

Risk Factors Comparison 2025-02-05 to 2024-02-07 Form: 10-K

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You should carefully consider the risks described below in addition to the other information set forth 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. If any of the following risks actually occurs, our business, financial condition and results of operations could be materially adversely affected. The risks discussed below are not the only risks we face. Additional risks or uncertainties not currently known to us, or that we currently deem immaterial, may also have a material adverse effect on our business, financial condition, prospects, results of operations, cash flows or price of our securities.

Related to Our Business, Growth and Profitability Our success depends on our ability to anticipate and respond to changes in consumer preferences. We are a consumer products company and believe that our success depends, in part, on our ability to leverage our existing brands and products to drive increased sales and profits. This depends on our ability to identify and offer products at attractive prices that appeal to consumer tastes and preferences, which are difficult to predict and evolve over time. Our ability to implement this strategy depends on, among other things, our ability to:

- continue to offer to our customers products that consumers want at competitive prices;
- introduce new and appealing products and innovate successfully on our existing products;
- develop and maintain consumer interest in our brands; and
- increase our brand recognition and loyalty.

We may not be able to implement this strategy successfully, which could materially and adversely affect our sales and business, financial condition and results of operations. We are dependent on maintaining satisfactory relationships with our major customers, and significant consolidation among our customers, or the loss of a significant customer, could decrease demand for our products or reduce our profitability. Many of our customers are large and possess significant market leverage, which results in significant downward pricing pressure and can constrain our ability to pass through price increases. We generally sell our branded products pursuant to informal trading policies and our store brand products under one year or multi-year agreements. ~~We do not have written agreements with most of our customers.~~ Our contracts generally do not obligate the customer to purchase any given amount of product. If our major customers reduce purchasing volumes or stop purchasing our products for any reason, our business and results of operations would likely be materially and adversely affected. It is possible that we will lose customers, which may materially and adversely affect our business, financial condition and results of operations. We rely on a relatively small number of customers for a significant portion of our revenue. In 2023-2024, sales to our top ten customers accounted for 72 % of our total revenue, and our two largest customers, Walmart and Sam's Club, individually accounted for 30-31 % and 18-17 %, respectively, of our total revenue. Walmart and Sam's Club are affiliated entities. Sales to Walmart are concentrated more heavily in our Hefty Waste & Storage segment, and sales to Sam's Club are concentrated more heavily in our Hefty Tableware segment. The loss of any of our significant customers would have a material adverse effect on our business, financial condition and results of operations. In addition, over the last several years, there has been a trend toward consolidation among our customers in the retail industry and we expect that this trend will continue. Consolidation among our customers could increase their ability to apply pricing pressure, and thereby force us to reduce our selling prices or lose sales. In addition, following a consolidation, our customers may close stores, reduce inventory or switch suppliers. Any of these factors could negatively impact our business, financial condition and results of operations. We operate in competitive markets. We operate in competitive markets. Our main competitors include The Clorox Company, S. C. Johnson & Son, Inc., Poly-America, Handi-Foil Corporation, Republic Plastics, Ltd., Trinidad Benham Corporation and Intoplast Group, Ltd. Although capital costs, intellectual property and technology may create barriers to entry, we face the threat of competition from new entrants to our markets as well as from existing competitors, including competitors outside the United States who may have lower production costs. Our customers continuously evaluate their suppliers, often resulting in downward pricing pressure and increased pressure to continuously introduce and commercialize innovative new products, improve customer service, maintain strong relationships with our customers and, where applicable, develop and maintain brands that are meaningful to consumers. If our products fail to compete successfully with other branded or private label offerings, demand for our products and our sales and profitability could be negatively impacted. Loss of any of our key manufacturing facilities or of those of our key suppliers could have an adverse effect on our business. Some of our products are manufactured at a single location. For example, our Malvern, Arkansas plant is our sole producer of foil reroll for our Louisville, Kentucky and Wheeling, Illinois plants, which in turn are our sole producers of household foil. The loss of the use of all or a portion of any of our key manufacturing facilities, especially one that is a sole producer, or the loss of any key suppliers, due to any reason, including an accident, labor issues, weather conditions, natural disaster, a disease outbreak (including epidemics, pandemics or similar widespread public health concerns), cyber-attacks against our information systems (such as ransomware) or otherwise, could have a material adverse effect on our business, financial condition and results of operations. Our business has been and continues to be impacted by fluctuations in raw material, energy and freight costs, including the impact of tariffs and similar matters. Fluctuations in raw material and energy costs could adversely affect our business, financial condition and results of operations. Raw material costs represent a significant portion of our cost of sales. The primary raw materials we use are plastic resins, particularly polyethylene and polystyrene, and aluminum. The prices of our raw materials have fluctuated significantly in recent years. Aluminum prices have been historically volatile as aluminum is a cyclical commodity with prices subject to global market factors. Resin prices have also historically fluctuated with changes in crude oil and natural gas prices as well as changes in refining capacity and the demand for other petroleum-based products. We experienced significant increases in material costs in ~~both 2021 and~~ 2022, particularly in resin and aluminum prices, which negatively impacted our results. Significant increases in material costs could also occur in future periods, which

could negatively impact our future results. Raw material costs are also impacted by governmental actions, such as tariffs and trade sanctions. For example, the imposition by the U. S. government of tariffs on products imported from certain countries and trade sanctions against certain countries have introduced greater uncertainty with respect to policies affecting trade between the United States and other countries and have impacted the cost of certain raw materials, including aluminum and resin. Major developments in trade relations, including the imposition of new or increased tariffs by the United States and / or other countries, could have a material adverse effect on our business, financial condition and results of operations. We typically do not enter into long- term fixed price purchase contracts for our principal raw materials. The majority of sales contracts for our products generally do not contain **contractual** cost pass- through mechanisms for raw material costs. Where our contracts use such pass- through mechanisms, differences in timing between purchases of raw materials and sales to customers can create a “ lead lag ” effect during which margins are negatively impacted when raw material costs rise and positively impacted when raw material costs fall. We adjust prices, where possible, to **attempt to** mitigate the effect of production cost increases, including raw materials, but these increases are not always possible or may not cover the increased raw material costs. For example, we implemented multiple rounds of price