that the information is material nonpublic information or consult with the Corporate Secretaryâ€™s Office before trading.3.RULES FOR EVERYONEThe following rules apply to everyone subject to this Policy.3.1.Safeguard Material Nonpublic Information You should maintain the confidentiality of material nonpublic information about Kraft Heinz, and its business partners in accordance with Company policies and until that information has been broadly disseminated to the public or is no longer material. You are responsible for making sure that your Related Persons maintain the confidentiality of material nonpublic information about Kraft Heinz and its business partners. Those with whom you have a history, pattern, or practice of sharing confidences, such as family, close friends, and financial and personal counselors, may be presumed to have acted on the basis of information that you know; therefore, special care should be taken not to disclose material nonpublic information to these people. If you inadvertently disclose material nonpublic information about Kraft Heinz or its business partners to anyone inside or outside the Company except in accordance with Company policies, you should inform the Corporate Secretaryâ€™s Office immediately to enable the Company to take appropriate steps. 3.2.No Trading on Material Nonpublic InformationIf you are aware of material nonpublic information about Kraft Heinz or its business partners as a result of your employment or other relationship with Kraft Heinz, you should not engage in any transaction in Kraft Heinzâ€™s or such business partnerâ€™s securities.In certain situations, U.S. or other securities laws may also prohibit trading (or recommending or suggesting that anyone else trade) in the securities of any other company while the person has material nonpublic information obtained in the course of the personâ€™s employment or service with the Company that, even if not directly about the other company, could materially affect the market price for securities of that other company.3.3.No Tipping of Material Nonpublic InformationYou should not disclose (or â€œtipâ€) material nonpublic information to any other person where such information may be used by the other person to trade in the securities of Kraft Heinz or its business partner. Additionally, you should not make any recommendations or express any opinions as to trading in the Kraft Heinzâ€™s or its business partnerâ€™s securities to any other person on the basis of material nonpublic information.Insider Trading Policy | 4 of 9If a person to whom you have passed material nonpublic information (or â€œtippedâ€) trades on the basis of that information, you may be subject to penalties for violation of securities laws even if you do not receive any money or derive any benefit from the trade. 3.4.No Speculative TransactionsKraft Heinz considers it improper and inappropriate for you to engage in speculative transactions in Kraft Heinz securities that may create a conflict of interest, be perceived as undermining the alignment of your interests with those of other stockholders, or result in inadvertent violations of insider trading laws. Accordingly, you may not engage in any of the following transactions with respect to Kraft Heinz securities.3.4.1No Short SalesYou may not engage in short sales of Kraft Heinz securities. A short sale is a sale of securities not owned by you or, if owned, not delivered against such sale within twenty (20) days thereafter (a â€œshort against the boxâ€). Short selling usually involves the borrowing of securities to sell with the expectation of the price dropping and the intent of buying the securities back at a lower price to replace the borrowed securities.3.4.2No Transactions in Derivative Securities You may not engage in transactions involving Kraft Heinz-based derivative securities that create an actual or potential bet against Kraft Heinz (i.e., making money when the Kraft Heinz stock price goes down). Derivative securities include options, warrants, convertible securities, and stock appreciation or similar rights whose value is derived from the value of an equity security, such as Kraft Heinz common stock. This prohibition includes, but is not limited to, trading in Kraft Heinz-based put or call option contracts.Holding and exercising stock options or other derivative