Risk Factors Comparison 2024-03-01 to 2023-03-07 Form: 10-K

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You should carefully read the following discussion of significant factors, events and uncertainties when evaluating our business and the forward- looking information contained in this Annual Report on Form 10- K, including the Management' s Discussion and Analysis of Financial Condition and Results of Operations section and the consolidated financial statements and related notes. The events and consequences discussed in these risk factors could materially and adversely affect our business, operating results, liquidity and financial condition. While we believe we have identified and discussed below all material risk factors affecting our business, these risk factors do not identify all the risks we face, and there may be additional risks and uncertainties that we do not presently know or that we do not currently believe to be significant that may have a material adverse effect on our business, performance or financial condition in the future. Risks Relating to Our Business and Industry Fluctuations in raw material, energy and freight costs impact our business, financial condition and results of operations. Raw materials, energy and freight are critical inputs to our business, and make up a substantial portion of our cost of sales. We strive to minimize the extent to which the volatility in the prices of these inputs affects our business. However, as described in greater detail below, these efforts are imperfect and we cannot guarantee that we will be able to mitigate the negative impacts on our business of that volatility. For example, during 2021 and 2022, we experienced substantial, broad- based volatility in the prices for these inputs to our business that were greater than we had experienced in the recent past, which meaningfully impacted our results of operations in those years. The primary raw materials used in our products are plastic resins (principally polystyrene, polypropylene, polyethylene terephthalate, polyvinyl chloride, polyethylene and polylactic acid), fiber (principally raw wood, wood chips and recycled newsprint) and paperboard (principally cartonboard and cupstock). Changes in the prices of raw materials are generally due to movements in commodity market prices, although some raw materials, such as wood, may be affected by local market conditions (including weather) as well as the commodity market. These conditions can be affected by broader macroeconomic trends, such as the **macroeconomic disruptions resulting from the Russian invasion of Ukraine in 2022 and the** elevated levels of inflation experienced beginning in the second half of 2021 ~~and the macroeconomic disruptions occasioned by the Russian invasion of Ukraine in 2022~~. For more information on the impact of macroeconomic trends on our business, please refer to the risk factor under the caption " Our business is subject to risks related to global economic conditions, including inflation and interest rates, consumer demand, global supply chain challenges and other macroeconomic issues that could have an adverse effect on our business and financial performance. " We typically do not enter into long- term purchase contracts that provide for fixed prices for our principal raw materials. While we enter into hedging agreements from time to time for some of our raw materials and energy sources, such as resin (or components thereof) and natural gas, to minimize the impact of such fluctuations, these hedging agreements do not cover all of our needs, hedging may reduce the positive impact we may otherwise receive when raw material prices decline and hedging arrangements may not always be available at commercially reasonable rates or at all, as is the case with our supply of energy in California, for example. In addition, over the last several years, there has been a trend toward consolidation among suppliers of many of our principal raw materials, and we expect that this trend ~~will~~ **may** continue. Consolidation among our key suppliers could enhance their ability to increase prices, forcing us to pay more for such raw materials, purchased either directly from these existing suppliers or from costlier alternative suppliers. We may be unable to pass on such cost increases to customers which could result in lower margins or lost sales. Consolidation among our suppliers also increases our vulnerability to catastrophic events impacting particular geographic regions. For more information, please refer to the risk factor " Natural disasters, public health crises and other catastrophic events outside of our control could damage our facilities or the facilities of third parties on which we depend, which could have an adverse effect on our financial condition or results of operations. " Although many of our customer pricing agreements include raw material cost pass- through mechanisms, which mitigate the impact of changes in raw material costs, not all of them do. For those that do, the contractual price changes do not occur simultaneously with raw material price changes. Due to this contractual delay, as well as differences in timing between purchases of raw materials and sales to customers, there is often a lead- lag effect during which margins are negatively impacted in periods of rising raw material costs and positively impacted in periods of falling raw material costs. Moreover, many of our sales are not covered by such pass- through mechanisms. While we also use price increases, whenever possible, to mitigate the effect of raw material cost increases for customers that are not subject to raw material cost pass- through agreements, we may not be able to pass on cost increases to our customers on a timely basis, if at all, and consequently may not be able to recover the lost margin resulting from cost increases. Additionally, an increase in the selling prices for the products we produce resulting from a pass- through of increased raw material, energy or freight costs could adversely affect sales volumes. In addition to our dependence on primary raw materials, we are also dependent on different sources of energy **and other utilities** for our operations, such as coal, fuel oil, electricity and natural gas. For example, our Beverage Merchandising segment is susceptible to price fluctuations in natural gas as it consumes significant amounts of natural gas to convert raw wood and wood chips to liquid packaging board. In addition, if some of our large energy contracts were to be terminated for any reason or not renewed upon expiration, or if market conditions were to substantially change resulting in a significant increase in the price of coal, fuel oil, electricity ~~or~~ **,** natural gas **or other utilities** , we may not be able to find alternative, comparable suppliers or suppliers capable of providing **such energy and utilities** ~~coal, fuel oil, electricity or natural gas~~ on terms satisfactory to us. For instance, climate- related extreme weather conditions, such as hurricanes **, flooding, droughts** and deep freezes, have the potential to substantially change market conditions and increase prices for our energy ~~sources~~ **and utilities** . As a result of any of these events, our business, financial condition and operating results may suffer. We are also dependent on third parties for the transportation of both our raw materials and other products that we purchase for our operations and the products that we sell to our customers. In certain jurisdictions, we are exposed to import duties and freight costs, the latter of which is influenced by carrier availability and the fluctuating costs of oil and other transportation costs. In recent years, the supply- chain disruptions that began during the coronavirus pandemic substantially increased our freight costs and the lead time associated with shipping our products, although these impacts moderated during 2022. Although some of our customer agreements include pass- through mechanisms for increased freight costs similar to the mechanisms for increases in raw materials costs, not all of our contracts contain these provisions, and those that do are subject to the same " lead- lag " effect described above. Our business has substantial exposure to freight costs and freight- related disruptions, in particular domestic freight. We seek to reduce our exposure to freight- related disruptions through efforts to, among other things, reduce the need for transfer freight by producing the right product in the right place, increase warehouse automation and efficiency and decrease interdependencies. However, we may not be successful, and if we are not, our business would be negatively affected. Governmental actions, like tariffs and trade sanctions, also impact the cost of raw materials and other goods and services that our business uses. For example, U. S. tariffs on products imported from certain countries and trade sanctions against certain countries, including on Russia following its invasion of Ukraine, have impacted the cost of certain raw materials, including resin, and other goods and services required to operate our business. Major developments in trade relations, including the imposition of new or strengthened tariffs or sanctions by the United States and other countries, could have a material adverse effect on our business, financial condition and results of operations. **"** ~~costs.Any such failure to accurately forecast our customers' needs may result in unmet demand,manufacturing delays,increased costs,reputational risk and adverse impacts to customer relationships.~~ If ~~the forecasts used to manage inventory are not accurate,we may experience a shortage of available products,excess inventory levels or reduced manufacturing efficiencies.Further,a deterioration in the strength of our customer relationships could cause~~ our major customers ~~to~~ reduce purchasing volumes or stop purchasing our products, ~~or~~ **our business and results of operations** ~~could~~ **would** ~~cause us to~~ **likely be adversely affected.It is possible that we could** lose customers in the future **,which** ~~.Any of these events could~~ **would** adversely affect our business and results of operations. ~~In addition,over~~ **Over** the last several years,there has been a trend toward consolidation among our customers in the food and beverage industry and in the retail and foodservice industries,and we expect that this trend ~~may~~ **will** continue.Consolidation among our customers could increase their ability to apply price pressure,and thereby force us to reduce our selling prices or lose sales,which would impact our results of operations.Following a consolidation,our customers in the food and beverage industry may also close production facilities or switch suppliers,while our customers in the retail industry may close stores,reduce inventory or switch suppliers of consumer products.Any of these actions could adversely impact the sales of our products.In fiscal year ~~2023~~ **2022** , ~~one of~~ our **top ten** customers accounted for **40** ~~approximately 10~~ % of our net revenues ~~,and our top ten customers together accounted for approximately 42 % of our net revenues~~ .The loss ~~or bankruptcy~~ of any of our significant customers could have a material adverse effect on our business,financial condition and results of operations. **We depend on a small number of suppliers for our raw materials and any interruption in our supply of raw materials would harm our business and financial performance.Some of our key raw materials are sourced from a single supplier or a relatively small number of suppliers.For more information,please refer to the risk factor " Fluctuations in raw material,energy and freight costs impact our business,financial condition and results of operations." As a consequence,we are dependent on these suppliers for an uninterrupted supply of our key raw materials.Such supply could be disrupted for a wide variety of reasons,many of which are beyond our control.We have written contracts with some but not all of our key suppliers,and many of our written contracts can be terminated on short notice or include force majeure clauses that would excuse the supplier' s failure to supply in certain circumstances.An interruption in the supply of raw materials for an extended period of time could have an adverse impact on our business and results of operations.** Our business is subject to risks related to global **economic** conditions,including inflation,consumer demand,global supply chain challenges and other macroeconomic ~~and geopolitical~~ issues that could have an adverse effect on our business and financial performance.General economic downturns in our key geographic regions and globally can adversely affect our business operations,demand for our products and our financial results.The global economy,including credit and financial markets,has experienced extreme volatility and disruptions,including higher interest rates,relatively high levels of inflation,strained supply chains and expectations of lower economic growth,which have put pressure on our business ~~.Additionally,geopolitical volatility may also contribute to the general economic conditions and regulatory uncertainty in regions in which we operate~~ .For example,Russia' s invasion of Ukraine in the first quarter of 2022 and the resulting geopolitical responses increased the cost of many of the raw materials that we use and contributed to an aluminum scarcity that negatively affected our business ~~.Similarly,the heightened inflationary environment in recent periods reduced consumer demand,which we believe reduced our volumes and negatively affected our ability to recover the heightened costs resulting from inflationary pressures~~ .When challenging macroeconomic conditions such as these exist,our customers may delay,decrease or cancel purchases from us and may also delay payment or fail to pay us altogether.Suppliers may have difficulty filling our orders and distributors may have difficulty getting our products to customers,which may affect our ability to meet customer demands and result in a loss of business.Weakened global economic conditions may also result in unfavorable changes in our product prices and product mix and lower profit margins. **All** ~~Changes in policy,including as a result of the elections scheduled later this year in the United States and Mexico,the two countries in which we have the largest presence,could disrupt the markets we serve and the policies under which we operate.Any~~ of these factors could have a material adverse effect on ~~our business,the~~ demand for our products,our financial condition and our results of operations. Labor shortages and increased labor costs have adversely affected our business and operations, and may continue to do so if we are not able to attract additional employees, retain existing employees and reduce the labor intensity of our business. At times during the past ~~two~~ **three** years, and in particular during the fourth quarter of 2021 and the first quarter of 2022, we experienced labor shortages that decreased production output in many of our plants, negatively impacting