

## Risk Factors Comparison 2025-02-12 to 2024-02-21 Form: 10-K

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

Our operations and financial results could be affected by various risks, many of which are beyond our control. The following risks could affect (and in some cases have affected) the Company's actual results and could cause such results to differ materially from current estimates or expectations: **Industry Risks** The Company's financial results could be adversely impacted if there are significant increases in prices for raw materials, energy, transportation and other necessary supplies and services, and the Company is unable to raise prices or improve productivity to reduce costs. Increases in the costs of raw materials, including secondary fiber, petroleum- based materials, energy, wood, transportation and other necessary goods and services, could have an adverse effect on the Company's financial results. Paperboard manufacturing processes require significant energy and raw materials, the costs of which are subject to worldwide supply and demand factors, supply chain disruptions that can affect availability and result in increased prices, as well as trade regulations and tariffs, GHG emissions- based regulations, and other factors beyond our control. Variations in the cost of energy, which primarily reflect market prices for oil and natural gas, and for raw materials may significantly affect our operating results from period to period. Because negotiated sales contracts and the market largely determine the pricing for our products, the Company is at times limited in its ability to raise prices and pass through to its customers any inflationary or other cost increases that the Company may incur. The Company uses productivity improvements and other initiatives to reduce costs, offset inflation and maintain adequate raw material supplies. These actions include global continuous improvement initiatives that use best- in- class industry methodologies and statistical process control to help design and manage many types of activities, including planning, procurement, production and maintenance. These efforts result not only in cost reductions, but also build resilience in the overall supply chain. The Company's ability to realize anticipated savings from these improvements is subject to significant operational, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control. If the Company cannot successfully implement cost savings plans, it may not be able to continue to compete successfully against other manufacturers. In addition, any failure to generate the anticipated efficiencies and savings could adversely affect the Company's financial results. Competition and product substitution could have an adverse effect on the Company's financial results. The Company competes with consumer packaging companies, both domestically and internationally, including paperboard packaging producers. The Company's products compete with those made from other manufacturers' paperboard, as well as consumer packaging made primarily from plastic, shrink film, paper, corrugated containers, ~~bio- biobased~~ **based** materials and other packaging materials. **Paperboard packaging competitors may expand their existing facilities or build new paperboard manufacturing or converting capacity, which could negatively impact our business. In addition, Product-product substitution by customers** may occur in response to price, quality and service issues, as well as environmental and social concerns ~~, such as the use of recycled post- consumer plastic and biobased materials in the production process~~. In addition, to the extent the Company's operations are subject to labor, safety and climate change regulations and requirements **that are** not stringently imposed in the states and countries in which our competitors operate, our competitors could gain cost or other competitive advantages. While the Company has long-term relationships with many of its customers, the underlying contracts may be re- bid or renegotiated from time to time, and the Company may not be successful in renewing such contracts on favorable terms or at all. The Company works to maintain market share through efficiency, product innovations and strategic sourcing to its customers; however pricing and other competitive pressures, such as providing the lowest- carbon footprint packaging solution or delivering on GHG emissions reduction targets, may occasionally result in the loss of a customer relationship. Changes in buying habits and preferences for products by customers and consumers could have an effect on our sales volumes. Changing dietary habits and preferences have impacted sales growth for many of the food and beverage products the Company packages. Customer and consumer preferences are constantly changing based on, among other factors, the economy, convenience, cost and health considerations, as well as environmental, social concerns and perceptions, such as pressure to reduce packaging waste by switching to reusable containers versus single- use packaging options. If these trends continue and the Company is unable to adapt to them, then the Company's financial results could be adversely affected. **Operational Risks** The Company **of** operations. The Company has been, and likely will continue to be, subject to computer hacking, acts of vandalism or theft, malware, ransomware, computer viruses or other malicious codes, phishing, employee error or malfeasance or other cyber- attack. To date, the Company has experienced no material impact on our business or operations from these types of attacks or events. Any future significant compromise or breach of data security, whether external or internal, or misuse of customer, employee, supplier or Company data, could result in significant costs, interrupted operations, lost sales, fines, lawsuits, and damage to the Company's reputation. These ever- evolving threats mean the Company and its third- party service providers and vendors must continually evaluate and adapt their respective systems and processes and overall security environment, as well as those of any business we acquire. There is no guarantee that these measures will be adequate to safeguard against all data security breaches, system compromises or misuses of data and insurance may not fully cover the costs of cyber incidents. In addition, the regulatory environment related to information security, data collection and use, and privacy is becoming increasingly rigorous, with new requirements applicable to the Company's business. Compliance with such requirements could also result in additional costs ~~—~~ could experience material disruptions at our facilities, that could adversely impact the Company's financial results and could increase the cost of insurance and level of deductibles. Although the Company takes appropriate measures to minimize the risk and effect of material disruptions to the business conducted at our facilities, natural disasters such as hurricanes, tornadoes, heat waves, freezing events, floods, droughts, fire and other extreme weather events, (all of which may be exacerbated by climate change) **, and our**