securities granted under the Companyâ€™s equity compensation plans is not prohibited by this Policy.3.4.3No HedgingYou may not engage in hedging or monetization transactions of Kraft Heinz securities, including any use of financial instruments such as prepaid variable forwards, equity swaps, collars, or exchange funds or other transactions designed to offset any decrease in the market value of Kraft Heinz securities.3.4.4No Pledging or Purchasing Kraft Heinz Securities on Margin You may not pledge or purchase Kraft Heinz securities on margin. Securities purchased on margin or pledged as collateral for a loan may be sold by the broker without your consent if you fail to meet a margin call or default on the loan, which may result in you unlawfully engaging in insider trading. Insider Trading Policy | 5 of 93.4.5No Standing or Limit Orders in Excess of Three Trading Days You may not place a standing or limit order with a broker or bank to buy or sell Kraft Heinz securities that has a duration longer than three (3) trading days, provided, however, that Preclearance Insiders (as defined below) may not place any standing or limit order and you must terminate any standing or limit order prior to the beginning of any blackout period or if you subsequently obtain material nonpublic information.Trades made pursuant to a Rule 10b5-1 Trading Plan approved by the Corporate Secretaryâ€™s Office are not prohibited by this Policy.4.ADDITIONAL RULES FOR BLACKOUT INSIDERSThe following rules apply only to Blackout Insiders.4.1.Who is a Blackout Insider?All of the following individuals, including their Related Persons:â€¢Kraft Heinz Board membersâ€¢officers designated by the Board as Section 16 reporting officersâ€¢members of the Kraft Heinz Executive Leadership Team (â€œKHXâ€) and their administrative assistantsâ€¢all direct reports of the KHX and their administrative assistantsâ€¢members of the leadership teams of the geographic zones (or operating segments) and their administrative assistantsâ€¢members of the Companyâ€™s Disclosure Committeeâ€¢employees in salary bands B-7 and aboveâ€¢any others notified via e-mail or other written notification by the Corporate Secretaryâ€™s Office.4.2.No Trading During Blackout Periods4.2.1Quarterly Blackout PeriodBlackout Insiders may not trade Kraft Heinz securities during the period generally beginning before the market opens on the second (2nd) to last Friday of each quarter (typically about nine (9) days before the end of the quarter) and ending at the close of market following the completion of one (1) full trading day after Kraft Heinz publicly issues earnings. For example: If Kraft Heinz issues its earnings release on Wednesday before Nasdaq opens for trading, you may begin trading as soon as the market closes on Wednesday. If Kraft Heinz issues its earnings release on Wednesday after Nasdaq closes for trading, you may begin trading as soon as the market closes on Thursday.Insider Trading Policy | 6 of 9The exact dates and times of each quarterly blackout period may be extended as determined by Kraft Heinz and communicated via e-mail or other written notification to Blackout Insiders.4.2.2Special Blackout PeriodsFrom time to time, Kraft Heinz may impose special blackout periods for certain individuals who are aware of, or involved in, certain projects (such as major corporate transactions, changes in senior management, or other potentially material events), upon e-mail or other written notification to those affected. If you are notified of such a restriction, you may not trade during the special blackout period. If you are subject to a special blackout period, or otherwise made aware of the existence of a special blackout period, you may not disclose the existence of such blackout period to any other person, even within the Company. Even if you have not been notified that you are subject to a special blackout period, you are still prohibited from trading if you are aware of material nonpublic information.5.ADDITIONAL RULES FOR PRECLEARANCE INSIDERSThe following rules apply only to Preclearance Insiders.5.1.Who is a Preclearance Insider?All of the following individuals, including their Related Persons:â€¢Kraft Heinz Board members*â€¢officers designated by the Board as Section 16 reporting officers*â€¢members of the KHX and their administrative assistantsâ€¢all direct reports of the KHXâ€¢members of the leadership teams of the geographic zones (or operating segments)â€¢any others notified via e-mail or other written notification by the Corporate Secretaryâ€™s Office.