Risk Factors Comparison 2024-03-15 to 2023-03-16 Form: 10-K

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• Our failure to continue to attract, develop and retain certain key officers or employees could adversely affect our businesses. Our success depends upon the efforts and abilities of key personnel, many of whom are longstanding employees. The loss of any of these key personnel could deplete our institutional knowledge base and negatively affect our ability to efficiently operate our businesses. Certain roles have experienced high turnover in recent years, and we are experiencing an increasingly competitive labor market. ~~Job market dynamics have been impacted by macroeconomic conditions, the effects of the COVID-19 pandemic and the " great resignation. "~~ Increased employee turnover could hinder our ability to execute our business strategy and adversely affect our business, financial condition, results of operations and cash flows. • ~~The~~ **Disruptions at one of the** Company **' s major manufacturing facilities could negatively impact financial results. Tredegar believes it** has ~~identified~~ **implemented measures to minimize the risks of disruption at its facilities. However, a disruption could occur as a result of any number of events: an equipment failure with repairs requiring long lead times, labor stoppages or shortages, cybersecurity attacks, utility disruptions, constraints on the supply or delivery of critical raw materials, and severe weather conditions, including potential flooding at the Aluminum Extrusions facility located in Carthage, TN, which is located in a 50- year flood plain. A** material ~~weaknesses~~ **disruption** in **one of the** ~~its internal control over financial reporting. The~~ Company' s **operating locations** ~~failure to establish and maintain effective internal control over financial reporting and to maintain effective disclosure controls and procedures increases the risk of a material misstatement in its consolidated financial statements, and its failure to meet its reporting and financial obligations,~~ could ~~, in turn, have a negative~~ **negatively** impact ~~on its financial condition. Since 2019, a total of $ 7. 6 million has been incrementally spent on remediation efforts for management' s outside consultant and design, hiring (including hiring replacements due to high turnover) and training activities. Maintaining effective internal control over financial reporting is an integral part of producing~~ **production** ~~reliable financial statements. As discussed in Item 9A. " Controls and Procedures " of this Form 10- K (" Item 9A "), the Company' s management concluded that the Company' s internal control over financial reporting was not effective for the periods referred to therein as a result of certain deficiencies that were determined to constitute material weaknesses in the Company' s internal control over financial reporting. Specifically, the Company did not sufficiently attract, develop, and retain competent resources to fulfill internal control responsibilities and did not have an~~ **and** ~~effective information and communication process that identified and assessed the source of and controls necessary to ensure the reliability of information used in financial reporting. As a consequence of these material weaknesses, the Company did not effectively design, implement and operate process- level controls across its financial reporting processes. Under standards established by the Public Company Accounting Oversight Board, a material weakness is defined as a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. As of December 31, 2022, the Company continues to revise and execute management' s remediation plan, including the implementation of the new and revised internal controls over financial reporting. The results of management' s testing of the design, implementation and operating effectiveness of controls identified that the Company continued to have material weaknesses in its internal control over financial reporting as of December 31, 2022; however, the material weaknesses existing as of December 31, 2022 were limited to certain discrete items within the previously identified material weaknesses as described further in Item 9A. While progress has been made since 2019, including the remediation of a significant number of process- level control deficiencies throughout our financial reporting processes, the Company experienced significant turnover in positions relevant to its internal control over financial reporting during 2021 and 2022 that impacted the effectiveness of prior training programs and management' s ability to implement control activities that operated for a sufficient period of time to allow management, through testing, to conclude that the control activities were operating effectively during 2022. To remediate the material weaknesses described in Item 9A, the Company, with the oversight of the Audit Committee and the assistance of management' s outside consultant, has continued to revise its remediation strategy. The Company is in the process of implementing certain changes in its internal controls to remediate the material weaknesses described above. As the Company continues to evaluate and work to improve its internal control over financial reporting and disclosure controls and procedures, management may determine to take additional measures to address control deficiencies or modify the remediation plan. The Company cannot provide assurance, however, as to when it will remediate all such weaknesses, nor can it be certain