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

Legend: New Text ~~Removed Text~~ Unchanged Text Moved Text Section

Our business and financial performance may be adversely affected by a weak global economic environment or downturns in the target markets that we serve. Adverse global economic conditions could impact our target markets resulting in decreased demand for our products. Our results could be adversely affected if economic conditions weaken. Also, there may be periods during which demand for our products ~~is~~ **could be** insufficient to enable us to operate our production facilities at full capacity and in an economical manner which may force us to ~~take~~ **curtail production by taking** machine downtime ~~to curtail production to match demand~~ . Approximately ~~41~~ **46** % of our net sales in ~~2022~~ **2023** was from shipments to customers in Europe, the demand for which is dependent on economic conditions in this ~~area~~ **region** , or to the extent such customers do business outside of Europe, in other regions of the world. Uncertain economic conditions in this region may cause weakness in demand for our products, as well as volatility in our customers buying patterns. The cost of raw materials and energy used to manufacture our products could increase or the availability of certain raw materials could become constrained. ~~We~~ **Our business** ~~require~~ **requires** access to sufficient, and reasonably priced, quantities of **wood pulps, different** pulps, pulp substitutes, abaca fiber, polyester and various synthetic fibers, and certain other raw materials, as well as access to reliable and abundant supplies of water to support many of our production facilities. ~~We require significant quantities of wood pulps and, therefore~~ **Therefore** , ~~the~~ volatility **in the** ~~of wood pulp prices~~ - **price of key raw materials** can have a significant impact on our results of operations. Our Philippine production site purchases raw abaca fiber to produce abaca pulp, a key material used to manufacture material for single- serve coffee, tea, and technical specialty products at Composite Fibers' facilities. At certain times, the supply of abaca fiber has been constrained or the quality diminished due to factors such as weather- related damage to the source crop, as well as decisions by landowners to produce alternative crops in lieu of those used to produce abaca fiber. These factors have contributed to volatility in fiber prices or limited available supply. Airlaid Materials requires access to sufficient quantities of fluff pulp, the supply of which is subject to availability of certain softwoods. The cost of many of our production materials, including petroleum- based chemicals and freight charges, are influenced by the cost of oil. Natural gas is the principal source of fuel for each of our facilities worldwide and ~~has~~ **prices have** historically been more volatile than other fuels. **Our manufacturing operations are energy- intensive and prices can fluctuate significantly based on demand.** Government rules, regulations and policies have an impact on the cost of certain energy sources, particularly for our European operations. In Europe, we currently benefit from a number of government- sponsored programs related to, among others, green energy or renewable energy initiatives designed to mitigate the cost of electricity to larger industrial consumers of power. Any reduction in the extent of government sponsored incentives may adversely affect the cost ultimately borne by our operations. Although we have contractual arrangements with certain ~~Airlaid Materials and Spunlace~~ customers pursuant to which our product' s selling price is adjusted for changes in the cost of certain raw materials **and energy** , we may not be able to fully pass increased raw materials or energy costs on to all customers if the market will not bear the higher price or if existing **supply** agreements limit price increases. If price adjustments significantly trail increases in raw materials **costs** , our operating results could be adversely affected. ~~future~~ **Our turnaround strategy is time- consuming and expensive and could significantly disrupt our business.We initiated a significant turnaround strategy in late 2022 in an effort to optimize our portfolio,improve margins,reduce fixed costs,liberate cash,improve operational effectiveness and return Spunlace to profitability.These turnaround actions were,and will continue to be,initiated to deliver significantly improved financial performance** .The ~~risk~~ **nature** of ~~cyber~~ **these activities involves topics that are complex and time** - **consuming** ~~security incidents and cyber attacks has increased~~ in **nature** ~~connection with the ongoing conflict~~ , **and** ~~driven by justifications such as retaliation for the sanctions imposed in conjunction with the conflict.It is possible that such incidents or attacks~~ could ~~have collateral effects on additional critical infrastructure and financial institutions globally~~ **significantly disrupt our business if we fail to execute them