* If you cease to be a Board member or Section 16 reporting officer, you remain subject to the preclearance requirements for a period of six (6) months. 5.2.Preclearance of Trades RequiredPreclearance Insiders may not, directly or indirectly, engage in any transaction in Kraft Heinz securities without first obtaining preclearance by the Corporate Secretaryâ€™s Office. Unless otherwise provided or revoked, clearance to trade will normally remain valid until the close of market three (3) trading days following the day on which it was granted. If the transaction does not occur during such period, preclearance of the transaction must be re-requested.If preclearance is not given, you should not communicate about it with anyone. Preclearance to trade does not constitute investment advice, legal advice, or legal defense Insider Trading Policy | 7 of 9to insider trading violations. Any decision to trade remains yours. Regardless of preclearance, you should not trade if you have or subsequently acquire material nonpublic information. 5.3.Section 16 RequirementsAll Kraft Heinz Board members and officers designated by the Board as Section 16 reporting officers (as notified by the Corporate Secretaryâ€™s Office) must comply with the reporting obligations and limitations on short-swing transactions set forth in Section 16 of the Securities Exchange Act of 1934, as amended (the â€œExchange Actâ€). The practical effect of these provisions is that Board members and Section 16 officers who purchase and sell Kraft Heinz securities within a six (6)-month period must disgorge all profits to Kraft Heinz whether or not they had knowledge of any material nonpublic information.6.GENERAL EXCEPTIONS TO THIS POLICYThe trading restrictions under this Policy do not apply to the following transactions. For questions about whether a transaction falls within these exceptions, contact the Corporate Secretaryâ€™s Office.â€¢The exercise of stock options for cash (not including the sale of any shares acquired upon such exercise, including as part of a broker-assisted cashless exercise of stock options).â€¢Share withholding to satisfy tax obligations related to the vesting of an award made under any of the Companyâ€™s stock-based incentive plans (not including a market transaction or the sale of any such shares) or the vesting or settlement of such awards.â€¢Purchases or acquisitions through a dividend reinvestment plan (DRIP) or through automatic purchases in the Kraft Heinz Stock Fund (within the Companyâ€™s 401(k) plans), provided that no election to participate in a DRIP or Stock Fund may be executed during a blackout period or at a time when you are aware of material nonpublic information.â€¢Transactions conducted under a Rule 10b5-1 Plan approved by the Corporate Secretaryâ€™s Office and in accordance with the Kraft Heinz Rule 10b5-1 Stock Trading Plan Guidelines.â€¢Transactions in mutual funds or exchange-traded funds that are invested in Company Securities so long as (a) you do not control the investment decisions on individual stocks within the fund and (b) Kraft Heinz securities do not represent a substantial portion of the assets of the fund.7.RULE 10B5-1 TRADING PLANSRule 10b5-1 under the Exchange Act provides an affirmative defense against allegations of insider trading if trades take place pursuant to a written plan that meets certain specified conditions (a â€œRule 10b5-1 Trading Planâ€). The Company permits the KHX and Board members, as well as their Related Persons, to enter into a Rule 10b5-1 Trading Plan, provided Insider Trading Policy | 8 of 9the plan complies with the requirements set forth in Appendix A: Rule 10b5-1 Stock Trading Plan Guidelines.8.PENALTIES FOR VIOLATING THIS POLICYViolations of this Policy may lead to disciplinary action up to and including termination of your employment or other relationship with Kraft Heinz. Additionally, Kraft Heinz may alert appropriate authorities if required or if it decides, in its sole discretion, that it is appropriate. Violations of insider trading laws may subject individuals to civil and criminal penalties, including fines and imprisonment.9.COMPANY