our business and operations. We believe that these shortages were attributable to a number of factors, including, among others, substantially increased employee absences due to coronavirus infections, rapid increases in prevailing wages, increased governmental support during the coronavirus pandemic and increased competition from other employers. These labor shortages also contributed to an increase in our labor cost, which is one of the primary components in the cost of operating our business. Although many of our customer contracts allow us to pass on to our customers increases in certain raw materials, and increases in the broader consumer price index, we generally cannot directly pass on increased labor costs. Price increases tied to the consumer price index often compensate for labor cost increases in a normal wage environment, but this was not the case in some recent periods. As a result, compensating for heightened labor costs sometimes required additional negotiations for further price increases, with which we had mixed success, or increasing prices upon the renewal of a contract. Although we noticed a marked increase in our ability to attract employees over the course of 2022 **and 2023** , we continue to experience heightened employee turnover, particularly among our newest employees. Our total rewards programs may not be lucrative enough to attract and retain the best talent, and the fixed shift schedules and manual labor required in many of our facilities could be less attractive than alternative employers’ positions. Increased turnover particularly affects our business, as the equipment required to operate our business is complicated and requires substantial training before an employee is at full productivity. As a result, we have experienced a decrease in employee productivity in certain of our plants, which has contributed to increasing our operating expenses. To mitigate the impact of labor shortages on our business, we have increased our total reward offerings and provide referral, sign- on and retention bonuses, and have invested in improving the onboarding and training experience for our new hires. These measures are effective ~~,~~ but increase our operating costs. We also dedicate a substantial portion of our regular capital expenditures to increasing automation and otherwise reducing the labor intensity of our business. However, these measures may not be successful, in which case our margins would be negatively affected. Additionally, if we increase product prices to cover increased labor costs, the higher prices could adversely affect sales volumes. If we are unable to successfully mitigate the adverse impacts of labor shortages, increased labor costs and employee turnover in our business, our operating expenses, growth and results of operations will continue to be negatively affected. If we fail to maintain satisfactory relationships...... please refer to the risk factor “ We may incur significant costs, experience short- term inefficiencies or be unable to realize expected long- term savings from the recently- announced **Footprint Optimization** ~~restructuring of the operations of our Beverage Merchandising segment~~ , or any other business **restructuring or** reorganization. ” If our major customers reduce purchasing...... condition and our results of operations. On ~~March 6~~ **February 29** , ~~2023~~ **2024** , we announced ~~that~~ **a restructuring plan approved by** our Board of Directors **to optimize** ~~had approved a restructuring of~~ our **manufacturing** ~~Beverage Merchandising segment, including the closure of our mill in Canton, North Carolina~~ and **warehouse footprint** ~~our converting facility in Olmstead Falls, Ohio and the reorganization of our management structure by combining our Food Merchandising and Beverage Merchandising business units~~ . We refer to these activities collectively as the **Footprint Optimization** ~~Beverage Merchandising Restructuring~~ . We determined to undertake the **Footprint Optimization** ~~Beverage Merchandising Restructuring~~ because we believe that it will ~~increase~~ **improve** our ~~production~~ **operating** efficiency ~~, streamline our management structure and reduce our ongoing capital expenditures and overhead costs, among other benefits~~ . However, the successful completion of the ~~Beverage Merchandising~~ **Footprint Optimization, or any other business** ~~Restructuring~~ **restructuring or reorganization,** is subject to numerous risks and uncertainties. These risks and uncertainties include, but are not limited to, the following: • Our ability to ~~ensure~~ **avoid disruptions of our operations while maintaining volumes** sufficient ~~supply of paper board and other materials~~ to ~~the remainder of our business~~ **meet customer demand and quality expectations** ; • Our ability to ~~profitably manage any resulting reductions in overall volume~~ **complete plans within our estimated costs and time frames** ; • Our ability to adequately manage environmental and other legacy liabilities associated with ~~the~~ **impacted** facilities ~~ultimately closed or disposed of~~ ; and • The reactions of our customers and other stakeholders, including employees, labor unions, local communities and governmental entities. We cannot assure you that we will be able to realize all, or any, of the expected benefits, or avoid greater than expected inefficiencies or costs, from the **Footprint Optimization** ~~Beverage Merchandising Restructuring~~ or any other business **restructuring or** reorganization that we may undertake. Any such failure would negatively affect our business, financial condition and results of operations. We may lose the use of all or a portion of any of our key manufacturing facilities due to natural disasters, public health crises and other catastrophic events outside of our control, as well as periodic scheduled outages, which could have an adverse effect on our financial condition or results of operations. While we manufacture most of our products in a number of diversified facilities, a loss of the use of all or a portion of any of our key manufacturing facilities for any reason, including an accident, labor issues, weather conditions, pandemics, ~~terrorism,~~ natural ~~disaster~~ **disasters** ~~or~~ **, cybersecurity incidents,** periodic scheduled outages **and other catastrophic events and crises** , could adversely affect our financial condition or results of operations. Certain of our products are produced at only one facility, or at a small number of facilities, increasing the risks associated with a loss of use of such facilities. ~~Further~~ **For example** , **following** ~~completion of the Beverage Merchandising Restructuring, in particular~~ the closure of our mill in Canton, North Carolina **in June 2023** , ~~would reduce~~ **all of** the ~~diversification among our facilities. For more information on the Beverage~~ **beverage packaging products produced by** ~~Merchandising Restructuring, please refer to the risk factor “ We may incur significant costs, experience short- term inefficiencies or~~ **our Food and** ~~be unable to realize expected long- term savings from the recently- announced restructuring of the operations of our~~ Beverage Merchandising segment ~~,~~ **depend on the liquid paper board produced by** ~~or~~ **our** ~~any other business reorganization~~ **mill in Pine Bluff, Arkansas** . ~~”~~ Facilities may from time to time be impacted by adverse weather and other natural events, and the prolonged loss of a key manufacturing facility due to such events could have a material adverse effect on our business. For instance, during February 2021, the Southern portion of the United States was impacted by Winter Storm Uri, which brought record low temperatures, snow and ice and resulted in power failures, hazardous road conditions, damage to property and death and injury to individuals in those states. During most of this weather event, we were unable to fully operate **the Pine Bluff mill and** some of our **other** ~~mills,~~ plants and warehouses in Texas and Arkansas.

Similarly, in the third quarter of 2021, Tropical Storm Fred caused substantial damage to our **former** Canton, North Carolina mill, and in the fourth quarter of 2022, during Winter Storm Elliott we were unable to fully operate certain of our facilities. In addition, certain of our equipment requires significant effort to maintain and repair, and prolonged downtime due to planned outages for maintenance, key equipment failure or loss could adversely affect our business. We face similar risk in the case of certain third parties on which we depend. For example, we source most of our resin supply from the Gulf Coast region of the United States. Any natural disaster or other catastrophic event of the type referred to above, such as a hurricane, that negatively affects this region could disrupt our access to a critical input to our business, and we might not be able to obtain alternative supply on commercially reasonable terms, or at all, which would negatively affect our business and results of operations. We have in the past, and may in the future, pursue acquisitions, divestitures, investments and other similar transactions, which could adversely affect our business. In pursuing our business strategy, we routinely discuss and evaluate potential acquisitions, divestitures, investments and other similar transactions. We may seek to expand or complement our existing product offerings through the acquisition of or investment in attractive businesses rather than through internal development, such as our acquisition of Fabri- Kal in 2021. Or, conversely, we may seek to further concentrate our focus on our principal products and markets by divesting non- core businesses, as we did with the 2022 divestitures of operations outside of North America. These transactions require significant management time and resources and have the potential to divert our attention from our ongoing business, and we may not manage them successfully. We may be required to make substantial investments of resources to support these transactions, and we cannot assure you that they will be successful. The risks we face in pursuing these transactions include, among others: • diversion of management time and focus from operating our business; • integration of acquisitions, including coordination of manufacturing, research and development and sales and marketing functions; • retention of employees from an acquired business, or separation of employees from a divested business; • integration of an acquired business' s accounting, management information, human resources, legal and other administrative systems, or extrication of those systems from a divested business; • potential write- offs of intangibles or other assets acquired in acquisitions or similar transactions, or write- downs of investments, that may have an adverse effect on our operating results in a given period; and • liability for the activities, products or services of the business, including environmental and employment law liabilities, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities. **Additionally, as a result of increased scrutiny by antitrust authorities, we may announce an acquisition or divestiture transaction that is challenged by such authorities, is ultimately not completed due to a failure to obtain antitrust or other related regulatory approvals or is subject to litigation by such authorities following its completion.** Our failure to address these risks or other issues encountered in connection with our transactions could cause us to fail to realize the anticipated benefits of those transactions, cause us to incur unanticipated **costs and** liabilities and harm our business generally. Future transactions could also result in dilutive issuances of our equity securities; the incurrence of debt, contingent liabilities or other expenses; or **impairments** ~~the write- off~~ - **of** ~~of goodwill~~ **tangible or intangible assets** , any of which could harm our ~~financial condition~~ **results of operations** , and the anticipated benefits of any transaction may not materialize. We may not be able to achieve some or all of the benefits that we expect to achieve from our capital investment, restructuring and other cost savings programs. We regularly review our business to identify opportunities to reduce our costs. When we identify such opportunities, we may develop a capital investment, restructuring or other cost savings program to attempt to capture those savings, such as our strategic capital investment program. For example ~~, as discussed elsewhere in this report~~ , we direct substantial capital investment toward reducing the labor intensity of our manufacturing processes to control labor costs and reduce our vulnerability to labor shortages. We may not be able to realize some or all of the cost savings we expect to achieve in the future as a result of our capital investment, restructuring and other cost savings programs in the time frame we anticipate. A variety of factors could cause us not to realize some of the expected cost savings, including, among others, delays in the anticipated timing of activities related to our cost savings programs, lack of sustainability in cost savings over time, unexpected costs associated with implementing the programs or operating our business and lack of ability to eliminate duplicative back office overhead and redundant selling, general and administrative functions, obtain procurement related savings, rationalize our distribution and warehousing networks, rationalize manufacturing capacity and shift production to more economical facilities and avoid labor disruptions in connection with any integration, particularly in connection with any headcount reduction. ~~Unsatisfactory safety performance may subject~~ **Our business could be harmed by changes in consumer lifestyle,eating habits,nutritional preferences and health-related,environmental or sustainability concerns of consumers,investors and government and non- governmental organizations.Consumers use our products to eat and drink food and beverage products.Any reduction in consumer demand for those products as a result** of lifestyle,environmental,nutritional or health considerations could have a significant impact on our customers and,as a result,on our financial condition and results of operations.This includes the demand for the products that we make,as well as demand for our customers' products.For example,certain of our products are used for dairy and fresh juice.Sales of those products have generally declined over recent years,requiring ~~us to find new markets for our products.Additionally,there is increasing concern about the environmental impact of the manufacturing,shipping and use of single- use food packaging and foodservice products.For instance,on June 30,2022,California enacted the Plastic Pollution Prevention and Packaging Producer Responsibility Act,which,among other~~ us to **find new markets** ~~regulatory penalties, civil litigation or~~ **for** ~~criminal prosecution~~ **our products. Additionally** , **there is** ~~increase~~ **increasing** ~~our~~ **concern about the environmental