of whether additional actions will be required or the costs of any such actions. Moreover, the Company cannot provide assurance that additional material weaknesses will not arise in the future. The material weaknesses cannot be considered remediated until the applicable controls have operated for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. The material weaknesses discussed in Item 9A did not result in material misstatements of the Company' s financial statements as of and for the years ended December 31, 2022, 2021 and 2020 or in the intervening interim periods during those respective years. Any failure to remediate the material weaknesses, or the development of new material weaknesses in its internal control over financial reporting, could result in material misstatements in the Company' s consolidated financial statements and cause it to fail to meet its reporting and financial obligations, which in turn could have a negative impact on its financial condition. • Tredegar has an underfunded defined benefit (pension) plan. Tredegar sponsors a pension plan that covers certain hourly and salaried employees in the U. S. The plan was closed to new participants in 2007, and substantially frozen to benefit accruals for active participants in 2014. As of January 31, 2018, the plan no longer accrued benefits associated with crediting employees for service, thereby freezing all future benefits under the plan. On February 10,~~

~~2022, Tredegar announced the initiation of a process to terminate and settle its frozen defined benefit pension plan. In connection therewith, on February 9, 2022, the Company borrowed funds under its revolving credit agreement to contribute $ 50 million to the pension plan (the " Special Contribution ") to reduce its underfunding and as part of a program within the pension plan to hedge or fix the expected future contributions that will be needed by the Company through the settlement process. The settlement process has been delayed because of longer- than- expected review times with the Internal Revenue Service (" IRS "). The Company does not expect issues with receiving approval from the IRS and is hopeful that the entire process will be completed by the end of 2023. As of December 31, 2022, the plan was underfunded under U. S. generally accepted accounting principles (" GAAP ") measures by $ 28 million. The Company expects there will be no required minimum contributions to the pension plan until final settlement. The ultimate settlement benefit obligation may differ from the projected benefit obligation (" PBO ") of $ 246 million as of December 31, 2022, depending on market factors for buyers of pension obligations at the time of settlement. Additionally, factors that could cause actual future contributions by the Company to settle the pension plan to differ from expectations include, without limitation, differences between the ultimate settlement benefit obligation and the PBO, census data, administrative costs, the effectiveness of hedging activities and discounts required to liquidate non- public securities held by the plan. • Tredegar is subject to current and future governmental regulation, including environmental laws and regulations, and could become exposed to material liabilities and costs associated with such regulation. The Company is subject to regulation by local, state, federal and foreign governmental authorities. New laws and regulations, or changes to existing laws, including those relating to environmental matters (including global climate change and plastic products), and privacy matters, could subject Tredegar to significant additional capital expenditures, operating expenses or other compliance costs. Moreover, future developments in federal, state, local and international laws and regulations, including environmental laws, are difficult to predict. Environmental laws and privacy restrictions have become and are expected to continue to become increasingly strict. As a result, Tredegar expects to be subject to new environmental and privacy laws and regulations. However, any such changes are uncertain and, therefore, it is not possible for the Company to predict with certainty the amount of additional capital expenditures or operating expenses that could be necessary for compliance with respect to any such changes. The Company is subject to the U. S. Foreign Corrupt Practices Act, Brazilian anti- corruption laws and similar anti- bribery laws in other jurisdictions, which generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. Although we have policies and procedures designed to facilitate compliance with these laws and regulations, our employees, contractors and agents may take actions in violation of our policies. Any such violation, even if prohibited by our policies, could adversely affect our business and / or our reputation. See Government Regulation in Item 1. " Business " of this Form 10- K for a further discussion of this risk factor. • Noncompliance with any of the covenants in the Company' s $ 375 million revolving credit facility, as amended and restated on June 29, 2022, which matures in June 2027, could result in all debt under the agreement outstanding at such time becoming due and limiting the Company' s borrowing capacity, which could have a material adverse effect on its consolidated financial condition and liquidity. The credit agreement governing Tredegar' s revolving credit facility contains restrictions and financial covenants that, if violated, could restrict the Company' s operational and financial flexibility. Failure to comply with these