TRANSACTIONSFrom time to time, Kraft Heinz may engage in transactions in its securities. It is Kraft Heinzâ€™s policy to comply with all applicable securities and state laws (including appropriate approvals by the Board or appropriate committee of the Board, if required) when engaging in transactions in Kraft Heinzâ€™s securities (subject to transactions under equity-based compensation plans being in accordance with terms of plans and award agreements).10.SPEAK UPIf you become aware of any actual or potential violations of this Policy, or any other Kraft Heinz policy, please use the Ethics & Compliance reporting channels to report it immediately. Please remember that when you raise concerns or report wrongdoing in good faith, you are doing whatâ€™s right and Kraft Heinz will not tolerate any retaliation against you. If you think someone has retaliated against you or any other employee for raising a concern, let us know as soon as possible. â€¢Report online at KraftHeinzEthics.com â€¢Country specific reporting helpline numbers are also available at KraftHeinzEthics.comInsider Trading Policy | 9 of 9Insider Trading Policy | 10 of 9APPENDIX A: RULE 10b5-1 STOCK TRADING PLAN GUIDELINESMembers of the executive leadership team (KHX) and directors (including any of their Related Persons) (â€œeligible personsâ€) of The Kraft Heinz Company (the â€œCompanyâ€) may elect to trade in Company securities pursuant to a written plan or set of instructions to his or her stock broker (a â€œRule 10b5-1 Trading Planâ€) which complies with Rule 10b5-1 promulgated under the Securities Exchange Act of 1934, as amended (â€œRule 10b5-1â€) and which meets the other conditions set forth below. The Company reserves the right (but assumes no duty) to bar all trades in its securities, even pursuant to existing Rule 10b5-1 Trading Plans, in its discretion. Capitalized terms used in these guidelines without definitions have the meaning set forth in the Companyâ€™s Insider Trading Policy.These guidelines are in addition to, and not in lieu of, the requirements and conditions of Rule 10b5-1. All Rule 10b5-1 Trading Plans must comply with Rule 10b5-1 and be approved by Companyâ€™s Corporate Secretary prior to the person adopting the Rule 10b5-1 Trading Plan. Rule 10b5-1 Trading Plans should be submitted to the Corporate Secretary for approval at least three business days prior to entry into the plan. The Corporate Secretary cautions eligible persons that no personal legal or financial advice is being provided regarding the draft plan or proposed trades. Each eligible person remains ultimately responsible for ensuring that their plan and contemplated transactions fully comply with applicable securities laws. It is recommended that eligible persons consult with their own attorneys, financial advisors, or other advisors about their draft plans. The person adopting the Rule 10b5-1 Trading Plan shall deliver the Rule 10b5-1 Trading Plan to Companyâ€™s Corporate Secretary that meets the following minimum conditions: 1.The Rule 10b5-1 Trading Plan is in writing and signed by the person adopting the Rule 10b5-1 Trading Plan. 2.The Rule 10b5-1 Trading Plan can be adopted only during an open trading window at a time when the adopter is (i) not aware of any material nonpublic information or (ii) not subject to a blackout period. 3.The Rule 10b5-1 Trading Plan must be entered into in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1. The person adopting the Rule 10b5-1 Trading Plan must act in good faith with respect to the Rule 10b5-1 Trading Plan for the entirety of its duration. For directors and officers designated by the Board as Section 16 reporting officers (collectively, â€œSection 16 Personsâ€) and their Related Persons, the Rule 10b5-1 Trading Plan must include the following certifications from the person adopting the plan: (1) they are not aware of any material nonpublic information about the Company or the Companyâ€™s securities; and (2) they are adopting the Rule 10b5-1 Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1. 4.The Rule 10b5-1 Trading Plan must have a fixed duration of not less than six (6) months and no more than twenty-four (24) months. 