increases in ~~both 2021 and 2022~~, however those pricing actions typically lagged material cost increases. In addition, we distribute our products and receive raw materials primarily by rail and truck. Reduced availability of rail or trucking capacity has caused us, and may continue to cause us, to incur unanticipated expenses and impair our ability to distribute our products or receive our raw materials in a timely manner, which could disrupt our operations, strain our customer relations and adversely affect our operating profits. In particular, reduced trucking capacity, due to a shortage of drivers, the federal regulation requiring drivers to electronically log their driving hours and adverse weather conditions, among other reasons, have caused an increase in ~~the our~~ cost of transportation ~~for us and many other companies~~. Any interruption in our supply of raw materials could harm our business, financial condition and results of operations. We are dependent on our suppliers for an uninterrupted supply of key raw materials in a timely manner. The supply of these materials could be disrupted for a wide variety of reasons, including political and economic instability, the financial stability of our suppliers, their ability to meet our standards, labor problems, the availability and prices of raw materials, currency exchange rates, transport availability and cost, transport security and inflation, and other factors beyond our control. We have written contracts with some but not all of our key suppliers, and where we have written contracts, they generally include force majeure clauses that excuse the supplier’s failure to supply in certain circumstances. Any interruption in the supply of raw materials for an extended period of time could have a material adverse effect on our business, financial condition and results of operations. Labor shortages and increased labor costs have had and could have a material adverse effect on our business and operations. Labor costs in the United States continue to rise, and our industry has, and could again, experience a shortage of workers. Labor is one of the primary components in the cost of operating our business. If we face labor shortages and incur further increases to labor costs as a result of increased competition for employees, higher employee turnover rates, increases in the federal, state or local minimum wage or other employee benefit costs, our operating expenses could increase and our growth and results of operations could be adversely impacted. Our brands are critical to our success. Our ability to compete successfully depends on our ability to develop and maintain brands that are meaningful to consumers. The development and maintenance of such brands requires significant investment in product innovation, brand- building, advertising and marketing. We focus on developing innovative products to address consumers’ unmet needs and introducing store brand products that emulate other popular branded consumer products, and, as a result, may increase our expenditures for advertising and other brand- building or marketing initiatives. However, these initiatives may not deliver the desired results, which could adversely affect our business and the recoverability of the trade names recorded on our balance sheet, which could materially and adversely affect our business, financial condition and results of operations. Our business could be impacted by changes in consumer lifestyle and environmental concerns, as well as current and future laws and regulations related to environmental matters. We are a consumer products company and any reduction in consumer demand for the types of products we offer as a result of changes in consumer lifestyle, environmental concerns or other considerations could have a significant impact on our business, financial condition and results of operations. For example, there have been recent concerns about the environmental impact of single- use disposable products and products made from plastic, particularly polystyrene foam. These concerns, and the actions taken in response (including regulations banning the sale of certain polystyrene foam products in certain jurisdictions), impact several of our products, especially in our Hefty Tableware segment. Further, a number of governmental authorities, both at the federal, state and local level in the United States and abroad, have implemented, considered, or are expected to consider, additional legislation aimed at reducing the amount of plastic waste, regulating product content and regulating environmental claims. Our business is subject to regulations that govern matters such as post- consumer recycled content, extended producer responsibility, compostability and recyclability claims, and use of PFAS. Future regulatory and legislative change could affect the economics of our business activities, lead to changes in operating practices, affect our customers and influence the demand for and the cost of providing products and services to our customers. Sustainability concerns, including the recycling of products, have received increased focus in recent years and are expected to play an increasing role in brand management and consumer purchasing decisions. These changes in consumer lifestyle, environmental concerns or other considerations may result in a decrease in the demand for certain of our current products, an increase in expenditures to attempt to adapt and respond to these concerns, and an inability to respond through innovation or acquisition of assets we do not currently own, **any of which** could materially and adversely affect our business, financial condition and results of operations. Our business is affected by economic downturns in the markets that we serve and in the regions that supply our raw materials. Our business is impacted by market conditions in the retail industry and consumer demand for our products, which in turn are affected by general economic conditions. Downturns or periods of economic weakness or increased prices in these consumer markets have resulted in the past, and could result in the future, in decreased demand for our products. For example, uncertainty about future economic conditions globally, and in the United States in particular, could lead to declines in consumer spending and consumption and cause our customers to purchase fewer of our

products. Market conditions could also impact our ability to manage our inventory levels to meet customers' demand for our products. Our production levels and inventory management goals for our products are based on estimates of demand, taking into account production capacity, timing of shipments and inventory levels. If market conditions change, resulting in us overestimating or underestimating demand for any of our products during a given season, we may not maintain appropriate inventory levels, which could materially and adversely affect our business, financial condition and results of **operation operations**. Global supply chain issues and other macroeconomic factors in the past have resulted in an inflationary environment that led to increased raw material costs and other input costs. The additional costs resulting from this inflationary environment and its constraints to our supply chain and distribution networks may again unfavorably impact our gross margin and operating results in future periods. The estimates and assumptions on which our financial projections are based may prove to be inaccurate, which may cause our actual results to materially differ from such projections, which may adversely affect our future profitability, cash flows and stock price. Our financial projections, including any sales and earnings guidance or outlook we may provide from time to time, are dependent on certain estimates and assumptions. Our financial projections are based on historical experience, various other estimates and assumptions that we believe to be reasonable under the circumstances and at the time they are made, but our actual results may differ materially from our financial projections. Any material variation between the Company's financial projections and its actual results may adversely affect the Company's future profitability, cash flows and stock price. Our profitability and cash flows could suffer if we are unable to generate cost savings in our manufacturing and distribution processes. While we continue to work on various incremental cost savings programs, if we cannot successfully develop and implement cost savings plans, or if the cost of making these changes increases, we will not realize all anticipated benefits, which could materially and adversely affect our business, financial condition and