impact of the manufacturing, shipping and use of single- use food packaging and foodservice products. For** ~~insurance~~ **instance** ~~premiums~~ , ~~result~~ in ~~higher operating~~ **2023,legislation was introduced in both houses of the U.S.Congress to ban single- use plastic foam products.Further,in 2022,California enacted the Plastic Pollution Prevention and Packaging Producer Responsibility Act,which,among other things,requires a 25 % reduction of plastics in** single- use products in the state by 2032 and escalating recycling,reuse or composting rates for single- use packaging,regardless of material,used in the state over time. **Numerous** ~~Other~~ **other** U.S.municipalities and states and certain other countries **,including Canada,** have also proposed or enacted legislation prohibiting or restricting the sale and use of certain foodservice products and requiring them to be replaced with recyclable or compostable alternatives.Several provinces in Canada,as well as states in the United States,have enacted legislation imposing fees or other ~~costs on manufacturers and other suppliers of single- use food packaging and foodservice products to encourage and fund recycling of those products.Customers',investors',governments' and non- governmental organizations' concerns about product stewardship and resource sustainability,including product recycling,product packaging and restrictions on the use of potentially harmful~~ costs **on** ~~, negatively impact employee morale, result in higher employee turnover and damage our reputation. We manufacture~~ **manufacturers** ~~our~~ **and other suppliers of single- use food packaging and foodservice** products ~~at a wide variety of industrial sites that present certain occupational hazards that, even with proper safety precautions, can lead~~ to ~~injury, loss~~ **encourage and fund recycling** of ~~life~~ **those products. Customers'** , ~~damage to or~~ **investors', governments' and non- governmental organizations' concerns about product stewardship and resource sustainability, including product recycling, product packaging and** ~~destruction~~ **restrictions on the use** of ~~property~~ **potentially harmful materials** , ~~plant and equipment and environmental damage. We~~ have **received increased attention** in **recent years** ~~the past,~~ and **are likely** ~~may in the future, experience serious accidents, including fatal injuries and fires. Any such incident could subject us~~ to **play** ~~regulatory penalties, civil litigation, criminal prosecution,~~ an ~~increase~~ **increasing role** in **brand management** ~~our insurance premiums or an~~ **and consumer purchasing decisions** ~~increase in our operating expenses. These incidents could also negatively impact employee morale, result in higher employee turnover and damage our reputation~~ . In addition, ~~the labor shortages we have recently experienced have caused~~ **changes in consumer lifestyle may decrease demand for certain of our products. Our financial position and results of operations might be adversely affected if environmental or sustainability concerns, restrictions on single-** ~~us~~ **use** ~~to employ a disproportionate number~~ **packaging and products or changes in consumer lifestyle reduce demand for, or increase the costs** of ~~inexperienced employees who abreast of~~ changing technology in our industry,our profits may decline.We operate in mature markets that are subject to high levels of competition.Our future performance and growth depends on innovation and our ability to successfully develop or license capabilities to introduce new products and product innovations or enter into or expand into adjacent product categories,sales channels or countries.Our ability to quickly innovate in order to adapt our products to meet changing legal requirements and customer demands is essential.The development and introduction of new products require substantial and effective research and development and demand creation expenditures, **which we** may be **unable** ~~more susceptible~~ to ~~sustaining workplace injuries~~ recoup if the new products do not gain widespread market acceptance.In addition,we need effective and integrated systems to gather and use consumer data and information to successfully market our products.New product development and marketing efforts,including efforts to enter markets or ~~develop~~ product categories in which we have limited or no prior experience,have inherent risks,including product development or launch delays.These could result in our not being the first to market and the failure of new products to achieve anticipated levels of market acceptance.If product introductions or new or expanded adjacencies are not successful,costs associated with these efforts may not be fully recouped and our results of operations could be adversely affected.In addition,if sales generated by new products cause a decline in sales of our existing products,our financial condition and results of operations could be materially adversely affected.Even if we are successful in increasing market share within particular product categories,a decline in the markets for such product categories could have a negative impact on our financial results.Certain aspects of our business are subject to changes in technology,and if we fail to anticipate or respond adequately to such changes,or do not have sufficient capital to invest in these developments,our profits may decline.Our future financial performance will depend in part upon our ability to develop new products and to implement and use technology successfully to improve our business operations.We cannot predict all the effects of future technological changes.The cost of implementing new technologies could be significant,and our ability to potentially finance these technological developments may be adversely affected by our debt servicing requirements or our inability to obtain the financing we require to develop or acquire competing **technologies** . We operate in highly competitive markets. We operate in highly competitive markets ~~. The following companies, among others, compete with us: Dart Container Corporation, Huhtamäki Oyj, Berry Global Group, Inc., Genpak LLC, Sonoco, Paper Excellence Group, Stora Enso Oyj, Sealed Air Corporation, Tekni- Plex, Silgan Holdings, SIG Combibloc, Tetra Pak and Elopak~~ . Some of our competitors have significantly higher market shares in select product lines than we do globally or in the geographic markets in which we compete. Other competitors offer a more specialized variety of materials and concepts in select product lines and may serve more geographic regions through various distribution channels. Still others may have lower costs or greater financial and other resources than we do and may be less adversely affected than we are by price declines or by increases in raw material costs or otherwise may be better able to withstand adverse economic or market conditions. In addition to existing competitors, we also face the threat of competition from new entrants to our markets. To the extent there are new entrants, increasing or even maintaining our market shares or margins may be more difficult. In addition to other suppliers of similar products, our business also faces competition from products made from other substrates. The prices that we can charge for our products are therefore constrained by the availability and cost of substitutes. In addition, we are subject to the risk that competitors following lower social responsibility standards may enter the market with lower compliance, labor and other costs than ours, and we may not be able to compete with such companies for the most price- conscious customers. The combination of these market influences has created a competitive environment in which product pricing (including volume rebates and other items impacting net pricing), quality, sustainability and service are key competitive factors. Our customers continuously evaluate their suppliers, often resulting in increased pressure to continuously introduce and commercialize innovative new products, improve quality and customer service and maintain strong relationships with our customers, and in the future could result in downward pricing pressure. We may lose customers in the future, which would adversely affect our business and results of operations. These competitive pressures could result in reduced net revenues and profitability, limit our ability to recover cost increases through price increases and, unless we are able to control our operating costs, adversely affect our gross margin. ~~Our business~~ **Unsatisfactory safety performance may subject us to regulatory penalties, civil litigation or criminal prosecution, increase our insurance premiums, result in higher operating costs, negatively impact employee morale, result in higher employee turnover and damage our reputation. We manufacture our products at a wide variety of industrial sites that present certain occupational hazards that, even with proper safety precautions, can lead to injury, loss of life, damage to or destruction of property, plant and equipment and environmental damage. We have in the past, and may in the future, experience serious accidents, including fatal injuries and fires. Any such incident** could **subject** ~~be harmed by changes in consumer lifestyle, eating habits, nutritional preferences and health- related, environmental or sustainability concerns of consumers, investors and government and non- governmental organizations. Consumers use~~ - **us** ~~our products~~ to ~~eat~~ **regulatory penalties, civil litigation, criminal prosecution,** ~~and~~ - **an increase** ~~drink food and beverage products. Any reduction~~ in ~~consumer demand~~ **our insurance premiums** ~~for~~ - **or** ~~those products as a~~ **an increase in our operating expenses. These incidents could also negatively impact employee morale,** result of lifestyle, environmental, nutritional or...... requires a 25 % reduction of plastics in **higher employee turnover** single- use products in the state...... years and are likely to play an **and damage our reputation** ~~increasing role in brand management and consumer purchasing decisions~~ . In addition, **the labor shortages we have recently experienced have caused** ~~changes in consumer lifestyle may decrease demand for certain of our products. Our financial position and results of operations might be adversely affected if environmental or sustainability concerns, restrictions on single- use~~ - **us** ~~packaging and products or changes in consumer lifestyle reduce demand for, or increase the costs of producing, our products. If we are unable~~ to **employ a disproportionate number** ~~develop new products or stay abreast~~ of **inexperienced employees who** changing technology in our industry, our...... and demand creation expenditures, which we may be ~~unable~~ **more susceptible** to **sustaining workplace injuries** recoup if the new products do not...... require to develop or acquire competing technologies . Employee slowdowns, strikes and similar actions could adversely affect our business and operations. As of December 31, ~~2022~~ **2023** , approximately ~~30~~ **25** % of our employees were subject to collective bargaining agreements. Our business relies heavily on workers who are members of labor unions to manufacture our products. In many cases, before we take significant actions with respect to our production facilities, such as workforce reductions or closures, we must reach an agreement with applicable labor unions. For example, our employees at certain ~~of the~~ facilities that ~~are~~ **may be** impacted by the **Footprint Optimization** ~~Beverage Merchandising Restructuring~~ are represented by labor unions, and successfully completing the **Footprint Optimization** ~~Beverage Merchandising Restructuring~~ could involve negotiating agreements with those labor unions. For more information ~~on the Beverage Merchandising Restructuring~~ , please refer to the risk factor “ We may incur significant costs, experience short- term inefficiencies or be unable to realize expected long- term savings from the recently- announced **Footprint Optimization** ~~restructuring of the operations of our Beverage Merchandising segment~~ , or any other business **restructuring or** reorganization. ” We may not be able to successfully negotiate any such agreements or new collective bargaining agreements in the future on satisfactory terms or at all. If we are not able to maintain satisfactory relationships with our employees and their representatives, or if prolonged labor disputes, slowdowns, strikes or similar actions occur, our business and results of operations could be adversely affected. Loss of our key management and other personnel or an inability to attract new management and other personnel could impact our business. We depend on our senior executive officers and other key personnel to operate our business and on our in- house technical experts to develop new products and technologies and to service our customers. Although we have employment agreements with certain of our executives, the agreements have no specific duration and all of our executives are at- will employees. As a result, they may terminate their employment relationship with us at any time, and we cannot ensure that we will be able to retain their services. Our senior management’ s knowledge of our business and industry would be difficult to replace, and the loss of any of these executives or other key personnel could adversely affect our operations. Further, we have experienced management turnover in the recent past. For example, John McGrath served as our chief executive officer for six months after our IPO until his retirement and replacement by Michael King in early 2021. In mid- 2021, John Rooney, the long- time president of our **legacy** Beverage Merchandising segment, left the company and was replaced by Byron Racki **, who left the company in mid- 2023** . Furthermore, in May 2022, Michael Ragen, our chief financial officer since our IPO, left the company and was replaced by Jonathan Baksht. Management transition is often difficult and inherently causes some loss of institutional knowledge and a learning curve for new executives, which could negatively affect our results of operations and financial condition. Our ability to execute our business strategies may be adversely affected by the uncertainty associated with any such transition, and the time and attention from the board and management needed to fill vacant roles and train new employees could disrupt our business. Competition is intense for qualified employees among companies that rely heavily on engineering and technology, and the loss of qualified employees or an inability to attract, retain and motivate additional highly skilled employees required for the operation and expansion of our business could hinder our ability to successfully conduct research and development activities or develop and support marketable products. We are affected by seasonality and cyclicality. Demand for certain of our products is moderately seasonal. Our Foodservice **operations** and **the food merchandising operations of our** Food **and Beverage** Merchandising ~~operations~~ **segment** peak during the summer and fall months in North America when the favorable weather and harvest and holiday seasons lead to increased consumption, resulting in greater levels of sales in the second and third quarters. ~~Our~~ **The beverage merchandising operations of our Food and** Beverage Merchandising ~~operations~~ **segment** are generally less sensitive to seasonal effects, although they do experience some seasonality as a result of increased consumption of milk by school children during the North American academic year, resulting in a greater level of carton product sales in the first and fourth quarters. In addition, the market for some of our products can be cyclical and sensitive to changes in general business conditions, industry capacity, consumer preferences and other factors. ~~Our results in 2020, 2021 and the beginning of 2022 were impacted significantly by the coronavirus pandemic, and in many cases these impacts exceeded the impact of historical seasonality trends.~~ For ~~instance, in 2021, school closures due to the coronavirus pandemic, and the resulting decreased sales of milk cartons for use by school children, had the effect of reducing the seasonal~~

