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REYNOLDS CONSUMER PRODUCT

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS 6941

█ CHANGES 326

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2022** **December 31, 2023**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-39205

REYNOLDS CONSUMER PRODUCTS INC.

(Exact name of Registrant as specified in its charter)

Delaware

45-3464426

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer
Identification Number)

1900 W. Field Court

Lake Forest, Illinois 60045

Telephone: (800) 879-5067

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)
Securities registered pursuant to section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, \$0.001 par value	REYN	The Nasdaq Stock Market LLC
Securities registered pursuant to section 12(g) of the Act: None		

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes R No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No R

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes R No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes R No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer R Accelerated filer o Non-accelerated filer o Smaller reporting company o Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act o

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. R

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. o

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). o

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act). Yes o No R

As of **June 30, 2022** **June 30, 2023**, the aggregate market value of the registrant's common stock held by non-affiliates (shareholders other than executive officers, directors or holders of more than 10% of the outstanding stock of the registrant) was approximately **\$1.466 million** **\$1.518 million**, based on the closing price of the registrant's common stock on such date. This calculation does not reflect a determination that certain persons are affiliates of the registrant for any other purposes.

The registrant had **209,862,658** **210,009,461** shares of common stock, \$0.001 par value, outstanding as of **January 31, 2023** **January 31, 2024**.

Documents incorporated by reference: Portions of the Registrant's definitive proxy statement relating to its **2023** **2024** Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

REYNOLDS CONSUMER PRODUCTS INC.

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains certain statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify these statements by forward-looking words such as "may," "might," "will," "should," "expects," "intends," "outlook," "forecast," "position," "committed," "plans," "anticipates," "believes," "estimates," "predicts," "model," "assumes," "confident," "look forward," "potential" "on track", or "continue," or the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, our anticipated growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including those risks and uncertainties discussed in Item 1A. "Risk Factors." You should specifically consider the numerous risks outlined in the "Risk Factors" section. These risks and uncertainties include factors related to:

- changes in consumer preferences, lifestyle, **economic circumstances** and environmental concerns;
- relationships with our major customers, consolidation of our customer bases and loss of a significant customer;
- competition and pricing pressures;

- loss of, or disruption at, any of our key manufacturing facilities;
- our suppliers of raw materials and any interruption in our supply of raw materials;
- loss due to an accident, labor issues, weather conditions, natural disaster, the emergence of or a pandemic or disease outbreak, such as coronavirus including epidemics, pandemics or otherwise;
- the unknown duration and economic, operational and financial impacts of the global COVID-19 pandemic; similar widespread public health concerns;
- costs of raw materials, energy, labor and freight, including the impact of tariffs, trade sanctions and similar matters affecting our importation of certain raw materials;
- labor shortages and increased labor costs;
- our ability to develop and maintain brands that are critical to our success;
- economic downturns in our target markets;
- our ability to acquire businesses;
- impacts from inflationary trends;
- difficulty meeting our sales growth objectives and innovation goals; and
- increases changes in market interest rates or and the impact availability of the phase-out or replacement of the LIBO rate as an interest rate benchmark. capital.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. We are under no duty to update any of these forward-looking statements after the date of this Annual Report on Form 10-K to conform our prior statements to actual results or revised expectations.

Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found elsewhere in this Annual Report on Form 10-K, under Part I, Item 1A. "Risk Factors."

PART I

ITEM 1. BUSINESS

In this Annual Report on Form 10-K, "Reynolds Consumer Products," "RCP," the "Company," "we," "us" and "our" refer to (i) prior to the Corporate Reorganization on February 4, 2020, as defined in our Registration Statement on Form S-1 (File No. 333-234731), as amended and as filed with the U.S. Securities and Exchange Commission (the "SEC"), the Reynolds Consumer Group business consisting of the combination of Reynolds Consumer Products Inc. and the operations, assets and liabilities comprising Reynolds Group Holdings Limited's Reynolds Consumer Products segment; and (ii) after the Corporate Reorganization, Reynolds Consumer Products Inc. and its consolidated subsidiaries. Reynolds Consumer Products Inc., formerly known as RenPac Holdings Inc., was incorporated in the state of Delaware on September 26, 2011.

We filed a Registration Statement on Form S-1, as amended, with the SEC which was declared effective on January 30, 2020. On January 31, 2020, our common stock began "regular-way" trading on The Nasdaq Stock Market LLC under the "REYN" symbol. On February 4, 2020, we completed our Corporate Reorganization and initial public offering ("IPO").

We own or have rights to trademarks, service marks and trade names that we use in connection with the operation of our business. Other trademarks, service marks and trade names appearing in this Annual Report on Form 10-K are the property of their respective owners. Solely for convenience, some of the trademarks, service marks and trade names referred to in this Annual Report on Form 10-K are listed without the ® or ™ symbols, but we will assert, to the fullest extent under applicable law, our rights to our trademarks, service marks and trade names.

Overview

Our mission is to simplify daily life so consumers can enjoy what matters most.

We are a market-leading consumer products company with a presence in 95% of households across the United States. We produce and sell products across three broad categories: cooking products, waste and storage products and tableware. We sell our products under iconic brands such as Reynolds and Hefty, and also under store brands that are strategically important to our customers, retail partners. Overall, across both our branded and store brand offerings, we hold the #1 or #2 U.S. market share position in the majority of product categories in which we participate. Over 65% of our revenue comes from products that are #1 in their respective categories. We have developed our market-leading position by investing in our product categories, championing the categories in partnership with our retail partners and consistently developing innovative products to meet the evolving needs and preferences of the modern consumer.

Our mix of branded and store brand products is a key competitive advantage that aligns our goal of growing the overall product categories with our customers' goals and where we have offerings. Our retail partners also measure their success in category growth, which positions us as a trusted strategic partner to our retailers. Our Reynolds and Hefty brands have preeminent positions in their categories and carry strong brand recognition in household aisles. partner.

Our products are typically used in the homes of consumers of all demographics on a daily frequent basis and meet the convenience-oriented preferences of today's consumer consumers across a broad range of household activities. We Our products help make simplify daily life easier by assisting with preparation, cooking, mealtime and serving, clean-up and by providing convenient storage and indoor/outdoor disposal solutions. through a range of product offerings. Our diverse product portfolio includes a wide range of products, including aluminum foil, wraps, parchment paper, disposable bakeware, trash bags, food storage bags and disposable tableware. Our products are known for their quality, which is recognized by our consumers and retail partners alike. Our consumers know they can rely on our trusted brands. Reynolds and Hefty brands have preeminent positions in their categories and carry strong brand recognition in household aisles. These factors generate consumer loyalty, which empowers affords us the opportunity to develop and launch new products that expand usage occasions and transition our portfolio into adjacent categories.

We have strong relationships with a diverse set of **customers** **retail partners** including leading grocery stores, mass merchants, warehouse clubs, discount chains, dollar stores, drug stores, home improvement stores, military outlets and eCommerce retailers. Our **customer** relationships **with our retail partners** have been built on a long history of trust. Our portfolio of branded and store brand products allows our retail partners to manage multiple household aisles with a single vendor. Many of our products have had a prominent position on the shelves of major retailers for decades and have become an integral part of household aisles. We believe our strong brand recognition and customer loyalty lead to robust product performance.

Our brands have #1 market share positions across nearly all our categories

Category	Brand	Position
Aluminum foil (U.S.)		
Aluminum foil (Canada)		
Parchment paper		
Wax paper		
Slow cooker liners		
Oven bags		
Freezer paper		
Slider bags		
Party cups		
Foam dishes		
Trash bags		

Source: **IRI Circana** **Dollar Sales** MULO latest 52 weeks ended **January 1, 2023** **December 31, 2023** and Nielsen MarketTrack latest 52 weeks ended **December 31, 2022** **December 30, 2023**.

Our Segments

We manage our operations in four reportable segments: Reynolds Cooking & Baking, Hefty Waste & Storage, Hefty Tableware and Presto Products.

- **Reynolds Cooking & Baking:** Through our Reynolds Cooking & Baking segment, we **produce** **sell both** branded and store brand aluminum foil, disposable aluminum pans, parchment paper, freezer paper, wax paper, butcher paper, plastic wrap, baking cups, oven bags and slow cooker liners. Our branded products are sold under the Reynolds Wrap, Reynolds KITCHENS and EZ Foil brands in the United States and selected international markets, under the ALCAN brand in Canada and under the Diamond brand outside of North America. With our flagship Reynolds Wrap products, we hold the #1 market position in the U.S. consumer foil market measured by retail sales and volume. We **also hold the #1 market position in the Canadian branded foil market under the ALCAN brand.** We have no significant branded competitor in this market. Reynolds is one of the most recognized household brands in the United States and has been the top trusted brand in the consumer foil market for **over 75 years**, with greater than 50% market share in most of its categories.
- **Hefty Waste & Storage:** Through our Hefty Waste & Storage segment, we produce both branded and store brand trash and food storage bags. Hefty is a well-recognized leader in the trash bag and food storage bag categories and our private label products offer value to our retail partners. Our branded products are sold under the Hefty Ultra Strong and Hefty Strong brands for trash bags, and as the Hefty and Baggies brands for our food storage bags. **Hefty has 99% brand awareness and is most commonly identified with the Brand's famous "Hefty! Hefty! Hefty!" slogan.** We have the #1 branded market share in the U.S. large black trash bag and slider bag segments, and the #2 branded market share in the tall kitchen trash bag segment. Our robust product portfolio in this segment includes a full suite of products, including sustainable solutions such as **blue and clear recycling bags**, **compostable bags**, **bags made from recycled materials** and **orange bags through the Hefty EnergyBag ReNew Program**.
- **Hefty Tableware:** Through our Hefty Tableware segment, we sell both branded and store brand disposable and compostable plates, bowls, platters, cups and cutlery. Our Hefty branded products include dishes and party cups. Hefty branded party cups are the #1 party cup in America measured by market share. Our branded products use our Hefty brand to represent both quality and great **price, value**, and we bring this same quality and value promise to all of our store brands as well. We sell across a broad range of materials and price points in all retail channels, allowing our consumers to select the product that best suits their price, function and aesthetic needs. These materials include sustainable solutions, such as Hefty **ECOSAVE™ ECOSAVE** and Hefty Compostable Printed Paper Plates. **In 2023, we also tapped into the nostalgia trend and brought back Zoo Pals plates, garnering 3.7 billion media impressions.**
- **Presto Products:** Through our Presto Products segment, we primarily sell store brand products in four main categories: food storage bags, trash bags, reusable storage containers and plastic wrap. Presto Products is a market leader in food storage bags and differentiates itself by providing access to category management, consumer insights, marketing, merchandising and research and development ("R&D") resources. **Presto Products was the first in the U.S. market to offer a store branded sandwich bag made with an approximately 20% proprietary blend of plant and ocean, renewable materials.** Our Presto Products segment also includes our specialty business, which serves other consumer products companies by providing Fresh-Lock and Slide-Rite resealable closure systems.

Our Products

Our portfolio consists of three main product groups: waste and storage products, cooking products and tableware. Our consolidated net revenues by product line for fiscal years **2023**, **2022** **2021** and **2020** **2021** were as follows:

For the Years Ended December 31,				For the Years Ended December 31,				
(in millions)	(in millions)	2022	2021	2020	(in millions)	2023	2022	2021
Waste and storage ⁽¹⁾		\$1,550	\$1,448	\$1,351				
Waste and storage ⁽¹⁾								
Cooking products	Cooking products	1,287	1,314	1,159				
Tableware	Tableware	1,000	815	763				
Unallocated	Unallocated	(20)	(21)	(10)				
Net revenues	Net revenues	<u>\$3,817</u>	<u>\$3,556</u>	<u>\$3,263</u>				

(1) Waste and storage products are comprised of our Hefty Waste & Storage and Presto Products segments.

Customers

Our customer base includes leading grocery stores, mass merchants, warehouse clubs, discount chains, dollar stores, drug stores, home improvement stores, military outlets and eCommerce retailers. We sell both branded and store brand products across our customer base. We generally sell our branded products pursuant to informal trading policies and our store brand products under one year or multi-year agreements. Walmart accounted for 30%, **29%** **30%** and **30%** **29%** and Sam's Club accounted for 18%, **15%** **18%** and **13%** **15%** of our total net revenue in fiscal years **2023**, **2022** **2021** and **2020**, **2021**, respectively. 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.

During fiscal year **2022**, **2023**, sales in North America and the United States represented 99% and **98%** **97%** of our total sales, respectively.

Sales and Distribution

Through our sales and marketing organization, we are able to manage our relationships with customers at the national, regional and local levels, depending on their needs. We believe that our dedicated sales representatives, category management teams and our participation in both branded and store brand products create a significant competitive advantage.

We have a direct sales force organized by customer type, including national accounts, regional accounts and eCommerce. Our sales force is responsible for sales across each of our segments and our portfolio of branded and store brand products. We complement our internal sales platform by selectively utilizing third-party brokers for certain products and customers. In addition to sales professionals, each of our top 20 customers has a dedicated customer support team, including category management, production planning and transportation teams, as well as customer service representatives, category management teams and a logistics and transportation team.

representatives.

We utilize two routes of distribution to deliver our products to our customers. In many cases, we ship directly from our warehouses to the customer's distribution center. Given the breadth of our product offerings, we are also able to optimize truckloads and reduce inventory for our retail partners by shipping trucks from mixing centers filled with SKUs across all of our product categories.

Competition

The U.S. household consumer products market is mature and highly competitive. Our competitive set consists of consumer products companies, including large and well-established multinational companies as well as smaller regional and local companies. These 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. Within each product category, most of our products compete with other widely advertised brands and store brand products.

Competition in our categories is based on a number of factors including brand recognition, price quality and brand recognition. quality. We benefit from the strength of our brands, a differentiated portfolio of quality branded and store brand products, as well as significant capital investment in our manufacturing facilities. We believe the strong recognition of the Reynolds brand and Hefty brand among U.S. consumers gives us a competitive advantage. In addition, our largest customers choose us for our customer service, category management services and commitment to "Made in the U.S.A." products.

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 quarter of the year, primarily due to outdoor summertime use of disposable plates, cups and bowls.

Raw Materials and Suppliers

We have a diverse supplier base, and are not reliant on any single supplier for our primary raw materials, including polyethylene, polystyrene and aluminum. We also purchase raw material additives, secondary packaging materials and finished products for resale. We source a significant majority of our resin requirements from domestic suppliers.

Centralized purchasing enables us to leverage the purchasing power of our operations and reduces our dependence on any one supplier. We generally have one to two year contracts with resin and aluminum suppliers, which have historically provided us with a steady supply of raw materials. In certain instances, we purchase selected finished goods from third-party suppliers to supplement capacity and source specialty items. While we have not historically experienced significant interruptions from third party suppliers, we have seen increased delays in 2021 and 2022 as a result of labor shortages and the timing of imports from third party suppliers.

Intellectual Property

We have a significant number of registered patents and registered trademarks, including Reynolds and Hefty, as well as several copyrights, which, along with our trade secrets and manufacturing know-how, help support our ability to add value within the market and sustain our competitive advantages. We have invested a considerable amount of resources in developing proprietary products and manufacturing capabilities, and we employ various methods, including confidentiality and non-disclosure agreements with third parties, employees and consultants, to protect our intellectual property. While in the aggregate our patents are of material importance to us, we believe that we are not dependent upon any single patent or group of patents.

Other than licenses for commercially available software, we do not believe that any of our licenses from third parties are material to us taken as a whole. We do not believe that any of our licenses to intellectual property rights granted to third parties are material to us taken as a whole.

Employees and Human Capital

To help build Our objectives related to an engaged team our objectives include successfully identifying, recruiting, onboarding, retaining and incentivizing our both new and existing and new employees. Our talent management and succession plan planning process includes the identification of primary succession roles based on current and future business strategies, the identification of potential successors, a list of action items and a plan for talent development. As of December 31, 2022 December 31, 2023, we employed approximately 6,000 people, most of whom are located in our U.S. and Canada manufacturing facilities. Approximately 23% of our employees are covered by collective bargaining agreements. We have not experienced any significant union-related work stoppages over the last ten years. We believe our relationships with our employees and labor unions are satisfactory.