properly** ,which could **ultimately result in financial impacts to the Company.The conflict between Russia and Ukraine has adversely affected,and may continue to** adversely affect **,** our **business,financial condition,and results of** operations **.Approximately $ 36 million** and ~~could increase the frequency~~ **$ 40 million,or 2.6 %** and ~~severity~~ **2.7 %** of ~~cyber~~ **our net sales in 2023 and 2022,respectively,were earned from customers located in Russia and Ukraine.The geopolitical conditions resulting from the Russia / Ukraine military conflict,including government** - ~~based attacks against~~ **imposed sanctions and the current macroeconomic climate in Russia and Ukraine,have adversely impacted both demand for** our ~~information technology~~ **products and our ability to deliver products to this region,as well as,limited customers' access to financial resources and their ability to satisfy obligations to us.For example,as a direct result of the military conflict,economic sanctions,and the disruptions in the region' s financial** systems **,we have had a significant reduction in wallcover revenues and cash flows** . ~~The proliferation of malware from~~ **We expect this reduction to continue for** the **foreseeable future and most directly impact our facility located in Dresden,Germany that produces wallcover base paper,a significant portion of which historically was sold into the Ukraine and Russian markets.As a result,during the first quarter of 2022,we recorded a $ 117.3 million non- cash asset impairment charge related to assets of our Dresden facility and an impairment of our Composite Fibers business' goodwill.In addition,we operate manufacturing sites elsewhere in Europe that have been adversely impacted as a result of the military** conflict ~~,into systems~~ **in Ukraine and** ~~unrelated~~ - **related geopolitical events and** ~~to the conflict,or cyberattacks against U.S.companies in retaliation for U.S.~~ sanctions ~~against Russia or U.S.support of Ukraine,could also adversely affect our operations and our supply chain~~ .In the event that current geopolitical tensions fail to abate,or deteriorate further,or additional governmental sanctions are enacted against the

Russian economy or its banking and monetary systems,we may face additional adverse consequences to our business and results of operations.Even if the conflict moderates or a resolution between Ukraine and Russia is reached,we expect that we will continue to experience ongoing adverse consequences to our business,financial condition,and results of operation resulting from the conflict for the foreseeable future,including and because certain of the economic and other sanctions imposed,or that may be imposed,against Russia may continue for a period of time after any resolution has been reached.Disruption of our global supply chain could adversely affect our business.Our ability to manufacture,sell and distribute products is critical to our operations.Our products contain raw materials that we source globally from suppliers.If there is a shortage of a key **raw** material in our supply chain,and a replacement cannot be readily sourced from an alternative supplier,the shortage may disrupt our production.Likewise,disruptions in the transportation and delivery of products- both from suppliers to our production facilities,and from our production facilities to our customers- may impact our ability to sell product and deliver goods to our customers on time **and in full** .In addition,the costs of transporting materials and products through our chain of sourcing and production may increase,and such increases could be significant.The failure of third parties on which we rely,including those third parties who supply our raw materials,packaging,capital equipment and other necessary operating materials,contract manufacturers,commercial transport,distributors,contractors,and external business partners,to meet their obligations to us,or significant disruptions in their ability to do so,may negatively impact our operations.Failure to take adequate steps to mitigate the likelihood or potential impact of such disruptions,or to effectively manage such disruptions if they occur,could adversely affect our business and results of operations,as well as require additional resources to restore our global supply chain.Any of these factors could have a material adverse impact on our results of operations and financial condition.Foreign currency exchange rate fluctuations could adversely affect our results of operations.A significant proportion of our net ~~sale~~ **sales** and earnings is generated from operations outside of the United States.In addition,we own and operate manufacturing facilities in Canada,Germany,France,Spain,the United Kingdom,and the Philippines.A significant portion of our business is transacted in currencies other than the U.S.dollar **,** including the euro,British pound,Canadian dollar,and Philippine peso,among others.Our euro denominated net sales ~~exceeds -~~ **exceed** euro expenses by an estimated € ~~190~~ **170** million.With respect to the British pound,Canadian dollar,and Philippine