results of operations. Sales growth objectives may be difficult to achieve, we may not be able to achieve our innovation goals, develop and introduce new products and line extensions or expand into adjacent categories and countries, and we may not be able to successfully implement price increases; further, changes to our product mix may adversely impact our financial condition and results of operations. We operate in mature markets that are subject to high levels of competition. Our future performance and growth depend on innovation and our ability to successfully develop or license capabilities to introduce new products, brands, line extensions 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 consumer demands is essential, especially in light of eCommerce and direct- to- consumer channels significantly reducing the barriers for even small competitors to quickly introduce new brands and products directly to consumers. The development and introduction of new products require substantial and effective research and development and demand creation expenditures, which we may be unable to recoup if the new products do not gain widespread market acceptance. If we are unable to increase market share in existing product lines, develop product innovations, undertake sales, marketing and advertising initiatives that grow our product categories, effectively adopt new technologies, and / or develop, acquire or successfully launch new products or brands, we may not achieve our sales growth objectives. In addition, effective and integrated systems are required for us 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 product categories in which we have limited or no prior experience, have inherent risks, including product development or launch delays. These could result in us not being the first to market and the failure of new products, brands or line extensions 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. In addition, in the future, our growth strategy may include expanding our international operations, which would be subject to foreign market risks, including, among others, foreign currency fluctuations, economic or political instability and the imposition of tariffs and trade restrictions, which could adversely affect our financial results. In addition, we have implemented price increases and may implement additional price increases in the future, which may slow sales growth or create volume declines in the short term as customers and consumers adjust to these price increases. Competitors may or may not take competitive actions, which may lead to sales declines and loss of market share **for us**. In addition, changes to the mix of products that we sell **or product portfolio optimization efforts** may adversely impact our net sales, profitability and cash flow. We may incur liabilities, experience harm to our reputation and brands, or be forced to recall products as a result of real or perceived product quality or other product- related issues. Although we have **quality** control measures and systems in place that are designed to ensure that the safety and quality of our products are maintained, the consequences of not being able to do so could be severe, including adverse effects on consumer health, our reputation, the loss of customers and market share, financial costs and loss of revenue. If any of our products are found to be defective, we could be required to or may voluntarily recall such products, which could result in adverse publicity, significant expenses and a disruption in sales and could affect our reputation and that of our products. In addition, if any of our competitors or customers supply faulty or contaminated products to the market, our industry could be negatively impacted, which in turn could have adverse effects on our business. 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 or our brands, whether accurate or inaccurate, or disclosure of non- public sensitive information about us, could be widely disseminated through the use of social media. Such events, if they were to occur, could harm our image and adversely affect our business, as well as require resources to rebuild our reputation. We are affected by seasonality. Portions of our business have historically been moderately seasonal. Overall, our strongest sales are in our fourth quarter and our weakest sales are in our first quarter. This is driven by higher levels of sales of cooking products around major U. S. holidays in our fourth quarter, primarily due to the holiday use of Reynolds Wrap,

Reynolds Oven Bags, Reynolds Parchment Paper and disposable aluminum pans. Our tableware products generally have higher sales in the second **and fourth quarter quarters** of the year, primarily due to outdoor summertime **and holiday use-uses** of disposable plates, cups **and**, bowls **and cutlery**. As a result of this seasonality, any factors negatively affecting us during these periods of any year, including unfavorable economic conditions ~~or pandemic-related impacts~~, could have a material adverse effect on our financial condition and results of operations for the entire year. Because of quarterly fluctuations caused by these and other factors, comparisons of our operating results across different fiscal quarters may not be accurate indicators of our future performance. Loss of our key management and other personnel, or an inability to attract new management and other personnel, could negatively impact our business, financial condition and results of operations. We depend on our senior executive officers and other key personnel to operate our businesses, develop new products and technologies and service our customers. The loss of any of these key personnel could adversely affect our operations. **Effective January 1, 2025, our long-term President, Chief Executive Officer and member of our Board of Directors, Lance Mitchell, stepped down from such positions due to his voluntary retirement. Scott Huckins, previously our Chief Financial Officer, was appointed as President and Chief Executive Officer and as a member of our Board of Directors, and Nathan Lowe, previously our Senior Vice President of Financial Planning & Analysis, was appointed as Chief Financial Officer. Any significant leadership change or senior management transition involves inherent risks, and any failure to successfully transition key roles could impact our ability to execute on our strategic plans, make it difficult to meet our performance objectives and be disruptive to our business. Lance Mitchell will remain with the Company as an employee in an advisory capacity through his voluntary retirement on July 31, 2025.** Competition is intense for qualified personnel and the loss of them or an inability to attract, retain and motivate additional highly skilled personnel 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. Additionally, the high U. S. employment levels in our industry in recent years have increased turnover as compared to prior periods at some of our facilities and made hiring and retaining hourly employees more difficult. Any of these factors could have a material adverse effect on our business, financial condition and results of operations. We may have difficulty acquiring or integrating product lines or businesses, which could impact our business, financial condition and results of operations. We may continue to pursue acquisitions of brands, businesses, assets or technologies from third parties. Acquisitions and their pursuits can involve numerous risks, including, among other things: • difficulties realizing the full extent of the expected benefits or synergies as a result of a transaction, within the anticipated time frame, or at all; • difficulties integrating the operations, technologies, services, products and systems of the acquired brands, assets or businesses in an effective, timely and cost-efficient manner; • diversion of management's attention from other business priorities; • difficulties operating in new lines of business, channels of distribution or markets; • loss of key employees, partners, suppliers and customers of the acquired business; • difficulties conforming standards, controls, procedures and policies of the acquired business with our own; • incurring unforeseen risks and liabilities associated with acquired businesses; • difficulties developing or launching products with acquired technologies; and • other unanticipated problems or liabilities. Acquisitions could result in the assumption of contingent liabilities. In addition, to the extent that the economic benefits associated with an acquisition or investment diminish in the future or the performance of an acquired company or business is