**employees' inability to get to our facilities as a result of such events**, as well as other unexpected disruptions such as the unavailability of critical raw materials, power outages, and equipment breakdowns or failures can reduce production and increase manufacturing costs. These types of disruptions, whether caused by climate change or other events, could materially adversely affect our earnings, depending upon the duration of the disruption and our ability to shift business to other facilities or find other sources of materials or energy. In addition, given the Company's integrated supply chain, managing board supply and properly planning for paperboard manufacturing outages and downtime must be integrated with the packaging facilities' forecasts. Any inability to do so could adversely affect the Company's financial results. Any losses due to these events may not be covered by our existing insurance policies and may be subject to significant deductibles. The premiums for insurance coverage have recently increased and may continue to increase, along with the level of deductibles. Preparedness plans have been developed for vulnerable facilities and detail the actions needed in the event of unforeseen events or severe weather. We also obtain insurance coverage to mitigate losses from physical damages and business interruptions. These measures have historically been in place and such activities and associated costs are driven by normal operational preparedness. However, there can be no assurance that such measures will be effective for a particular event that we may experience. In addition to the possible disruptions to our facilities' production as discussed above, because approximately ~~62-59~~ % of the Company's employees are represented by unions, the Company could experience disruptions such as work slowdowns or strikes from time to time. If the Company is unable to prevent prolonged interruptions of the Company's operations at any of its' facilities due to slowdowns, strikes or other work interruptions, the Company may experience a negative impact to its' financial results. The Company **may face a shortage of skilled workers** 's information technology systems could suffer interruptions, failures, unauthorized access, or breaches and **key management personnel. The Company's ability to maintain or expand its business depends on our ability to attract business operations could be disrupted, adversely affecting develop and retain a skilled workforce at all levels within our organization, including production employees and key managers. Changing demographics and workforce trends may result in a loss of knowledge and skills as experienced workers retire or resign. The Company may incur higher costs to hire and retain new workers due to changes to the size of skilled labor pools and increased demand for skilled workers by other manufacturing industries. The failure to attract and retain sufficient skilled workers may result in operations operational inefficiencies or require additional capital investments to reduce reliance** and the Company's reputation. The Company's information technology systems, some of which are dependent on **labor services provided by third parties**, serve an important role in the operation of the business. These systems could be damaged or cease to function properly due to any number of causes, such as catastrophic events, power outages, security breaches, computer viruses or cyber-based attacks. The Company has contingency plans in place to prevent or mitigate the impact of these events, however, if they are not effective on a timely basis, business interruptions could occur which may adversely impact **the Company's** results of operations. The Company has been..... requirements could also result in **additional costs**. The Company's operations and financial results could be adversely impacted by events outside the Company's control, such as pandemics or other global health emergencies, or geopolitical conflicts and other social and political unrest or change. As a result of events, such as pandemics or other global health emergencies and widespread military and geopolitical conflicts and other social and political unrest in Eastern Europe, Africa and the Middle East, there could be unpredictable disruptions to the Company's operations that could limit production, reduce its future revenues and negatively impact the Company's financial condition. These events may result in supply chain and transportation disruptions to and from our facilities and could impact the Company's ability to operate its facilities and distribute products to its customers in a timely or cost-effective fashion. In addition, these events may result in extreme volatility and disruptions in the capital and credit markets as well as widespread furloughs and layoffs for workers in the broader economy. This volatility and loss of employment may negatively impact consumer buying habits, which could adversely affect the Company's financial results. The Company **to hire and retain new workers, and the failure to attract and retain sufficient skilled workers may result in operational inefficiencies or require additional capital investments to reduce reliance on labor, which may adversely impact the Company's results. The Company** is subject to the risks of doing business in foreign countries. The Company has packaging facilities and one paperboard manufacturing facility in 20 countries outside of the U.S. and sells its products worldwide. For ~~2024~~ **2023**, before intercompany eliminations, net sales from operations outside of the U.S. represented approximately 30 % of the Company's net sales. The Company's revenues from foreign sales fluctuate with changes in foreign currency exchange rates. In addition, at December 31, ~~2024~~ **2023**, approximately ~~26-27~~ % of the Company's total assets were denominated in currencies other than the U.S. dollar. The Company pursues a currency hedging program in order to reduce ~~a portion of~~ the impact of foreign currency exchange fluctuations on financial results. The Company is also subject to the following significant risks **associated with operating in foreign countries: • Export compliance; • Compliance with and enforcement of environmental, health and safety, labor laws and data privacy and other regulations of the foreign countries in which the Company operates;** could be adversely impacted if the Company is unable to successfully integrate acquired businesses. The Company has made a significant number of acquisitions throughout its history and expects to make additional acquisitions in the future. The Company's ability to **successfully** integrate the acquired businesses ~~successfully~~, including obtaining anticipated cost savings or synergies and expected operating results within a reasonable period of time, is an important factor in the Company's future performance. If the Company is unable to realize desired benefits from its acquisitions, the Company may be required to spend additional time or money on integration efforts that would otherwise have been spent on the development and expansion of its core business. The Company may not be able to develop and introduce new products and adequately protect its intellectual property and proprietary rights, which could harm its future success and competitive position. The Company works to increase market share and profitability through product innovation and the introduction of new products. The inability to develop new or better products that satisfy customer and consumer preferences **for packaging that is more functional and more convenient** in a timely manner may impact the Company's competitive position. The Company's future success and competitive position also depends,