5.The first trade made pursuant to the Rule 10b5-1 Trading Plan may take place as follows:Appendix A: Rule 10b5-1 Stock Trading Plan Guidelines | 1 of 3â€¢For Section 16 Persons (including their Related Persons), no earlier than the later of (1) two business days following the filing of the Form 10-Q or Form 10-K for the completed fiscal quarter in which the Rule 10b5-1 Trading Plan was adopted and (2) 90 calendar days after adoption of the Rule 10b5-1 Trading Plan; provided, however, that the required cooling-off period shall in no event exceed 120 days.â€¢For all other eligible persons (including their Related Persons), 30 days after adoption of the Rule 10b5-1 Trading Plan.6.Amendments of Rule 10b5-1 Trading Plans are strongly discouraged due to legal risks. Amendment of a Rule 10b5-1 Trading Plan can affect the validity of trades that have taken place under the plan prior to amendment.Amendments:â€¢must be approved in advance and in writing by the Corporate Secretary; â€¢shall be permitted only during open trading windows when the individual is not in possession of any material nonpublic information; andâ€¢in the case of an amendment to the amount, price, or timing of the purchase or sale of the securities underlying the Rule 10b5-1 Trading Plan (â€œmaterial amendmentâ€), will be treated as a termination of the current plan and creation of a new Rule 10b5-1 Trading Plan and will be subject to all requirements regarding establishment of new Rule 10b5-1 Trading Plans, including the applicable cooling-off period.7.Terminations of Rule 10b5-1 Trading Plans (other than through a material amendment) are discouraged due to legal risks. If an eligible person wishes to terminate their Rule 10b5-1 Trading Plan, they must notify the Corporate Secretary in advance, and it is recommended that they terminate at a time when they are not aware of material nonpublic information and during an open trading window. The Corporate Secretary may warn the individual that early termination could be used as evidence that their plan had been entered into in bad faith. The Rule 10b5-1 Trading Plan may be terminated, but the adoption of a new Rule 10b5-1 Trading Plan will be subject to all requirements regarding establishment of new Rule 10b5-1 Trading Plans, including the applicable cooling-off period. The Corporate Secretary may deny approval of a new Rule 10b5-1 Trading Plan after the early termination of an existing plan if the eligible person has exhibited a pattern of early termination or has adopted a series of short-term plans. 8.The Rule 10b5-1 Trading Plan must be a non-discretionary plan in the form of a written, binding contract and shall specify objective criteria regarding (i) a fixed number of shares to be traded or a formula for the amount of stock to be traded, (ii) the dates or a range of dates on which the stock is to be traded, and (iii) the prices at which the stock is to be traded.A person who has entered into a Rule 10b5-1 Trading Plan may only conduct trades of Company stock outside of the plan during the plan period if those trades have been precleared according to the Companyâ€™s preclearance procedures. It is strongly recommended that eligible persons refrain from any other Company securities transactions while the Rule 10b5-1 Trading Plan is in effect. No more than one Rule 10b5-1 Trading Plan can be effecting trades at a time Appendix A: Rule 10b5-1 Stock Trading Plan Guidelines | 2 of 3(except eligible sell-to-cover taxes trading plans). Notwithstanding the foregoing, two separate Rule 10b5-1 Trading Plans can be in effect at the same time (but not trading at the same time) so long as: (a) the later-commencing plan does not begin trading until the completion of the cooling-off period (as described above) that would have applied if the later-commencing plan was adopted on the date all trades under the earlier-commencing plan are completed or expire without execution or the plan is otherwise terminated; and (b) the later-commencing plan meets all other conditions of Rule 10b5-1 and these guidelines.â€¢In accordance with Rule 10b5-1, hedging or corresponding transactions in Company stock are prohibited while a Rule 10b5-1 Trading Plan is in effect.