Environmental, Health & Safety: We are committed to protecting the safety, health and security of our employees and that of the environments in which we operate. We are firm in our policy that we will not compromise employee health and safety or the environment for profit or production. We are passionate about health and safety and pride ourselves on our strategy of prevention through proactive risk elimination and reduction. Our cross-functional leaders and team members work collaboratively to identify risks and to develop and implement control measures leveraging engineering solutions and new technology for mitigation. Our safety performance continues to exceed outperform the industry's industry's average safety performance by a significant margin, and we continue to progress toward our goal of zero incidents through increasing awareness of opportunities for improvement and implementing effective solutions to reduce risks associated with contact with equipment, slips, trips, and falls, as well as ergonomic hazards.

Diversity, Equity & Inclusion: We believe that a diverse, equitable and inclusive organization will enhance the sense of belonging for our colleagues, customers, retail partners, consumers, shareholders and communities. We are committed to building a respectful workplace, educating our colleagues and integrating DE&I within our overall business strategy. Both 2022 and 2021 were significant years in our DE&I journey. Treating others with dignity, empathy and respect are the foundation of our DE&I journey, and we will continue to implement best practices, educate our colleagues on the importance of implementing DE&I strategies, promote a culture where all feel they belong and implement specific solutions to build and retain a more diverse and inclusive experience based upon equity.

Talent Acquisition: We are committed to a diverse and inclusive workplace environment in which individual differences are recognized, respected and appreciated. We provide job opportunities for individual growth in our exciting, dynamic and fast-paced manufacturing plants and corporate office. We have made investments in our Talent Acquisition team to better enable us to source and recruit talent in today's challenging labor market, assist in a great candidate experience and provide a welcoming new hire onboarding. To support our plants, we have also created a comprehensive hourly employee recruiting strategy and social media plan. In addition, we have invested in tools and resources for a consistent and efficient approach to identifying diverse talent.

Regulatory

As many of our products are used in food packaging, our business is subject to regulations governing products that may contact food in all the countries in which we have operations. Our business is also subject to regulations governing advertising claims related to our products and practices, including regulations concerning representations that products are environmentally-friendly, have less of an environmental impact, or are sustainable. Future regulatory and legislative change can 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. We have implemented compliance programs and procedures designed to achieve compliance with applicable laws and regulations, and believe these programs and procedures are generally effective. However, because of the complexity of these laws and regulations and the multinational scope of our business, compliance cannot be guaranteed. regulations.

We are subject to various national, state, local, foreign and international environmental, health and safety laws, regulations and permits. Among other things, these requirements regulate the emission or discharge of materials into the environment, govern the use, storage, treatment, disposal and management of hazardous substances and wastes, protect

the health and safety of our employees, regulate the materials used in and the recycling of our products and 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 hazardous waste for disposal. Many of our manufacturing facilities require environmental permits, such as those limiting air emissions. Compliance with these permits can require capital investment and, in some cases, could limit production.

In addition, 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, legislation aimed at reducing the amount of plastic waste. Programs have included banning certain types of materials waste, regulating product content and products, mandating certain rates of recycling and/or the 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 recycled materials, imposing deposits or taxes on plastic bags and packaging material Polyfluorinated Substances ("PFAS"). We have implemented compliance programs and requiring retailers or manufacturers procedures designed to take back packaging used for their products, achieve compliance with applicable laws and regulations.

Moreover, as environmental issues, such as climate change, have become more prevalent, governments have responded, and are expected to continue to respond, with increased legislation and regulation, which could negatively affect us. For example, the United States Congress has in the past considered legislation to reduce emissions of greenhouse gases. In addition, the Environmental Protection Agency is regulating certain greenhouse gas emissions under existing laws such as the Clean Air Act. A number of states and local governments in the United States have also implemented or announced their intentions to implement their own programs to reduce greenhouse gases. **These initiatives may cause us**

We are also subject to incur additional direct costs various laws and regulations related to data privacy and protection, including the California Privacy Act of 2018 ("CCPA") and the European Union's General Data Protection Regulation ("GDPR"). We have internal programs in complying place to manage and monitor global compliance with any new environmental legislation or regulations, such as costs to upgrade or replace equipment, as well as increased indirect costs that could get passed through to us resulting from our suppliers and customers also incurring additional compliance costs, these various requirements.

Available Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at <http://www.sec.gov>.

We also make financial information, news releases and other information available on our corporate website at www.reynoldsconsumerproducts.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") are available free of charge on this website as soon as reasonably practicable after we electronically file these reports and amendments with, or furnish them to, the SEC. Our board has adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer and other executive and senior financial officers, the full text of which is posted on the investor relations section of our website at www.reynoldsconsumerproducts.com. We intend to disclose future amendments to our code of business conduct and ethics, or any waivers of such code, on our website or in public filings.

The information contained on or connected to our website is not incorporated by reference into this Annual Report on Form 10-K and should not be considered part of this or any other report filed with the SEC.

ITEM 1A. RISK FACTORS

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.

Risks 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 **many** **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 **2022**, **2023**, sales to our top ten customers accounted for **74%** **72%** of our total revenue, and our two largest customers, Walmart and Sam's Club, individually accounted for 30% and 18%, 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 plant, and Wheeling, Illinois plants, which in turn **is** **are** our sole **producer** **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, **the emergence of a pandemic (such as coronavirus) 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 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 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 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 continues to have, 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 benefits costs, our operating expenses could increase and our growth and results of operations could be adversely impacted. In 2022, in response to increased labor and other costs, we increased prices in an effort to pass these costs onto our customers. If we continue to increase product prices to cover increased labor and other costs, the higher prices could adversely affect sales volumes.

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, 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 our respond to these concerns, and an inability to respond through innovation or acquisition of assets we do not currently own, 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.

Certain ongoing direct Market conditions could also impact our ability to manage our inventory levels to meet customers' demand for our products. Our production levels and indirect impacts inventory management goals for our products are based on estimates of the COVID-19 pandemic have continued to 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 recent periods. Supply chains at many companies globally continue to be strained due to increased competition for production line capacity, freight our business, financial condition and logistics resources, as well as labor shortages, and shortages results of certain materials. In addition, global operation.

Global supply chain issues and other macroeconomic factors in the past have resulted in an inflationary environment that has 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 continue to again unfavorably impact our gross margin and operating results in future periods for as long as 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 constraints projections, which may adversely affect our future profitability, cash flows and challenges exist, 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, and 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. In addition, changes to the mix of products that we sell 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 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 quarter of the year, primarily due to outdoor summertime use of disposable plates, cups and bowls. 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. 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 product lines brands, businesses, assets or businesses technologies from third parties. Acquisitions and their pursuits can involve, numerous risks, including, among other things:

- difficulties in realizing the assimilation 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 products systems of the acquired product lines brands, assets or businesses estimation in an effective, timely and assumption of liabilities and contingencies, personnel turnover and the cost-efficient manner;
- diversion of management's attention from other business operations. We may be unable 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 successfully integrate and manage certain product lines the extent that the economic benefits associated with an acquisition or businesses that we may acquire investment diminish in the future or the performance of an acquired company or business is less robust than expected, we may be unable required to achieve anticipated benefits or cost savings from acquisitions in the time frame we anticipate, or at all.

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 2022, 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% 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.

Indirect impacts of COVID-19, or impacts

Impacts associated with a future pandemic and associated responses could adversely impact our business and results of operations.

The COVID-19 pandemic has negatively affected certain parts of our business and operations. The ongoing and/or indirect impacts A resurgence of the COVID-19 pandemic, could further affect general economic conditions, our business and results of operations. Future developments would dictate the type and level of these potential impacts, which are highly uncertain and are difficult to predict.

If or a future pandemic or health epidemic, was to arise, if there is a resurgence of the COVID-19 pandemic or if there are other lingering effects of the pandemic, that 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 or disrupt 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 have and 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, 2022 December 31, 2023, we had \$2,107 million \$1,845 million of outstanding indebtedness under our senior secured term loan facility ("Term Loan Facility") maturing in 2027 and \$243 million \$244 million of borrowing capacity under our senior secured revolving credit facility ("Revolving Facility") maturing in 2025 2026 (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, 2022** **December 31, 2023**, the unhedged portion of our Term Loan Facility was approximately **\$957 million** **\$695 million**, and any borrowings under our Revolving Facility are subject to interest rate volatility.

The Federal Reserve recently raised **Higher** **interest rates** **multiple times** **and signaled that they expect additional rate increases.** **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 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.

The interest rates of certain of our debt instruments **Legal, Regulatory and Compliance Risks**

We are priced using a spread over LIBOR **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 materials used in, and the recycling of, our products. These laws and regulations impose liability, which can be adversely affected by 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 alternative reference rates, recycled materials, imposing deposits or taxes on plastic bags and packaging material, 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 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.

On July 27, 2017, 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 **United Kingdom's Financial Conduct Authority**, 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 **regulates** 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 entity that calculates LIBOR, announced that LIBOR was environment. Increased regulatory requirements, including in relation to be phased out by the end various aspects of 2021. Subsequently, the ICE Benchmark Administration, in its capacity as administrator of USD LIBOR, announced that it extended publication of USD LIBOR (other than one-week and two-month tenors) by 18 months to June 2023. The U.S. Federal Reserve has selected the Secured Overnight Funding Rate ("SOFR") ESG, such as the preferred alternate rate to LIBOR. We are planning for this transition SEC's disclosure proposal on climate change and are currently evaluating amendments to our credit agreement to incorporate an alternative benchmark rate California's recent enactment of climate-related disclosure laws, or environmental causes may result in replacement increased compliance costs or input costs of LIBOR.

SOFR is calculated differently from LIBOR and has inherent differences in energy, raw materials or compliance with emissions standards, which could give rise to uncertainties, including the limited historical data and volatility may cause disruptions in the benchmark rates. While 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 continue to do not adapt to evaluate or comply with new regulations, or fail to meet the potential impact 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, the transition to SOFR, these changes licenses could result in interest 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 that are slightly more than or do not otherwise correlate exactly over time with us in exchange for our rights to the payments that would have been made on such debt if USD LIBOR was available in its current form, including a potential increase in our overall interest expense on unhedged variable rate indebtedness which is currently based on LIBOR. licensed intellectual property. In addition, while 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 credit agreement provides a mechanism for determining an alternative rate licensors to conduct such activities.

Disputes may arise between us and our licensors regarding the scope of interest 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 event that no tenors loss of LIBOR significant rights.

We are available, there can be no assurance generally also subject to all of the same risks with respect to protection of intellectual property that we will be able to reach an agreement with the administrative agent license as we are for our lenders before experiencing adverse effects due to changes in the underlying benchmark rate, if at all, as our credit agreement provides for an amendment approach to the establishment of a successor benchmark, as opposed to a hardwired approach where LIBOR would be replaced automatically upon a benchmark transition event. The potential effect of the replacement of LIBOR intellectual property that we own. Any failure on our cost part or the part of capital cannot yet be determined our licensors to adequately protect this intellectual property could have a material adverse effect on our business and any increase in the interest we pay, and a corresponding increase in our costs results of capital operations.

A cyber-attack or otherwise, 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 condition, 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, 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. If we no longer benefit from this relationship, 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 tableware) from Pactiv LLC ("Pactiv") ("Pactiv"), a member of PEI Group; and
- a warehousing and freight services agreement whereby Pactiv provides certain logistics services to us.

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 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.

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 materials used in, 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, 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 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 recent disclosure proposal on climate change, or environmental causes may result in increased compliance 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 cybersecurity breach or failure of our information systems security measures could expose us to liability and disrupt our operations.

We depend on information technology for processing and distributing information in our business, including to and from our customers and suppliers. This information technology could be subject to theft, damage or interruption from a variety of sources, including malicious computer viruses, security breaches, defects in design, employee malfeasance or human or technical errors. Additionally, we could be at risk if a customer's or supplier's information technology system is attacked or compromised. Cybersecurity incidents have increased in number and severity, and it is expected that these trends will continue. Although we have taken measures to protect our data and to protect our computer systems from attacks, they may not be sufficient to prevent unauthorized access to our systems or theft of our data. If we or third parties with whom we do business were to fall victim to cyber-attacks or experience other cybersecurity incidents, such incidents could result in unauthorized access to, disclosure or loss of or damage to company, customer or other third party data; theft of confidential data, including personal information and intellectual property; loss of access to critical data or systems; service interruptions; and other business delays or disruptions. The loss or disclosure of personal information could also expose us to liability or penalties under laws, rules and regulations related to solicitation, collection, processing or use of consumer, customer, vendor or employee information or related data. In addition, we may incur large expenditures to investigate or remediate, to recover data, to repair or replace networks or information technology systems, or to protect against similar future events. If these events were to occur, we could incur substantial costs or suffer other consequences that negatively impact our business, financial condition and results of operations.

Legal claims and proceedings could adversely impact our business.

As a large company with a long history of serving consumers, 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.

If securities or industry analysts do not publish research or reports about our business, or they publish inaccurate or unfavorable reports about our business, the price of our common stock and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business, our market and our competitors. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our shares of common stock or publish inaccurate or unfavorable reports about our business, our common stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our common stock price or trading volume to decline.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Governance

Our information security program is managed by a dedicated Chief Information Security Officer ("CISO"), whose team is responsible for leading enterprise-wide cybersecurity strategy, policy, standards, architecture and processes, including assessing and managing our material risks from cybersecurity threats. The CISO is a Certified Information Systems Security Professional ("CISSP"), and has over 20 years of experience holding various roles in information technology and cybersecurity. The Audit Committee of our Board of Directors is charged with oversight of cybersecurity matters, including oversight of risks from cybersecurity threats.

The CISO provides quarterly reports to the Audit Committee, as well as more frequent reports to our Chief Executive Officer and other members of our senior management. These reports include updates on our cyber risks and threats, the status of projects to strengthen our information security systems, assessments of our information security program, and the emerging threat landscape. Our cybersecurity program is regularly evaluated by internal and external experts, with the results of those reviews reported to senior management and the Audit Committee. We also actively engage with key vendors, industry participants and intelligence and law enforcement communities as part of our continuing efforts to evaluate and enhance the effectiveness of our information security policies and procedures.

Risk Management and Strategy

We have a comprehensive cybersecurity and information security framework that includes risk assessment and mitigation through a threat intelligence-driven approach, application controls and enhanced security with ransomware defense. The framework leverages International Organization for Standardization 27001/27002 standards for general information technology controls, the National Institute of Standards and Technology Cyber Security Framework for measuring overall readiness to respond to cyber threats, and Sarbanes-Oxley Act for assessment in internal controls. Our cybersecurity processes are integrated into our overall risk management system, and include a comprehensive cyber crisis management program that would apply if a cybersecurity related incident were to occur.

We perform simulations, tabletop exercises and response readiness tests on an annual basis. In addition, we engage external consultants to perform penetration testing at least annually. Our cyber crisis management program includes a documented plan that provides guidance to address the overall coordination of our response to a cyber crisis and plan for resources, actions and decisions we may need to be prepared for; a cyber crisis communication plan for timely and accurate dissemination of evolving information to stakeholders during the crisis, including the timeline, approval process and monitoring of messaging; and business continuity plans that document the application of specific strategies and measures to enable core business activities to continue during a cyber event. The ongoing development and maturity of our cyber crisis management program is reported to senior management quarterly. Tabletop testing of the various plans occur annually with quarterly preparedness exercises.

With respect to third-party service providers, we perform information security assessments and due diligence reviews prior to entering into a contractual agreement. We also perform periodic due diligence reviews for existing third-party service providers based on the risks identified in the initial review, or if events and circumstances necessitate a review.

Refer to "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" in Item 1A. "Risk Factors" for information regarding material risks from cybersecurity threats that affect us.