~~increase in sales we typically experience in our Beverage Merchandising segment in the first and fourth quarters. For more~~ information on ~~other~~ factors that can affect our business cyclically, see the risk factor " Our business is subject to risks related to global economic conditions, including inflation and interest rates, consumer demand, global supply chain challenges and other macroeconomic issues that could have an adverse effect on our business and financial performance. " We have no control over these factors and they can significantly influence our financial performance. Financial Risks We have significant debt, which could adversely affect our financial condition and ability to operate our business. We had $ ~~4~~ **3** , ~~160~~ **605** million of outstanding indebtedness as of December 31, ~~2022~~ **2023** . Our debt level and related debt service obligations: • require us to dedicate significant cash flow to the payment of principal of, and interest on, our debt, which reduces the funds we have available for other purposes, including working capital, capital expenditures and general corporate purposes; • may limit our flexibility in planning for or reacting to changes in our business and market conditions or in funding our strategic growth plan; • impose on us financial and operational restrictions; and • expose us to interest rate risk on our debt obligations bearing interest at variable rates. These restrictions could adversely affect our financial condition and limit our ability to successfully implement our growth strategy .Borrowings under our credit agreement are at variable rates of interest,and as a result,as of December 31, ~~2023~~ **2022** ,$ ~~1~~ **2** , ~~680~~ **227** million,representing ~~47~~ **54** %,of our outstanding indebtedness was at variable rates of interest,exposing us to interest rate risk.Although our overall debt levels ~~decreased by~~ **remained substantially the same throughout 2022,the** approximately **400** ~~13 % during 2023,the approximately 110~~ basis point increase in the variable index rate during ~~2023~~ **2022** **substantially** increased our debt service obligations and correspondingly decreased our net income and cash flows.As of December 31, ~~2023~~ **2022** , **we had** approximately $ ~~680~~ **1,227** million of ~~the total $ 1,680 million of~~ variable interest rate indebtedness **that** was not hedged by an interest rate swap,and any additional interest rate swaps into which we enter may not fully mitigate our remaining interest rate risk.If interest rates continue to increase and we are not able to fully mitigate our remaining interest rate risk,our debt service obligations on the variable rate indebtedness would continue to increase even if the amount borrowed remained the same,and our net income and cash flows,including cash available for servicing our indebtedness, **will correspondingly decrease** . In addition, we may need additional financing to support our business and pursue our growth strategy, including for strategic acquisitions. Our ability to obtain additional financing, if and when required, will depend on investor demand, our operating performance, the condition of the capital markets and other factors. We cannot assure you that additional financing will be available to us on favorable terms when required, or at all. If **interest rates remain elevated, any refinancing to replace matured indebtedness as described earlier may be on less favorable terms than the indebtedness that it replaces, which would increase our debt service obligations and correspondingly decrease our net income and cash flows. If** we raise additional funds through the issuance of equity, equity- linked or debt securities, those securities may have rights, preferences or privileges senior to those of our common stock and, in the case of equity and equity- linked securities, our existing shareholders would experience dilution . Borrowings under our credit agreement are...... servicing our indebtedness, will correspondingly decrease . Goodwill, intangible assets and other long- lived assets are material components of our balance sheet, and impairments of their balances could have a significant impact on our financial results. We have recorded a significant amount of goodwill and other indefinite- lived intangible assets in our consolidated financial statements resulting from our acquisitions. We test the carrying value of goodwill and other indefinite- lived intangible assets for impairment at least annually and whenever events or circumstances indicate the carrying value may not be recoverable. The estimates and assumptions about future results of operations and cash flows made in connection with the impairment testing could differ from future actual results of operations and cash flows. Any resulting impairment charge, although non- cash, could have a material adverse effect on our results of operations and financial position. Our historical financial results also include other asset impairment charges. These charges have arisen from a variety of events including decisions to exit certain businesses and ceasing to use certain equipment before the end of its useful life. Future asset impairment charges could arise as a result of changes in our business strategy or changes in the intention to use certain assets or facilities. Any resulting impairment charge, although non- cash, could have a material adverse effect on our results of operations and financial position. Our insurance may not adequately protect us against business and operating risks. Insurance covers some, but not all, of the potential risks and liabilities associated with our business. For some risks, we may not obtain insurance if we believe the cost of available insurance is excessive in relation to the risks presented. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially, and in some instances, certain insurance policies are economically unavailable or available only for reduced amounts of coverage. For example, we are not fully insured against all risks associated with pollution, contamination and other environmental incidents or impacts. Moreover, we may not be able to maintain adequate insurance in the future at rates we consider reasonable or to obtain or renew insurance against certain risks. We maintain a high deductible or self- insured retention on many of the risks that we do insure, and we would bear the cost or loss to the extent of the high deductible or self- insured retention. Any significant uninsured liability, or our high deductible or self- insured retention, may require us to pay substantial amounts which would adversely affect our financial position and results of operations. We face risks associated with certain pension obligations. We have pension plans that cover many of our employees, former employees and employees of formerly affiliated businesses. Certain of these pension plans are defined benefit pension plans pursuant to which the participants receive defined payment amounts regardless of the value or investment performance of the assets held by the plans. Deterioration in the value of plan assets, including equity and debt securities, resulting from a general financial downturn or otherwise, or a change in the interest rate used to discount the projected benefit obligations, could cause a decrease in the funded status of our defined benefit pension plans, thereby increasing our obligation to make contributions to the plans, which in turn would reduce the cash available for our business. Our largest pension plan is the Pension Plan for Pactiv Evergreen, which we refer to as the PPPE ~~and was formerly known as the Pactiv Evergreen Pension Plan~~ . We became the sponsor when Pactiv Corporation (now Pactiv LLC, our indirect subsidiary) was spun- off from Tenneco Inc. in 1999. This plan covers certain of our employees as well as employees (or their beneficiaries) of certain companies previously owned by Tenneco but not owned by us. As a result, while persons who have never been our employees do not currently accrue benefits under the plan, the total number of beneficiaries covered by this plan is larger than if only our personnel were participants. For this reason, the impact of the pension plan on our net income and cash flow from operations has historically been greater than the impact typically found at similarly sized companies, and changes in the interest rate used to discount projected benefit obligations, governmental regulations related to funding of retirement plans, financial market performance and revisions to mortality tables as a result of changes in life expectancy have a disproportionate effect on our results of operations compared with similarly sized companies. Since our IPO, we have reduced our exposure to pension obligations through acquisitions of non- participating group annuity contracts which have transferred the future benefit obligations and annuity administration for approximately 39, 800 beneficiaries under our plans, thereby reducing our gross pension plan liabilities by approximately $ 2, 900 million. While we have undertaken these transactions to reduce our business' s exposure to pension obligations, we nevertheless retain gross pension benefit obligations ~~exceeding~~ **of** $ ~~900~~ **966** million. During ~~2022~~ **2023** , the PPPE' s net asset position increased from $ ~~9 million to $~~ 16 million **to $ 61 million** , primarily as a result of **asset returns** ~~an increase in the discount rate~~ , partially offset by ~~asset returns~~ **a decrease in the discount rate** . We **contributed** ~~did not make any~~ - **an** ~~contributions~~ **immaterial amount** to the PPPE ~~in~~ **during the year ended December 31,** ~~2022~~ **2023** . Future contributions to our pension plans, including the PPPE, ~~will be dependent~~ --- **depend** on future plan asset returns and interest rates and are highly sensitive to changes. Any future contributions will reduce the cash otherwise available to operate our business and could have an adverse effect on our ~~results of operations~~ .The international scope of our operations and our corporate and financing structure may expose us to potentially adverse tax consequences.We are subject to taxation in,and to the tax laws and regulations of,multiple jurisdictions as a result of the international scope of our operations and our corporate and financing structure.We are also subject to intercompany pricing laws,including those relating to the flow of funds between our companies pursuant to,for example,purchase agreements,licensing agreements or other arrangements.Adverse developments in these laws or regulations,or any change in position regarding the application,administration or interpretation of these laws or regulations in any applicable jurisdiction,could adversely affect our business,financial condition and results of operations.In addition,the tax authorities in any jurisdiction in which we operate,including the United States,may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions,including the tax treatment or characterization of our indebtedness.If any applicable tax authorities,including the U.S.tax authorities,were to successfully challenge the tax treatment or characterization of any of our transactions,it could result in the disallowance of deductions,the imposition of withholding taxes on internal deemed transfers or other consequences that could adversely affect our business,financial condition and **results of operations** results of operations. Our commodity hedging activities may result in significant losses and in period- to- period earnings volatility. We enter into hedging transactions from time to time to limit our exposure to raw material and energy price risks. Our commodity hedges are primarily related to resin, natural gas, ethylene, propylene, benzene, diesel and polyethylene. If our hedging strategies prove to be ineffective or if we fail to effectively monitor and manage our hedging activities, we could incur significant losses which could adversely affect our financial position and results of operations, and we could experience significant fluctuations in our earnings from period- to- period. Factors that could affect the impact and effectiveness of our hedging activities include the accuracy of our operational forecasts of raw material and energy needs and volatility of the commodities and raw materials pricing markets . The international scope of our operations......, financial condition and results of operations . Currency exchange rate fluctuations could adversely affect our results of operations. Our business is exposed to fluctuations in exchange rates. Although our reporting currency is U. S. dollars, we operate in multiple countries and transact in a range of foreign currencies. In addition, we are exposed to exchange rate risk as a result of sales, purchases, assets and borrowings (including intercompany borrowings) that are denominated in currencies other than the functional currency of the respective entities. Where possible, we try to minimize the impact of exchange rate fluctuations by transacting in local currencies so as to create natural hedges. There can be no assurance that we will be successful in protecting against these risks. Under certain circumstances in which we are unable to naturally offset our exposure to these currency risks, we may enter into derivative transactions to reduce such exposures. Nevertheless, exchange rate fluctuations may either increase or decrease our net revenues and expenses as reported in U. S. dollars. Given the volatility of exchange rates, we may not be able to manage our currency transaction risks effectively, and volatility in currency exchange rates may materially adversely affect our financial condition or results of operations. ~~Our credit agreement bears interest~~ **Legal, Regulatory and Compliance Risks Government regulations and judicial decisions affecting products we manufacture or the products contained in the products we produce could significantly reduce demand for our products. Many governmental authorities, both in the United States and abroad, have considered, and are expected to consider, legislation aimed** at ~~variable interest~~ **reducing the amount of materials incapable of being recycled or composted. Programs have included, for example, banning or restricting certain types of products, mandating certain** rates ~~based~~ **of recycling and the use of recycled materials, imposing fees or taxes** on ~~LIBOR~~ **single- use items (often plastic), requiring retailers or manufacturers to take back packaging used for their products and requiring retailers to refrain from providing certain single- use or plastic items unless specifically requested. For instance, in 2022, California enacted the Plastic Pollution Prevention and Packaging Producer Responsibility Act** , which **, among other things, requires a 25 % reduction of plastics in single- use products in the state by 2032 and escalating recycling, reuse or composting rates for single- use packaging, regardless of material, used in the state over time. Similarly, the Canadian government in 2021 enacted a broad prohibition on single- use plastics. While this policy** is ~~being discontinued,~~ **currently suspended following** ~~and~~ - **an adverse judgment by a lower court,** the **government** ~~transition to new reference rates~~ could **appeal that judgment** ~~cause interest rates under our~~ - **or** ~~current or future debt agreements to fluctuate or cause~~ **revise its requirement. Additionally, in 2023, members of** ~~other~~ -- **the U** ~~unanticipated consequences~~ . ~~Interest rates under our credit agreement~~ **S. Congress introduced legislation to prohibit single-** use **plastic foam foodservice products. Any such legislation, as well as voluntary initiatives similarly aimed at reducing** the ~~London~~