â€¢Eligible persons must ensure they continue to meet or exceed any applicable stock ownership guidelines.The Corporate Secretary may contact the eligible personâ€™s broker to suspend active plans in the event of potential legal restrictions on trades, including a tender offer for Company stock and other SEC trading compliance issues. The Corporate Secretary will not disclose any material nonpublic information when notifying a broker of a suspension.Appendix A: Rule 10b5-1 Stock Trading Plan Guidelines | 3 of 3DocumentExhibit 21.1The Kraft Heinz CompanyList of SubsidiariesSubsidiaryState or CountryAghoco 2289 LimitedUnited KingdomAlimentos Heinz de Costa Rica S.A.Costa RicaAlimentos Heinz, C.A.VenezuelaAsian Home Gourmet (CPL) Pte. Ltd SingaporeAsian Restaurants LimitedUnited KingdomBattery Properties, Inc.DelawareBoca Foods CompanyDelawareBR SPICES INDÃšSTRIA E COMÃ‰RCIO DE ALIMENTOS S.A.BrazilBridgetown KHC SRLBarbadosCairo Food Industries, S.A.E.EgyptCapri Sun, Inc.DelawareCarlton Bridge LimitedUnited KingdomCerebos (Australia) LimitedAustraliaCerebos Greggâ€™s Ltd. New ZealandCerebos Skellerup LimitedNew ZealandChurny Company, LLCDelawareCountry Ford Development LimitedChinaDelimex de Mexico S.A. de C.V.MexicoDevour Foods LLCDelawareDistribuidora Heinz Caracas, C.A.VenezuelaDistribuidora Heinz Maracaibo C.A.VenezuelaEthical Bean LLCDelawareevolv group llc Delawareevolv venture capital fund LPDelawareevolv ventures llcDelawareFall Ridge Partners LLPUnited KingdomFoodstar (China) Investments Company LimitedChinaFoodstar (Shanghai) Foods Co. Ltd.ChinaFoodstar Holdings Pte. Ltd.SingaporeFruitlove LLC DelawareFundacion HeinzVenezuelaGarland BBQ CompanyDelawareGCC Kraft Heinz Mexico S.A. de C.V.MexicoGevalia Kaffe LLCDelawareGolden Circle LimitedAustraliaGourmet Specialties LLCDelawareH. J. Heinz Belgium S.A.BelgiumH. J. Heinz Company Brands LLCDelawareH. J. Heinz DistributionFranceH. J. Heinz GmbHGermanyH. J. Heinz Nigeria LimitedNigeriaH.J. Heinz B.V.NetherlandsH.J. Heinz Company (Ireland) LimitedIrelandH.J. Heinz Company (New Zealand)New ZealandH.J. Heinz Company Australia LimitedAustraliaH.J. Heinz Company LimitedUnited KingdomH.J. Heinz European Holding B.V.NetherlandsH.J. Heinz Finance UK PLCUnited KingdomH.J. Heinz Foods Spain S.L.U.SpainH.J. Heinz Foods UK LimitedUnited KingdomH.J. Heinz France SASFranceH.J. Heinz Global Holding B.V.NetherlandsH.J. Heinz Holding B.V.NetherlandsH.J. Heinz Investments CoÃ¶peratief U.A.NetherlandsH.J. Heinz Ireland Holdings Unlimited CompanyIrelandH.J. Heinz Manufacturing Spain S.L.U.SpainH.J. Heinz Manufacturing UK LimitedUnited KingdomH.J. Heinz Nederland B.V.NetherlandsH.J. Heinz Polska Sp. z o.o.PolandH.J. Heinz Supply Chain Europe B.V.NetherlandsH.J. Heinz US Brands LLCDelawareHeinz (China) Investment Co. Ltd.ChinaHeinz (China) Sauces & Condiments Co. Ltd.ChinaHeinz (Shanghai) Enterprise Services Co., Ltd.ChinaHeinz Africa and Middle East FZEUnited Arab EmiratesHeinz Asean Pte. Ltd.SingaporeHeinz Brasil S.A.BrazilHeinz Colombia SASColombiaHeinz Credit LLCDelawareHeinz Egypt LLCEgyptHeinz Egypt Trading LLCEgyptHeinz Finance (Luxembourg) S.Ã r.l.LuxembourgHeinz Hong Kong Ltd.ChinaHeinz Israel Ltd.IsraelHeinz Italia S.p.A.ItalyHeinz Japan Ltd.JapanHeinz Mexico, S.A. de C.V.MexicoHeinz Nutrition Foundation IndiaIndiaHeinz Panama, S.A.PanamaHeinz Purchasing CompanyDelawareHeinz Qingdao Food Co., Ltd.ChinaHeinz Thailand LimitedDelawareHeinz Transatlantic Holding LLCDelawareHeinz UFE Ltd.ChinaHeinz Wattie's LimitedNew ZealandHeinz Wattie's Pty LimitedAustraliaHeinz-Noble, Inc.ArizonaHighview Atlantic Finance (Barbados) SRLBarbadosHJH Overseas LLCDelawareHP Foods International LimitedUnited KingdomHP Foods LimitedUnited KingdomHZ.I.L. Ltd.IsraelIndustria Procesadora de Alimentos de Barcelona C.A.VenezuelaInternational Spirits Recipes, LLCDelawareIstituto Scotti Bassani per la Ricerca e l'Informazione Scientifica e NutrizionaleItalyJacobs Road LimitedCayman IslandsJust Spices GmbHGermanyKaiping Guanghe Fermented Bean Curd Co. Ltd.ChinaKaiping Weishida Seasonings Co. Ltd.ChinaKFG Management Services LLCDelawareKFGB Holdings LLCDelawareKH Caribbean SRLBarbadosKH Dominicana, S.R.L.Dominican RepublicKH Finance Malta Limited MaltaKH Foodstar LLCDelawareKH India GCC Private LimitedIndiaKH Investment Company LLCDelawareKH MEXICO FINANCE, S. DE R.L. DE C.VMexicoKHC Toronto Holdings ULCCanadaKHC Turkey Gida Sanayi Anonim SirketiTurkeyKoninklijke De Ruijter B.V.NetherlandsKraft Foods Group Brands LLCDelawareKraft Foods Group Exports LLCDelawareKraft Foods Group Puerto Rico LLCPuerto RicoKraft Heinz (Barbados) SRLBarbadosKraft Heinz (Shanghai) Enterprise Management