ITEM 2. PROPERTIES

Our corporate headquarters are located in Lake Forest, Illinois. In addition, as of December 31, 2022 December 31, 2023, our production and distribution network consisted of 24 25 manufacturing and warehouse facilities in 11 12 states and one manufacturing facility in Canada, which are used to produce and store the products sold in all four of our business segments. We own the majority of our physical properties. We believe that all of our properties are in good operating condition and are suitable to adequately meet our current needs.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we are a party to various claims, charges and litigation matters arising in the ordinary course of business. Management and legal counsel regularly review the probable outcome of such proceedings. We have established reserves for legal matters that are probable and estimable, and at December 31, 2022 December 31, 2023, these reserves were not significant. While we cannot feasibly predict the outcome of these matters with certainty, we believe, based on examination of these matters, experience to date and discussions with counsel, that the ultimate liability, individually or in the aggregate, will not have a material adverse effect on our business, financial position, results of operations or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Principal Market

Our common stock is listed on The Nasdaq Stock Market LLC under the "REYN" symbol and began "regular way" trading on The Nasdaq Stock Market LLC on January 31, 2020. Prior to that date, there was no public trading market for our common stock.

Stockholders

As of January 31, 2023 January 31, 2024, there were three four holders of record of our common stock. The actual number of our stockholders is greater than this number, and includes beneficial owners whose shares are held in "street name" by banks, brokers and other nominees.

Dividends

We expect that our practice of paying quarterly cash dividends on our common stock will continue, although the payment of future dividends is at the discretion of our Board of Directors and will depend upon our earnings, capital requirements, financial condition, contractual restrictions (including under our External Debt Facilities) and other factors.

Equity Compensation Plan Information

The information required by this Item concerning our equity compensation plan is incorporated herein by reference to Part III, Item 12 of this report.

Use of Proceeds from Sale of Registered Securities

On February 4, 2020, we completed our IPO, in which we sold 54,245,500 shares of common stock, including the exercise of the underwriters' option to purchase 7,075,500 additional shares, at a public offering price of \$26.00 per share for an aggregate price of \$1,410 million. We received net proceeds of \$1,336 million in the IPO, after deducting underwriting discounts and commissions of \$67 million and other expenses of \$5 million. The offer and sale of the shares in the IPO were registered under the Securities Act of

1933 pursuant to a Registration Statement on Form S-1 (File No. 333-234731), which was declared effective by the SEC on January 30, 2020. Upon completion of the sale of the shares of our common stock, the IPO terminated. There has been no material change in the use of proceeds from our IPO as described in our final prospectus filed with the SEC on January 31, 2020 pursuant to Rule 424(b)(4) of the Securities Act of 1933. Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC acted as representatives of the several underwriters for the offering.

Performance Graph

The following graph compares our cumulative total stockholder return from January 31, 2020 to **December 31, 2022** **December 31, 2023** to that of the S&P 500 Index, the Russell MidCap Index and a peer group. The graph assumes that the value for the investment in our common stock, each index and the peer group was \$100 on January 31, 2020, and that all dividends were reinvested. The complete list of our peer group comprises: Church & Dwight Co., Inc., The Clorox Company, Colgate-Palmolive Company, Energizer Holdings, Inc., Kimberly-Clark Corporation, Newell Brands Inc., The Procter & Gamble Company, The Scotts Miracle-Gro Company, Spectrum Brands Holdings, Inc. and WD-40 Company.

Stockholder returns over the indicated period should not be considered indicative of future stockholder returns.



ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our management's discussion and analysis is intended to help the reader understand our results of operations and financial condition and is provided as an addition to, and should be read in connection with, our consolidated financial statements and the accompanying notes included elsewhere in this Annual Report on Form 10-K.

Description of the Company and its Business Segments

We are a market-leading consumer products company with a presence in 95% of households across the United States. We produce and sell products across three broad categories: cooking products, waste and storage products and tableware. We sell our products under iconic brands such as Reynolds and Hefty and also under store brands that are strategically important to our **customers**, **retail partners**. Overall, across both our branded and store brand offerings, we hold the #1 or #2 U.S. market share position in the majority of product categories in which we participate. Over 65% of our revenue comes from products that are #1 in their respective categories. We have developed our market-leading position by investing in our product categories and consistently developing innovative products that meet the evolving needs and preferences of the modern consumer.

Our mix of branded and store brand products is a key competitive advantage that aligns our goal of growing the overall product categories **with our customers' goals and where we have offerings**. **Our retail partners also measure their success in category growth**, which positions us as a trusted strategic **partner to our retailers**. Our Reynolds and Hefty brands have preeminent positions in their categories and carry strong brand recognition in household aisles.

We manage our operations in four operating and reportable segments: Reynolds Cooking & Baking, Hefty Waste & Storage, Hefty Tableware and Presto Products:

- Reynolds Cooking & Baking: Through our Reynolds Cooking & Baking segment, we **produce sell both** branded and store brand aluminum foil, disposable aluminum pans, parchment paper, freezer paper, wax paper, butcher paper, plastic wrap, baking cups, oven bags and slow cooker liners. Our branded products are sold under the Reynolds Wrap, Reynolds KITCHENS and EZ Foil brands in the United States and selected international markets, under the ALCAN brand in Canada and under the Diamond brand outside of North America. With our flagship Reynolds Wrap products, we hold the #1 market position in the U.S. consumer foil market measured by retail sales and volume. **We also hold the #1 market position in the Canadian branded foil market under the ALCAN brand**. We have no significant branded competitor in this market. Reynolds is one of the most recognized household brands in the United States and has been the top trusted brand in the consumer foil market for **over 75 years**, with greater than 50% market share in most of its categories.
- Hefty Waste & Storage: Through our Hefty Waste & Storage segment, we produce both branded and store brand trash and food storage bags. Hefty is a well-recognized leader in the trash bag and food storage bag categories and our private label products offer value to our retail partners. Our branded products are sold under the Hefty Ultra Strong and Hefty Strong brands for trash bags, and as the Hefty and Baggies brands for our food storage bags. **Hefty has 99% brand awareness and is most commonly identified with the Brand's famous "Hefty! Hefty! Hefty!" slogan**. We have the #1 branded market share in the U.S. large black trash bag and slider bag segments, and the #2 branded market share in the tall kitchen trash bag segment. Our robust product portfolio in this segment includes a full suite of products, including sustainable solutions such as **blue and clear recycling bags**, compostable bags, bags made from recycled materials and **orange bags through the Hefty EnergyBag ReNew Program**.
- Hefty Tableware: Through our Hefty Tableware segment, we sell both branded and store brand disposable and compostable plates, bowls, platters, cups and cutlery. Our Hefty branded products include dishes and party cups. Hefty branded party cups are the #1 party cup in America measured by market share. Our branded products use our Hefty brand to represent both quality and great **price, value**, and we bring this same quality and value promise to all of our store brands as well. We sell across a broad range of materials and price points in all retail channels, allowing our consumers to select the product that best suits their price, function and aesthetic needs. These materials include sustainable solutions, such as Hefty **ECOSAVE™ ECOSAVE** and Hefty Compostable Printed Paper Plates. **In 2023, we also tapped into the nostalgia trend and brought back Zoo Pals plates, garnering 3.7 billion media impressions**.
- Presto Products: Through our Presto Products segment, we primarily sell store brand products in four main categories: food storage bags, trash bags, reusable storage containers and plastic wrap. Presto Products is a market leader in food storage bags and differentiates itself by providing access to category management, consumer insights,

marketing, merchandising and R&D resources. Presto Products was the first in the U.S. market to offer a store branded sandwich bag made with an approximately 20% proprietary blend of plant and ocean, renewable materials. Our Presto Products segment also includes our specialty business, which serves other consumer products companies by providing Fresh-Lock and Slide-Rite resealable closure systems.

Factors Affecting Our Results of Operations

We believe that our performance and future success depend on a number of factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in the section of this Annual Report on Form 10-K titled "Risk Factors."

Consumer Demand for our Products

Our business is largely impacted by the demands of our customers, and our success depends on our ability to anticipate and respond to changes in consumer preferences. Our products are household staples with a presence in 95% of households across the United States.

We also expect that consumers' desire for convenience will continue to sustain demand for our products. Today's consumers are focused on convenience, which extends into household products that improve ease of use and provide time savings, and they are willing to pay a higher price for innovative features and functionality. While advanced features are already prevalent in many of our products, we intend to continue investing in product development to accommodate the convenience-oriented lifestyles of today's consumers. Consumer demand is also impacted by changes in consumer lifestyle, environmental concerns and other considerations. In addition, customers' sensitivity to price points contributes to fluctuations in demand in portions of our business.

Branded products and store brand products accounted for 62% and 38% of our revenue, excluding business-to-business revenue, respectively, in the year ended **December 31, 2022**. We intend to continue investing in both our branded and store brand products to grow the entire product category. Our scale across household aisles and ability to offer both branded and store brand products enable us to grow the overall category. Through our category captain level advisor roles with our retail partners, we offer marketing and consumer shopping strategies, both in store and online, which expand usage occasions and stimulate consumption.

Costs for Raw Material, Materials, Energy, Labor and Freight

Our business is impacted by fluctuations in the prices of the raw materials, energy and freight costs incurred in manufacturing and distributing our products as well as fluctuations in labor and logistics costs related thereto. The primary raw materials used to manufacture our products are plastic resins and aluminum, and we also use commodity chemicals and energy. We are exposed to commodity and other price risk principally from the purchase of resin, aluminum, natural gas, electricity, carton board and diesel. We distribute our products and receive raw materials primarily by rail and truck, which exposes us to fluctuations in labor, freight and handling costs caused by reduced rail and trucking capacity. Sales contracts for our products typically do not contain pass-through mechanisms for raw material, energy, labor and freight cost changes, but we adjust prices, where possible, in response to such price fluctuations.

Resin prices have historically fluctuated with supply and demand, changes in the prices of crude oil and natural gas, as well as changes in refining capacity and the demand for other petroleum-based products. Aluminum prices have also historically fluctuated, as aluminum is a cyclical commodity with prices subject to global market factors. Raw material costs have also been impacted by governmental actions, such as tariffs and trade sanctions.

Purchases of most of our raw materials are based on negotiated rates with suppliers, which are linked to published indices. Typically, we do not enter into long-term purchase contracts that provide for fixed quantities or prices for our principal raw materials.

We use various strategies to manage our cost exposures on certain raw material purchases, including managing these costs through supplier negotiations and entering into contracts of varying durations, and we use naturally established forecast cycles to influence the timing of purchases of raw materials.

Furthermore, since we distribute our products and receive raw materials primarily by rail and truck, reduced availability of rail or trucking capacity and fluctuations in labor, freight and handling costs have caused us to incur increased expenses in certain periods. Where possible, we also adjust the prices of our products in response to fluctuations in production and distribution costs.

Our operating results are also impacted by energy-related cost movements, including those impacting both our manufacturing operations and transportation and utility costs.

Competitive Environment

We operate in a marketplace influenced by large retailers with strong negotiating power over their suppliers. Current trends among these large retailers include increased demand for innovative new products from suppliers, requiring suppliers to maintain or reduce product prices and to deliver products within shorter lead times. We also face the threat of competition from new entrants to our markets as well as from existing competitors, including those overseas who may have lower production costs. In addition, the timing and amount in which our competitors invest in advertising and promotional spending may vary from quarter to quarter and impact our sales volumes and financial results. See "Business - Competition" for more detail on our competitors.

Seasonality

Portions of our business historically have 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 quarter of the year, primarily due to outdoor summertime use of disposable plates, cups and bowls.

Sustainability

Interest in environmental sustainability has increased over the past decade, and it has played, and we expect it will continue to play, an increasing role in consumer purchasing decisions. For instance, there have been recent concerns about the environmental impact of single-use disposable products and products made from plastic, particularly polystyrene foam, affecting our products, especially our Hefty Tableware segment. While there is a focus on environmentally friendly products, survey results indicate that in most of our product categories, consumers continue to rank performance-related purchase criteria, such as durability and ease of use, followed by price, as top considerations, rather than sustainability. As our consumers may shift towards purchasing more sustainable products, we have focused much of our innovation efforts around sustainability. We offer a broad line of products made with recycled, renewable, recyclable and compostable materials. We intend to continue sustainability innovation in our efforts to be at the leading edge of recyclability, renewability and compostability in order to offer our customers environmentally sustainable choices.

Overview

Total net revenues increased 7% for **During** the year ended **December 31, 2022** **December 31, 2023**, compared to the year ended December 31, 2021. The revenue increase was primarily due to higher pricing as a result of pricing actions taken in response to increased material, manufacturing we acquired privately held Atacama Manufacturing Inc., which is an innovation driven company that designs, formulates, manufactures and logistics costs, partially offset by lower volume.

We experienced significant increases in material costs as well as increases in manufacturing, logistics and advertising costs in 2022. We have aggressively implemented price increases in an effort to recover these costs and maintain our profitability. Our 2022 earnings decline was primarily attributable to lower volume and higher advertising costs, partially offset by the timing of pricing actions to recover increased material, manufacturing and logistics costs. commercializes products that include recycled or renewable, plant-based materials.

Non-GAAP Measures

In this Annual Report on Form 10-K we use the non-GAAP financial measures "Adjusted EBITDA", "Adjusted Net Income" and "Adjusted **Diluted** Earnings Per Share" ("Adjusted EPS"), which are measures adjusted for the impact of specified items and are not in accordance with GAAP.

We define Adjusted EBITDA as net income calculated in accordance with GAAP, plus the sum of income tax expense, net interest expense, depreciation and amortization and further adjusted to exclude IPO and separation-related costs, as well as other non-recurring costs. We define Adjusted Net Income and Adjusted EPS as Net Income and Earnings Per Share ("EPS") calculated in accordance with GAAP, plus IPO and separation-related costs and other non-recurring costs and the impact of a tax legislation change under the CARES Act enacted on March 27, 2020, costs.

We present Adjusted EBITDA because it is a key measure used by our management team to evaluate our operating performance, generate future operating plans and make strategic decisions. In addition, our chief operating decision maker uses Adjusted EBITDA of each reportable segment to evaluate the operating performance of such segments. We use Adjusted Net Income and Adjusted EPS as supplemental measures to evaluate our business' performance in a way that also considers our ability to generate profit without the impact of certain items. Accordingly, we believe presenting these measures provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team and board of directors.

Non-GAAP information should be considered as supplemental in nature and is not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. In addition, our non-GAAP financial measures may not be the same as or comparable to similar non-GAAP financial measures presented by other companies.

The following table presents a reconciliation of our net income, the most directly comparable GAAP financial measure, to Adjusted EBITDA:

For the Years Ended				
		December 31,		
		2022	2021	2020
(in millions)				
For the Years Ended December				
31,		For the Years Ended December 31,		
2023		2023	2022	2021
(in millions)				
Net income	Net income			
– GAAP	– GAAP	\$258	\$324	\$363
Income tax expense	Income tax expense	80	106	153
Interest expense, net	Interest expense, net	76	48	70
Depreciation and amortization	Depreciation and amortization	117	109	99
IPO and separation-related costs ⁽¹⁾		12	14	31

IPO and separation-related costs ⁽¹⁾	
Other	Other 3 — 1
Adjusted EBITDA	Adjusted EBITDA
(Non-GAAP)	(Non-GAAP) \$546 \$601 \$717

(1) Reflects costs during the years ended December 31, 2022, and 2021 and 2020 related to our separation to operate as a stand-alone public company as well as costs related to the IPO process. No such costs were incurred during the year ended December 31, 2023.