~~Inter~~ **level of single** - ~~Bank Offered Rate~~ **use packaging waste** , **could reduce demand** ~~or LIBOR, as the reference rate~~ for ~~purposes of determining the variable interest rate that applies to~~ our **products** ~~borrowings thereunder~~ . ~~LIBOR' s regulator~~ **Some consumer products companies** , **including some of our customers** ~~the U. K. Financial Conduct Authority, and administrator, the ICE Benchmark Administration~~ , have **responded** ~~announced that the publication of LIBOR will cease. The one- week and two-~~ - **to** ~~- month USD LIBOR maturities~~ **these governmental initiatives and to perceived environmental or sustainability concerns of consumers, investors and government** and non- **governmental organizations by using only recyclable** ~~USD LIBOR maturities ceased after December 31, 2022, with the remaining USD LIBOR maturities ceasing after June 30, 2023. As of December 31, 2022, the term loans incurred under our~~ - **or compostable** ~~credit agreement bear interest at variable interest rates based on the one- month USD LIBOR. The outstanding aggregate principal balance of our term loans under the credit agreement was $ 2, 227 million as of December 31, 2022, and they are currently scheduled to mature after June 30, 2023. The Board of Governors of the Federal Reserve System has selected the Secured Overnight Funding Rate, or SOFR, as the preferred alternate rate to LIBOR. We are planning for this transition and are currently evaluating amendments to our credit agreement to incorporate an alternative benchmark rate in replacement of LIBOR. SOFR is calculated differently from LIBOR and has inherent differences which could give rise to uncertainties, including the limited historical data and volatility in the benchmark rates. While we continue~~ - **containers** ~~to evaluate the potential impact of the transition to SOFR, these changes could result in interest obligations that are slightly more than or do not otherwise correlate exactly over time with the payments that would have been made on such debt if USD LIBOR were available in its current form, including a potential increase in our overall interest expense on unhedged variable rate indebtedness which is currently based on LIBOR~~ . ~~In addition, while our credit agreement provides a mechanism for determining an alternative rate of interest if no tenors of LIBOR are available, there can be no assurance that we will be able to reach an agreement with the administrative agent for our lenders before experiencing adverse effects due to changes in the underlying benchmark rate, if at all, as our credit agreement provides for an amendment approach to the establishment of a successor benchmark, as opposed to a hardwired approach where LIBOR would be replaced automatically upon a benchmark transition event. The potential effect of the replacement of LIBOR on our cost of capital cannot yet be determined and any increase in the interest we pay, and a corresponding increase in our costs of capital or otherwise, could have a material adverse impact on our financial condition, results of operations or cash flows. Legal, Regulatory and Compliance Risks~~ We are subject to increasingly stringent environmental, health and safety laws and regulations, and we could incur significant costs in complying with, or liabilities and obligations related to, such laws and regulations. We are subject to various federal, state, local and international environmental, health and safety laws and regulations, which have tended to become more stringent over time. Among other things, these laws and regulations govern the emission or discharge of materials into the environment, the use, storage, treatment, disposal, management and releases of, and exposure to, hazardous substances and wastes, the health and safety of our employees, protection of wildlife and endangered species, wood harvesting and the materials used in and the recycling of our products. Violations of these laws and regulations can result in substantial fines or penalties, injunctive relief, requirements to install pollution or other controls or equipment, civil and criminal sanctions, permit revocations and facility shutdowns. A number of our facilities require permits from environmental regulators, and obtaining and renewing these permits is a lengthy, expensive and burdensome process. Moreover, we may be directly impacted by the risks and costs to us, our customers and our vendors of the effects of climate change, greenhouse gases and the availability of energy and water resources. These risks include the potentially adverse impact on forestlands, which are a key resource in the production of some of our products, increased product costs and a change in the types of products that customers purchase. We also face risks arising from the increased public focus, including by consumers, investors and governmental and non-governmental organizations, on these and other environmental sustainability matters, such as packaging and waste, deforestation and land use, including enacted or proposed legislation imposing fees on manufacturers and other suppliers of single- use food packaging and foodservice products to encourage and fund recycling of such products. We are and have been involved, both proactively and in response to threatened litigation by regulators, in the remediation of current, former and third- party sites and could be held jointly and severally liable for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances and wastes at any site we have ever owned, leased, operated or used as a treatment or disposal site, including releases by prior owners or operators of sites we currently own or operate. We could also be subject to third- party claims for property or natural resource damage, personal injury or nuisance or otherwise as a result of violations of or liabilities under environmental laws and regulations or in connection with releases of hazardous or other substances or wastes. In addition, changes in, or new interpretations of, existing laws, regulations, permits or enforcement policies, the discovery of previously unknown contamination or the imposition of other environmental, health and safety liabilities or obligations in the future, including additional investigation or other obligations with respect to any potential health hazards of our products or business activities or the imposition of new permit requirements, may lead to additional compliance or other costs that could have a material adverse effect on our business, financial condition or results of operations. Moreover, as environmental issues, such as climate change, have become more prevalent, federal, state, local and foreign governments have responded, and are expected to continue to respond, with increased legislation and regulation, which could negatively affect us. For example, the U. S. Environmental Protection Agency regulates certain greenhouse gas emissions under the Clean Air Act, and various countries are party to the Paris Agreement, pursuant to which many have made national pledges to reduce greenhouse gas emissions. Similarly, **in 2023 California enacted two climate disclosure bills to require subject companies to report their greenhouse gas emissions and climate- related financial risks, and** the U. S. Securities and Exchange Commission has proposed and is currently considering regulations to substantially increase the climate- related disclosures required of public companies. **For more information on the potential impact of these and other efforts to increase disclosures relating to environmental matters, please refer to the risk factor " Our aspirations and disclosures related to ESG matters expose us to risks that could adversely affect our reputation and performance. "** These and other international, foreign, federal, regional and state climate change initiatives may cause us to incur additional direct costs in complying with new environmental legislation or regulations, such as costs to upgrade or replace equipment, or increased public- company compliance costs, as well as increased indirect costs resulting from our suppliers, customers or both incurring additional compliance costs that could get passed through to us or impact product demand. ~~Government regulations and judicial decisions affecting products we produce or the products contained in the products we produce could significantly reduce demand for our products. Many governmental authorities, both in the United States and abroad, have considered, and are expected to consider, legislation aimed at reducing the amount of materials incapable of being recycled or composted. Programs have included, for example, banning or restricting certain types of products, mandating certain rates of recycling and the use of recycled materials, imposing fees or taxes on single- use items (often plastic), requiring retailers or manufacturers to take back packaging used for their products and requiring retailers to refrain from providing certain single- use or plastic items unless specifically requested. For instance, on June 30, 2022, California enacted the Plastic Pollution Prevention and Packaging Producer Responsibility Act, which, among other things, requires a 25 % reduction of plastics in single- use products in the state by 2032 and escalating recycling, reuse or composting rates for single- use packaging, regardless of material, used in the state over time. Such legislation, as well as voluntary initiatives similarly aimed at reducing the level of single- use packaging waste, could reduce demand for our products. Some consumer products companies, including some of our customers, have responded to these governmental initiatives and to perceived environmental or sustainability concerns of consumers, investors and government and non- governmental organizations by using only recyclable or compostable containers.~~ We are subject to numerous labor laws and regulations, including those relating to worker safety and wages and hours, and failure to comply with these laws and regulations could negatively affect our business. We are subject to a number of laws and regulations related to safety, including those administered by the Occupational Safety and Health Administration and comparable state regulators. These regulations impose a number of requirements relating to workforce safety with which we are required to comply. For more information on the importance of safety in our manufacturing, please refer to the risk factor " Unsatisfactory safety performance may subject us to regulatory penalties, civil litigation or criminal prosecution, increase our insurance premiums, result in higher operating costs, negatively impact employee morale, result in higher employee turnover and damage our reputation. " Failure to comply with these requirements could result in penalties, fines, compliance costs and reputational damage that adversely affect our business. Our operations are subject to a variety of foreign, federal, state and local labor laws and regulations, including the Fair Labor Standards Act, the Family Medical Leave Act, the Civil Rights Act and the Employee Retirement Income Security Act. Further, as discussed in greater detail in the risk factor " Employee slowdowns, strikes and similar actions could adversely affect our business and operations, " a substantial portion of our workforce is unionized. As a result, we are required to comply with a number of applicable labor- relations laws, including the National Labor Relations Act. We are from time to time subject to allegations that we have breached these and related legal requirements, and if we are found to have violated any of these laws, our business and operating results could be adversely affected. We may incur material liabilities under, or costs in order to comply with, product quality and related laws and regulations to which our products are subject. Many of our products come into contact with food and beverages, and the manufacture, packaging, labeling, storage, distribution, advertising and sale of those products are subject to various laws designed to protect human health. For example, in the United States, many of our products are regulated by the Food and Drug Administration, which, among other things, promulgates current good manufacturing practice regulations, and our product claims and advertising are regulated by the Federal Trade Commission. Most states have agencies that regulate in parallel to these federal agencies. Complying with these laws and regulations is costly, and if any of our products is deemed to be out of compliance with any of these laws and regulations, our business, financial condition and results of operations could be adversely affected. Even without a determination that our products do not comply with relevant requirements, if consumers and our customers are uncertain about whether our products comply, for example if we face allegations of non- compliance, even if we ultimately prevail against those allegations, we may lose customers, or have difficulty selling our products, which would adversely affect our business. In addition, changes in these laws and regulations could impose significant limitations and require changes to our business, which in turn may increase our compliance expenses, make our business more costly and less efficient to conduct and compromise our growth strategy. ~~regulators~~ **are subject to stringent privacy laws** , **information security policies** and **contractual obligations governing the use,processing and cross-border transfer of personal information.We receive,generate and store increasing amounts of sensitive information,** such ~~standards~~ **as personally identifiable information.We face a number of risks relative to protecting this critical information,including loss of access risk,inappropriate use or disclosure,inappropriate modification and the inability to adequately monitor,audit and modify our controls over our critical information.This risk extends to the third party vendors and subcontractors we use to manage this sensitive data.We are subject to a variety of local,state,national and international laws,directives and regulations that apply to the collection,use,retention,protection,disclosure,transfer and other processing of personal data in the different jurisdictions in which we operate,including,most prominently,the California Consumer Privacy Act,or CCPA.For example,the CCPA creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal data.In addition to fines and penalties imposed upon violators,some of these laws,including the CCPA,also afford private rights of action to individuals who believe their personal information has been misused.The interplay of foreign,federal and state laws** may **be subject to varying interpretations by courts and government agencies,creating complex compliance issues for us in regard to data we receive,use and share,potentially exposing us to additional expense,adverse publicity and liability.Legal requirements relating to the collection,storage,handling and transfer of personal information and personal data continue to evolve and may result in ever- increasing public scrutiny and escalating levels of enforcement,sanctions and increased costs of compliance.Compliance with applicable data protection laws and regulations could also require us to** change ~~over time or~~ **our** ~~conflict~~ **business practices and compliance procedures in a manner adverse to our**