covenants could result in an event of default, which if not cured or waived, would result in all outstanding debt under the revolving credit facility at such time becoming due, which could have a material adverse effect on~~ the Company' s consolidated financial condition **,** ~~and liquidity. • Our~~ results of operations ~~, financial condition~~ and cash flows ~~have been, and may continue to be, impacted by the Coronavirus (" COVID- 19 "). The COVID- 19 pandemic has adversely affected the economy of the United States and other countries around the world, including affecting labor supply and causing supply chain disruptions. While some of the economic impacts resulting from COVID- 19 have eased and many COVID- 19 related restrictions have been lifted or relaxed due to advancements in COVID- 19 vaccination, testing, and treatment, a rise in infection rates, the emergence of new COVID- 19 variants, or any future pandemic could result in, among other things, a reduction in orders placed by our customers who could be closing or curtailing their own operations. We may also experience labor shortages and supply chain disruptions, including product and raw material shortages, delays, and price increases as a result of the COVID- 19 pandemic or any future pandemic. Our suppliers, contractors, and third- party logistic providers may continue to experience disruptions and delays stemming from labor and supply challenges, and significant disruptions in transport and logistics services due to facility closures, labor constraints, and other challenges. These challenges may impact our ability to maintain sufficient inventory and to accurately predict demand or lead times, which may inhibit our ability to service customer demand. Additionally, addressing shortages from our current suppliers may require the Company to procure products from new suppliers or through brokers with whom we have a limited or no prior relationship. Providing an estimate for the ongoing impact of COVID- 19 pandemic on the Company' s business is difficult given the evolving nature of COVID- 19 and the likelihood that any impact would be affected by factors outside of our control. Such factors may include the severity, duration and spread of COVID- 19 and emerging variants, the actions that have been or may be taken by the governments of countries affected, and the ability of our customers and consumers to remain in operation and pay for the products purchased on a timely basis. Additionally, to the extent the COVID- 19 pandemic or any future pandemic adversely affects our business, financial condition, or results of operations, it may heighten other risks described in this section~~ . Risks Related to Aluminum Extrusions • Sales volume and profitability of Aluminum Extrusions is cyclical and seasonal and highly dependent on economic conditions of end- use markets in the U. S., particularly in the construction sector. Aluminum Extrusions' end- use markets can be cyclical and subject to seasonal swings in volume **. In addition, changes in architectural design, demographic, and / or remote work trends could negatively impact the overall commercial construction industry** . Because of the capital- intensive nature and level of fixed costs inherent in the aluminum extrusions business, the percentage drop in earnings before interest, taxes, depreciation and amortization (" EBITDA ") from ongoing operations in a cyclical downturn will likely exceed the percentage drop in volume. In addition, during an economic slowdown, excess industry capacity often drives increased pricing pressure in many end- use markets as competitors seek to protect their position with key customers. Any benefits associated with cost reductions and productivity improvements may not be sufficient to offset the adverse effects on profitability from pricing and margin pressure and higher bad debts (including a greater chance of loss associated with customers defaulting on fixed- price forward sales contracts) that usually accompany a downturn. **• Unfairly traded imports of aluminum extrusions could injure or threaten with injury America' s domestic aluminum extrusions industry, which could have an adverse effect on the financial condition, results of operations and cash flows of Aluminum Extrusions. 1. Failure to prevent foreign competitors from evading anti- dumping and countervailing duties, or failure to reinstate the Aluminum Tariff on aluminum extrusions, could adversely impact Aluminum Extrusions.** In ~~addition~~ **2018** , ~~higher energy costs ;additionally,any disruptions,delays or deficiencies could adversely affect our remediation efforts with respect to the effectiveness of our internal controls over financial reporting.• Failure to prevent foreign competitors from evading anti- dumping and countervailing duties,or failure to reinstate the Aluminum Tariff on aluminum extrusions,could adversely impact Aluminum Extrusions.Chinese and other overseas manufacturers continue to try to evade the anti- dumping and countervailing orders to avoid duties.On October 3,2022,the U.S.International Trade Commission (" ITC ") extended the anti- dumping (" AD ") and countervailing duty (" CVD ") orders against aluminum extrusions from China,for a period of five years.In 2018,~~ the U.S.imposed tariffs of 10 % on aluminum ingot and semi- finished aluminum imported into the U.S.from certain countries ~~.