The following table presents a reconciliation of our net income and diluted EPS, the most directly comparable GAAP financial measures, to Adjusted Net Income and Adjusted EPS:

(in millions, except for per share data)	Year Ended December 31, 2022			Year Ended December 31, 2021			Year Ended December 31, 2020		
	Diluted			Diluted			Diluted		
	Net Income	Shares	Diluted EPS	Net Income	Shares	Diluted EPS	Net Income	Shares	Diluted EPS
As Reported - GAAP	\$ 258	210	\$ 1.23	\$ 324	210	\$ 1.54	\$ 363	205	\$ 1.77
Assume full period impact of IPO shares ⁽¹⁾	—	—	—	—	—	—	—	5	—
Total	258	210	1.23	324	210	1.54	363	210	1.73
Adjustments:									
IPO and separation-related costs ⁽²⁾	9	210	0.04	11	210	0.05	23	210	0.11
Impact of tax legislation change from the CARES Act	—	—	—	—	—	—	27	210	0.13
Other ⁽²⁾	2	210	0.01	—	—	—	—	—	—
Adjusted (Non-GAAP)	\$ 269	210	\$ 1.28	\$ 335	210	\$ 1.59	\$ 413	210	\$ 1.97

(in millions, except for per share data)	Year Ended December 31, 2023			Year Ended December 31, 2022			Year Ended December 31, 2021		
	Diluted			Diluted			Diluted		
	Net Income	Shares	Diluted EPS	Net Income	Shares	Diluted EPS	Net Income	Shares	Diluted EPS
As Reported - GAAP	\$ 298	210	\$ 1.42	\$ 258	210	\$ 1.23	\$ 324	210	\$ 1.54
Adjustments:									
IPO and separation-related costs ⁽¹⁾	—	—	—	9	210	0.04	11	210	0.05
Other ⁽¹⁾	—	—	—	2	210	0.01	—	—	—
Adjusted (Non-GAAP)	\$ 298	210	\$ 1.42	\$ 269	210	\$ 1.28	\$ 335	210	\$ 1.59

(1) Represents incremental shares required to adjust the weighted average shares outstanding for the period to the actual shares outstanding as of December 31, 2020. We utilize the shares outstanding at period end as if they had been outstanding for the full period rather than weighted average shares outstanding over the course of the period as it is a more meaningful calculation that provides consistency in comparability due to the additional shares issued as a result of the IPO in the period.

(2) Amounts are after tax, calculated using a tax rate of 23.6% for the year ended December 31, 2022 and 24.6% for each of the years year ended December 31, 2021 and 2020, which is our effective tax rate for the periods presented excluding the 2020 one-time discrete expense associated with the legislation change from the CARES Act presented.

Results of Operations

The following discussion should be read in conjunction with our consolidated financial statements included elsewhere in this Annual Report on Form 10-K. Detailed comparisons of revenue and results are presented in the discussions of the operating segments, which follow our consolidated results discussion.

Certain discussions in this section provide a breakdown of net revenues between our retail business and our non-retail business. Our retail business net revenues consist of sales to grocery stores, mass merchants, warehouse clubs, discount chains, dollar stores, drug stores, home improvement stores, military outlets and eCommerce retailers. Our non-retail business net revenues consist of sales to food service customers, which are classified as related party revenues, and industrial customers.

Discussions of the year ended **December 31, 2021** **December 31, 2022** items and comparisons between the year ended **December 31, 2021** **December 31, 2022** and the year ended **December 31, 2020** **December 31, 2021** can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K filed on **February 9, 2022** **February 8, 2023**.

Aggregation of Segment Revenue and Adjusted EBITDA

(in millions)	Reynolds		Hefty		Presto		Unallocated ⁽²⁾		Total	
	Cooking & Baking	Waste & Storage	Tableware	Products					Reynolds Consumer Products	Consumer Products
Net revenues										
2022	\$ 1,287	\$ 946	\$ 1,000	\$ 604			\$ (20)	\$ 3,817		
2021	1,314	884	815	564			(21)	3,556		
2020	1,159	818	763	533			(10)	3,263		
Adjusted EBITDA⁽¹⁾										
2022	\$ 142	\$ 207	\$ 134	\$ 96			\$ (33)	\$ 546		
2021	255	173	137	69			(33)	601		
2020	254	236	170	98			(41)	717		

(in millions)	Reynolds		Hefty		Presto		Unallocated ⁽²⁾		Total	
	Cooking & Baking	Waste & Storage	Tableware	Products					Reynolds Consumer Products	Consumer Products
Net revenues										
2023	\$ 1,273	\$ 942	\$ 967	\$ 593			\$ (19)	\$ 3,756		
2022	1,287	946	1,000	604			(20)	3,817		
Adjusted EBITDA⁽¹⁾										
2023	\$ 184	\$ 261	\$ 174	\$ 112			\$ (95)	\$ 636		
2022	142	207	134	96			(33)	546		

(1) Adjusted EBITDA is a non-GAAP measure. See "Non-GAAP Measures" for details, including a reconciliation between net income and Adjusted EBITDA.

(2) The unallocated net revenues include elimination of intersegment revenues and other revenue adjustments. The unallocated Adjusted EBITDA represents the combination of corporate expenses which are not allocated to our segments and other unallocated revenue adjustments.

Year Ended **December 31, 2022** **December 31, 2023** Compared with the Year Ended **December 31, 2021** **December 31, 2022**

Total Reynolds Consumer Products

For the Years Ended December 31,										
For the Years Ended December 31,										
(in millions, except for %)	(in millions, except for %)	% of	(in millions, except for %)	% of	%	(in millions, except for %)				
(in millions, except for %)	(in millions, except for %)	2022	Revenue	2021	Revenue	Change	(in millions, except for %)			
Net revenues	Net revenues	\$ 3,716	97 %	\$ 3,445	97 %	\$ 271	8 %	\$ 3,673	98 %	\$ 3,716
Related party net revenues	Related party net revenues	101	3 %	111	3 %	(10)	(9) %	net revenues	83	2 %
Total net revenues	Total net revenues	3,817	100 %	3,556	100 %	261	7 %	revenues	100	% %
Cost of sales	Cost of sales	(3,041)	(80) %	(2,745)	(77) %	(296)	(11) %	Cost of sales	(2,814)	(75) % %
Gross profit	Gross profit	776	20 %	811	23 %	(35)	(4) %	Gross profit	942	25 % %

Selling, general and administrative expenses	Selling, general and administrative expenses	(340)	(9) %	(320)	(9) %	(20)	(6) %	(430)	(11)	(11) % %	(340)	(9) % %	(90)	(26)	
Other expense, net	Other expense, net	(22)	(1) %	(13)	— %	(9)	(69) %	—	—	— % %	(22)	(1) % %	22	100	
Income from operations	Income from operations	414	11 %	478	13 %	(64)	(13) %	512	14	14 % %	414	11 % %	98	24	
Interest expense, net	Interest expense, net	(76)	(2) %	(48)	(1) %	(28)	(58) %	(119)	(3)	(3) % %	(76)	(2) % %	(43)	(57)	
Income before income taxes	Income before income taxes	338	9 %	430	12 %	(92)	(21) %	393	10	10 % %	338	9 % %	55	16	
Income tax expense	Income tax expense	(80)	(2) %	(106)	(3) %	26	25 %	(95)	(3)	(3) % %	(80)	(2) % %	(15)	(19)	
Net income	Net income	\$ 258	7 %	\$ 324	9 %	\$ (66)	(20) %	Net income	\$ 298	8	8 % %	\$ 258	7 % %	\$ 40	16
Adjusted EBITDA ⁽¹⁾	Adjusted EBITDA ⁽¹⁾	\$ 546	14 %	\$ 601	17 %	\$ (55)	(9) %	Adjusted EBITDA ⁽¹⁾	\$ 636	17 %	\$ 546	14 %	\$ 90	1	

(1) Adjusted EBITDA is a non-GAAP measure. See "Non-GAAP Measures" for details, including a reconciliation between net income and Adjusted EBITDA.

Components of Change in Net Revenues for the Year Ended December 31, 2022 December 31, 2023 vs. the Year Ended December 31, 2021 December 31, 2022

	Price	Volume/Mix	Total											
	Price													
Reynolds Cooking & Baking														
Reynolds Cooking & Baking														
Reynolds Cooking & Baking	Reynolds Cooking & Baking	12 %	(14) %	(2) %										
Hefty Waste & Storage	Hefty Waste & Storage													
Hefty Waste & Storage	Hefty Waste & Storage	10 %	(3) %	7 %										
Hefty Tableware	Hefty Tableware													
Hefty Tableware	Hefty Tableware	19 %	4 %	23 %										
Presto Products	Presto Products													
Presto Products	Presto Products	11 %	(4) %	7 %										
Total RCP	Total RCP	13 %	(6) %	7 %										
	Total RCP													

Total Net Revenues. Total net revenues increased decreased by \$261 million \$61 million, or 7% 2%, to \$3,817 million \$3,756 million. The increase 2% decrease was primarily driven by higher a 2% volume decline and 1% lower pricing in our non-retail business, as well as a result of pricing actions taken 2% volume decline in response to increased material, manufacturing and logistics costs, our retail business, partially offset by lower volume 3% higher pricing in our retail business. This resulted in a net revenue decline of \$71 million in our non-retail business, which is in our Reynolds Cooking & Baking segment, partially offset by a \$10 million increase in net revenue in our retail business across all segments.

Cost of Sales. Cost of sales increased decreased by \$296 million \$227 million, or 11% 7%, to \$3,041 million \$2,814 million. The increase decrease was primarily driven by an increase of \$333 million in lower volume and lower material and manufacturing costs, as well as increased manufacturing and lower logistics costs, partially offset by lower volume costs.

Selling, General and Administrative Expenses. Selling, general and administrative expenses ("SG&A") increased by \$20 million \$90 million, or 6% 26%, to \$340 million \$430 million, primarily due to higher personnel costs, increased investment in advertising expense, and higher professional fees.

Other Expense, Net. Other expense, net increased decreased by \$9 million \$22 million, or 69% 100%, to \$22 million \$0 million. The increase decrease was primarily attributable to changes IPO and separation-related costs in our deferred compensation plan assets, the prior year period that did not reoccur in the current year period.

Interest Expense, Net. Interest expense, net increased by \$28 million \$43 million, or 58% 57%, to \$76 million \$119 million. The increase was primarily due to higher interest rates, partially offset by the lower principal balance on our term loan facility.

Income Tax Expense. We recognized income tax expense of \$95 million on income before income taxes of \$393 million (an effective tax rate of 24.1%) for the year ended December 31, 2023 compared to income tax expense of \$80 million on income before income taxes of \$338 million (an effective tax rate of 23.6%) for the year ended December 31, 2022 compared to income tax expense of \$106 million on income before income taxes of \$430 million (an effective tax rate of 24.6%) for the year ended December 31, 2021.

Adjusted EBITDA. Adjusted EBITDA decreased increased by \$55 million \$90 million, or 9% 16%, to \$546 million \$636 million. The decrease increase in Adjusted EBITDA was primarily due to previously implemented pricing actions and lower volume material and higher advertising manufacturing costs, as well as lower logistics costs, partially offset by the timing of pricing actions to recover increased material, manufacturing and logistics costs. higher SG&A.

Segment Information

Reynolds Cooking & Baking

		For the Years Ended December 31,					
(in millions, except for %)	(in millions, except for %)	2022	2021	Change	Change		
Retail net revenues							
Retail net revenues							
Retail net revenues							
Non-retail net revenues							
Total segment net revenues							
Segment Adjusted EBITDA							
Segment Adjusted EBITDA							
Margin Margin							

Total Segment Net Revenues. Reynolds Cooking & Baking total segment net revenues decreased by \$27 million \$14 million, or 2% 1%, to \$1,287 million \$1,273 million. The decrease in net revenues was primarily driven by lower household foil volumes, as well as timing of retailer inventory replenishment, due to a \$71 million decline in our non-retail business, partially offset by higher pricing as a result of pricing actions taken \$57 million increase in response to increased material, manufacturing and logistics costs. our retail business.

Adjusted EBITDA. Reynolds Cooking & Baking Adjusted EBITDA decreased increased by \$113 million \$42 million, or 44% 30%, to \$142 million \$184 million. The decrease increase in Adjusted EBITDA was primarily driven by lower volume and the timing optimization of pricing actions lagging higher our retail product portfolio mix, lower material and manufacturing costs. The increase costs and lower logistics costs, partially offset by an increased investment in manufacturing costs was primarily driven by equipment reliability and related inefficiencies, advertising.

Hefty Waste & Storage

For the Years Ended December 31,		

For the Years Ended December 31,									
(in millions, except for %)	(in millions, except for %)	2022	2021	Change	% change				
(in millions, except for %)	(in millions, except for %)								
Total segment net revenues	Total segment net revenues	\$946	\$884	\$ 62	7 %	\$942	\$ 946	\$ (4)	— %
Segment Adjusted EBITDA	Segment Adjusted EBITDA	207	173	34	20 %	261	207	207	54 %
Adjusted EBITDA	Adjusted EBITDA								
Margin	Margin	22 %	20 %						

Total Segment Net Revenues. Hefty Waste & Storage total segment net revenues increased decreased by \$62 million, or 7% \$4 million, to \$946 million \$942 million. The increase decrease in net revenues was primarily driven due to lower volume, mostly offset by higher pricing due to previously implemented pricing actions taken in response to increased material, manufacturing and logistics costs, partially offset by lower volume, actions.

Adjusted EBITDA. Hefty Waste & Storage Adjusted EBITDA increased by \$34 million \$54 million, or 20% 26%, to \$207 million \$261 million. The increase in Adjusted EBITDA was primarily driven by the timing of higher pricing due to previously implemented pricing actions to recover higher and lower material and manufacturing and costs, as well as lower logistics costs, and cost savings initiatives, partially offset by higher advertising costs, lower volume and an increased investment in advertising.

Hefty Tableware

For the Years Ended December 31,									
For the Years Ended December 31,									
(in millions, except for %)	(in millions, except for %)	2022	2021	Change	% change				
(in millions, except for %)	(in millions, except for %)								
Total segment net revenues	Total segment net revenues	\$1,000	\$815	\$ 185	23 %	\$967	\$ 1,000	\$ (33)	(3) %
Segment Adjusted EBITDA	Segment Adjusted EBITDA	134	137	(3)	(2) %	174	134	134	40 %
Adjusted EBITDA	Adjusted EBITDA								

Segment	Segment
Adjusted	Adjusted
EBITDA	EBITDA
Margin	Margin 13 % 17 %

Total Segment Net Revenues. Hefty Tableware total segment net revenues increased decreased by \$185 million \$33 million, or 23% 3%, to \$1,000 million \$967 million. The increase decrease in net revenues was primarily driven due to lower volume, partially offset by higher pricing due to previously implemented pricing actions taken in response to increased material, manufacturing and logistics costs, as well as higher volume actions.

Adjusted EBITDA. Hefty Tableware Adjusted EBITDA decreased increased by \$3 million \$40 million, or 2% 30%, to \$134 million \$174 million. The decrease increase in Adjusted EBITDA was primarily driven by higher pricing due to previously implemented pricing actions lagging and lower material and manufacturing and costs, as well as lower logistics costs and higher advertising costs, partially offset by higher volume, lower volume and an increased investment in advertising.

Presto Products

		For the Years Ended December 31,		
		For the Years Ended December 31,		
(in millions, except for %)	(in millions, except for %)	2022	2021	Change change
(in millions, except for %)				
(in millions, except for %)				
Total segment net revenues				
Total segment net revenues				
Total segment net revenues	\$604	\$564	\$ 40	7 % \$
Segment Adjusted EBITDA				
Adjusted EBITDA	96	69	27	39 %
Segment Adjusted EBITDA				
Adjusted EBITDA	112	96	96	16 %
Margin	16 %	12 %		
Margin				

Total Segment Net Revenues. Presto Products total segment net revenues increased decreased by \$40 million \$11 million, or 7% 2%, to \$604 million \$593 million. The increase decrease in net revenues was primarily driven by pricing actions taken in response due to increased material, manufacturing and logistics costs, partially offset by lower volume.

Adjusted EBITDA. Presto Products Adjusted EBITDA increased by \$27 million \$16 million, or 39% 17%, to \$96 million \$112 million. The increase in Adjusted EBITDA was primarily driven by the timing of price increases to recover higher lower material and manufacturing and costs, as well as lower logistics costs, and cost savings initiatives, partially offset by lower volume.

Seasonality

Portions of our business historically have 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 quarter of the year, primarily due to outdoor summertime use of disposable plates, cups and bowls.

Liquidity and Capital Resources

Our principal sources of liquidity are existing cash and cash equivalents, cash generated from operating activities, including proceeds from factored receivables, and available borrowings under the Revolving Facility.