less robust than expected, we may be required to record impairments of any acquired intangible assets, including goodwill. We may not be successful in obtaining, maintaining and enforcing sufficient intellectual property rights to protect our business, or in avoiding claims that we infringe on the intellectual property rights of others. We rely on intellectual property rights such as patents, trademarks and copyrights, as well as unpatented proprietary knowledge and trade secrets, to protect our business. However, these rights do not afford complete protection against third parties. For example, patents, trademarks and copyrights are territorial; thus, our business will only be protected by these rights in those jurisdictions in which we have been issued patents or have trademarks or copyrights, or have obtained licenses to use such patents, trademarks or copyrights. Even so, the laws of certain countries may not protect our intellectual property rights to the same extent as do the laws of the United States. Additionally, there can be no assurance that others will not independently develop knowledge and trade secrets that are similar to ours, or develop products or brands that compete effectively with our products and brands without infringing, misusing or otherwise violating any of our intellectual property rights. We cannot be certain that any of our current or pending patents, trademarks and copyrights will provide us with sufficient protection from competitors, or that any intellectual property rights we do hold will not be invalidated, circumvented or challenged in the future. There is also a risk that we will not be able to obtain and perfect or, where appropriate, license, the intellectual property rights necessary to support new product introductions and product innovations. Additionally, we have licensed, and may license in the future, patents, trademarks, 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 materially and adversely affect our rights or the value of our intellectual property rights. Third parties may copy or otherwise obtain and use our proprietary knowledge or trade secrets without authorization or infringe, misuse or otherwise violate our other intellectual property rights. For example, our brand names, especially Reynolds, Hefty, Diamond and Presto, are well-established in the market and have attracted infringers in the past. Additionally, we may not be able to prevent current and former employees, contractors and other parties from misappropriating our confidential and proprietary knowledge. Infringement, misuse or other violation of any of our intellectual property rights may dilute or diminish the value of our brands and products in the marketplace, which could adversely affect our results of operations and make it more difficult for us to maintain a strong market position. Although we believe that our intellectual property rights are sufficient to allow us to conduct our business without incurring liability to third parties, our products and brands may infringe on the intellectual property rights of others, and in the past we have been, and in the future we may be, subject to claims asserting infringement, misuse or other violation of intellectual property rights and seeking damages, the payment of royalties or licensing fees, and / or injunctions against the sales of our products. If we are found to have infringed, misused or otherwise violated the

intellectual property rights of others, we could be forced to pay damages, cease use of such intellectual property or, if we are given the opportunity to continue to use the intellectual property rights of others, we could be required to pay a substantial amount for continued use of those rights. In any case, such claims could be protracted and costly and could have a material adverse effect on our business and results of operations regardless of their outcome. Goodwill and indefinite-lived intangible assets are a material component of our balance sheet and impairments of these assets could have a significant impact on our results. We have recorded a significant amount of goodwill and indefinite-lived intangible assets, representing our Reynolds and Hefty trade names, on our balance sheet. We test the carrying values of goodwill and 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 impairment testing could differ from future actual results of operations and cash flows. While we concluded that our goodwill and indefinite-lived intangible assets were not impaired during our annual impairment review performed during the fourth quarter of 2023-2024, future events could cause us to conclude that the goodwill associated with a given reporting unit, or one of our indefinite-lived intangible assets, may have become impaired. Any resulting impairment charge, although non-cash, could have a material adverse effect on our results of operations and financial condition. Some of our workforce is covered by collective bargaining agreements, and our business could be harmed in the event of a prolonged work stoppage. Approximately 23-20% of our employees are covered by collective bargaining agreements. While we believe we have good relationships with our unionized employees and we have not experienced a significant union-related work stoppage over the last ten years, if we encounter difficulties with renegotiations or renewals of collective bargaining arrangements or are unsuccessful in those efforts, we could incur additional costs and experience work stoppages. We cannot predict how stable our union relationships will be or whether we will be able to successfully negotiate successor collective bargaining agreements without impacting our financial condition. In addition, the presence of unions may limit our flexibility in dealing with our workforce. Work stoppages could negatively impact our ability to manufacture our products on a timely basis, which could have a material adverse effect on our results of operations and financial condition. Tax legislation initiatives or challenges to our tax positions could adversely affect our operations and financial condition. We are subject to the tax laws and regulations of the U. S. federal, state and local governments. From time to time, legislative measures may be enacted that could adversely affect our overall tax positions regarding income or other taxes. There can be no assurance that our effective tax rate or tax payments will not be adversely affected by these legislative measures. In addition, U. S. federal, state and local tax laws and regulations are extremely complex and subject to varying interpretations. There can be no assurance that our tax positions will be sustained if challenged by relevant tax authorities and if not sustained, there could be a material adverse effect on our results of operations, financial condition and cash flows. Impacts associated with a future pandemic and associated responses could adversely impact our business and results of operations. ~~The COVID-19 pandemic negatively affected certain parts of our business and operations. A resurgence of the COVID-19 pandemic, or a~~ future pandemic or health epidemic, could adversely impact our business and results of operations in a number of ways, including but not limited to: • a shutdown, disruption or less than full utilization of one or more of our manufacturing, warehousing or distribution facilities, or disruption in our supply chain or customer base, including but not limited to, as a result of illness, government restrictions or other workforce disruptions; • the failure of third parties on which we rely, including but not limited to those that supply our raw materials and other necessary operating materials, co-manufacturers and independent contractors, to meet their obligations to us, or significant disruptions in their ability to do so; • ~~new or escalated~~ government or regulatory responses in markets where we manufacture, sell or distribute our products, or in the markets of third parties on which we rely, ~~could prevent~~ **preventing** or ~~disrupt~~ **disrupting** our business operations; • higher costs in certain areas such as front-line employee compensation, as well as incremental costs associated with newly added health screenings, temperature checks and enhanced cleaning and sanitation protocols to protect our employees, ~~which we expect could increase in these or other areas~~; • significant reductions or volatility in demand for one or more of our products, which may be caused by, among other things: the temporary inability of consumers to purchase our products due to illness, quarantine or other travel restrictions, or financial hardship; or other pandemic related restrictions