~~ **;** ~~However~~ **however** ,in December 2020,the Department of Commerce (" DOC ") introduced a tariff exclusion process,granting applicants with tariff exclusions. **In response to large and increasing volumes of unfairly traded imports of extrusions associated with these tariff exclusions,a coalition of U.S.domestic producers filed petitions with the DOC and U.S.International Trade Commission (" ITC ").In November 2023,the ITC found that there is a reasonable indication that the American aluminum extrusions industry is materially injured or threatened with injury due to imports from 14 countries,including China.The ITC' s preliminary determination found that subject import volumes were significant and increasing,and that with regard to pricing,subject imports predominantly undersold the domestic product by volume in each year of the period of investigation.On March 5,2024,the DOC announced its preliminary finding that the governments of China,Indonesia,Mexico and Turkey unfairly subsidize their aluminum extrusion industries.The DOC calculated a range of affirmative preliminary countervailing duties from each country.A preliminary anti- dumping determination for these four countries and the 10 other countries included in the initial petition is expected in May 2024.The Company expects the final ITC vote to occur in late 2024.** A failure by,or the inability of,U.S.trade officials to restore the import tariff in its full format ~~,~~ could have **an** ~~a material~~ adverse effect on the **businesses,** financial condition,results of operations and cash flows of Aluminum Extrusions. ~~•~~ **2.** The duty- free importation of goods allowed under the United States- Mexico- Canada Agreement (" USMCA "),or other free trade agreements or duty- preference regimes,could result in lower demand for aluminum extrusions made in the U.S. ~~,which could materially and negatively affect Aluminum Extrusions' business and results of operations.~~ As noted above,in March 2018,the U.S.imposed tariffs of 10 % on aluminum ingot and semi- finished aluminum imported into the U.S.from certain countries,including countries from which Aluminum Extrusions has historically sourced aluminum products.In September 2019,the U.S.,Canada and Mexico entered into the USMCA.As a result of the 10 % tariffs on aluminum ingot imported to the U.S.and the duty- free importation of goods allowed under USMCA ~~or other trade agreement regimes or duty- preference programs~~ ,aluminum extrusions ~~from outside the United States~~ **made in Canada and Mexico** that are able to take advantage of duty- preference programs upon importation into the United States ~~made in Canada and Mexico~~ are free of the 10 % tariff and ~~can now be imported into and sold in the U.S.at very competitive prices.This could result in lower demand for aluminum extrusions made in the U.S.,which could materially and negatively affect Aluminum~~ can **now** ~~reduce profits unless offset by price increases or cost reductions and productivity improvements. Starting in third quarter of 2022, the Company observed slowing order input and order cancellations as customers reported high inventory levels. There can~~ be **imported into** ~~no assurance as to the extent~~ and ~~timing of~~ **sold in** the ~~recovery~~ **U. S. at very competitive prices. This could result in lower demand for aluminum extrusions made in the U. S., which could negatively affect Aluminum Extrusions' business, results** of ~~sales volumes~~ **operations, financial condition** and ~~profits~~ **cash flows. • The markets** for Aluminum Extrusions **' products are highly competitive with product quality** , ~~especially since~~ **service, delivery performance and price being** ~~there~~ -- **the** ~~can be a lag~~ **principal competitive factors. Aluminum Extrusions has approximately 1, 100 customers that are** in ~~the recovery~~ **a variety** of ~~its~~ end- use markets ~~in comparison to~~ **within the broad categories of building and construction, distribution, automotive and** ~~the~~ **other transportation, machinery and equipment, electrical and consumer durables. No single Aluminum Extrusions' customer exceeds 4 % of consolidated net sales. Future success and prospects depend on Aluminum Extrusions' ability to provide superior service, high quality products, timely delivery and competitive pricing to retain existing customers and participate in** overall ~~economic recovery~~ **industry cross- cycle growth. Failure in any of these areas could lead to a loss of customers, which could have an adverse effect on the business, financial condition, results of operations and cash flows of Aluminum Extrusions** . • The failure to successfully implement the new enterprise resource planning and manufacturing execution systems could adversely impact the Aluminum Extrusions business and results of operations. In January 2022, Aluminum Extrusions **commenced** ~~obtained approval from the Board to engage in~~ the implementation ~~project~~ of ~~a~~ new enterprise resource planning and manufacturing execution systems (" ERP / MES ") across all locations of the Aluminum Extrusions business. The **implementation of these systems is a major undertaking from a financial, management, and personnel perspective. The implementations have been more difficult, time consuming and costly (approximately $ 21 million of spending to date) than expected. This project, which was expected to be completed in 2024, has been reorganized with an extended implementation period, due to the implementation of stringent spending measures to control financial leverage. As a result, the earliest " go- live " date for the new** ERP / MES ~~project commenced in 2022 and~~ is **2025** ~~expected to cost a total of approximately $ 30 million over a two- year time span~~ . ~~The implementation of these systems is a major undertaking from a financial, management, and personnel perspective. The implementations may prove~~