business.Penalties for violations of these laws vary,but can be substantial.Moreover,complying with **these various laws could require us to take** ~~one~~ - **on more onerous obligations** ~~another,which could result~~ in ~~significant revisions to our current goals,reported progress in achieving such goals or~~ **our contracts,restrict our** ability to **collect,** ~~achieve such goals in the future;impose additional costs on us~~ **use** ~~;~~ **and disclose data,** or ~~limit~~ **in some cases,impact** our ability to **operate** ~~conduct business~~ in certain jurisdictions. **In addition** ~~If our ESG practices do not meet evolving customer~~ , **we rely on third- party vendors** ~~investor,regulator or other stakeholder expectations and standards,then our reputation,our ability~~ to **collect,process** ~~attract or retain employees and our attractiveness as an~~ **and** ~~investment~~ **store data on** ~~or~~ **our behalf** ~~supplier could be negatively impacted.Further~~ , **and we cannot guarantee that such vendors are in compliance with all applicable data protection laws and regulations.Our** ~~our~~ - **or our vendors'** failure ~~or perceived failure~~ to ~~pursue or fulfill our goals~~ **comply with applicable data protection laws** and **regulations** ~~objectives or to satisfy various reporting standards on a timely basis,or at all,~~ could **result in** ~~have similar negative impacts or expose us to~~ government enforcement actions ~~and~~ **(which could include civil or criminal penalties),** private litigation **and adverse publicity and could negatively affect our operating results and business** . **Claims that we have violated individuals' privacy rights,failed to comply with data protection laws** ~~For~~ - **or** ~~example~~ **breached our contractual obligations or privacy policies** , **even if we are** ~~the SEC has proposed,and California has adopted,new climate change disclosure requirements.While the final scope of these disclosure regimes is~~ not ~~yet clear~~ **found liable** , **could be expensive** ~~because the SEC' s proposed regulations have not yet been promulgated~~ and **time consuming to defend** ~~California has not yet adopted implementing regulations for its new statutory regime~~ , ~~compliance with these rules will likely ultimately require significant effort and resources and~~ could result in **adverse publicity** ~~changes to our current ESG goals.Moreover,while we create and publish voluntary disclosures regarding ESG matters from time to time,many of the statements in those voluntary disclosures are based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events,including the costs associated therewith.Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an~~ **and** ~~established single approach to identifying,measuring and reporting on many ESG matters.Moreover,organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters.Such ratings are used by some investors to inform their investment and voting decisions.Unfavorable ESG ratings and recent activism directed at shifting funding away from companies with unfavorable ESG profiles could lead to increased negative investor sentiment toward us and our industry and to the diversion of investment to other markets,which~~ could have a ~~negative impact~~ **material adverse effect** on our **business,** ~~access to and costs of capital.There is also the possibility that~~ financial **condition and** ~~institutions could adopt policies that limit funding for companies with unfavorable ESG profiles.Any of these~~ results ~~could raise our cost~~ of **operations** ~~capital and diminish our access to necessary financing~~ .We are frequently involved in legal proceedings that could result in substantial liabilities for us.We are subject to a variety of legal proceedings.It is difficult to predict with certainty the cost of defense or the outcome of any of these proceedings and their impact on our business,including remedies or damage awards.Adverse outcomes in any claim or lawsuit against us could result in significant monetary damages or injunctive relief that could adversely affect our ability to conduct our business.If liabilities or fines resulting from these proceedings are substantial or exceed our expectations,our business,financial condition or results of operations may be adversely affected. ~~In addition,regardless of the outcome of any legal proceedings,they are often costly and time consuming and could require significant attention from our management,and therefore could have a material adverse effect on our financial condition,results of operations or cash flows.~~ As an example of litigation to which we have been subject,in **the second quarter of** 2021,MP2 Energy LLC filed a lawsuit against ~~one of~~ our **indirect** ~~subsidiaries~~ **subsidiary Pactiv LLC** in state court in **Montgomery County,** Texas **,which we refer to as the MP2 Litigation** .The complaint alleged that **Pactiv** ~~our subsidiary~~ breached an agreement with MP2 to sell a certain quantity of energy at a specified price as a result of the disruptions caused by Winter Storm Uri **and sought approximately $ 50 million in damages** .In **the third quarter of** 2022, ~~we settled~~ the case **was dismissed pursuant to a settlement agreement** .As a result,the **MP2** ~~litigation~~ **Litigation is** ~~has been~~ resolved ~~;~~ **,and we do not anticipate a loss related to this matter,beyond an insignificant cash payment made by Pactiv to MP2 pursuant to the settlement agreement.** ~~however~~ **However** ,if similar litigation is filed against us,we may incur significant legal fees,settlements or damages awards.If any such matter is not ultimately resolved in our favor,losses arising from the results of litigation or settlements,as well as ongoing defense costs,could adversely affect our business,financial condition or results of operations.Supply of faulty or contaminated products could harm our reputation and business.Although we have control measures and systems in place to ensure the maximum safety and quality of our products is maintained,the consequences of not being able to do so,due to accidental or malicious raw material contamination,or due to supply chain contamination caused by human error or faulty equipment,could be severe.These consequences may include adverse effects on consumer health and our reputation,loss of customers and market share,financial costs or loss of revenue.If any of our products are found to be defective,we could be required to recall ~~them~~ **such products** ,which could result in adverse publicity,significant expenses and a disruption in sales ~~that~~ **and** could affect our reputation and that of our products.Although we maintain product liability insurance coverage,potential product liability claims may exceed the amount of insurance coverage or potential product liability claims may be excluded under the terms of the policy.In addition,if any of our competitors or customers supply faulty or contaminated products to the market,or if manufacturers of the end- products that use our products produce faulty or contaminated products,our industry,or our end- products' industries,could be negatively impacted,which could have adverse effects on our business.For more information on the laws and regulations impacting the quality of the products that we manufacture,please refer to the risk factor " We may incur material liabilities under,or costs in order to comply with,product quality and related laws and regulations to which our products are subject." **The widespread use of social media and networking sites by consumers has greatly increased the speed and accessibility of information dissemination.** Negative publicity,posts or comments on social media or networking sites about us,whether accurate or inaccurate,or non- public sensitive information about us,could be widely disseminated through the use of social media.Any of these events could harm our image and adversely affect our business as well as require resources to rebuild our reputation if they were to occur.Cybersecurity breaches and improper access to or disclosure of our data or user data,or other infiltration,hacking and phishing attacks on our systems,could harm our reputation and adversely affect our business.We depend on information technology for processing and distributing information in our business,including to and from our customers and suppliers and for managing our production and distribution processes.This information technology is subject to theft,damage or interruption from a variety of sources,including malicious computer viruses,security breaches,defects in design,natural disasters,terrorist attacks,power and telecommunication failures,employee malfeasance or human or technical errors.Additionally,we can be at risk if a customer' s or supplier' s information technology system is attacked or compromised.Any failure to prevent or mitigate security breaches and improper access to or disclosure of our data or third- party data to which we have access,including personal information,could result in the loss or misuse of such data,which could harm our business and reputation and diminish our competitive position.In addition,computer malware,viruses,social engineering (such as phishing attacks),ransomware and general hacking have become more prevalent,have occurred on our systems in the past and may occur on our systems in the future.Such attacks may interrupt our business operations,damage our reputation,impair our internal systems or result in financial harm to us.Further,these risks could be heightened by the fact that **,since the beginning of the coronavirus pandemic,** many of our employees **have been working** ~~work,exclusively or partly,~~ from home **and we expect that a majority of those employees whose job functions permit working from home will continue to do so for the foreseeable future** .Although we have taken measures to protect our data and computer systems from attack,we have in the past been the subject of cybersecurity attacks that,while collectively immaterial,were nonetheless successful. ~~These~~ -- **The** measures may not prevent unauthorized access to our systems or theft of our data.If we or third parties with whom we do business were to fall victim to cyber- attacks or experience other cybersecurity incidents,such incidents could result in unauthorized access to,disclosure or loss of or damage to company,customer or other third party data;theft of confidential data including personal information and intellectual property;loss of access to critical data or systems;and other business delays or disruptions.If these events were to occur,we may incur substantial costs or suffer other consequences that negatively impact our operations and financial results. **We** ~~Moreover,the SEC recently promulgated regulations requiring us to disclose material cybersecurity incidents.This disclosure obligation is contingent upon the result of complex analyses,including a determination of materiality.The nature of cybersecurity incidents can make it difficult to quickly and comprehensively assess an incident' s overall impact to our business,and we may make errors in our assessments.If we are unable to appropriately assess a cybersecurity incident in the context of required analyses,we could face compliance issues under these and other regulations,and we could be subject to lawsuits,regulatory fines or investigations or other liabilities,any or all of which could adversely affect our business and operating results.Furthermore,cybersecurity incidents experienced by us,or by our customers or vendors,that lead to public disclosures may also lead to widespread negative publicity and increased government or regulatory scrutiny.Any security compromise,whether~~ We are subject to the Foreign Corrupt Practices Act, or FCPA, and other similar anti- corruption, anti- bribery and anti- kickback laws and regulations, and any non- compliance with those laws or regulations by us or others acting on our behalf could adversely affect our business, financial condition and results of operations. The FCPA and other similar anti- corruption and anti- bribery laws and regulations in other jurisdictions generally prohibit companies and their intermediaries from offering or providing improper things of value to foreign officials for the purpose of obtaining or retaining business or securing regulatory benefits. Under these laws, we may be liable for the actions of employees, officers, directors, agents, representatives, consultants or other intermediaries, or our strategic or local partners, including those over whom we may have little actual control. We continuously transact business, including in new locations, around the world, occasionally have contacts with foreign public officials and therefore have potential exposure to liability under laws such as the FCPA. If we are found liable for violations of the FCPA or other similar anti- corruption, anti- bribery