peso,we have greater outflows than inflows of these currencies,although to a lesser degree than the euro.As a result,we are exposed to changes in currency exchange rates and such changes could be significant. ~~GLATFELTER 2022 FORM 10- K9~~ Our ability to maintain our products' price competitiveness is reliant,in part,on the relative strength of the currency in which the product is denominated compared to the currency of the market into which it is sold and the functional currency of our competitors.Changes in the rate of exchange of foreign currencies in relation to the U.S.dollar,and other currencies,may adversely impact our results of operations and our ability to offer products in certain markets at acceptable prices.In the event of significant currency weakening in the countries into which our products are sold,demand for our products,pricing of our products,or a customer’ s ability to satisfy obligations to us,could be adversely impacted. ~~Our industry is highly competitive and increased competition could reduce our sales and profitability.The global markets in which we compete are served by a variety of competitors and a variety of substrates.As a result,our ability to compete is sensitive to,and may be adversely impacted by:• the entry of new competitors into the markets we serve;• the aggressiveness of our competitors’ pricing strategies,which could force us to decrease prices in order to maintain market share;• our failure to anticipate and respond to changing customer preferences;and • technological advances or changes that impact production or cost competitiveness of our products.The impact of any significant changes may result in our inability to effectively compete in the markets in which we operate,and as a result our sales and operating results would be adversely affected.We may not be able to develop new products acceptable to our existing or potential customers.Our business strategy is market focused and includes investments in developing new products to meet the changing needs of our customers,serve new customers and to maintain our market share.Our success will depend,in part,on our ability to develop and introduce new and enhanced products that keep pace with introductions by our competitors and changing customer preferences.If we fail to anticipate or respond adequately to these factors,we may lose opportunities for business with both current and potential customers.The success of our new~~ GLATFELTER ~~2022~~ **2023** FORM 10- ~~K7We~~ **K9** Our industry is highly competitive and increased competition could reduce our sales and profitability.The global markets in which we compete are served by a variety of competitors and a variety of substrates.As a result,our ability to compete is sensitive to,and may be adversely impacted by:• the entry of new competitors into the ~~markets~~ **segments** we serve;• the aggressiveness of our competitors’ pricing strategies,which could force us to decrease prices in order to maintain market share;• our failure to anticipate and respond to changing customer preferences;and • technological advances or changes that impact production or cost competitiveness of our products.The impact of any significant changes may result in our inability to effectively compete in the ~~markets~~ **segments** in which we operate,and as a result our sales and operating results would be adversely affected.We ~~may~~ may not ~~realize the growth opportunities and operational synergies that are anticipated from the Jacob Holm acquisition. The benefits that we expect to result from the Jacob Holm acquisition will depend, in part, on our ability to realize anticipated growth opportunities and anticipated operational synergies. Our success in realizing these growth opportunities and operational synergies, and the timing of this realization, will depend in part on the successful integration of the Jacob Holm business, the price and availability of certain raw materials and energy at reasonable prices, customers willingness to pay for these increases, and the overall competitive landscape. There is a significant degree of difficulty and management distraction inherent in the process of integrating acquisitions as sizable as the Jacob Holm acquisition. The process of integrating operations could cause an interruption of, or loss of momentum in, our Jacob Holm business. Members of our senior management may~~ be ~~required~~ **able** to ~~devote considerable amounts of time to this integration process, which will decrease the time they will have to manage our company, service existing customers, attract new customers, and~~ develop new products **acceptable to** ~~or~~ **our existing or potential customers. Our business** ~~strategies~~ **strategy is market focused and includes investments in developing new products to meet the changing needs of our customers, serve new customers and to maintain our market share. Our success will depend, in part, on our ability to develop and introduce new and enhanced**