~~to be more difficult, costly, or time consuming than expected, and there~~ **There** can be no assurance that these systems will be beneficial to the extent anticipated. Any **additional** disruptions, delays or deficiencies in the design and implementation of the new systems could adversely affect our financial position, results of operations and cash flows ; additionally, any disruptions, delays...... operations and cash flows of Aluminum Extrusions . Risks Related to PE Films • PE Films is highly dependent on sales associated with relatively few large customers. PE Films' top four customers comprised approximately 10 %, **10 % and** 13 ~~% and 16~~ % of Tredegar' s consolidated net sales in **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively. The loss or significant reduction of sales associated with one or more of these customers without replacement by new business could have **an** ~~a material~~ adverse effect on the Company. Surface Protection sales have been adversely impacted by weak market demand and competitive pricing. Customer demand for electronics has continued to deteriorate since the third quarter of 2022, causing manufacturers in the supply chain to experience reduced capacity utilization and inventory corrections. **Consequently** ~~In addition~~ , **results of operations** ~~these depressed market conditions, which are expected to continue~~ for **PE Films have been** ~~most of the first half of 2023, are~~ adversely **impacted** ~~impacting mix through reduced sales to our highest value- added customers and products. The Company previously reported the risk that a portion of its film products used in surface protection applications would be made obsolete~~ by **weak demand** ~~customer product transitions, which principally relate to one customer, to less costly alternative processes or~~ **for** ~~materials. The Company estimates that these transitions, which were complete as of the second quarter of 2022, resulted in a total decline of $ 7 million in pre- tax income from continuing operations as reported under GAAP and EBITDA from ongoing operations during 2022 versus 2021. The~~ Surface Protection ~~business is continuing to experience competitive pricing pressures, unrelated to the customer product transitions, that adversely impacted pre- tax income from continuing operations as reported under GAAP and EBITDA from ongoing operations by approximately $ 5. 5 million in 2022 versus 2021. To offset the adverse impact of the customer transitions and pricing pressures, the Company is aggressively pursuing sales of new surface protection~~ products ~~, applications and customers and driving production efficiencies and cost savings~~ . While PE Films is undertaking efforts to expand its customer base, there can be no assurance that such efforts will be successful, or that they will offset any loss of sales and profits associated with ~~customer transitions and other~~ large customer declines. • **The** ~~Failure~~ **failure** of PE Films' customers ~~, who are subject to cyclical downturns,~~ to achieve success or maintain market share could adversely impact PE Films' sales and operating margins. PE Films' plastic films are used in the production of various consumer products sold worldwide. ~~A~~ **Our** ~~customer~~ **customers** ' ~~s~~ ability to successfully develop, manufacture and market those products is integral to PE Films' success. Cyclical downturns and changing consumer preferences **, particularly those driven by changes in technology,** may negatively affect businesses that use PE Films' plastic film products, which could adversely affect sales and operating margins. Other factors that could adversely affect the business include (i) failure by a key customer to achieve success or maintain share in markets in which they sell products containing PE Films' materials, including as a result of customer preferences for products other than plastics, (ii) key customers using products developed by others that replace PE Films' business with such customers, (iii) delays in a key customer rolling out products utilizing new technologies developed by PE Films, and (iv) operational decisions by a key customer that result in component substitution, inventory reductions and similar changes. • The Company' s inability to protect its intellectual property rights or its infringement of the intellectual property rights of others could have **an** ~~a material~~ adverse impact on PE Films. The continued success of ~~the~~ PE Films' business depends on its ability not only to protect its own technologies and trade secrets, but also to develop and sell new products that do not infringe upon existing patents. Intellectual property litigation is very costly and could result in substantial expense and diversions of Company resources, both of which could adversely affect its consolidated financial condition, results of operations and cash flows. In addition, there may be no effective legal recourse against infringement of the Company' s intellectual property by third parties, whether due to limitations on enforcement of rights in foreign jurisdictions or as a result of other factors. • ~~Disruptions to PE Films' supply chain could have a material adverse impact on PE Films. Certain raw materials used in manufacturing PE Films' products are sourced from single suppliers, and PE Films may not be able to quickly or