Co., Ltd.ChinaKraft Heinz (Thailand) Co., Ltd.ThailandKraft Heinz Amsterdam B.V. NetherlandsKraft Heinz Argentina S.R.L.ArgentinaKraft Heinz Australia Pty LimitedAustraliaKraft Heinz Canada Holdings Company ULCCanadaKraft Heinz Canada ULCCanadaKraft Heinz Chile LimitadaChileKraft Heinz Clara Holdings BVNetherlandsKraft Heinz Creek LLC DelawareKraft Heinz European Finance BVNetherlandsKraft Heinz Foods CompanyPennsylvaniaKraft Heinz Foods Company LPCanadaKraft Heinz GCOE BVNetherlandsKraft Heinz Global Finance B.V.NetherlandsKraft Heinz Gulf Trading Company LimitedSaudi ArabiaKraft Heinz Holding LLCDelawareKraft Heinz India Private LimitedIndiaKraft Heinz Ingredients Corp.DelawareKraft Heinz Intermediate Corporation IDelawareKraft Heinz Intermediate Corporation IIDelawareKraft Heinz Investment Company LLCDelawareKraft Heinz Korea Ltd.South KoreaKraft Heinz MEA LLCUAEKraft Heinz NoMa B.V.NetherlandsKraft Heinz Singapore Holding Pte. Ltd.SingaporeKraft Heinz Ventures LLCDelawareKraft Heinz Yangjiang Foods Co., Ltd.ChinaKraft New Services, LLCDelawareKraftHeinz Vostok Ltd.RussiaLa Bonne Cuisine LimitedNew ZealandLea & Perrins LimitedUnited KingdomLea & Perrins LLCDelawareMahler Zuid BVNetherlandsMaster Chef Limited New ZealandNew ZealandNature's Delicious Foods Group LLCDelawareNewport One LLCDelawareNewport Two LLCDelawareNoble Insurance Company LimitedIrelandO.R.A. LLCCaliforniaP.T. Heinz ABC IndonesiaIndonesiaPetroproduct-Otradnoye LimitedRussiaPhenix Management CorporationDelawarePrimal Nutrition LLCDelawarePudliszki Sp. z o.o.PolandQueens Quay GP ULCCanadaRenee's Gourmet Foods Inc.CanadaSalpak Pty Ltd.AustraliaSeven Seas Foods, Inc.DelawareThe Bold Butcher, LLC DelawareThe Kraft Heinz Company FoundationIllinoisThe Kraft Heinz Not Company LLCDelawareThompson & Hills Ltd.New ZealandTop Taste Company Limited New ZealandNew ZealandToronto Terminal Co. ULCCanadaWellio, Inc. DelawareWW Foods LLCDelawareXO Dairy, LLCDelawareYork Canada LPCanadaDocumentExhibit 22.1The Kraft Heinz CompanyList of Subsidiary Guarantors and Issuers of Guaranteed SecuritiesAs of DecemberÂ 28, 2024, The Kraft Heinz Company was the sole guarantor of all the unsecured registered notes issued by Kraft Heinz Foods Company, a Pennsylvania Limited Liability Company, its 100% owned operating subsidiary.Description of KHFC Senior NotesFloating Rate senior notes due 20253.000% senior notes due 20263.875% senior notes due 20274.125% British Pound senior notes due 20272.250% Euro senior notes due 20286.375% senior notes due 20284.625% senior notes due 20293.500% senior notes due 20293.750% senior notes due 20304.250% senior notes due 20316.750% senior notes due 20325.000% senior notes due 20356.875% senior notes due 20397.125% senior notes due 2039Â Â Â Â 4.625% senior notes due 20396.500% senior notes due 20405.000% senior notes due 20425.200% senior notes due 20454.375% senior notes due 20464.875% senior notes due 20495.500% senior notes due 2050DocumentExhibit 23.1CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMWe hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-275255) and Form S-8 (Nos. 333-250481, 333-211147 and 333-238073) of The Kraft Heinz Company of our report dated FebruaryÂ 13, 2025 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K./s/ PricewaterhouseCoopers LLPChicago, IllinoisFebruaryÂ 13, 2025 DocumentExhibit 24.1POWER OF ATTORNEYEach person whose signature appears below constitutes and appoints Carlos Abrams-Rivera, Andre Maciel, and Vince Garlati, or any one of them, his or her true and lawful attorney-in-fact and in his or her name, place, and stead for purposes of executing the Annual Report on Form 10-K of The Kraft Heinz Company for its fiscal year ended DecemberÂ 28, 2024, and any and all amendments or supplements thereto, and to cause the same to be filed with the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his or her substitute, may lawfully do or cause to be done by virtue hereof. SignatureTitleDate/s/ Carlos Abrams-RiveraChief Executive Officer and DirectorFebruary 11, 2025Carlos Abrams-Rivera(Principal Executive Officer)/s/ Andre MacielExecutive Vice President and Global Chief Financial OfficerFebruary 11, 2025Andre Maciel(Principal Financial Officer)/s/ Vince GarlatiVice President and Global ControllerFebruary 11, 2025Vince Garlati(Principal Accounting Officer)/s/ Miguel PatricioChair