in part, upon its ability to obtain and maintain protection for certain proprietary carton and packaging machine technologies used in its value-added products, particularly those incorporating the Fridge Vendor, IntegraPak, KeelClip, MicroFlex-Q, MicroRite, Opti-Cycle, PaperSeal Slice and PaperSeal Wedge, PaperSeal Shapes, Boardio, Produce Pack, Quilt Wave, Qwik Crisp, Tite-Pak, and Z-Flute technologies. Failure to protect the Company's existing intellectual property rights may result in the loss of valuable technologies or may require the Company to license other companies' intellectual property rights. It is possible that any of the patents owned by the Company may be invalidated, rendered unenforceable, circumvented, challenged or licensed to others or any of its pending or future patent applications may not be issued within the scope of the claims sought by the Company, if at all. Further, others may develop technologies that are similar or superior to the Company's technologies, duplicate its technologies or design around its patents, and steps taken by the Company to protect its technologies may not prevent misappropriation of such technologies.

**Legal and Regulatory Risks** The Company's capital spending may not achieve is subject to a broad range of foreign, federal, state, and local laws and regulations, including environmental, health and safety, sustainability, data privacy, labor and employment, corruption, tax, supply chain, human rights and healthcare, and costs to comply with such laws and regulations, or any liability or obligation imposed under new laws or regulations, could negatively impact its financial condition and results of operations. The Company must comply with a wide variety of environmental, health and safety laws and regulations, including the those desired benefits governing GHG emissions and other discharges to air, soil and water and the management, treatment and disposal of hazardous substances, the investigation and remediation of contamination resulting from releases of hazardous substances, waste disposal, recycling of packaging, extended producer responsibilities, labor and human rights, and the health and safety of employees. These laws and regulations, particularly those that relate to GHG emissions, supply chain due diligence, and reporting on sustainability-related matters, are evolving and expected to become more stringent over time, which could adversely impact future financial results— result in . The Company invests significant amounts of cash each year on capital..... synergies or expected operating results. Additional additional spending and unachieved benefits may adversely affect compliance costs (such as the installation or modification of emission control equipment), increased costs of purchased energy or the other raw materials, increased transportation costs, restrictions Company's cash flow and results of operations. The Company may face a shortage of skilled workers and key management personnel. The Company's ability to maintain or expand its business depends on our operations ability to attract, develop and retain a skilled workforce at all levels within our or organization, including production employees and key managers. Changing demographics and workforce trends may result in a loss of knowledge and skills as experienced workers retire or resign. The Company may incur higher costs to hire and retain new workers,..... also subject to the following significant risks associated with operating in foreign countries: → Export compliance; → Compliance with air and water emissions. The Company is tracking and taking actions to reduce our GHG and other air and water emissions to decrease the potential future impact of these regulatory matters. However, the Company cannot currently assess the impact that future emission standards, climate control initiatives, regulation changes and enforcement of environmental, health practices will have on the Company's operations and safety capital expenditure requirements. Additionally, labor laws and over the past few years, the number of data privacy laws and other regulations of has increased and become more complex and stringent in the foreign U. S. and internationally. The improper handling and disclosure of or access to personal data in violation of privacy laws and regulations across multiple countries and U. S. states could cause harm to the Company's reputation, cause loss of consumer confidence, subject the Company to government enforcement actions, or result in private litigation against the Company. Any of these outcomes could negatively impact the Company's financial condition and results of operations. Moreover, with no unifying standards for both U. S. and international data privacy laws and regulations, the Company could incur additional compliance cost in order to comply with the large number of data privacy laws and regulations, which could result in a negative impact to the Company's results of operates operations; → Difficulties moving funds from certain countries back to the U. S.; → Imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries; and → Imposition of new or increases in capital investment requirements and other financing requirements by foreign governments.