products that keep pace with introductions by our competitors and changing customer preferences . If **we fail** ~~senior management is not able~~ to ~~effectively manage~~ **anticipate or respond adequately to** ~~the~~ **these factors** ~~integration process~~ , **we may lose opportunities** ~~or~~ **for** ~~if~~ business with both current and potential customers.The success of our new product offerings will depend on several factors,including our ability to:• anticipate and properly identify our customers' needs and industry trends;• develop and commercialize new products and applications in a timely manner;• price our products competitively;• differentiate our products from our competitors' products;and • invest efficiently in research and development activities.Our inability to develop new products or new business opportunities could adversely impact our business and ultimately harm our profitability.We are subject to substantial costs and potential liability for environmental matters.We are subject to various environmental laws and regulations that govern our operations,including discharges into the environment,and the handling and disposal of hazardous substances and wastes.We are also subject to laws and regulations that impose liability and clean- up responsibility for releases of hazardous substances.To comply with environmental laws and regulations,we have incurred,and will continue to incur,substantial expenditures.We may incur obligations to remove or mitigate any ~~significant business~~ **adverse effects on the environment, such as air and water quality, resulting from production sites we operate or have operated. Potential obligations include costs for government oversight of the remediation** activities ~~are interrupted as a result of the integration process~~ , **the restoration of natural resources, and /** ~~our~~ - **or** ~~business could suffer~~ **personal injury and property damages** . We **generate a substantial portion of Airlaid Materials' and Spunlace'** ~~cannot assure you that we will successfully or cost- effectively integrate Jacob Holm'~~ s ~~business. The failure to do so~~ **net sales from a few large customers and the loss of any one** could have a material adverse effect on our results of operations.The top three customers in each **of these** ~~segment~~ **segments** ,in the aggregate,accounted for approximately ~~53~~ **57** % of Airlaid Materials' and approximately ~~39~~ **42** % of Spunlace' s net sales in ~~2022~~ **2023** .Furthermore,Airlaid Materials and Spunlace derive approximately ~~40~~ **37** % and ~~6~~ **7** %,respectively,of their annual net sales from sales to the feminine hygiene market.The loss of any one of these large customers or a decline in sales of hygiene products could have a material adverse effect on these segments' operating results.Our ability to effectively compete could be affected by technological production alternatives **,** which could provide substitute products into this ~~market~~ segment.Customers in the airlaid and spunlace nonwoven fabric material **segments** ~~market,~~ including ~~the~~ hygiene ~~market~~ ,may also switch to less expensive products,change preferences or otherwise reduce demand for our products,thus reducing the size of the ~~markets~~ **segments** in which **we** ~~the segments~~ currently sell ~~their~~ **our** products.Any of the foregoing could have a material adverse effect on our financial **performance and** business **prospects. Our operations may be impaired** , **and we may be exposed to potential losses and liability as a result of natural disasters, acts of terrorism or sabotage or similar events. If we have a catastrophic loss or unforeseen operational disruption at any of our facilities, we could suffer significant lost production which could impair our ability to satisfy customer demands. Natural disasters, such as earthquakes, hurricanes, tornadoes, typhoons, flooding or fire, and acts of terrorism or sabotage affecting our operating activities and major facilities could materially and adversely affect our operations, operating results and** financial condition **. In addition, many of** ~~or~~ **our operations require a reliable and abundant supply of water. Such sites rely on local bodies of water or water sources for their production needs and, therefore, are particularly sensitive to drought conditions or other natural or man- made interruptions to water supplies. Any interruption or curtailment of operations at any of our production facilities due to flooding, drought or low flow conditions at the principal water source or another cause could materially and adversely affect our operating** results and financial condition.Our pulp facility in Lanao del Norte on the Island of Mindanao in the Republic of the Philippines is located along the Pacific Rim,one of the world' s hazard belts.By virtue of its geographic location,this site is subject to similar types of natural disasters discussed above,cyclones,typhoons,and volcanic activity.Moreover,the area of Lanao del Norte has been a target of suspected terrorist activities.Our pulp mill in Mindanao is located in a rural portion of the island and is susceptible to attacks and / or power interruptions.The Mindanao site supplies the abaca pulp used by Composite