of the BoardFebruary 11, 2025Miguel Patricio/s/ John T. CahillVice Chair of the BoardFebruary 11, 2025John T. Cahill/s/ John C. PopeLead DirectorFebruary 11, 2025John C. Pope/s/ Humberto P. AlfonsoDirectorFebruary 11, 2025Humberto P. Alfonso/s/ Lori Dickerson FouchÃ©DirectorFebruary 11, 2025Lori Dickerson FouchÃ©/s/ Diane GhersonDirectorFebruary 11, 2025Diane Gherson/s/ Timothy KeneseyDirectorFebruary 11, 2025Timothy Kenesey/s/ Alicia KnappDirectorFebruary 11, 2025Alicia Knapp/s/ Elio Leoni ScetiDirectorFebruary 11, 2025Elio Leoni Sceti/s/ James ParkDirectorFebruary 11, 2025James Park/s/ Debby SooDirectorFebruary 11, 2025Debby SooDocumentExhibit 31.1 I, Carlos Abrams-Rivera, certify that: 1.I have reviewed this Annual Report on Form 10-K for the period ended DecemberÂ 28, 2024 of The Kraft Heinz Company;2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; 4.The registrantâ€™s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have: a.Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; b.Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;c.Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andd.Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and5.The registrantâ€™s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions): a.All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; and b.Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting. By:/s/ Carlos Abrams-RiveraCarlos Abrams-RiveraChief Executive OfficerDate: FebruaryÂ 13, 2025 DocumentExhibit 31.2 I, Andre Maciel, certify that: 1.I have reviewed this Annual Report on Form 10-K for the period ended DecemberÂ 28, 2024 of The Kraft Heinz Company;2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; 4.The registrantâ€™s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have: a.Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; b.Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;c.Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andd.Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and5.The registrantâ€™s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions): a.All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; and b.Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting. By:/s/ Andre MacielAndre MacielExecutive Vice President and Global Chief Financial OfficerDate: FebruaryÂ 13, 2025 DocumentExhibit 32.118 U.S.C. SECTION 1350 CERTIFICATION I, Carlos Abrams-Rivera, Chief Executive Officer of The Kraft Heinz Company (the â€œCompanyâ€), hereby certify that, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, to my knowledge: 1.The Companyâ€™s Annual Report on Form 10-K for the period ended DecemberÂ 28, 2024 (the â€œForm 10-Kâ€) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and 2.The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company. By:/s/ Carlos Abrams-RiveraName:Carlos Abrams-RiveraTitle:Chief Executive OfficerDate: FebruaryÂ 13, 2025 The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Form 10-K or as a separate disclosure document. A signed original of this written statement required by SectionÂ 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by SectionÂ 906, has been provided to The Kraft Heinz Company and will be retained by The Kraft Heinz Company and furnished to the Securities and Exchange Commission or its staff upon request.DocumentExhibit 32.218 U.S.C. SECTION 1350 CERTIFICATION I, Andre Maciel, Executive Vice President and Global Chief Financial Officer of The Kraft Heinz Company (the â€œCompanyâ€), hereby certify that, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, to my knowledge: 1.The Companyâ€™s Annual Report on Form 10-K for the period ended DecemberÂ 28, 2024 (the â€œForm 10-Kâ€) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and 2.The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company. By:/s/ Andre MacielName:Andre MacielTitle:Executive Vice President and Global Chief Financial OfficerDate: FebruaryÂ 13, 2025 The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Form 10-K or as a separate disclosure document. A signed original of this written statement required by SectionÂ 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by SectionÂ 906, has been provided to The Kraft Heinz Company and will be retained by The Kraft Heinz Company and furnished to the Securities and Exchange Commission or its staff upon request.