impacting consumer behavior; • an inability to respond to or capitalize on increased demand, including challenges and increased costs associated with adding capacity and related staffing issues; • a change in demand for or availability of our products as a result of retailers, distributors or carriers modifying their inventory, fulfillment or shipping practices; and • the unknown duration and magnitude of a pandemic and all of its related impacts. These and other impacts of a pandemic could have the effect of heightening many of the other risk factors disclosed in this Annual Report on Form 10-K. The ultimate impact depends on the severity and duration of the pandemic and actions taken by governmental authorities and other third parties in response, each of which is uncertain and difficult to predict. Any of these disruptions could adversely impact our business and results of operations. Risks Related to Liquidity and Indebtedness We have significant debt, which could adversely affect our financial condition and ability to operate our business. As of December 31, 2023-2024, we had \$ 1, 845-695 million of outstanding indebtedness under our senior secured term loan facility (“ Term Loan Facility ”) maturing in 2027 and \$ 244-694 million of borrowing capacity under our senior secured revolving credit facility (“ Revolving Facility ”) maturing in 2026-2029 (the Term Loan Facility and the Revolving Facility, the “ External Debt Facilities ”). 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. 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 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 stockholders may experience dilution. Market interest rates have increased and could continue to increase our interest costs. Our debt bears interest at variable rates, and we may incur additional variable interest rate indebtedness in the future. This exposes us to interest rate risk, and while we have entered into a series of interest rate swaps to mitigate the risk of variable rate debt, any interest rate swaps we enter into in order to reduce interest rate volatility may not fully mitigate our interest rate risk. As of December 31, ~~2023~~ **2024**, the unhedged portion of our Term Loan Facility was approximately \$ ~~695~~ **545** million, and any borrowings under our Revolving Facility are subject to interest rate volatility. Higher interest rates during the year ended December 31, 2023, ~~have~~ increased our debt service obligations on the unhedged variable rate indebtedness, and our net income and cash flows, including cash available for servicing our indebtedness, ~~has~~ **had** correspondingly decreased. Further increases in interest rates on unhedged debt could further reduce our net income and cash flows, including cash available for servicing our indebtedness. Legal, Regulatory and Compliance Risks We are subject to governmental regulation and we may incur material liabilities under, or costs in order to comply with, existing or future laws and regulations. Many of our products come into contact with food when used, and the manufacture, packaging, labeling, storage, distribution, advertising and sale of such products are subject to various laws designed to protect human health and the environment. For example, in the United States, many of our products are regulated by the Food and Drug Administration (including applicable current good manufacturing practice regulations) and / or the Consumer Product Safety Commission, 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. Liabilities under, and / or costs of compliance, and the impact on us of any non-compliance with any such laws and regulations could materially and adversely affect our business, financial condition and results of operations. In addition, changes in the laws and regulations which we are subject to 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. We could incur significant liabilities related to, and significant costs in complying with, environmental, health and safety laws, regulations and permits. Our operations are subject to various national, state, local, foreign and international environmental, health and safety laws, regulations and permits that govern, among other things, the emission or discharge of materials into the environment; the use, storage, treatment, disposal, management and release of hazardous substances and wastes; the health and safety of our employees and the end-users of our products; and the recycling of, our products. These laws and regulations impose liability, which can be strict, joint and several, for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances related to our current and former sites, as well as at third party sites where we or our predecessors have sent waste for disposal. Non-compliance with, or liability related to, these laws, regulations and permits, which tend to become more stringent over time, could result in substantial fines or penalties, injunctive relief, requirements to install pollution control devices or other controls or equipment, civil or criminal sanctions, permit revocations or modifications and / or facility shutdowns, and could expose us to costs of investigation or remediation, as well as tort claims for property damage or personal injury, and could limit production. In addition, a number of governmental authorities, both in the United States and abroad, have considered, and are expected to consider, legislation aimed at reducing the amount of plastic waste. Programs have included banning certain types of products, mandating certain rates of recycling and / or the use of recycled materials, imposing deposits or taxes on plastic bags and packaging material, **imposing extended producer responsibility** and requiring retailers or manufacturers to take back packaging used for their products. Such legislation, as well as voluntary initiatives, aimed at reducing the level of plastic ~~wastes~~ **waste** could reduce the demand for certain plastic products, result in greater costs for manufacturers of plastic products or otherwise impact our business, financial condition and results of operations. Additional regulatory efforts addressing other environmental or safety concerns in the future could similarly impact our operations and financial results. ESG matters, including those related to climate change and sustainability, may have an adverse effect on our business, financial condition and results of operations and impact our reputation. There has been an increased focus from stakeholders and regulators related to environmental, social and governance (“ ESG ”) matters across all industries in recent years. This increased focus and activism related to ESG may hinder our access to capital, as investors may reconsider their capital investment as a result of their assessment of the Company’s ESG practices. In particular, customers, consumers, investors and other stakeholders are increasingly focusing on environmental issues, including climate change, water use, deforestation, plastic waste and other sustainability concerns. Changing consumer preferences may also result in decreased demand for plastics and packaging materials, including single-use and non-recyclable plastic products and packaging, and other components of our products and their environmental impact on sustainability. These demands could impact the profitability of our products, cause us to incur additional costs, to make changes to our operations, or to make additional commitments, set targets or establish additional goals and take actions to meet them, which could expose us to market, operational and execution costs and risks. Concern over climate change or plastics and packaging materials, in particular, may result in new or increased legal and regulatory requirements to reduce or mitigate impacts to the environment. Increased regulatory requirements, including in relation to various aspects of ESG, such as ~~the SEC’s disclosure proposal on climate change and~~ California’s recent enactment of climate-related disclosure laws, or environmental causes may result in increased compliance costs or input costs of energy, raw materials or compliance with emissions standards, which may cause disruptions in the manufacture of our products or an increase in operating costs. We may incur additional costs to control, assess and report on ESG metrics as the nature, scope and complexity of ESG reporting, diligence and disclosure requirements expand. Our ability to achieve any stated goal, target, or objective is subject to numerous factors and conditions, many of which are outside of our control. Any failure to achieve our ESG goals or a perception (whether or not valid) of our failure to act