The following table discloses our cash flows for the years presented:

		For the Years Ended December 31,			
		For the Years Ended December 31,			
(in millions)	(in millions)	2022	2021	(in millions)	2022
Net cash provided by operating activities	Net cash provided by operating activities	\$ 219	\$ 310		
Net cash used in investing activities	Net cash used in investing activities	(128)	(141)		
Net cash used in financing activities	Net cash used in financing activities	(217)	(317)		
Decrease in cash and cash equivalents		<u>\$(126)</u>	<u>\$(148)</u>		
Increase (decrease) in cash and cash equivalents					

Cash provided by operating activities

Net cash from operating activities decreased increased by \$91 million \$425 million, or 29% 194%, to \$219 million \$644 million. The decrease increase was primarily driven by lower net income improved earnings and higher investment in net the benefit of various working capital partially offset by lower net cash outlays related to employee costs in the current year period compared to the prior year period reduction initiatives.

Cash used in investing activities

Net cash used in investing activities decreased by \$13 million \$18 million, or 9% 14%, to \$128 million \$110 million. The decrease was driven primarily by a purchase of a previously leased manufacturing facility in the prior year period that did not repeat in the current year period. decreased cash outlays for capital expenditures.

Cash used in financing activities

Net cash used in financing activities decreased increased by \$100 million \$240 million, or 32% 111%, to \$217. \$457 million. The decrease in cash flows from financing activities increase was primarily attributable to a voluntary payment of debt principal payments related to our Term Loan Facility that were made in throughout the prior year period that did not repeat in the current year period. ended December 31, 2023.

External Debt Facilities

On February 4, 2020, in conjunction with our Corporate Reorganization and IPO, In February 2020, we entered into the External Debt Facilities which consist consists of a \$2,475 million Term Loan Facility and a Revolving Facility that provides for additional borrowing capacity of up to \$250 million, reduced by amounts used for letters of credit. In February 2023, we amended the External Debt Facilities ("Amendment No. 1") which replaced the benchmark from the London Interbank Offered Rate ("LIBOR") to the Secured Overnight Financing Rate ("SOFR"). Additionally, in November 2023, we further amended the External Debt Facilities ("Amendment No. 2") to extend the maturity date of the Revolving Facility by one year. Other than the foregoing, the material terms of the External Debt Facilities, as amended by Amendment No. 1 and Amendment No. 2 ("Amended External Debt Facilities") remain unchanged.

As of December 31, 2022 December 31, 2023, the outstanding balance under the Term Loan Facility was \$2,107 million \$1,845 million. As of December 31, 2022 December 31, 2023, we had no outstanding borrowings under the Revolving Facility, and we had \$7 million \$6 million of letters of credit outstanding, which reduces the borrowing capacity under the Revolving Facility.

The borrower under the Amended External Debt Facilities is Reynolds Consumer Products LLC (the "Borrower"). The Revolving Facility includes a sub-facility for letters of credit. In addition, the Amended External Debt Facilities provide that the Borrower has the right at any time, subject to customary conditions, to request incremental term loans or incremental revolving credit commitments in amounts and on terms set forth therein. The lenders under the Amended External Debt Facilities are not under any obligation to provide any such incremental loans or commitments, and any such addition of or increase in loans is subject to certain customary conditions precedent and other provisions.

Interest rate and fees

Borrowings under the **Amended** External Debt Facilities bear interest at a rate per annum equal to, at our option, either a base rate plus an applicable margin of 0.75% or a **LIBO SOFR** rate plus an applicable margin of 1.75%.

During the year ended December 31, 2020, 2020 and 2022, we entered into a series of interest rate swaps which to fix the LIBOR of our External Debt Facilities. In February 2023, we amended our interest rate swaps to replace the interest rate benchmark from LIBOR to SOFR. Other than the foregoing, the material terms of the interest rate swap agreements remained unchanged, and our election to use practical expedients under Accounting Standards Update ("ASU") 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, and ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*, resulted in no material impacts on the consolidated financial statements. The aggregate notional amount of our interest rate swaps still in effect as of December 31, 2023 was \$1,150 million, and the SOFR is fixed the LIBO rate to at an annual rate of **0.18%** 0.40% to **0.47%** 3.40% (for an annual effective interest rate of **1.93%** 2.15% to **2.22%** 5.15%, including margin) for an aggregate notional amount of \$1,650 million, of which \$150 million notional value was still in effect as of December 31, 2022. During the year ended December 31, 2022, we entered into additional interest rate swaps which fixed the LIBO rate to an annual rate of 2.70% to 3.44% (for an annual effective interest rate of 4.45% to 5.19%, including margin) for an aggregate notional amount of \$1,000 million. As of December 31, 2022, we had interest rate swaps of an aggregate notional amount of \$1,150 million. These interest rate swaps hedge a portion of the interest rate exposure resulting from our Term Loan Facility for periods ranging from two to three to four years.

Prepayments

The Term Loan Facility contains customary mandatory prepayments, including with respect to excess cash flow, asset sale proceeds and proceeds from certain incurrences of indebtedness.

The Borrower may voluntarily repay outstanding loans under the Term Loan Facility at any time without premium or penalty, other than customary breakage **costs**, costs with respect to SOFR based loans. During the year ended December 31, 2023, we made voluntary principal payments of \$250 million related to the Term Loan Facility, which were not subject to a prepayment premium.

Amortization and maturity

The Term Loan Facility matures in February 2027. The Term Loan Facility amortizes in equal quarterly installments of \$6 million, which commenced in June 2020, with the balance payable on maturity. The During the year ended December 31, 2023, we made voluntary principal payments of \$250 million related to our Term Loan Facility, which were first applied to pay the remaining quarterly amortization payments in full, with the residual balance applied to the outstanding principal balance due at maturity.

As amended, the Revolving Facility matures in February **2025** 2026.

Guarantee and security

All obligations under the **Amended** External Debt Facilities and certain hedge agreements and cash management arrangements provided by any lender party to the **Amended** External Debt Facilities or any of its affiliates and certain other persons are unconditionally guaranteed by Reynolds Consumer Products Inc. ("RCPI"), the Borrower (with respect to hedge agreements and cash management arrangements not entered into by the Borrower) and certain of RCPI's existing and subsequently acquired or organized direct or indirect material wholly-owned U.S. restricted subsidiaries, with customary exceptions including, among other things, where providing such guarantees is not permitted by law, regulation or contract or would result in material adverse tax consequences.

All obligations under the **Amended** External Debt Facilities and certain hedge agreements and cash management arrangements provided by any lender party to the **Amended** External Debt Facilities or any of its affiliates and certain other persons, and the guarantors of such obligations, are secured, subject to permitted liens and other exceptions, by: (i) a perfected first-priority pledge of all the equity interests of each wholly-owned material restricted subsidiary of RCPI, the Borrower or a subsidiary guarantor, including the equity interests of the Borrower (limited to 65% of voting stock in the case of first-tier non-U.S. subsidiaries of RCPI, the Borrower or any subsidiary guarantor) and (ii) perfected first-priority security interests in substantially all tangible and intangible personal property of RCPI, the Borrower and the subsidiary guarantors (subject to certain other exclusions).

Certain covenants and events of default

The **Amended** External Debt Facilities contain a number of covenants that, among other things, restrict, subject to certain exceptions, our ability and the ability of the restricted subsidiaries of RCPI to:

- incur additional indebtedness and guarantee indebtedness;
- create or incur liens;
- engage in mergers or consolidations;
- sell, transfer or otherwise dispose of assets;
- pay dividends and distributions or repurchase capital stock;
- prepay, redeem or repurchase certain indebtedness;

- make investments, loans and advances;
- enter into certain transactions with affiliates;
- enter into agreements which limit the ability of our restricted subsidiaries to incur restrictions on their ability to make distributions; and
- enter into amendments to certain indebtedness in a manner materially adverse to the lenders.

The **Amended** External Debt Facilities contain a springing financial covenant requiring compliance with a ratio of first lien net indebtedness to consolidated EBITDA, applicable solely to the Revolving Facility. The financial covenant is tested on the last day of any fiscal quarter only if the aggregate principal amount of borrowings under the Revolving Facility and drawn but unreimbursed letters of credit exceed 35% of the total amount of commitments under the Revolving Facility on such day.

If an event of default occurs, the lenders under the **Amended** External Debt Facilities are entitled to take various actions, including the acceleration of amounts due under the **Amended** External Debt Facilities and all actions permitted to be taken by secured creditors.

We are currently in compliance with the covenants contained in our **Amended** External Debt Facilities.

Accounts Receivable Factoring

During the year ended December 31, 2022, we entered into an accounts receivable factoring agreement with JP Morgan Chase Bank, N.A. to sell certain accounts receivable up to **\$190 million** **\$95 million**. We had no outstanding balance owed under the factoring arrangement as of December 31, 2023. The outstanding balance owed under the factoring arrangement as of December 31, 2022 was \$15 million. Transactions under this agreement are accounted for as sales of accounts receivable, and the receivables sold are removed from the consolidated balance sheet at the time of the sales transaction. We classify proceeds received from the sales of accounts receivable as an operating cash flow in the consolidated statement of cash flows. We record the discount as other expense, net in the consolidated statement of income.

Supply Chain Financing

During the year ended December 31, 2023, we initiated a voluntary Supply Chain Finance program (the "SCF") with a global financial institution (the "SCF Bank"). Under the SCF, qualifying suppliers may elect to sell their receivables from us to the SCF Bank. These participating suppliers negotiate their receivables sales arrangements directly with the SCF Bank. We are not party to those agreements, nor do we provide any security or other forms of guarantees to the SCF Bank. The participation in the program is at the sole discretion of the supplier, we have no economic interest in a supplier's decision to enter into the agreement and have no direct financial relationship with the SCF Bank, as it relates to the SCF. Once a qualifying supplier elects to participate in the SCF and reaches an agreement with the SCF Bank, they elect which individual invoices they sell to the SCF Bank.

The terms of our payment obligations are not impacted by a supplier's participation in the SCF and as such, the SCF has no impact on our balance sheets, cash flows or liquidity. Our payment terms with our suppliers for similar services and materials within individual markets are consistent between suppliers that elect to participate in the SCF and those that do not participate.

All outstanding amounts related to suppliers participating in the SCF are recorded within accounts payable in the consolidated balance sheet and associated payments are included as an operating cash flow in the consolidated statement of cash flows. As of December 31, 2023, the amount of obligations outstanding that we have confirmed as valid under the SCF was \$19 million.

Dividends

During the year ended December 31, 2022 December 31, 2023, cash dividends totaling \$0.92 per share were declared and paid. On January 26, 2023 January 25, 2024, a quarterly cash dividend of \$0.23 per share was declared and is to be paid on February 28, 2023 February 29, 2024. We expect to continue paying cash dividends on a quarterly basis; however, future dividends are at the discretion of our Board of Directors and will depend upon our earnings, capital requirements, financial condition, contractual limitations (including under the **Amended** External Debt Facilities) and other factors.

We believe that our projected cash position, cash flows from operations, including proceeds from factored receivables, and available borrowings under the Revolving Facility are sufficient to meet debt service, capital expenditures and working capital needs for the foreseeable future. However, we cannot ensure that our business will generate sufficient cash flow from operations or that future borrowings will be available under our borrowing agreements in amounts sufficient to pay indebtedness or fund other liquidity needs. Actual results of operations will depend on numerous factors, many of which are beyond our control as further discussed in "Item 1A. Risk Factors".

Contractual Obligations

The following table summarizes our material contractual obligations as of December 31, 2022 December 31, 2023:

(in millions)	(in millions)	Less than one year					One to three years					Three to five years					Greater than five years				
		Total	one year	three years	five years	Greater than five years	(in millions)					Total	Less than one year	One to three years	Three to five years	Greater than five years					
Long-term debt ⁽¹⁾		\$2,631	\$155	\$306	\$2,170	\$—															
Operating lease liabilities		76	17	32	18	9															

Long-term debt ⁽¹⁾					
Operating lease liabilities ⁽²⁾					
Finance lease liabilities	Finance lease liabilities	16	2	2	10
Unconditional capital expenditure obligations	Unconditional capital expenditure obligations	50	50	—	—
Postretirement benefit plan obligations	Postretirement benefit plan obligations	34	2	5	6
Total contractual obligations	Total contractual obligations	\$2,807	\$226	\$345	\$2,196
					\$ 40

(1) Total obligations for long-term debt consist of the principal amounts and interest obligations. The interest rate on the floating rate debt balances has been assumed to be the same as the rate in effect as of **December 31, 2022** December 31, 2023.

(2) Total operating lease liabilities include \$55 million in commitments related to operating leases executed that have not yet commenced.

As of **December 31, 2022** December 31, 2023, our liabilities for uncertain tax positions and defined benefit pension obligations totaled **\$10 million** \$13 million. The ultimate timing of these liabilities cannot be determined; therefore, we have excluded these amounts from the contractual obligations table above.

Off-Balance Sheet Arrangements

We have no material off-balance sheet obligations.

Critical Accounting Estimates

The methods, estimates and judgments we use in applying our most critical accounting policies have a significant impact on the results we report in our consolidated financial statements. Critical accounting estimates are those that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition and results of operations. Specific areas requiring the application of management's estimates and judgments include, among others, assumptions pertaining to valuation assumptions of goodwill and intangible assets, useful lives of long-lived assets and sales incentives. Accordingly, a different financial presentation could result depending on the judgments, estimates or assumptions that are used. A summary of our significant accounting policies and use of estimates is contained in Note 2 - Summary of Significant Accounting Policies of our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

We believe that the accounting estimates and assumptions described below involve significant subjectivity and judgment, and changes to such estimates or assumptions could have a material impact on our financial condition or operating results. Therefore, we consider an understanding of the variability and judgment required in making these estimates and assumptions to be critical in fully understanding and evaluating our reported financial results.

Revenue Recognition-Sales Incentives

We routinely commit to one-time or ongoing trade-promotion programs with our customers. Programs include discounts, allowances, shelf-price reductions, end-of-aisle or in-store displays of our products and graphics and other trade-promotion activities conducted by the customer, such as coupons. Collectively, we refer to these as sales incentives or trade promotions. Costs related to these programs are recorded as a reduction to revenue. Our trade promotion accruals are primarily based on estimated volume and incorporate historical sales and spending trends by customer and category. The determination of these estimated accruals requires judgment and may change in the future as a result of changes in customer promotion participation, particularly for new programs and for programs related to the introduction of new products. Final determination of the total cost of a promotion is dependent upon customers providing information about proof of performance and other information related to the promotional event. This process of analyzing and settling trade-promotion programs with customers could impact our results of operations and trade promotion accruals depending on how actual results of the programs compare to original estimates. Sales incentives represented **4% 5%**, 4%, and **5% 4%** of total net revenues for the years ended **December 31, 2022** December 31, 2023, **2021** 2022 and **2020**, 2021, respectively. As of **December 31, 2022** December 31, 2023 and **2021** 2022, we had accruals of **\$38 million** \$40 million and **\$40 million** \$38 million, respectively, reflected on our consolidated balance sheets in Accrued and other current liabilities related to sales incentive programs.

Goodwill, Indefinite-Lived Intangible Assets and Long-Lived Assets

We test our goodwill and other indefinite-lived intangible assets for impairment annually in the fiscal fourth quarter unless there are indications during a different interim period that these assets may have become impaired. No impairments were identified as a result of our impairment review performed annually during the fourth quarter of fiscal years **2023**, 2022 **2021** and **2020**, 2021.

Goodwill

Our reporting units for goodwill impairment testing purposes are Reynolds Cooking & Baking, Hefty Waste & Storage, Hefty Tableware and Presto Products. No instances of impairment were identified during the fiscal year 2022/2023 annual impairment review. All of our reporting units had fair values that significantly exceeded recorded carrying values. However, future changes in the judgments, assumptions and estimates that are used in the impairment testing for goodwill as described below could result in significantly different estimates of the fair values.

In our evaluation of goodwill impairment, we have the option to first assess qualitative factors such as the maturity and stability of the reporting unit, the magnitude of the excess fair value over carrying value from the prior year's impairment testing, other reporting unit operating results as well as new events and circumstances impacting the operations at the reporting unit level. If the result of a qualitative test indicates a potential for impairment, or if we voluntarily elect, a quantitative test is performed, wherein we compare the estimated fair value of each reporting unit to its carrying value. In all instances where a quantitative test was performed, the estimated fair value exceeded the carrying value of the reporting unit and none of our reporting units were at a risk of failing the quantitative test. If the estimated fair value of any reporting unit had been less than its carrying value, an impairment charge would have been recorded for the amount by which the reporting unit's carrying amount exceeds its fair value.