inexpensively re- source from other suppliers. The risk of damage or disruption to its supply chain may increase if and when different suppliers consolidate their product portfolios, experience financial distress or disruption of manufacturing operations (such as, for example, the impact of hurricanes on petrochemical production). Failure to take adequate steps to effectively manage such events, which are intensified when a product is procured from a single supplier or location, could adversely affect PE Films' consolidated financial condition, results of operations and cash flows, and also require additional resources to restore its supply chain. •~~ Rising trade tensions could cause an increase in the cost of PE Films' products or otherwise negatively impact the Company. A portion of PE Film' s business involves imports to and from the U. S. and other countries where the Company produces and sells its products. Trade tensions have been rising between the U. S. and other countries, particularly China. An increase in tariffs and other trade barriers between the U. S. and China, or between the U. S. and other countries, could cause an increase in the cost of PE Films' products or otherwise negatively impact the production and sale of the Company' s products in world markets. • ~~An~~ **Further** impairment of the Surface Protection reporting unit' s goodwill could have a ~~material~~ non- cash adverse impact on our results of operations. The Company assesses goodwill for impairment when events or circumstances indicate that the carrying value may not be recoverable, or, at a minimum, on an annual basis (December 1st of each year). The valuation of goodwill depends on a variety of factors, including macroeconomic conditions, industry and market considerations, cost factors and overall financial performance, as well as ~~company~~ **Company** and reporting unit factors, and goodwill impairment valuations can be sensitive to assumptions associated with such factors. Failure to successfully achieve projections could result in future impairments. ~~Impairment to the Surface Protection reporting unit' s goodwill may also be caused by factors outside the Company' s control, such as increasing competitive pricing pressures, weak consumer electronic market demand, lower than expected sales and profit growth rates, and various other factors. Significant and unanticipated changes could require a non- cash charge for impairment in a future period, which may significantly affect the Company' s results of operations in the period of such charge.~~ Risks Related to Flexible Packaging Films ~~Brazil,~~ which may result in pricing pressures that Flexible Packaging Films may not be able to offset with cost savings measures and / or manufacturing efficiency initiatives.In May 2021,the Brazilian authorities concluded the sunset review relating to the anti-dumping process for polyester film imported from China,India and Egypt,and decided to extend duties for another five years.However,due to its doubts that films would continue to be imported from China and Egypt,the government immediately suspended the implementation of the tariffs for those countries **.If** ~~but agreed that if~~ in the future there ~~were~~ **are** volumes imported from China or Egypt which ~~were~~ **are** harming the Brazilian market,authorities may promptly reinstate tariffs. **For India** ~~Importing from Egypt increased in Brazil during 2023;therefore~~ , ~~Terphane requested~~ the **Brazilian authorities also reviewed measures against countervailing duties and extended those for five years** • A history of uncertain economic conditions in Brazil could adversely impact the financial condition, results of operations and cash flows of Flexible Packaging Films. For flexible packaging films produced in Brazil, selling prices and key raw material costs are principally determined in U. S. Dollars and are impacted by local economic conditions and local and global competitive dynamics. Flexible Packaging Films is exposed to foreign exchange translation risk (its functional currency is the Brazilian Real) because almost 90 % of the sales of Flexible Packaging Films business unit in Brazil (“ Terphane Ltda. ”) and substantially all of its related raw material costs are quoted or priced in U. S. Dollars while its variable conversion, fixed conversion and sales, general and administrative costs before depreciation & amortization (collectively “ Terphane Ltda. Operating Costs ”) are quoted or priced in Brazilian Real. This mismatch, together with a variety of economic variables impacting currency exchange rates, causes volatility that could negatively or positively impact EBITDA from ongoing operations for Flexible Packaging Films. While Flexible Packaging Films hedges this exposure on a short- term basis with foreign exchange forward rate contracts, the exposure continues to exist beyond the hedging periods. **Other Business Risks** • **A** ~~Overcapacity in Latin American polyester film production and governmental~~ failure ~~to extend anti- dumping duties~~ in ~~Brazil on imported products or prevent competitors from circumventing such duties could adversely impact Flexible Packaging Films. In recent years, excess global capacity in~~ the ~~industry~~ **Company’ s information technology systems** ~~has~~ **as** ~~led to increased competitive pressures from imports into Brazil~~ **a result of cybersecurity attacks or other causes could negatively affect Tredegar’ s business** . The Company ~~believes~~ **depends on information technology (“ IT ”) to record and process customer