responsibly with respect to the environment or to effectively respond to new, or changes in, legal or regulatory requirements concerning environmental or other ESG matters, or increased operating or manufacturing costs due to increased regulation or environmental causes could adversely affect our business and reputation. If we do not adapt to or comply with new regulations, or fail to meet the ESG goals under our ESG framework or evolving investor, industry or stakeholder expectations and standards, or if we are perceived to have not responded appropriately to the growing concern for ESG issues, customers and consumers may choose to stop purchasing our products or purchase products from another company or a competitor, and our reputation, business or financial condition may be adversely affected. We depend on intellectual property rights licensed from third parties, and disputes regarding, or termination of, these licenses could result in loss of rights, which could harm our business. We are dependent in part on intellectual property rights licensed from third parties. Our licenses of such intellectual property rights may not provide exclusive or unrestricted rights in all fields of use and in all territories in which we may wish to develop or commercialize our products in the future and may restrict our rights to offer certain products in certain markets or impose other obligations on us in exchange for our rights to the licensed intellectual property. In addition, we may not have full control over the maintenance, protection or use of in- licensed intellectual property rights, and therefore we may be reliant on our licensors to conduct such activities. Disputes may arise between us and our licensors regarding the scope of rights or obligations under our intellectual property license agreements, including the scope of our rights to use the licensed intellectual property, our rights with respect to third parties, our and our licensors' obligations with respect to the maintenance and protection of the licensed intellectual property, and other interpretation- related issues. The agreements under which we license intellectual property rights from others are complex, and the provisions of such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the intellectual property being licensed, or increase what we believe to be our financial or other obligations under the relevant agreement. Termination of or disputes over such licenses could result in the loss of significant rights. We are generally also subject to all of the same risks with respect to protection of intellectual property that we license as we are for intellectual property that we own. Any failure on our part or the part of our licensors to adequately protect this intellectual property could have a material adverse effect on our business and results of operations. A cyber- attack or failure of one or more key information technology systems, operational technology systems, networks, processes, associated sites or service providers could have a material adverse impact on our business and reputation. We rely extensively on information technology ("IT") and operational technology ("OT") systems, networks and services, including Internet sites, data hosting and processing facilities and tools and other hardware, software and technological applications and platforms, some of which are managed, hosted, provided and / or used by third parties or their vendors, to assist in conducting business. The various uses of these systems, networks and services include, but are not limited to: • ordering and managing materials from suppliers; • converting materials to finished products; • managing our supply chain network; • shipping products to customers; • marketing and selling products to consumers; • processing transactions; • summarizing and reporting results of operations; • hosting, processing and sharing confidential and proprietary research, business plans and financial information; • complying with regulatory, legal or tax requirements; • providing data security; and • handling other processes necessary to manage our business. Increased cyber- security threats and cyber- crime, including advanced persistent threats, computer viruses, ransomware, other types of malicious code, hacking, phishing and social engineering schemes designed to provide access to our networks or data, pose a potential risk to the security of our IT and OT systems, networks and services, as well as the confidentiality, availability and integrity of our data. Cyber threats are becoming more sophisticated, are constantly evolving and are being made by groups and individuals with a wide range of expertise and motives, increasing the difficulty of preventing, detecting and successfully defending against them. Furthermore, our relationships with, and access provided to, third parties and their vendors may create difficulties in anticipating and implementing adequate preventative measures or fully mitigating harms after an attack or breach occurs. We cannot guarantee that our security efforts will prevent attacks and resulting breaches or breakdowns of our, or our third- party service providers', databases or systems. If the IT or OT systems, networks or service providers relied upon fail to function properly, or if we suffer a loss or disclosure of customers' and consumers' data, business or stakeholder information, due to any number of causes, ranging from catastrophic events to power outages to security breaches, or the inability to effectively address these failures on a timely basis, we may suffer interruptions in our ability to manage operations, a risk of government enforcement action, litigation and possible liability, and reputational, competitive and / or business harm, which may adversely impact our results of operations and / or financial condition. In addition, if our service providers, suppliers or customers experience a breach or unauthorized disclosure or system failure, their business could be disrupted or otherwise negatively affected, which may result in a disruption in our supply chain or reduced customer orders or other business operations, which would adversely affect us. Legal claims and proceedings could adversely impact our business. We may be subject to a wide variety of legal claims and proceedings. Regardless of their merit, these claims can require significant time and expense to investigate and defend. Since litigation is inherently uncertain, there is no guarantee that we will be successful in defending ourselves against such claims or proceedings, or that our assessment of the materiality of these matters, including any reserves taken in connection therewith, will be consistent with the ultimate outcome of such matters. The resolution of, or increase in the reserves taken in connection with, one or more of these matters could have a material adverse effect on our business, results of operations, cash flows and financial condition. Our insurance coverage may not adequately protect us against business and operating risks. We maintain insurance for 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 will not be fully insured against all risks associated with pollution and other environmental incidents or impacts. Moreover, we may face losses and liabilities that are uninsurable by

their nature, or that are not covered, fully or at all, under our existing insurance policies. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our cash position and results of operations. Risks Related to Stockholder Influence, Related Party Transactions and Governance Substantial future sales by Packaging Finance Limited or others of our common stock, or the perception that such sales may occur, could depress the price of our common stock. Packaging Finance Limited (“ PFL ”) owns the majority of our outstanding common stock. We do not know whether or when PFL will sell shares of our common stock. The sale by PFL or others of a substantial number of shares of our common stock, or a perception that such sales could occur, could significantly reduce the market price of our common stock. The perception of a potential sell- down by PFL could depress the market price of our common stock and make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. Anti- takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock. Provisions in our certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our certificate of incorporation and bylaws include provisions that: • provide for a staggered board; • require at least 66- 2 / 3 % of the votes that all of our stockholders would be entitled to cast in an annual election of directors in order to amend our certificate of incorporation and bylaws after the date on which PFL and all other entities beneficially owned by Mr. Graeme Richard Hart or his estate, heirs, executor, administrator or other personal representative, or any of his immediate family members or any trust, fund or other entity which is controlled by his estate, heirs, any of his immediate family members or any of their respective affiliates (PFL and all of the foregoing, collectively, the “ Hart Entities ”) and any other transferee of all of the outstanding shares of common stock held at any time by the Hart Entities which are transferred other than pursuant to a widely distributed public sale (“ Permitted Assigns ”) beneficially own less than 50 % of the outstanding shares of our common stock; • eliminate the ability of our stockholders to call special meetings of stockholders after the date on which the Hart Entities or Permitted Assigns beneficially own less than 50 % of the outstanding shares of our common stock; • prohibit stockholder action by written consent, instead requiring stockholder actions to be taken solely at a duly convened meeting of our stockholders, after the date on which the Hart Entities or Permitted Assigns beneficially own less than 50 % of the outstanding shares of our common stock; • permit our board of directors, without further action by our stockholders, 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 the Court of Chancery of the State of Delaware; and • establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings. These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, 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 stockholders may be limited in their ability to obtain a premium for their shares of common stock. Furthermore, we have entered into a stockholders agreement with PFL which, among other matters, provides PFL with the right to nominate a certain number of directors to our board of directors so long as the Hart Entities beneficially own at least 10 % of the outstanding shares of our common stock. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for substantially all disputes between us and our stockholders. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is 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 arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. Notwithstanding the foregoing, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act, the Securities Act of 1933, or any other claim for which the federal courts have exclusive jurisdiction. The choice of forum provision may limit a stockholder’ 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 contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations. We intend to continue to pay regular dividends on our common stock, but our ability to do so may be limited. We intend to continue to pay cash dividends on our common stock on a quarterly basis, subject to the discretion of our board of directors 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 of directors deems relevant. Our ability to pay dividends is restricted by the terms of our External Debt Facilities and may be restricted by the terms of 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 of directors 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, cease paying dividends, and / or declare any periodic special dividends. There can be no assurance that our board of directors will not reduce the amount of regular cash dividends or cause us to cease paying dividends altogether. We could incur significant liability if our separation from PEI Group fails to qualify as a tax- free transaction for U. S. federal income tax purposes. We historically operated as part of Pactiv Evergreen Inc. (“ PEI ”) and its subsidiaries (together with PEI, “

PEI Group”). In preparation for our IPO, PEI Group effected certain distributions pursuant to the Corporate Reorganization to transfer its interests in us to PFL in a manner that was intended to qualify as tax-free to PFL and PEI Group under Sections 368 (a) (1) (D) and 355 of the Internal Revenue Code of 1986, as amended (“ Code ”). PEI received a tax opinion as to the tax treatment of these distributions, which relied on certain facts, assumptions, representations and undertakings from Mr. Graeme Hart, PEI Group and us regarding the past and future conduct of the companies’ respective businesses and other matters. If any of these facts, assumptions, representations or undertakings are incorrect or not otherwise satisfied, PEI may not be able to rely on the opinion of tax counsel and could be subject to significant tax liabilities. Notwithstanding the opinion of tax counsel, the Internal Revenue Service (“ IRS ”) could determine on audit that these distributions are taxable if it determines that any of these facts, assumptions, representations or undertakings are not correct or have been violated or if it disagrees with the conclusions in the opinion, or for other reasons. If the distributions are determined to be taxable for U. S. federal income tax purposes, PFL, PEI and Pactiv Evergreen Group Holdings Inc. could incur significant U. S. federal income tax liabilities, and we could also incur significant liabilities. Under the tax matters agreement between PEI and us (“ Tax Matters Agreement ”), we are required to indemnify PEI Group against taxes incurred by them that arise as a result of, among other things, a breach of any representation made by us, including those provided in connection with the opinion of tax counsel or us taking or failing to take, as the case may be, certain actions, in each case, that result in any of the distributions failing to meet the requirements of a tax-free distribution under Sections 355 and 368 (a) (1) (D) of the Code. PFL controls the direction of our business and PFL’s concentrated ownership of our common stock may prevent our stockholders from influencing significant decisions. PFL owns and controls the voting power of approximately 74 % of our outstanding shares of common stock. Under our stockholders agreement with PFL, PFL is entitled to nominate all of our board of directors so long as it owns at least 50 % of our shares, and a majority of our board of directors so long as it owns at least 40 % of our shares. Additionally, as long as PFL continues to control a majority of the voting power of our outstanding common stock, it is generally able to determine the outcome of all corporate actions requiring stockholder approval. 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 stockholders. Other stockholders will not be able to affect the outcome of any stockholder vote while PFL controls the majority of the voting power of our outstanding common stock. As a result, PFL controls, directly or indirectly and subject to applicable law, the composition of our board of directors, which in turn will be able to control all matters affecting us, 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; • 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 holders from receiving a premium for their common stock. Because PFL’s interests may differ from ours or from those of our other stockholders, actions that PFL takes with respect to us, as our controlling stockholder, may not be favorable to us or our other stockholders, including holders of our common stock. If we are no longer affiliated with PEI Group, we may be unable to continue to benefit from that relationship, which may adversely affect our operations and have a material adverse effect on us. Our affiliation with PEI Group has provided us with increased scale and reach. We have leveraged our combined scale to coordinate purchases across our operations to reduce costs. **In December 2024, the PEI Group announced it has entered into a definitive agreement to be acquired by an unrelated third party (the “ PEI Group Acquisition ”), pending regulatory approval. If the PEI Group Acquisition is completed, we will no longer be affiliated with PEI Group.** If we no longer benefit from ~~this the~~ relationship **with PEI Group**, whether because we are no longer affiliated with PEI Group or otherwise, it may result in increased costs for us and higher prices to our customers because we may be unable to obtain goods, services and technology from unaffiliated third parties on terms as favorable as those previously obtained. As a result of any of the above factors, we may be precluded from pursuing certain opportunities that we would otherwise pursue, including growth opportunities, which in turn may adversely affect our business, financial condition and results of operations. 