or anti- kickback laws or regulations, either due to our own acts or out of inadvertence, or due to the acts or inadvertence of others, we could suffer criminal or civil fines or penalties or other repercussions, including reputational harm, which could negatively affect our business, financial condition and results of operations. In ~~August~~ 2020, we identified practices in our Evergreen Packaging Shanghai business, which was part of our **legacy** Beverage Merchandising segment, that involved acts potentially in violation of the FCPA. **We** ~~In September 2020, we~~ voluntarily disclosed these matters and the results of our investigation conducted by external counsel, accountants and other advisors to the U. S. Department of Justice, or DOJ, and the SEC. Our investigation identified the occasional giving of gift cards representing relatively minor monetary values to government regulators and employees of state- owned enterprise customers in the People' s Republic of China over the course of several years. The amounts involved were immaterial, individually and in the aggregate, and the gift cards appear to have been provided at the times of Chinese holidays for general goodwill purposes only. We have ~~begun to remediate~~ **remediated** these practices, including by discontinuing the giving of gift cards. In the course of our investigation, we also identified certain other gift, travel and entertainment practices that ~~do~~ **did** not comply with our policies and expectations. These findings provided an opportunity for targeted, enhanced controls and additional training in these areas. We presented our investigation findings to the DOJ and the SEC in ~~February~~ 2021. In response to and based on our investigation findings, the DOJ and the SEC closed their files on this matter without any action against us. We are subject to stringent privacy laws,...... our operations and financial results. We may not be successful in obtaining, maintaining and enforcing our intellectual property rights, including our unpatented proprietary knowledge and trade secrets, or in avoiding claims that we infringed on the intellectual property rights of others. In addition to relying on the patent, copyright and trademark rights granted under the laws of the United States and other countries in which we do business, we rely on unpatented proprietary knowledge and trade secrets and employ various methods, including confidentiality agreements with employees and third parties, to protect our knowledge and trade secrets. However, these precautions and our patents, copyrights and trademarks may not afford complete protection against infringement, misappropriation or other violation of our rights by third parties, and there can be no assurance that others will not independently develop the knowledge protected by our trade secrets or develop products that compete with ours despite not infringing, misusing or otherwise violating our intellectual property rights. Patent, copyright and trademark rights are territorial, and the protection they provide will only extend to those countries in which we have been issued patents and have registered trademarks or copyrights. Even so, the laws of certain countries do not protect our intellectual property rights to the same extent as U. S. laws do. We believe that we have sufficient intellectual property rights to allow us to conduct our business without incurring liability to third parties. However, we or our products may nonetheless infringe on the intellectual property rights of third parties, or we may determine in the future that we require a license or other rights to intellectual property rights held by third parties. Such a license or other rights may not be available to us on commercially reasonable terms or at all, in which case we may be prevented from using, providing or manufacturing certain products, services or brands as we see fit. In addition, we may be subject to claims asserting infringement, misappropriation or other violation of third parties' intellectual property rights seeking damages, the payment of royalties or licensing fees or injunctions against the sale of our products or other aspects of our business. If we are found to have infringed, misused or otherwise violated the intellectual property rights of others, we could be forced to pay damages, stop using the intellectual property rights or, if we are given the opportunity to continue to use the intellectual property rights of others, pay a substantial amount for continued use of those rights. Even if we are not found to infringe, misappropriate or otherwise violate a third party' s intellectual property rights, we could incur substantial expense to defend against its claims, and we could incur significant costs associated with discontinuing to use, provide or manufacture certain products, services or brands, and the defense could be protracted and costly regardless of its outcome. Any of the foregoing could adversely affect our business and results of operations. Furthermore, we cannot be certain that the intellectual property rights we do obtain and rely on will not be challenged or invalidated in the future. In the event of such a challenge, we could incur significant costs to defend our rights, even if we are ultimately successful. We also may not be able to prevent current and former employees, contractors and others from breaching confidentiality agreements and misappropriating trade secrets or other proprietary information. It is possible that third parties may copy or otherwise obtain and use our information and proprietary technology without authorization or otherwise infringe on our intellectual property rights. Infringement of our intellectual property rights may adversely affect our results of operations and make it more difficult for us to establish a strong market position in countries that may not adequately protect intellectual property rights. Others may develop technologies that are similar or superior to our technologies, duplicate our technologies or design around our patents, and steps taken by us to protect our technologies may not prevent infringement or misappropriation of those technologies. Additionally, we have licensed, and may license in the future, patents, trademarks, copyrights, trade secrets and other intellectual property rights to third parties. While we attempt to ensure that our intellectual property rights are protected when entering into business relationships, third parties may take actions that could adversely affect our rights or the value of our intellectual property rights or reputation. If necessary, we also rely on litigation to enforce our intellectual property rights and contractual rights, and, if not successful, we may not be able to protect the value of our intellectual property rights. Any litigation could be protracted and costly and could have a material adverse effect on our business and results of operations regardless of its outcome. Risks Related to Shareholder Influence, Related Party Transactions and Governance Packaging Finance Limited, or PFL, controls the direction of our business, and its concentrated ownership of our common stock will prevent you and other shareholders from influencing significant decisions. PFL owns, and controls the voting power of, approximately ~~78~~ **77** % of our outstanding shares of common stock. As long as PFL continues to control a majority of the voting power of our outstanding common stock, it will generally be able to determine the outcome of all corporate actions requiring shareholder approval, including the election and removal of directors. PFL and its affiliates engage in a broad spectrum of activities. In the ordinary course of their business activities, PFL and its affiliates may engage in activities where their interests may not be the same as, or may conflict with, the interests of our other shareholders. Other shareholders will not be able to affect the outcome of any shareholder vote while PFL controls the majority of the voting power of our outstanding common stock. As a result, PFL will be able to control, directly or indirectly and subject to applicable law, the composition of our Board of Directors, or Board, which in turn will be able to control all matters over which we have control, including, among others: • any determination with respect to our business direction and policies, including the appointment and removal of officers and directors; • the adoption of amendments to our certificate of incorporation, which we refer to as our Charter, or our bylaws; • any determinations with respect to mergers, business combinations or disposition of assets; • compensation and benefit programs and other human resources policy decisions; • the payment of dividends on our common stock; and • determinations with respect to tax matters. In addition, the concentration of PFL' s ownership could also discourage others from making tender offers, which could prevent shareholders from receiving a premium for their common stock. Because PFL' s interests may differ from ours or from those of our other shareholders, actions that PFL takes with respect to us, as our controlling shareholder, may not be favorable to us or our other shareholders. Mr. Hart may have conflicts of interest with the holders of our shares of common stock or us in the future. Mr. Graeme Richard Hart indirectly owns and controls PFL, and therefore a majority of the outstanding shares of our common stock, and the actions he is able to undertake as our controlling shareholder may differ from or adversely affect the interests of our other shareholders. Under the stockholders agreement that we entered into in connection with our IPO, Mr. Hart, through PFL, has the power to nominate a majority of the directors to our Board for so long as PFL and other entities affiliated with Mr. Hart beneficially own more than 40 % of our common stock, enabling Mr. Hart to control our legal and capital structure and operations, subject to applicable law. The stockholders agreement also provides that so long as such affiliated entities hold at least 5 % of our shares, Mr. Hart, through PFL, will be entitled to receive access to certain of our information and also to routinely consult and advise senior management about our business and financial matters, and we have agreed to give consideration to his advice and proposals. The stockholders agreement also provides Mr. Hart, through PFL, with certain consent rights for so long as his affiliated entities hold at least 40 % of our shares. Additionally, Mr. Hart 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. Mr. Hart may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. Conflicts of interest may arise because certain of our directors hold a management or board position with PFL or other affiliated entities. One of our directors is also a director of PFL, another director is Mr. Hart' s son- in- law and two of our directors are also directors of other entities affiliated with Mr. Hart. The relationships of these directors with Mr. Hart, PFL and other entities affiliated with Mr. Hart and us could create, or appear to create, conflicts of interest with respect to decisions involving both us and PFL and other entities affiliated with Mr. Hart that could have different implications for PFL and other entities affiliated with Mr. Hart and us. These decisions could, for example, relate to: • disagreement over corporate opportunities; • competition between us, PFL and other entities affiliated with Mr. Hart; • employee retention or recruiting; • our dividend policy; and • the services and arrangements from which we benefit as a result of our relationships with PFL and other entities affiliated with Mr. Hart. Conflicts of interest could also arise if we enter into any new agreements with PFL or other entities affiliated with Mr. Hart in the future, or if PFL or other entities affiliated with Mr. Hart decide to compete with us in any of our product categories. The presence of directors or officers of entities related to or affiliated with Mr. Hart, PFL and other entities affiliated with Mr. Hart on our Board could create, or appear to create, conflicts of interest and conflicts in allocating their time with respect to matters involving both us and any one of them, or involving us and PFL or other entities affiliated with Mr. Hart, that could have different implications for any of these entities than they do for us. Provisions of our Charter and bylaws address corporate opportunities that are presented to our directors who are also directors or officers of PFL or other entities affiliated with Mr. Hart and certain of their subsidiaries. We cannot assure you that our Charter will adequately address potential conflicts of interest, that potential conflicts of interest will be resolved in our favor or that we will be able to take advantage of corporate opportunities presented to individuals who are directors of both us and PFL or other entities affiliated with Mr. Hart. As a result, we may be precluded from pursuing certain advantageous transactions or growth initiatives. We have entered, and may continue to enter, into certain related- party transactions. There can be no assurance that we could not have achieved more favorable terms if such transactions had not been entered into with related parties, or that we will be able to maintain existing terms in the future. We have entered into various transactions with related parties including, among others: • supply agreements under which we sell certain products (primarily tableware) to RCP and purchase certain products (primarily aluminum foil containers and roll foil) from RCP; • a warehousing and freight services agreement pursuant to which we provide certain logistics services to RCP; • a sub- lease of part of our corporate headquarters in Lake Forest, Illinois and another lease for part of our facility in Canandaigua, New York to RCP; • a tax matters agreement with each of RCP and Graham Packaging; **and** ~~• a transition services agreement with Graham Packaging pursuant to which we, upon Graham Packaging' s request, provide certain administrative services to Graham Packaging for up to 36 months from August 4, 2020;~~ • an IT license usage agreement with Rank and Graham Packaging, pursuant to which we continue to receive usage rights under certain IT- related license and contractual arrangements that are held by certain of our affiliates and provide usage rights to certain of our affiliates under certain IT- related license and contractual arrangements we hold ~~; • an agreement with our affiliate, Rank Treasury Limited, to indemnify it for certain losses that it may suffer from providing a guarantee of a property lease to a third party landlord as part of our divestment of a business; and • a transition services agreement with Rank pursuant to which Rank, upon our request, provided certain administrative and support services to us, and we, upon Rank' s request, provided certain administrative and support services, which expired on December 31, 2022~~. While we believe that all of these transactions have been negotiated on an arm' s length basis and contain commercially reasonable terms, we may have been able to achieve more favorable terms had these transactions been entered into with unrelated parties. In addition, while goods and services are being provided to us by related parties, our operational flexibility to modify or implement changes in those goods or services or the amounts we pay or receive for them may be limited. Potential conflicts of interest or disputes may arise between us and one or more related parties under these related party agreements, or relating to our past or future relationships in several areas including tax, employee benefits, intellectual property rights, indemnification and other matters. Furthermore, conflicts of interest may arise in connection with business opportunities that may be attractive to us and one or more related parties. In the event of a dispute under any of these related- party agreements, the interests of one or more related parties may not align with ours and the resolution of any such disputes may be adverse to us, or less favorable to us than we might achieve if we were not dealing with a related party, and our ability to enforce our contractual rights may be limited. There can be no assurance that such present or any future transactions, and any potential disputes that may arise in connection with them, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations, or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties. It is also likely that we may enter into related- party transactions in the future. Although most related party transactions that we enter into are subject to approval or ratification by the Audit Committee of the Board, there can be no assurance that such transactions, ~~individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations, or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties.~~ The related party transactions we have entered into are of varying durations and may be amended upon agreement of the parties. PFL has the ability to determine the outcome of matters requiring shareholder approval, cause or prevent a change of control and change the composition of our Board. For so long as we are controlled by PFL, we may be unable to negotiate renewals or amendments to these agreements, if required, on terms as favorable to us as those we would be able to negotiate with an unaffiliated third party . We are a " controlled company...... of Nasdaq' s corporate governance requirements . If PFL sells a controlling interest in our company to a third party in a private transaction, you may not realize any change- of- control premium on shares of our common stock, and we may become subject to the control of a presently unknown third party. PFL owns, and controls the voting power of, approximately ~~78~~ **77** % of our outstanding shares of common stock. PFL has the ability, should it choose to do so, to sell some or all of its shares of our common stock in a privately negotiated transaction, which, if sufficient in size, could result in a change of control of our company. The ability of PFL to privately sell its shares of our common stock, with no requirement for a concurrent offer to be made to acquire all of the shares of our common stock that are publicly traded, could prevent you from realizing any change- of- control premium on your shares of our common stock that may otherwise accrue to PFL on its private sale of our common stock. Additionally, if PFL privately sells its significant equity interests in our company, we may become subject to the control of a presently unknown third party that may have conflicts of interest with those of other shareholders. In addition, if PFL sells a controlling interest in our company to a third party, our liquidity could be impaired, our outstanding indebtedness could be subject to acceleration and our commercial agreements and relationships could be impacted, all of which could adversely affect our ability to run our business as described herein and could have a material adverse effect on our results of operations and financial condition . We may be liable for significant......, we would bear such tax liability . RCP and Graham Packaging may compete with us, and their competitive positions in certain markets may constrain our ability to build and maintain partnerships. We may face competition from a variety of sources, including RCP and Graham Packaging, today and in the future. For example, while we do have supply agreements in place with RCP, each of RCP and Graham Packaging may still compete with us in certain products or in certain channels. In addition, while RCP and Graham Packaging do not currently manufacture or sell products that compete with our products in the channels in which we sell our products, they each may do so in the future, including as a result of acquiring a company that manufactures products which compete with ours. RCP and Graham Packaging may have acquired know- how from their previous affiliation with our business, which could give them significant competitive advantages should they decide to engage in the type of business we conduct, which may materially and adversely affect our business, financial condition and results of operations. Although RCP has historically sold the products (primarily tableware and cups) that it purchases from us in the retail channel, and we sell those products in the foodservice business- to- business channel, after the termination of the supply agreement with RCP, it could seek to sell those products in the foodservice channel or otherwise compete with us. As our customer, RCP has information about our products, including pricing, and, as one of our former operating segments, Graham Packaging has knowledge of our business that could provide RCP and Graham Packaging with competitive advantages. In addition, we may partner with companies that compete with RCP and Graham Packaging in certain markets. Our prior affiliation with RCP and Graham Packaging may affect our ability to effectively partner with these companies. These companies may favor our competitors because of our relationships with RCP and Graham Packaging ~~Nominating and Corporate Governance Committee.While PFL controls a majority of the voting power of our outstanding common stock,we continue to rely on some of these exemptions and,as a result,we do not presently have a Compensation Committee or a Nominating and Corporate Governance Committee consisting entirely of independent directors.Accordingly,you will not have the same protections afforded to shareholders of companies that are subject to all of Nasdaq' s corporate governance requirements~~ .We may be liable for significant taxes if the distributions of RCP or of Graham Packaging to PFL are determined to be taxable transactions.In February 2020,before RCP' s IPO,we effected certain distributions to transfer the interests of RCP to PFL in a manner that was intended to qualify as tax- free to PFL,us and Pactiv Evergreen Group Holdings Inc.,which we refer to as PEGHI,under Sections 368 (a) (1) (D) and 355 of the Internal Revenue Code.In addition,before the closing of our IPO in September 2020,we also effected certain distributions to transfer the interests of Graham Packaging to PFL in a manner that was intended to qualify as tax- free to PFL,us and PEGHI under Section 355 of the Internal Revenue Code.We have received tax opinions as to the tax treatment of the RCP and Graham Packaging distributions.These tax opinions rely on certain facts,assumptions,representations and undertakings from Mr.Hart,RCP or Graham Packaging,as applicable,and us regarding the past and future conduct of our,and RCP' s or Graham Packaging' s,as applicable,respective businesses and other matters.If any of these facts,assumptions,representations or undertakings is incorrect or not satisfied,we may not be able to rely on the tax opinions and could be subject to significant tax liabilities with respect to the RCP or Graham Packaging distributions.Despite the tax opinions,the Internal Revenue Service could determine on audit that the RCP or Graham Packaging distributions are taxable if it determines that any of the facts,assumptions,representations or undertakings are not correct or have been violated or if it disagrees with the conclusions in the opinions,or for other reasons,including as a result of certain significant changes in the stock ownership of us,RCP or Graham Packaging,as applicable,or PEGHI.If the RCP or Graham Packaging distributions are determined to be taxable for U.S.federal income tax purposes,we could be liable for significant U.S.federal income tax liabilities.We entered into tax matters agreements with each of RCP and Graham Packaging in connection with their respective distributions.Under these agreements,each distributed business will generally be required to indemnify us against taxes incurred with respect to the applicable distribution that arise as a result of,among other things,(i) a breach of any representation made under the applicable tax matters agreement,including those provided in **connection with an opinion of tax counsel,or (ii) RCP or Graham Packaging,as applicable,taking or failing to take,as the case may be,certain actions,in each case that result in the distributions failing to meet the requirements for tax- free treatment under the Internal Revenue Code.If RCP or Graham Packaging does not indemnify us in accordance with the applicable tax matters agreement,we would bear such tax liability** . Risks Relating to Being a Public Company Anti- takeover provisions in our Charter and bylaws and under Delaware law could make an acquisition of our company more difficult, limit attempts by our shareholders to replace or remove our current management and limit the market price of our common stock. Provisions in our Charter and bylaws may have the effect of delaying or preventing a change of control or changes in our management, including provisions that: • permit our Board, without further action by our shareholders, to fix the rights, preferences, privileges and restrictions of preferred stock, the rights of which may be greater than the rights of our common stock; • restrict the forum for certain litigation against us to Delaware, as discussed in greater detail in the risk factor " Our Charter makes the Delaware Court of Chancery the exclusive forum for most disputes between us and our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees "; and • establish advance notice requirements for nominations to our Board or for proposing matters for action by our shareholders at their annual meetings. Additionally, after PFL and all other entities beneficially owned by Mr. Hart, their successors and affiliates and any of their transferees in connection with certain transfers other than widely distributed public sales beneficially own less than 50 % of the outstanding shares of our common stock, additional anti- takeover provisions take effect, including provisions that: • require at least a two- thirds affirmative shareholder vote to approve amendments to our Charter or bylaws; • provide for a staggered Board; • eliminate the ability of our shareholders to call special meetings; and • prohibit shareholder action by written consent, instead requiring shareholder actions to be taken solely at duly convened shareholder meetings. Even after we cease to be a controlled company, these provisions may frustrate or prevent any attempts by our shareholders to replace or remove our incumbent management by making it more difficult for shareholders to replace members of our Board, which is responsible for appointing the members of our management. As a result, these provisions may adversely affect the market price and market for our common stock if they are viewed as limiting the liquidity of our stock. These provisions may also make it more difficult for a third party to acquire us in the future and, as a result, our shareholders may be limited in their ability to obtain a premium for their shares. Further, we entered into a stockholders agreement with PFL in connection with our IPO in September 2020. That agreement gives PFL the right to nominate a certain number of directors to our Board so long as ~~they~~ **it** beneficially ~~own~~ **owns** at least 10 % of the outstanding shares of our common stock. We intend to pay regular dividends on our common stock, but our ability to do so may be limited. We intend to pay cash dividends on our common stock on a quarterly basis, subject to the discretion of our Board and our compliance with applicable law, and depending on our results of operations, capital requirements, financial condition, business prospects, contractual restrictions, restrictions imposed by applicable laws and other factors that our Board deems relevant. Our ability to pay dividends may also be restricted by the terms of our existing debt agreements or any future debt or preferred equity securities. Our dividend policy entails certain risks and limitations, particularly with respect to our liquidity. By paying cash dividends rather than investing that cash in our business or repaying any outstanding debt, we risk, among other things, slowing the expansion of our business, having insufficient cash to fund our operations or make capital expenditures or limiting our ability to incur borrowings. Our Board will periodically review the cash generated from our business and the capital expenditures required to finance our growth plans and determine whether to modify the amount of regular dividends or declare any periodic special dividends. There can be no assurance that our Board will not reduce the amount of regular cash dividends or cause us to cease paying dividends altogether. Our Charter makes the Delaware Court of Chancery the exclusive forum for most disputes between us and our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our Charter makes the Delaware Court of Chancery the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us under the Delaware General Corporation Law, our Charter or our bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine ~~,~~ **;** except, in each case, for claims to enforce any liability or duty created by the Securities Act or the Exchange Act and for which the federal courts have exclusive jurisdiction. In addition, our Charter provides that unless we consent in writing to the selection of an alternative forum, the federal district courts are the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act or the federal forum provision. The choice of forum provision and federal forum provision may limit a shareholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving that action in other jurisdictions, which could adversely affect our business, financial condition and results of operations. In addition, while the Delaware Supreme Court in 2020 ruled that federal forum selection provisions purporting to require claims under the Securities Act to be brought in federal court were facially valid under Delaware law, there is uncertainty as to whether other courts will enforce our federal forum provision. If the federal forum provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The federal forum provision may also impose additional litigation costs on shareholders who assert the provision is not enforceable or invalid. **27**