orders, manufacture and ship products in a timely manner, secure its production processes and know- how, maintain the financial accuracy of its business records and maintain personally identifiable information of its employees. An IT system failure due to computer viruses, internal or external security breaches, cybersecurity attacks or other malicious causes could disrupt our operations and prevent us from being able to process transactions with our customers, operate our manufacturing facilities and properly report transactions in a timely manner. Increased global IT security threats and cyber- crime pose a potential risk to the security and availability of the Company’ s IT systems, networks and services, including those** that ~~these conditions have shifted the competitive environment from a regional to a global landscape and have driven price convergence and lower product margins for Flexible Packaging Films. Favorable anti- dumping rulings or countervailing duties~~ are ~~in effect~~ **managed, hosted, provided** ~~for~~ **or used** ~~products imported from China, Egypt, India, Mexico, United Arab Emirates, Turkey, Peru and Bahrain. Competitors not currently subject to anti- dumping duties may choose to utilize their excess capacity~~ by **third parties** ~~selling product in Brazil~~ , which may result in pricing pressures that...... duties and extended those for five years as well ~~. Considering~~ **as to** the ~~expiration~~ **confidentiality, availability and integrity of the Company’ s data. Additionally, increased cybersecurity risk arises due to certain employees working remotely. To** date **, interruptions of the Company’ s IT systems have been infrequent, and Tredegar has not experienced a material cybersecurity incident. A significant prolonged failure of or security breach of the IT systems, networks or service providers the Company relies upon, or a loss or disclosure of business or other sensitive information, or personally identifiable information, as a result of a cybersecurity incident or other cause, could result in substantial costs to the Company, damage to the Company’ s reputation, regulatory enforcement actions and lawsuits and could adversely affect the Company’ s business, results of operations, financial condition or cash flows. • The Company’ s results of operations, financial condition and cash flows have been and could be impacted by the macroeconomic effects of a pandemic. The COVID- 19 pandemic had multiple adverse effects on the global economy, including short- term impacts affecting labor supply and causing supply chain disruptions which led to inflationary pressures. In addition, the pandemic resulted in certain after- shocks and structural shifts, which have adversely impacted Tredegar’ s markets. In the event of a future pandemic, Tredegar’ s businesses, our suppliers, contractors and third- party logistic providers could experience conditions similar to those associated with the COVID- 19 pandemic, including facility closures, labor constraints, supply chain disruptions and other challenges. These challenges could impact our ability to maintain sufficient inventory and to accurately predict demand or lead times, which could inhibit our ability to service customer demand. Additionally, a future pandemic could heighten other risks described above. • Tredegar is subject to current and future governmental regulations, including environmental laws and regulations, and could become exposed to liabilities and costs associated with such regulation. The Company is subject to regulation by local, state, federal and foreign governmental authorities. New laws and regulations, or changes to existing laws, including those relating to environmental matters (including global climate change and plastic products), and privacy matters, could subject Tredegar to significant additional capital expenditures, operating expenses or other compliance costs. Moreover, future developments in federal, state, local and international laws and regulations, including environmental laws, are difficult to predict. Environmental laws and privacy restrictions have become and are expected to continue to become increasingly strict. As a result, Tredegar expects to be subject to new environmental and privacy laws and regulations. However, any such changes are uncertain and, therefore, it is not possible** for **the Company to predict with certainty the amount of additional capital expenditures or operating expenses that could be necessary for compliance with respect to any such changes. The Company is subject to the U. S. Foreign Corrupt Practices Act, Brazilian** anti- **corruption laws** ~~dumping rulings against Mexico, United Arab Emirates~~ and ~~Turkey~~ **similar anti- bribery laws** in **other jurisdictions** ~~first quarter 2023~~ , ~~Terphane timely petitioned~~ **which generally prohibit companies and their intermediaries from making improper payments to foreign officials** for ~~a sunset review in~~ **the purpose of obtaining or retaining business. Although we have policies and procedures designed to facilitate compliance with** ~~the~~ **these laws** ~~fourth quarter of 2022,~~ and **regulations** ~~the Brazilian authority is in the process of reviewing the petition and data provided in order to initiate the sunset review investigation~~ , ~~which was formalized~~ **our employees, contractors and agents may take actions** in ~~February 2023~~ **violation of our policies** . **Any such violation, even if prohibited by our policies, could adversely affect our business and / or our reputation.**