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 Rank Group Limited (“ Rank ”) and other related parties that are members of PEI Group, including, among others: • the lease for our corporate headquarters in Lake Forest, Illinois; • the lease for a facility used for certain research and development activities in Canandaigua, New York; • supply agreements where we sell certain products (primarily aluminum foil containers and roll foil) to, and purchase certain products (primarily **foam-related** tableware) from Pactiv LLC (“ Pactiv ”), a member of PEI Group; ~~and~~ • a warehousing and freight services agreement whereby Pactiv provides certain logistics services to us; **and • insurance participation in a broader affiliated program**. While we believe that all such 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 such transactions been entered into with unrelated parties. In addition, while these services are being provided to us by related parties, our operational flexibility to modify or implement changes with respect to such services or the amounts we pay for them may be limited. Such related party transactions may also potentially involve conflicts of interest; for example, in the event of a dispute under any of these related party agreements, PEI Group could decide the matter in a way adverse to us, and our ability to enforce our contractual rights may be limited. It is also **likely possible** that we may enter into related party transactions in the future. Although material related party transactions that we may enter into will be subject to approval or ratification by the Audit Committee, 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. If PFL sells a controlling interest in our company to a third party in a private

transaction, investors 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 74 % 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 investors from realizing any change-of-control premium on 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 interest in our company, we may become subject to the control of a presently unknown third party. Such third party may have conflicts of interest with those of other stockholders. In addition, if PFL sells a controlling interest in our company to a third party, our liquidity could be impaired, our outstanding indebtedness may be subject to acceleration and our commercial agreements and relationships could be impacted, all of which may adversely affect our ability to run our business as described herein and may have a material adverse effect on our results of operations and financial condition. We are a “controlled company” within the meaning of the rules of Nasdaq and, as a result, rely on exemptions from certain corporate governance requirements. PFL controls a majority of the voting power of our outstanding common stock. As a result, we are a “controlled company” within the meaning of the corporate governance standards of Nasdaq. Under these rules, a listed company of which more than 50 % of the voting power is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements, including: • the requirement that a majority of the board of directors consist of independent directors; • the requirement that our compensation, nominating and corporate governance committee be composed entirely of independent directors; and • the requirement for an annual performance evaluation of our compensation, nominating and corporate governance committee. While PFL controls a majority of the voting power of our outstanding common stock, we intend to rely on these exemptions and, as a result, will not have a majority of independent directors on our board of directors or a compensation, nominating and corporate governance committee consisting entirely of independent directors. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq. PEI Group may compete with us, and its competitive position in certain markets may constrain our ability to build and maintain partnerships. We may face competition from a variety of sources, including Pactiv and other members of PEI Group, both today and in the future. For example, while we have supply agreements in place with Pactiv, Pactiv may still compete with us in certain products and / or in certain channels. In addition, while none of the other members of PEI Group currently manufacture or sell products that compete with our products, they may do so in the future, including as a result of acquiring a company that operates as a manufacturer of consumer products. Due to the significant resources of PEI Group, including financial resources and know-how resulting from the previous management of our business, PEI Group could have a significant competitive advantage should it 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 Pactiv has historically sold the products (primarily tableware and cups) that we purchase from it in the foodservice business-to-business channel, after the termination of our supply agreement with Pactiv it could seek to sell such products in the retail channel or otherwise compete with us, especially where we sell private label or store brand products. As our former supplier, Pactiv would have information about products, including pricing, that could give it a competitive advantage. In addition, we may partner with companies that compete with PEI Group in certain markets. Our affiliation with PEI Group may affect our ability to effectively partner with these companies. These companies may favor our competitors because of our relationship with PEI Group. Conflicts of interest may arise because certain of our directors may hold a board position with PEI Group entities. From time to time, certain of our directors may also be directors of PEI or other PEI Group entities. The interests of any such director in PEI, other PEI Group entities and us could create, or appear to create, conflicts of interest with respect to decisions involving both us and PEI or PEI Group entities that could have different implications for PEI and us. These decisions could, for example, relate to: • disagreement over corporate opportunities; • competition between us and PEI Group; • employee retention or recruiting; • our dividend policy; and • the services and arrangements from which we benefit as a result of our relationship with PEI Group. Conflicts of interest could also arise if we enter into any new commercial arrangements with PEI Group in the future. The presence of directors of entities affiliated with PEI on our board of directors 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 PEI, that could have different implications for any of these entities than they do for us. Provisions of our amended and restated certificate of incorporation and amended and restated bylaws address corporate opportunities that are presented to any of our directors who, from time to time, are also directors of PEI and certain of its subsidiaries. We cannot assure you that our amended and restated certificate of incorporation will adequately address potential conflicts of interest or 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 any such individual who is a director of both us and PEI. As a result, we may be precluded from pursuing certain advantageous transactions or growth initiatives. Our inability to resolve in a manner favorable to us any potential conflicts or disputes that arise between us and PEI Group, PFL or Rank with respect to our past and ongoing relationships may adversely affect our business and prospects. Potential conflicts or disputes may arise between PEI Group, PFL or Rank and us in a number of areas relating to our past or ongoing relationships, including: • tax, employee benefit, indemnification and other matters arising from our relationship with PEI Group, PFL or Rank; • business combinations involving us; • the nature, quality and pricing of services PEI Group and Rank have agreed to provide us; • business opportunities that may be attractive to us and PEI Group; • intellectual property or other proprietary rights; and • joint sales and marketing activities with PEI Group. The resolution of any potential conflicts or disputes between us, PEI Group, PFL or Rank or their subsidiaries over these or other matters may be less favorable to us than the resolution we might achieve if we were dealing with an unaffiliated third party. The agreements we have entered into with

PEI Group and Rank are of varying durations and may be amended upon agreement of the parties. So long as it has the ability to nominate a majority of our board of directors, PFL will be able to determine the outcome of all matters requiring stockholder approval and will be able to cause or prevent a change of control of our company or a change in the composition of our board of directors, and could preclude any acquisition of our company. 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.