Fibers to manufacture paper for single serve coffee and tea products and certain technical specialties products.Any interruption,loss,or extended curtailment of operations **at our Mindanao site could affect our ability to meet customer demands for our products and materially affect our operating results and financial condition** . ~~Even~~ **We have operations in a potentially politically and economically unstable location. Our pulp facility in the Philippines is located in a region that is unstable and subject to political unrest. As discussed above, our Philippine pulp facility produces abaca pulp, a significant raw material used by Composite Fibers and is currently our main source of abaca pulp. There are limited suitable alternative sources of readily available abaca pulp in the world. In the event of a disruption in supply from our Philippine site, there is no guarantee that we could obtain adequate amounts of abaca pulp,** if ~~technology~~ **information GLATFELTER 2022 FORM 10- K11 misappropriation including,but not limited to,interruption to** systems ~~and prevent unauthorized~~ **availability,denial of** access to **and misuse of applications required by** ~~or~~ **our** ~~loss of data~~ **customers to conduct business with us** , **denial of access to** ~~there are no guarantees that they~~ - **the** ~~will be adequate~~ **applications we use** to ~~safeguard against all cyber~~ **plan our operations,procure materials,manufacture and ship products and account for orders,theft of intellectual know- how and trade secrets,and inappropriate disclosure of confidential company,employee,customer or vendor information,could stem from such** incidents ~~,systems~~ **.Any of these operational** disruptions ~~,system compromises or misuses of data.In addition,while we currently maintain insurance coverage that,subject to its terms~~ and **/ or misappropriation** ~~conditions,is intended to address costs associated with certain aspects~~ of ~~cyber incidents and~~ information ~~systems failures~~ **could adversely affect our results of operations** , **create negative publicity** ~~this insurance coverage may not~~ , ~~depending~~ **and could have a material effect** on ~~the specific facts and circumstances surrounding an incident,cover all losses or~~ **our business** ~~all types of claims that arise from an incident,or the damage to our reputation or brands that may result from an incident~~ .We operate in and are subject to taxation from numerous U.S.and foreign jurisdictions.The multinational nature of our business subjects us to taxation in the U.S.and numerous foreign jurisdictions.Due to economic and political conditions,tax rates in various jurisdictions are subject to significant change.Our effective tax rates could be affected by changes in tax laws or their interpretation,changes in the mix of earnings in jurisdictions with differing statutory tax rates,and changes in the valuation of deferred tax assets and liabilities. ~~The~~ **Also,many jurisdictions continue to adopt tax policies in response to the** Organization for Economic **Co-** ~~Cooperation~~ -- **operation** and Development **' s** (" OECD ") ~~reached agreement~~ **anti- Base Erosion and Profit Shifting (" BEPS ") project.For example,in July of 2021,130 countries agreed in principle to a framework of international taxation proposed by the OECD that would change the rules of how profit is allocated** among ~~various~~ countries ~~to implement~~ **and impose** a **global** minimum ~~15 %~~ tax rate ~~on certain multinational enterprises,commonly referred to as Pillar Two.The minimum tax directive has been adopted by the EU for implementation by its Member States into national legislation effective for fiscal years beginning after 2023 and may be adopted by other jurisdictions including the U.S.Many countries where we have operations continue to announce changes in their tax laws and regulations based on the Pillar Two principles~~ .These and other developments could significantly negatively impact the Company' s overall tax expense,results of operations,and future cash flows.In the event any of the above risk factors impact our business in a material way or in combination during the same period,we may be unable to generate enough cash flow to simultaneously fund our operations,finance capital expenditures, ~~and~~ satisfy obligations **,and make dividend payments on our common stock** .In addition to debt service obligations,our business requires expenditures to support growth strategies,research and development initiatives,and for normal upgrades or replacements.We expect to meet all our near and long- term cash needs from a combination of operating cash flow,cash and cash equivalents,availability under our credit facility or other long- term debt ~~.