To determine the fair value of a reporting unit as part of our quantitative test, we use a capitalization of earnings method under the income approach. Under this approach, we estimate the forecasted Adjusted EBITDA of each reporting unit and capitalize this amount using a multiple. The Adjusted EBITDA amounts are consistent with those we use in our internal planning, which gives consideration to actual business trends experienced and the long-term business strategy. The selection of a capitalization multiple incorporates consideration of comparable entity trading multiples within the same industry and recent sale and purchase transactions. Changes in such estimates or the application of alternative assumptions could produce different results.

Indefinite-Lived Intangible Assets

Our indefinite-lived intangible assets consist of certain trade names. We test indefinite-lived intangible assets for impairment on an annual basis in the fourth quarter and whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. We have the option to first assess qualitative factors such as the maturity of the trade name, the magnitude of the excess fair value over carrying value from the prior year's impairment testing, as well as new events and circumstances impacting the trade name. If the result of a qualitative test indicates a potential for impairment, or if we voluntarily elect, a quantitative test is performed. If the carrying amount of such asset exceeds its estimated fair value, an impairment charge is recorded for the difference between the carrying amount and the estimated fair value. When a quantitative test is performed we use a relief from royalty computation under the income approach to estimate the fair value of our trade names. This approach requires significant judgments in determining (i) the estimated future branded revenue from the use of the asset; (ii) the relevant royalty rate to be applied to these estimated future cash flows; and (iii) the appropriate discount rates applied to those cash flows to determine fair value. Changes in such estimates or the use of alternative assumptions could produce different results. No instances of impairment were identified during the fiscal year 2022/2023 annual impairment review. Each of our indefinite-lived intangible assets had fair values that significantly exceeded recorded carrying values.

Long-Lived Assets

Long-lived assets, including finite-lived intangible assets, are reviewed for possible impairment whenever events or changes in circumstances occur that indicate that the carrying amount of an asset (or asset group) may not be recoverable. Our impairment review requires significant management judgment, including estimating the future success of product lines, future sales volumes, revenue and expense growth rates, alternative uses for the assets and estimated proceeds from the disposal of the assets. We review business plans for possible impairment indicators. Impairment occurs when the carrying amount of the asset (or asset group) exceeds its estimated future undiscounted cash flows. When impairment is indicated, an impairment charge is recorded for the difference between the asset's carrying value and its estimated fair value. Depending on the asset, estimated fair value may be determined either by use of a discounted cash flow model or by reference to estimated selling values of assets in similar condition. The use of different assumptions would increase or decrease the estimated fair value of assets and would increase or decrease any impairment measurement.

Recent Accounting Pronouncements

New accounting guidance that we have recently adopted, as well as accounting guidance that has been recently issued but not yet adopted by us, is included in Note 2 - Summary of Significant Accounting Policies of our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, we are subject to risks from adverse fluctuations in interest rates and commodity prices. Our objective in managing our exposure to market risk is to limit the impact on earnings and cash flow.

Interest Rate Risk

We had significant variable rate debt commitments outstanding as of December 31, 2022/December 31, 2023, which accrue interest at the LIBO SOFR rate plus an applicable margin of 1.75%. These on-balance sheet financial instruments expose us to interest rate risk.

During the year ended December 31, 2020, 2021 and 2022, we entered into a series of interest rate swaps which fixed the LIBO LIBOR of our External Debt Facilities. In February 2023, we amended our interest rate swaps to replace the interest rate benchmark from the LIBOR to SOFR. Other than the foregoing, the material terms of the interest rate swap agreements remained unchanged, and our election to use practical expedients under ASUs 2020-04 and 2021-01 resulted in no material impacts on the consolidated financial statements. The aggregate notional amount of our interest rate swaps still in effect as of December 31, 2023 was \$1,150 million, and the SOFR is fixed at an annual rate of 0.18% to 0.40% to 0.47% to 3.40% (for an annual effective interest rate of 1.93% to 2.15% to 2.22% to 5.15%, including margin) for an aggregate notional amount of \$1,650 million, of which \$150 million notional value was still in effect as of December 31, 2022. During the year ended December 31, 2022, we entered into additional interest rate swaps which fixed the LIBO rate to an annual rate of 2.70% to 3.44% (for an annual effective interest rate of 4.45% to 5.19%, including margin) for an aggregate notional amount of \$1,000 million. As of December 31, 2022, we had interest rate swaps of an aggregate notional amount of \$1,150 million. These interest rate swaps hedge a portion of the interest rate exposure resulting

from our Term Loan Facility for periods ranging from **three** two to **four** three years. We classify these instruments as cash flow hedges. Our average variable rate for the remaining notional amount of \$1,150 million is a one-month **LIBO rate** SOFR plus an applicable margin of 1.75%. The fair value of our interest rate swaps included on our consolidated balance sheets as of **December 31, 2022** is \$48 **December 31, 2023** was \$30 million. Refer to Note 8 **Financial Instruments** for further detail.

		Pay fixed / receive	Average variable pay rate (¹)	
(in millions)	(in millions)	notional		
2023		—	—	
2024	2024	—	—	
2024				
2024				
2025				
2025	2025	150	2.2 %	
2026	2026	1,000	4.8 % 2026	
Total	Total	\$1,150		

(1) Includes 1.75% applicable margin on the one-month **LIBO rate** SOFR.

Based on the unhedged outstanding borrowings under the Term Loan Facility as of **December 31, 2022** **December 31, 2023**, a 100-basis point increase (decrease) in the interest rates under the Term Loan Facility would result in a **\$10 million** **\$7 million** increase (decrease) in interest expense, per annum, on our borrowings.

Commodity Risk

We are exposed to commodity and other price risk principally from the purchase of resin, aluminum, natural gas, electricity, carton board and diesel. In some instances, we use contracts of varying durations along with strategic pricing mechanisms to manage volatility for a portion of our commodity costs, but derivative instruments are not currently being used to manage these risks.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Reynolds Consumer Products Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Reynolds Consumer Products Inc. and its subsidiaries (the "Company") as of **December 31, 2022** **December 31, 2023** and **2021**, 2022, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended **December 31, 2022** **December 31, 2023**, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's

internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 December 31, 2023 and 2021, 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in *Management's Report on Internal Control over Financial Reporting* appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition including Sales Incentives for Certain Contracts with Customers

As disclosed in the consolidated financial statements, the Company recorded net revenues of \$3,817 million for the year ended December 31, 2022. As described in Note 2 to the consolidated financial statements, the Company recorded total net revenues of \$3,756 million for the year ended December 31, 2023, of which a portion relates to certain contracts with customers, recorded net of discounts, allowances and trade promotions (collectively referred to as "sales incentives") recognized throughout the year. Consideration in contracts with customers is variable due to anticipated reductions such as discounts, allowances and trade promotions, sales incentives. Accordingly, revenues are recorded net of estimated sales incentives based on known or expected adjustments, recognized throughout the year and as of year-end. The transaction price is estimated based on the amount of consideration to which management believes they the Company will be entitled, entitled, using an expected value method.

The principal consideration for our determination that performing procedures relating to revenue recognition including sales incentives for certain contracts with customers is a critical audit matter are is a high degree of auditor effort in performing procedures and evaluating audit evidence related to contractual terms in customer arrangements to determine revenue recognition for certain contracts with customers, recorded net of sales incentives recognized throughout the amount of consideration, year.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of certain controls relating to revenues and sales incentives, the revenue recognition process. These procedures also included, among others (i) evaluating contractual terms in customer arrangements that impact management's determination of the consideration including sales incentives related to the product; (ii) evaluating certain revenue transactions by testing the issuance and settlement of invoices and credit memos; (iii) memos, tracing transactions not settled to a detailed listing of accounts receivable; (iv) sampling outstanding customer invoice balances at year end by obtaining receivable, and inspecting source documents, including invoices, sales contracts,

and subsequent cash receipts; and (v) testing the completeness and accuracy of data provided by management. management; (ii) evaluating and recalculating, on a sample basis, certain sales incentives recognized by obtaining and inspecting source documents, such as executed contracts and support for the amount; and (iii) evaluating, on a sample basis, outstanding customer invoice balances as of December 31, 2023 by obtaining and inspecting source documents, such as executed contracts, invoices, proof of shipment, and subsequent cash receipts.

/s/PricewaterhouseCoopers LLP

Chicago, Illinois

February 8, 2023 7, 2024

We have served as the Company's auditor since 2015.

Reynolds Consumer Products Inc.
Consolidated Statements of Income
For the Years Ended December 31
(in millions, except for per share data)

	2022	2021	2020		2023	2022	2021
Net revenues	Net revenues	\$ 3,716	\$ 3,445	\$ 3,147			
Related party net revenues	Related party net revenues	101	111	116			
Total net revenues	Total net revenues	3,817	3,556	3,263			
Cost of sales	Cost of sales	(3,041)	(2,745)	(2,290)			
Gross profit	Gross profit	776	811	973			
Selling, general and administrative expenses	Selling, general and administrative expenses	(340)	(320)	(358)			
Other expense, net	Other expense, net	(22)	(13)	(29)			
Income from operations	Income from operations	414	478	586			
Interest expense, net	Interest expense, net	(76)	(48)	(70)			
Income before income taxes	Income before income taxes	338	430	516			
Income tax expense	Income tax expense	(80)	(106)	(153)			
Net income	Net income	\$ 258	\$ 324	\$ 363			
Earnings per share	Earnings per share						
Basic	Basic						
Basic	Basic	\$ 1.23	\$ 1.54	\$ 1.78			
Diluted	Diluted	\$ 1.23	\$ 1.54	\$ 1.77			
Weighted average shares outstanding:	Weighted average shares outstanding:						
Weighted average shares outstanding:	Weighted average shares outstanding:						

Weighted average shares outstanding:							
Basic							
Basic							
Basic	Basic	209.8	209.8	204.5	210.0		209.8
Diluted	Diluted	209.9	209.8	204.5	Diluted	210.0	209.9
							209.8

See accompanying notes to the consolidated financial statements.

Reynolds Consumer Products Inc.
Consolidated Statements of Comprehensive Income
For the Years Ended December 31
(in millions)

	2023	2021	2020		2023	2022	2021
Net income	Net income	\$258	\$324	\$363			
Other comprehensive income (loss), net of income taxes:	Other comprehensive income (loss), net of income taxes:						
Currency translation adjustment	Currency translation adjustment	(1)	—	—			
Employee benefit plans	Employee benefit plans	11	4	(3)			
Interest rate derivatives	Interest rate derivatives	32	5	(1)			
Other comprehensive income (loss), net of income taxes	Other comprehensive income (loss), net of income taxes	42	9	(4)			
Comprehensive income	Comprehensive income	\$300	\$333	\$359			

See accompanying notes to the consolidated financial statements.

Reynolds Consumer Products Inc.
Consolidated Balance Sheets
As of December 31
(in millions, except for per share data)

	2022	2021		2023	2022
Assets	Assets				
Cash and cash equivalents					
Cash and cash equivalents					
Cash and cash equivalents	Cash and cash equivalents	\$ 38	\$ 164		
Accounts receivable, net	Accounts receivable, net	348	316		
Other receivables	Other receivables	15	12		
Related party receivables	Related party receivables	7	10		

Inventories	Inventories	722	583	
Other current assets	Other current assets	41	19	
Total current assets	Total current assets	1,171	1,104	
Property, plant and equipment, net	Property, plant and equipment, net	722	677	
Operating lease right-of-use assets, net	Operating lease right-of-use assets, net	65	55	
Goodwill	Goodwill	1,879	1,879	
Intangible assets, net	Intangible assets, net	1,031	1,061	
Other assets	Other assets	61	36	
Total assets	Total assets	\$4,929	\$4,812	=
Liabilities	Liabilities			Liabilities
Accounts payable	Accounts payable	\$ 252	\$ 261	
Related party payables	Related party payables	46	38	
Current portion of long-term debt	Current portion of long-term debt	25	25	
Current operating lease liabilities	Current operating lease liabilities	14	11	
Income taxes payable	Income taxes payable	14	1	
Accrued and other current liabilities	Accrued and other current liabilities	145	148	
Total current liabilities	Total current liabilities	496	484	
Long-term debt	Long-term debt	2,066	2,087	
Long-term operating lease liabilities	Long-term operating lease liabilities	53	46	
Deferred income taxes	Deferred income taxes	365	351	
Long-term postretirement benefit obligation	Long-term postretirement benefit obligation	34	50	
Other liabilities	Other liabilities	47	38	
Total liabilities	Total liabilities	\$3,061	\$3,056	
Commitments and contingencies (Note 13)	Commitments and contingencies (Note 13)			Commitments and contingencies (Note 13)
Stockholders' equity	Stockholders' equity			Stockholders' equity

Common stock, \$0.001 par value; 2,000 shares authorized; 210 shares issued and outstanding	Common stock, \$0.001 par value; 2,000 shares authorized; 210 shares issued and outstanding	—	—
Additional paid-in capital	Additional paid-in capital	1,385	1,381
Accumulated other comprehensive income	Accumulated other comprehensive income	52	10
Retained earnings	Retained earnings	431	365
Total stockholders' equity		1,868	1,756
Total liabilities and stockholders' equity		\$4,929	\$4,812
Total stockholders' equity			
Total liabilities and stockholders' equity			

See accompanying notes to the consolidated financial statements.

Reynolds Consumer Products Inc.
Consolidated Statements of Stockholders' Equity
(in millions, except for per share data)

	Accumulated					
	Common Stock	Additional Capital	Retained Earnings	Parent (Deficit)	Comprehensive Income	Total Equity
Balance as of December 31, 2019	\$ —	\$ —	\$ —	\$(823)	\$ 5	\$ (818)
Net income	—	—	357	6	—	363
Other comprehensive loss, net of income taxes	—	—	—	—	(4)	(4)
Net transfers (to) from Parent	—	—	—	855	—	855
Reclassification of net parent (deficit) in RCP	—	38	—	(38)	—	—
Issuance of common stock, net of costs	—	1,339	—	—	—	1,339
Dividends (\$0.59 per share declared and paid)	—	—	(124)	—	—	(124)
Other	—	4	—	—	—	4
Balance as of December 31, 2020	Common Stock					
	Common Stock					
Balance as of December 31, 2020	2020	\$ —	\$ 1,381	\$ 233	\$ —	\$ 1,615
Net income	Net income	—	—	324	—	324

Other comprehensive income, net of income taxes	Other comprehensive income, net of income taxes	—	—	—	—	9	9
Dividends (\$0.92 per share declared and paid)	Dividends (\$0.92 per share declared and paid)	—	—	(192)	—	—	(192)
Balance as of December 31, 2021	Balance as of December 31, 2021	\$ —	\$ 1,381	\$ 365	\$ —	\$ 10	\$1,756
Net income	Net income	—	—	258	—	—	258
Other comprehensive income, net of income taxes	Other comprehensive income, net of income taxes	—	—	—	—	42	42
Dividends (\$0.92 per share declared and paid)	Dividends (\$0.92 per share declared and paid)	—	—	(192)	—	—	(192)
Other	Other	—	—	4	—	—	4
Balance as of December 31, 2022	Balance as of December 31, 2022	\$ —	\$ 1,385	\$ 431	\$ —	\$ 52	\$1,868
Net income							
Other comprehensive loss, net of income taxes							
Dividends (\$0.92 per share declared and paid)							
Other							
Balance as of December 31, 2023							

See accompanying notes to the consolidated financial statements.