**Financial Risks** The Company's indebtedness may adversely affect its financial condition and its ability to react to changes in its business. The Company had an aggregate principal amount of \$ 5, 396-209 million of outstanding debt as of December 31, 2023-2024. Because of the Company's debt level, a portion of its cash flows from operations is dedicated to payments on indebtedness and the Company's ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be restricted in the future. Additionally, the Company's Fourth-Fifth Amended and Restated Credit Agreement (as amended, the "Current Credit Agreement") and the indentures governing the 0.821% Senior Notes due 2024, 4.125% Senior Notes due 2024, 1.512% Senior Notes due 2026, 4.75% Senior Notes due 2027, 3.50% Senior Notes due 2028, 3.50% Senior Notes due 2029, 2.625% Senior Notes due 2029 and 3.75% Senior Notes due 2030 and 6.375% Senior Notes due 2032 (the "Indentures"), limit the Company's ability to incur additional indebtedness. Additional covenants contained in the Current Credit Agreement and the Indentures may, among other things, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, repurchase stock, pay dividends and make other restricted payments, create liens, make equity or debt investments, make acquisitions, modify terms of the Indentures, engage in mergers or consolidations, change the business conducted by the Company and its subsidiaries, and engage in certain transactions with affiliates. Such restrictions could limit the Company's ability to respond to changing market conditions, fund its capital spending program, provide for unexpected capital investments or take advantage of business opportunities. These restrictions could limit the Company's flexibility to respond to changing market conditions and competitive pressures. The debt obligations and restrictions may also leave the Company more vulnerable to a downturn in general economic conditions or its business, or unable to carry out capital expenditures that are necessary or important to its growth strategy and productivity improvement programs. As of December 31, 2023-2024,

approximately 20-36% of the Company's debt is subject to variable rates of interest and exposes the Company to increased debt service obligations in the event of increased market interest rates. **Legal and Regulatory Risks** The Company is subject to a broad range of foreign, federal, state, and local laws and regulations, including environmental, health and safety, sustainability, data privacy, labor and employment, corruption, tax, and healthcare, and costs to comply with such laws and regulations, or any liability or obligation imposed under new laws or regulations, could negatively impact its financial condition and results of operations. The Company must comply with a wide variety of environmental, health and safety laws and regulations, including those governing GHG emissions and other discharges to air, soil and water and the management, treatment and disposal of hazardous substances, the investigation and remediation of contamination resulting from releases of hazardous substances, waste disposal, recycling of packaging, extended producer responsibilities, deforestation risks, and the health and safety of employees. These laws and regulations, particularly those that relate to GHG emissions, are evolving and expected to become more stringent over time, which could result in significant additional compliance costs (such as the installation or modification of emission control equipment), increased costs of purchased energy or other raw materials, increased transportation costs, restrictions on our operations, or additional costs associated with air and water emissions. The Company is tracking and taking actions to reduce our GHG and other air and water emissions to decrease the potential future impact of these regulatory matters. However, the Company cannot currently assess the impact that future emission standards, climate control initiatives, regulation changes and enforcement practices will have on the Company's operations and capital expenditure requirements. Additionally, over the past few years, the number of data privacy laws and regulations has increased and become more complex and stringent in the U. S. and internationally. The improper handling and disclosure of or access to personal data in violation of privacy laws and regulations such as the European Union's General Data Protection Regulation ("GDPR"), the California Privacy Rights Act ("CPRA"), the Virginia Consumer Data Protection Act ("CDPA"), and Canada's Consumer Privacy Protection Act ("CPPIA") could cause harm to the Company's reputation, cause loss of consumer confidence, subject the Company to government enforcement actions, or result in private litigation against the Company. Any of these outcomes could negatively impact the Company's financial condition and results of operations. Moreover, with no unifying standards for both U. S. and international data privacy laws and regulations, the Company could incur additional compliance cost in order to comply with the large number of data privacy laws and regulations, which could result in a negative impact to the Company's results of operations.