~~ we are ~~able~~ **unable** to **generate enough cash flow from** ~~integrate Jacob Holm' s business successfully, this integration may not result in the~~ **these sources,** ~~realization of the growth opportunities and operational synergies that~~ we **could** ~~expected from this integration, and we cannot guarantee that these benefits will~~ be **unable to fund** ~~achieved within the anticipated timeframes or~~ **our** ~~at all~~ **operations, finance capital expenditures, or satisfy our near and long- term cash needs** . We have substantial indebtedness and may incur substantial additional indebtedness, which could adversely affect our financial health and our ability to obtain financing in the future, react to changes in our business and make payments on the notes. As of December 31, ~~2022~~ **2023** , we had approximately $ ~~312~~ **370** . ~~3~~ **7** million of secured debt and $ ~~532~~ **501** . 0 million of unsecured debt. We are able to, and may, incur additional indebtedness in the future, subject to the limitations contained in the agreements governing our indebtedness. Our substantial indebtedness could have important consequences to holders of our indebtedness, including: • making it more difficult for us to satisfy our obligations with respect to our long- term debt; • limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements, and our ability to satisfy our obligations with respect to the notes in the future; • requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions, and other general corporate purposes; • increasing our vulnerability to general adverse economic and industry conditions; • exposing us to the risk of increased interest rates as certain of our borrowings are at variable rates of interest; • limiting our flexibility in planning for and reacting to changes in the industry in which we compete; • placing us at a disadvantage compared to other, less leveraged competitors or competitors with comparable debt and more favorable terms and thereby affecting our ability to compete; ~~and~~ • increasing our cost of borrowing **; and • failing to comply with the covenants and other requirements contained in our credit agreements or our other debt instruments could cause an event of default under the relevant debt instrument** . Although our borrowing arrangements contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. If new debt is added to our current debt levels, the related risks that we face would increase, and we may not be able to meet all our debt obligations, including the repayment of the notes. ~~The conflict between Russia~~ **On March 30, 2023, we entered into** ~~and~~ - **an amendment** ~~Ukraine has adversely affected, and may continue~~ to adversely affect, our business, financial......' access to financial resources and their -- **the** ~~ability to satisfy~~ **Credit Agreement which** ~~obligations~~ **obligates** ~~to~~ us ~~. For example, as a direct result of the military conflict, economic sanctions, and the disruptions in the region' s financial systems, we have had a significant reduction in wallcover revenues and cash flows. We expect this reduction~~ to **maintain** ~~continue for the foreseeable future and most directly impact our facility located in Dresden, Germany that produces wallcover paper,~~ a **leverage ratio under 4** ~~significant portion of which historically was sold into the Ukraine and Russian markets~~ . **25** ~~Certain wallcover base paper, together with certain filtration products produced by our Composite Fibers segment, are subject~~ to **1** ~~sanction restrictions and currently are unable to be sold into the Russian market~~ . **0 through** ~~As a result, during~~ the ~~first~~ quarter **ended** ~~of 2022, we recorded a $ 117. 3 million non- cash asset impairment charge related to assets of our Dresden facility and an impairment of our Composite Fibers business' goodwill. Moreover, certain customers have not been able to satisfy outstanding accounts receivables and, as such, during 2022, we recognized bad debt expense of approximately $ 2. 9 million directly related to Russian and Ukrainian customers. At~~ December 31, ~~2022~~ **2024** , **stepping down to 4.** ~~we had accounts receivable, net of reserves, from customers in this region totaling approximately $~~ 0 **to 1** . **0 at March 31, 2025, and** 3 ~~million which we expect to collect in normal course~~ . ~~In addition~~ **50 to 1. 0 at March 31** , ~~we operate manufacturing sites elsewhere in Europe~~ **2026 and a debt service coverage ratio less** ~~that~~ **than 1. 25 to 1. 0 through the quarter ended December 31, 2024, stepping up to 1. 50 to 1. 0 at March 31, 2025, and 2. 00 to 1. 0 at March 31, 2026. ESG issues may** have ~~been adversely impacted as a result of the military conflict in Ukraine and related geopolitical events and sanctions. In many instances, these sites depend on the availability of natural gas for use in the production of products. The supply of a substantial portion of the natural gas used may originate from Russia. We expect that shortages or variability in supply along with increases and variability in costs of natural gas will adversely impact our ability to operate these sites in~~ an efficient and cost- effective manner,...... of any one could have a material adverse effect on our results of operations. The top three...... adverse effect on our financial performance and business ~~prospects. Our operations may be impaired~~ , ~~and we may be~~