Reynolds Consumer Products Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31
(in millions)

	2022	2021	2020		2023	2022	2021
Cash provided by operating activities	Cash provided by operating activities						
Net income	Net income	\$258	\$324	\$ 363			
Net income							
Net income							
Adjustments to reconcile net income to operating cash flows:	Adjustments to reconcile net income to operating cash flows:						
Depreciation and amortization							

Depreciation and amortization						
Depreciation and amortization	Depreciation and amortization	117	109	99		
Deferred income taxes	Deferred income taxes	1	22	67		
Stock compensation expense	Stock compensation expense	5	4	5		
Change in assets and liabilities:	Change in assets and liabilities:	Change in assets and liabilities:				
Accounts receivable, net	Accounts receivable, net	(31)	(24)	(279)		
Other receivables	Other receivables	(3)	(3)	(2)		
Related party receivables	Related party receivables	3	(2)	5		
Inventories	Inventories	(139)	(165)	—		
Accounts payable	Accounts payable	(14)	71	54		
Related party payables	Related party payables	8	(3)	(28)		
Related party accrued interest payable		—	—	(18)		
Income taxes payable	Income taxes payable	13	(7)	7		
Income taxes payable / receivable						
Accrued and other current liabilities	Accrued and other current liabilities	1	(15)	38		
Other assets and liabilities	Other assets and liabilities	—	(1)	8		
Net cash provided by operating activities	Net cash provided by operating activities	219	310	319		
Cash used in investing activities	Cash used in investing activities				Cash used in investing activities	
Acquisition of property, plant and equipment	Acquisition of property, plant and equipment	(128)	(141)	(143)		
Acquisition of business						
Net cash used in investing activities	Net cash used in investing activities	(128)	(141)	(143)		

Cash (used in) provided by financing activities		Cash used in financing activities		
Cash used in financing activities		Cash used in financing activities		
Repayment of long-term debt	Repayment of long-term debt	(25)	(125)	(218)
Dividends paid	Dividends paid	(192)	(192)	(124)
Proceeds from long-term debt, net of discounts		—	—	2,472
Repayments of PEI Group Credit Agreement		—	—	(8)
Advances from related parties		—	—	240
Repayments to related parties		—	—	(3,627)
Deferred debt transaction costs		—	—	(28)
Proceeds from IPO settlement facility		—	—	1,168
Repayment of IPO settlement facility		—	—	(1,168)
Issuance of common stock		—	—	1,410
Equity issuance costs		—	—	(69)
Net transfers from (to) Parent		—	—	(14)
Net cash (used in) provided by financing activities		(217)	(317)	34
Other financing activities				
Net cash used in financing activities				
Cash and cash equivalents:	Cash and cash equivalents:	Cash and cash equivalents:		
(Decrease) increase in cash and cash equivalents		(126)	(148)	210
Increase (decrease) in cash and cash equivalents				
Balance as of beginning of the year	Balance as of beginning of the year	164	312	102
Balance as of end of the year	Balance as of end of the year	\$ 38	\$ 164	\$ 312
Cash paid:	Cash paid:	Cash paid:		
Interest - long-term debt	Interest - long-term debt	68	41	60
Interest - related party borrowings	Interest - related party borrowings	—	—	23

Interest	
- long-term debt, net of interest rate swaps	
Income taxes	Income taxes 64 91 76

Significant non-cash investing and financing activities

Refer to Note 7 — Leases for details of non-cash additions to lease right-of-use assets, net as a result of changes in lease liabilities. Refer to Note 17 - Related Party Transactions for details of significant non-cash investing and financing activities.

See accompanying notes to the consolidated financial statements.

Reynolds Consumer Products Inc. Notes to the Consolidated Financial Statements

Note 1 — Description of Business and Basis of Presentation

Description of Business:

Reynolds Consumer Products Inc. and its subsidiaries ("we", "us" or "our") produce and sell products across three broad categories: cooking products, waste and storage products and tableware. We sell our products under brands such as Reynolds and Hefty, and also under store brands. Our product portfolio includes aluminum foil, wraps, disposable bakeware, trash bags, food storage bags and disposable tableware. We report four business segments: Reynolds Cooking & Baking; Hefty Waste & Storage; Hefty Tableware; and Presto Products.

Basis of Presentation:

We have prepared the accompanying audited consolidated financial statements in accordance with United States generally accepted accounting principles ("GAAP" ("GAAP").

Prior to the completion of our Corporate Reorganization, as defined in our Registration Statement on Form S-1 (File No. 333-234731), and initial public offering ("IPO") on February 4, 2020, we operated as part of Pactiv Evergreen Inc. ("PEI") and not as a stand-alone entity. We represented the business that was previously reported as the Reynolds Consumer Products segment in the consolidated financial statements of PEI and its subsidiaries (collectively, "PEI Group" or the "Parent"). As part of our Corporate Reorganization, we reorganized the legal structure of our entities so they are all under a single parent entity, Reynolds Consumer Products Inc. In conjunction with our Corporate Reorganization and IPO, we separated from PEI Group on February 4, 2020.

Net Parent deficit represented the former Parent's interest in our net assets. As a direct ownership relationship did not exist between the various entities of our previously combined group, a Net Parent deficit account was shown in our previously combined financial statements. The majority of transactions between us and PEI Group have a history of settlement or were settled for cash in conjunction with our separation from PEI Group and IPO. These transactions have been reflected in our consolidated balance sheets as related party receivables and payables. Transactions that did not have a history of settlement were reflected in equity (deficit) in our previously combined balance sheets as Net Parent deficit and, when cash was utilized (contributed), in our consolidated statements of cash flows as a financing activity in net transfers from (to) Parent. Refer to Note 17 - Related Party Transactions for further information.

Initial Public Offering:

On February 4, 2020, we completed our separation from PEI Group and the IPO of our common stock pursuant to a Registration Statement on Form S-1. In the IPO, we sold an aggregate of 54,245,500 shares of common stock, including 7,075,500 shares of common stock purchased by the underwriters on February 7, 2020 pursuant to their option to purchase additional shares, under the Registration Statement at a public offering price of \$26.00 per share.

In conjunction with our separation from PEI Group and IPO, we reclassified PEI Group's historical net investment in us to additional paid-in capital. Each share of our outstanding common stock, immediately prior to our IPO, was exchanged into 155,455 shares of common stock. In addition, certain related party borrowings owed to PEI Group were contributed as additional paid-in capital without the issuance of any additional shares.

Note 2 — Summary of Significant Accounting Policies

Basis of Consolidation:

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates:

We prepare our consolidated financial statements in accordance with GAAP, which requires us to make estimates and assumptions that affect a number of amounts in our consolidated financial statements. Significant accounting policy elections, estimates and assumptions include, among others, valuation assumptions of goodwill and intangible assets, useful lives of long-lived assets, sales incentives, income taxes and benefit plan assumptions. We base our estimates on historical experience and other assumptions that we believe are reasonable. If actual amounts differ from estimates, we include the revisions in our consolidated results of operations in the period the actual amounts become known. Historically, the aggregate differences, if any, between our estimates and actual amounts in any year have not had a material effect on our consolidated financial statements.

Reynolds Consumer Products Inc.
Notes to the Consolidated Financial Statements

Currency Translation:

Our consolidated financial statements are presented in U.S. dollars, which is our reporting currency. We translate the results of operations of our subsidiaries with functional currencies other than the U.S. dollar using average exchange rates during each period and translate balance sheet accounts using exchange rates at the end of each period. We record currency translation adjustments as a component of stockholders' equity within accumulated other comprehensive income and transaction gains and losses in other expense, net in our consolidated statements of income.

Cash and Cash Equivalents:

Cash and cash equivalents include demand deposits with banks and all highly liquid investments with original maturities of three months or less. We maintain our bank accounts with a relatively small number of high quality financial institutions. Cash balances held by non-U.S. entities as of December 31, 2022 December 31, 2023 and 2021 2022 were \$2 million \$12 million and \$7 million \$2 million, respectively.

Accounts Receivable:

Accounts receivable are recorded at face amounts less an allowance for doubtful accounts. The allowance is an estimate based on historical collection experience, current economic and market conditions and a review of the current status of each customer's trade accounts receivable balance. We evaluate the aging of the accounts receivable balances and the financial condition of our customers to estimate the amount of accounts receivable that may not be collected in the future and record the appropriate provision. The allowance for doubtful accounts was not material as of December 31, 2022 December 31, 2023 and 2021 2022.

During the year ended December 31, 2022, we entered into an accounts receivable We are party to a factoring agreement with JP Morgan Chase Bank N.A. to sell certain accounts receivable up to \$190 \$95 million. The We had no outstanding balance owed under the factoring arrangement as of December 31, 2022 was \$15 million December 31, 2023. Transactions under this agreement are accounted for as sales of accounts receivable, and the receivables sold are removed from the consolidated balance sheet at the time of the sales transaction. We classify proceeds received from the sales of accounts receivable as an operating cash flow in the consolidated statement of cash flows. We record the discount as other expense, net in the consolidated statement of income.

Reynolds Consumer Products Inc.
Notes to the Consolidated Financial Statements

Inventories:

We value our inventories using the first-in, first-out method. Inventory is valued at actual cost, which includes raw materials, supplies, direct labor and manufacturing overhead associated with production. Inventory is stated at the lower of cost or net realizable value, which includes any costs to sell or dispose. In addition, appropriate consideration is given to obsolescence, excessive inventory levels, product deterioration and other factors in evaluating net realizable value.

Long-Lived Assets:

Property, plant and equipment are stated at historical cost less depreciation, which is computed using the straight-line method over the estimated useful lives of the assets. Machinery and equipment are depreciated over periods ranging from 5 to 20 years and buildings and building improvements over periods ranging from 15 to 40 years. Finite-lived intangible assets, which primarily consist of customer relationships, are stated at historical cost and amortized using the straight-line method (which reflects the pattern of how the assets' economic benefits are consumed) over the assets' assets' estimated useful lives which range from 18 to 20 years.

Expenditures for maintenance and repairs are expensed as incurred. When property, plant or equipment is sold or otherwise disposed of, the related cost and accumulated depreciation is removed from the respective accounts and any gain or loss realized on disposition is reflected in other expense, net in our consolidated statements of income.

We review long-lived assets, including finite-lived intangible assets, for recoverability on an ongoing basis. Changes in depreciation or amortization are recorded prospectively when estimates of the remaining useful lives or residual values of long-lived assets change. We also review our long-lived assets for impairment when conditions exist that indicate the carrying amount of the assets may not be fully recoverable. In those circumstances, we perform undiscounted cash flow analysis to determine if an impairment exists. When testing for asset impairment, we group assets and liabilities at the lowest level for which cash flows are separately identifiable. If an impairment loss is recorded, it is calculated as the excess of the asset's carrying value over its estimated fair value as determined by an estimate of discounted future cash flows. Depending on the nature of the asset, impairment losses are recorded in either cost of sales or selling, general and administrative expenses in our consolidated statements of income. There were no impairments of long-lived assets in any of the years presented.

Reynolds Consumer Products Inc.
Notes to the Consolidated Financial Statements

Leases:

We determine whether a contract is or contains a lease at contract inception. Right-of-use ("ROU") assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets are recognized at the commencement date at the value of the lease liability, adjusted

for any prepayments, lease incentives received and initial direct costs incurred. Lease liabilities are recognized at the commencement date based on the present value of remaining lease payments over the lease term. For operating leases, following initial recognition, lease liability balances are amortized using the effective interest method, while the related operating lease ROU assets are adjusted by the difference between the fixed lease expense recognized under a straight-line method and the interest expense associated with the effective interest method in the period.

Some of our leases contain non-lease components, for example common area or other maintenance costs, that relate to the lease components of the agreement. Non-lease components and the lease components to which they relate are accounted for as a single lease component as we have elected to combine lease and non-lease components for all classes of underlying assets. All operating lease cash payments are recorded within cash flows from operating activities in the consolidated statements of cash flows. Principal cash payments on finance leases are recorded within cash flows from financing activities, while interest payments associated with finance leases are recorded within cash flows from operating activities in the consolidated statements of cash flows. Our lease agreements do not include significant restrictions, covenants or residual value guarantees.

Goodwill and Indefinite-Lived Intangible Assets:

Goodwill represents the excess of purchase price over the fair value of net assets acquired. We test goodwill for impairment on an annual basis in the fourth quarter and whenever events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. We assess goodwill impairment risk by performing a qualitative review of entity-specific, industry, market and general economic factors affecting our goodwill reporting units. Depending on factors such as prior-year test results, current year developments, current risk evaluations and other practical considerations, we may elect to perform quantitative testing instead. In our quantitative testing, we compare a reporting unit's estimated fair value with its carrying value. Estimating the fair value of individual reporting units requires us to make assumptions and estimates regarding our future plans and industry and economic conditions. The key assumptions associated with determining the estimated fair value are forecasted Adjusted EBITDA and a relevant earnings multiple. Our actual results and conditions may differ over time. If the carrying value of a reporting unit's net assets exceeds its fair value, we would recognize an impairment charge for the amount by which the carrying value exceeds the reporting unit's fair value.

Reynolds Consumer Products Inc. Notes to the Consolidated Financial Statements

Our indefinite-lived intangible assets consist of certain trade names. We test indefinite-lived intangible assets for impairment on an annual basis in the fourth quarter and whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Depending on factors such as prior-year test results, current year developments, current risk evaluations and other practical considerations, we may elect to perform quantitative testing instead. If potential impairment risk exists for a specific asset, we quantitatively test it for impairment by comparing its estimated fair value with its carrying value. We determine estimated fair value using the relief-from-royalty method, using key assumptions including planned revenue growth rates, market-based discount rates and estimates of royalty rates. If the carrying value of the asset exceeds its fair value, we consider the asset impaired and reduce its carrying value to the estimated fair value.

Supply Chain Financing:

During the year ended December 31, 2023, we initiated a voluntary Supply Chain Finance program (the "SCF") with a global financial institution (the "SCF Bank"). Under the SCF, qualifying suppliers may elect to sell their receivables from us to the SCF Bank. These participating suppliers negotiate their receivables sales arrangements directly with the SCF Bank. We are not party to those agreements, nor do we provide any security or other forms of guarantees to the SCF Bank. The participation in the program is at the sole discretion of the supplier, we have no economic interest in a supplier's decision to enter into the agreement and have no direct financial relationship with the SCF Bank, as it relates to the SCF. Once a qualifying supplier elects to participate in the SCF and reaches an agreement with the SCF Bank, they elect which individual invoices they sell to the SCF Bank.

The terms of our payment obligations are not impacted by a supplier's participation in the SCF and as such, the SCF has no impact on our balance sheets, cash flows or liquidity. Our payment terms with our suppliers for similar services and materials within individual markets are consistent between suppliers that elect to participate in the SCF and those that do not participate.

All outstanding amounts related to suppliers participating in the SCF are recorded within accounts payable in the consolidated balance sheet and associated payments are included as an operating cash flow in the consolidated statement of cash flows. As of December 31, 2023, the amount of obligations outstanding that we have confirmed as valid under the SCF was \$19 million.

Revenue Recognition:

After assessing our **customers' customers'** creditworthiness, we recognize revenue when control over products transfers to our customers, which generally occurs upon delivery or shipment of the products. We account for product shipping, handling and insurance as fulfillment activities, with revenues for these activities recorded in net revenues and costs recorded in cost of sales. Any taxes collected on behalf of government authorities are excluded from net revenues.

Consideration in our contracts with customers is variable due to anticipated reductions such as discounts, allowances and trade promotions, collectively referred to as "sales incentives". Accordingly, revenues are recorded net of estimated sales incentives, **based on known or expected adjustments, recognized throughout the year and as of year-end.** The transaction price reflects our estimate of the amount of consideration to which we will be entitled, using an expected value method. We base these estimates principally on historical utilization and redemption rates, anticipated performance and our best judgment at the time to the extent that it is probable that a significant reversal of revenue recognized will not occur. Estimates of sales incentives are monitored and adjusted each period until the sales incentives are realized.

Reynolds Consumer Products Inc. Notes to the Consolidated Financial Statements

We consider purchase orders, which in some cases are governed by master supply agreements, to be the contracts with a customer. Key sales terms, such as pricing and quantities ordered, are established frequently, so most customer arrangements and related sales incentives have a duration of one year or shorter. We generally do not have any unbilled

receivables at the end of a period. Deferred revenues are not material and primarily include customer advance payments typically collected a few days before product delivery, at which time deferred revenues are reclassified and recorded as net revenues. We generally do not receive non-cash consideration for the sale of goods nor do we grant payment financing terms greater than one year. We do not incur any significant costs to obtain a contract.