~~exposed to potential losses and liability as a result of natural disasters, acts of terrorism or sabotage or similar events. If we have a catastrophic loss or unforeseen operational disruption at any of our facilities, we could suffer significant lost production which could impair our ability to satisfy customer demands. Natural disasters, such as earthquakes, hurricanes, typhoons, flooding or fire, and acts of terrorism or sabotage affecting our operating activities and major facilities could materially and adversely affect our operations, operating results and~~ financial condition **and results** ~~. In addition, many~~ of ~~our~~ operations **, the desirability** ~~require a reliable and abundant supply~~ of ~~water. Such sites rely on local bodies of water or~~ **our stock** ~~water sources for their production needs and~~ , ~~therefore, are particularly sensitive to drought conditions or other natural or man- made interruptions to water supplies. Any interruption or curtailment of operations at any of our production facilities due to drought or low flow conditions at the principal water source or another cause could materially~~ and adversely affect our operating results and financial...... Our international operations pose certain risks that may adversely impact sales and earnings. We...... data could result in operational disruptions or damage ~~or~~ **our reputation** information GLATFELTER 2022 FORM 10- K11...... facility or other long- term debt . If we are unable to ~~generate enough~~ **meet our ESG goals or evolving investor, industry, or stakeholder expectations and standards, our customers may choose alternative suppliers and / or our reputation, the desirability of our stock to investors, and our business and / or financial condition may be adversely affected. Any failure to achieve our ESG goals, challenges to our ESG reporting or our failure to effectively respond to new, or changes in, legal or regulatory requirements concerning environmental or other ESG matters could adversely affect our business and thus our financial condition, results of operations and** cash ~~flow~~ **flows . The pending Reverse Morris Trust transaction with Berry' s HHNF Business may not be completed on the terms or timeline currently contemplated, or at all, and the failure to complete the transaction could adversely impact the market price of Glatfelter common stock, as well as its business and operating results. On February 6, 2024, we entered into certain definitive agreements with Berry, for Berry to spin- off and merge the majority of its Health, Hygiene and Specialties segment including its Global Nonwovens and Films business (" HHNF ") with Glatfelter (the " Merger "). Immediately following the transaction, pre-merger holders of the shares of common stock of Glatfelter will own, in the aggregate, approximately 10 % of the outstanding capital stock of Glatfelter and Berry stockholders will own, in the aggregate, approximately 90 % of the outstanding capital stock of Glatfelter. The consummation of the transaction is subject to certain conditions, including: (i) approval of the required transactions by Glatfelter' s shareholders; (ii) the effectiveness of the registration statements with the SEC registering the issuance of Glatfelter common stock (iii) the listing of Glatfelter common stock issuable to shareholders on the NYSE; (iv) receipt of applicable regulatory approvals, including the expiration or early termination of the statutory waiting period under the Hart- Scott- Rodino Antitrust Improvements Act of 1976, as amended, and other required regulatory approvals, and (v) the receipt of a private letter ruling** from **the IRS to the effect that the transactions will qualify for tax- free treatment under the Code, among other customary conditions to closing. There is no assurance that** these ~~sources~~ **conditions will be met or waived or that the transaction will be completed on the terms or timeline currently contemplated** , ~~we~~ **or at all. If the transaction is not completed for any reason, the price of Glatfelter common stock** could **decline. Glatfelter also could experience negative reactions from employees, customers, suppliers or other third parties if the transaction is not completed. GLATFELTER 2023 FORM 10- K13 Glatfelter and Berry have expended and will continue to expend significant management time and resources and have incurred and will continue to incur significant expenses related to the transaction, including legal, advisory, and financial services fees. Even if the transaction is completed, any delay in the completion of the transaction could diminish the anticipated benefits of the transaction or result in additional transaction expenses, loss of revenue or other effects associated with uncertainty about the transaction. If the transaction is not consummated because the merger agreement is terminated, Glatfelter may** be ~~unable~~ **required under certain circumstances** to **pay Berry a termination fee of $ 10 million** ~~fund our operations, finance capital expenditures, satisfy our near and long- term cash needs or make dividend payments~~ .