Marketing, Advertising and Research and Development:

We promote our products with marketing and advertising programs. These programs include, but are not limited to, cooperative advertising, in-store displays and consumer marketing promotions. The costs of end-consumer marketing programs that are conducted in conjunction with our customers, such as coupons, are recorded as a reduction to revenue. We do not defer these costs on our consolidated balance sheets and all marketing and advertising costs are recorded as an expense in the year incurred. Advertising expense was \$59 million \$79 million, \$43 million \$59 million and \$72 million \$43 million in the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. We expense product research and development costs as incurred. Research and development expense was \$38 million \$44 million, \$36 million \$38 million and \$41 million \$36 million in the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. We record marketing and advertising as well as research and development expenses in selling, general and administrative expenses.

Reynolds Consumer Products Inc.
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Stock-based Compensation:

Stock-based compensation expense is measured at the grant date based on the fair value of the award and is recognized as expense over the period in which the awards vest in accordance with applicable guidance under Accounting Standards Codification ("ASC") 718, Compensation—Stock Compensation. In contemplation of us issuing shares to the public, we granted restricted stock units ("RSUs") in July 2019 to certain members of management, pursuant to retention agreements entered into with these employees. These RSUs vest upon satisfaction of both a performance-based vesting condition, which was satisfied when we completed our IPO on February 4, 2020, and a service-based vesting condition, which ~~will be~~ was satisfied with respect to one-third of an employee's RSUs on each anniversary from the date of our IPO for three consecutive years, subject to the employee's continued employment through the applicable vesting date. We have also granted RSUs to certain members of management and to certain members of our Board of Directors that have a service-based vesting condition. In addition, we ~~have~~ granted performance stock units ("PSUs") to certain members of management that have a performance-based vesting condition. We account for forfeitures of outstanding but unvested grants in the period they occur.

Interest Rate Derivatives:

We manage interest rate risk by using interest rate derivative instruments. Interest rate swaps (pay fixed, receive variable) are entered into as cash flow hedges to manage a portion of the interest rate risk associated with our floating-rate borrowings.

We record interest rate derivative instruments at fair value (Level 2) and on a net basis by counterparty based on our master netting arrangements. The fair value of our interest rate derivatives is determined using a discounted cash flow method based on market-based swap yield curves, taking into account current interest rates. The instruments are classified in our consolidated balance sheets in other assets or other liabilities, as applicable. Cash flows from interest rate derivative instruments are classified as operating activities in our consolidated statements of cash flows based on the nature of the derivative instrument. We have elected to use hedge accounting for our interest rate derivative instruments. Accordingly, the effective portion of the gain or loss on the open hedging instrument is recorded in other comprehensive income and is reclassified into earnings as interest expense, net when settled. We terminate derivative instruments if the underlying asset or liability matures or is repaid, or if we determine the underlying forecasted transaction is no longer probable of occurring.

Income Taxes:

Our income tax expense includes amounts payable or refundable for the current year, the effects of deferred taxes and impacts from uncertain tax positions. We recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement and tax basis of our assets and liabilities, operating loss carryforwards and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which those differences are expected to reverse.

Reynolds Consumer Products Inc.
Notes to the Consolidated Financial Statements

The realization of certain deferred tax assets is dependent on generating sufficient taxable income in the appropriate jurisdiction prior to the expiration of the carryforward periods. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. When assessing the need for a valuation allowance, we consider any carryback potential, future reversals of existing taxable temporary differences (including liabilities for unrecognized tax benefits), future taxable income and tax planning strategies.

We recognize the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained based on the technical merits of the position. The amount we recognize is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon resolution. Future changes related to the expected resolution of uncertain tax positions could affect tax expense in the period when the change occurs.

Reynolds Consumer Products Inc.
Notes to the Consolidated Financial Statements

Fair Value Measurements and Disclosures:

GAAP establishes a hierarchy for measuring fair value. A financial instrument's categorization within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. The following three levels of inputs may be used to measure fair value:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs include inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of assets or liabilities.
- Level 3 inputs are unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Our assets and liabilities measured at fair value on a recurring basis are presented in Note 8 - Financial Instruments. We had no assets or liabilities measured at fair value on a non-recurring basis in any of the years presented.

In addition to fair value disclosure requirements related to financial instruments carried at fair value, accounting standards require disclosures regarding the fair value of all of our financial instruments. The carrying values of cash equivalents, accounts receivables, other receivables, related party receivables, accounts payable, related party payables and accrued and other current liabilities are reasonable estimates of their fair values as of December 31, 2022 December 31, 2023 and 2021 2022 due to the short-term nature of these instruments.

Variable Interest Entities:

Variable interest entities ("VIEs") are primarily entities that lack sufficient equity to finance their activities without additional financial support from other parties or whose equity holders, as a group, lack one or more of the following characteristics: (a) direct or indirect ability to make decisions, (b) obligation to absorb expected losses or (c) right to receive expected residual returns. Prior to our separation from PEI Group and IPO, we had a variable interest in one VIE related to our factoring arrangement with PEI Group, described below.

Transfers of Financial Assets:

Prior to our separation from PEI Group and IPO in February 2020, we accounted for transfers of financial assets, such as non-recourse accounts receivable factoring arrangements, when we surrendered control over the related assets. Determining whether control has transferred requires an evaluation of relevant legal considerations, an assessment of the nature and extent of our continuing involvement with the assets transferred and any other relevant considerations. We had a non-recourse factoring arrangement in which we sold eligible receivables to a special purpose entity ("SPE") consolidated by PEI Group in exchange for cash. We transferred sold accounts receivables in their entirety to PEI Group and satisfied all of the conditions to report the transfer of financial assets in their entirety as a sale. The SPE was considered to be a VIE, however we were not its primary beneficiary because we did not have the power to direct any of its most significant activities through our arrangement as a collecting agent. On January 30, 2020, we repurchased all of the U.S. accounts receivable sold for \$264 million, \$240 million of which was settled in cash and the remaining amount used to settle certain current related party receivables. The proceeds from the sales of receivables are included in cash from operating activities in our consolidated statements of cash flows.

Reynolds Consumer Products Inc. Notes to the Consolidated Financial Statements

Recently Adopted Accounting Guidance:

In August 2018, the Financial Accounting Standards Board ("FASB" ("FASB")) issued Accounting Standards Update ("ASU" ("ASU") 2018-14, Compensation - Retirement Benefits - Defined Benefit Plans - General (Subtopic 715-20): Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans. This ASU modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. This ASU is was effective for fiscal years beginning after December 15, 2020, with early adoption permitted. We adopted the standard as of January 1, 2021 with no material impact on our consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes ("ASC 740"), which is intended to simplify various aspects related to accounting for income taxes. This ASU removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. This ASU is was effective for fiscal years beginning after December 15, 2020, with early adoption permitted. We adopted the standard as of January 1, 2021 with no material impact on our consolidated financial statements.

Recently Issued Accounting Guidance:

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, and subsequently in January 2021, the FASB issued ASU 2021-01, Reference Rate Reform (Topic 848): Scope, both of which provides provide optional expedites and exceptions to applying the guidance on contract modifications, hedge accounting, and other transactions, to simplify the accounting for transitioning from the London Interbank Offered Rate ("LIBOR"), and other interbank offered rates expected to be discontinued, to alternative reference rates. This ASU was Each of these ASUs were effective upon its issuance and can could be applied prospectively through December 31, 2022. In December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848, which amended the sunset date of the guidance in Topic 848 to December 31, 2024 from December 31, 2022. We have elected to apply certain cash flow hedge accounting expedites related to assessing probability adopted the standards as of future LIBOR denominated cash flows and the effectiveness January 1, 2023. As a result of the instruments hedging those cash flows. Application planned phase out of the LIBOR as a reference rate and adoption of ASU 2020-04 and ASU 2021-01, in February 2023 we amended our external debt facilities and related interest rate swaps to replace the interest rate benchmark from LIBOR to the Secured Overnight Financing Rate ("SOFR"), and applied practical expedites under the guidance. The adoption of these expedites simplified our assessment of the hedge accounting requirements despite the uncertainties relating to reference

rate reform. We continue to evaluate our contracts and assess the ASUs did not have a material impact of this standard and its amendment on our consolidated financial statements.

Note 3 In September 2022, FASB issued ASU 2022-04, *Liabilities - Inventories*

Inventories consisted of Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations. These amendments require disclosure of the following:

	As of December 31,			
	2022		2021	
	(in millions)			
Raw materials	\$	215	\$	206
Work in progress		81		63
Finished goods		383		276
Spare parts		43		38
Inventories	\$	722	\$	583

key terms of outstanding supplier finance programs and a rollforward of the related obligations. These amendments were effective for fiscal years beginning after December 31, 2022, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 31, 2023. We adopted the standard, other than the amendment on rollforward information, as of January 1, 2023. The adoption relates to disclosure only, and does not have an impact on the amounts recognized in our consolidated financial statements.

Reynolds Consumer Products Inc.
Notes to the Consolidated Financial Statements

Recently Issued Accounting Guidance:

In November 2023, FASB issued ASU 2023-07, *Segment Reporting (Topic 280)*, which enhances disclosures about significant segment expenses by requiring disclosure of incremental segment information on an annual and interim basis. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. We are currently assessing the impact of this standard on our consolidated financial statements.

In December 2023, FASB issued ASU 2023-09, *Income Taxes (Topic 740)*, which enhances disclosures within the income tax rate reconciliation and information disclosed related to income taxes paid, and requires disaggregation of certain financial statement captions between domestic, foreign, federal and state. This ASU is effective for annual periods beginning after December 15, 2024, with early adoption permitted. We are currently assessing the impact of this standard on our consolidated financial statements.

Note 3 – Inventories

Inventories consisted of the following:

	As of December 31,			
	2023		2022	
	(in millions)			
Raw materials	\$	153	\$	215
Work in progress		60		81
Finished goods		260		383
Spare parts		51		43
Inventories	\$	524	\$	722

Note 4 – Property, Plant and Equipment, Net

Property, plant and equipment, net consisted of the following:

	As of December 31,			
	31,			
	2022	2021		
			(in millions)	
	As of December 31,		As of December 31,	
	2023		2022	
			(in millions)	

Land and land improvements	Land and land improvements	\$ 44	\$ 43
Buildings and building improvements	Buildings and building improvements	203	183
Machinery and equipment	Machinery and equipment	1,202	1,126
Construction in progress	Construction in progress	94	77
Property, plant and equipment, at cost	Property, plant and equipment, at cost	1,543	1,429
Less: accumulated depreciation	Less: accumulated depreciation	(821)	(752)
Property, plant and equipment, net	Property, plant and equipment, net	\$ 722	\$ 677

Depreciation expense was \$86 million, \$78 million, \$86 million and \$68 million for the years ended December 31, 2022, December 31, 2023, 2021 and 2020, respectively, of which \$76 million, \$82 million, \$70 million, \$76 million and \$62 million, \$70 million, respectively, was recognized in cost of sales and \$10 million, \$11 million, \$8 million, \$10 million and \$6 million, \$8 million, respectively, was recognized in selling, general and administrative expenses.

Note 5 - Goodwill and Intangible Assets

Goodwill by reportable segment was as follows:

	Reynolds Cooking & Baking	Hefty Waste & Storage	Hefty Tableware	Presto Products	Total
(in millions)					
Balance as of December 31, 2020	\$ 794	\$ 505	\$ 282	\$ 298	\$ 1,879
Movements	—	—	—	—	—
Balance as of December 31, 2021	794	505	282	298	1,879
Movements	—	—	—	—	—
Balance as of December 31, 2022	\$ 794	\$ 505	\$ 282	\$ 298	\$ 1,879

Intangible assets, net consisted of the following:

	As of December 31, 2022			As of December 31, 2021		
	Gross carrying amount	Accumulated amortization	Net	Gross carrying amount	Accumulated amortization	Net
	(in millions)					
Finite-lived intangible assets						
Customer relationships	\$ 580	\$ (400)	\$ 180	\$ 580	\$ (371)	\$ 209
Trade names	25	(24)	1	25	(23)	2
Total finite-lived intangible assets	605	(424)	181	605	(394)	211
Indefinite-lived intangible assets						
Trade names	850	—	850	850	—	850
Total intangible assets	\$ 1,455	\$ (424)	\$ 1,031	\$ 1,455	\$ (394)	\$ 1,061

Amortization expense for intangible assets was \$31 million for each of the years ended December 31, 2022, 2021 and 2020, and has been recognized in selling, general and administrative expenses.

Reynolds Consumer Products Inc.

Note 5 – Goodwill and Intangible Assets

Goodwill by reportable segment was as follows:

	Reynolds Cooking & Baking	Hefty Waste & Storage	Hefty Tableware	Presto Products	Total
(in millions)					
Balance as of December 31, 2021	\$ 794	\$ 505	\$ 282	\$ 298	\$ 1,879
Movements	—	—	—	—	—
Balance as of December 31, 2022	794	505	282	298	1,879
Acquisition of business (1)	—	—	16	—	16
Balance as of December 31, 2023	\$ 794	\$ 505	\$ 298	\$ 298	\$ 1,895

(1) During the year ended December 31, 2023, we recognized \$16 million of provisional goodwill associated with the acquisition of Atacama Manufacturing Inc. The acquisition did not have a material impact on our financial statements.

Intangible assets, net consisted of the following:

	As of December 31, 2023			As of December 31, 2022		
	Gross carrying amount	Accumulated amortization	Net	Gross carrying amount	Accumulated amortization	Net
	(in millions)					
Finite-lived intangible assets						
Customer relationships	\$ 580	\$ (429)	\$ 151	\$ 580	\$ (400)	\$ 180
Trade names	25	(25)	—	25	(24)	1
Total finite-lived intangible assets	605	(454)	151	605	(424)	181
Indefinite-lived intangible assets						
Trade names	850	—	850	850	—	850
Total intangible assets	\$ 1,455	\$ (454)	\$ 1,001	\$ 1,455	\$ (424)	\$ 1,031

Amortization expense for intangible assets was \$30 million for the year ended December 31, 2023, and \$31 million for each of the years ended December 31, 2022 and 2021, and has been recognized in selling, general and administrative expenses.

Estimated annual amortization for intangible assets over the next five calendar years are as follows:

(in millions)	(in millions)	2023	2024	2025	2026	2027	(in millions)
Estimated annual amortization	Estimated annual amortization	\$ 29	\$ 29	\$ 29	\$ 22	\$ 21	

Note 6 — Debt

Long-Term Debt:

Long-term debt consisted of the following:

As of December 31,		As of December 31,	
2022	2021	2022	2021
		(in millions)	
As of December 31,		As of December 31,	
2023		2023	

		(in millions)		(in millions)	
Term Loan Facility	Term Loan Facility	\$2,107	\$2,132		
Deferred financing costs	Deferred financing costs	(14)	(18)		
Original issue discounts	Original issue discounts	(2)	(2)		
		2,091	2,112		
Less: current portion	Less: current portion	(25)	(25)		
Long-term debt	Long-term debt	\$2,066	\$2,087		

External Debt Facilities

In February 2020, we entered into new external debt facilities ("External Debt Facilities"), which consist of (i) a \$2,475 million senior secured term loan facility ("Term Loan Facility"); and (ii) a \$250 million senior secured revolving credit facility ("Revolving Facility"). In addition, on February 4, 2020 February 2023, we entered into, and extinguished, a \$1,168 million facility amended the External Debt Facilities ("IPO Settlement Facility" Amendment No. 1"). The proceeds which replaced the interest rate benchmark from LIBOR to the Term Loan Facility and IPO Settlement Facility, net of transaction costs and original issue discounts, together with available cash, were used SOFR. Additionally, in November 2023, we further amended the External Debt Facilities ("Amendment No. 2") to repay accrued related party interest and a portion extend the maturity of the related party loans payable. Revolving Facility by one year. Other than the foregoing, the material terms of the External Debt Facilities, as amended by Amendment No. 1 and Amendment No. 2 ("Amended External Debt Facilities") remained unchanged, and our election to use practical expedients under ASU 2020-04 and ASU 2021-01, as described in Note 2 - Summary of Significant Accounting Policies, resulted in no material impacts on our condensed consolidated financial statements.

Borrowings under the Amended External Debt Facilities bear interest at a rate per annum equal to, at our option, either a base rate plus an applicable margin of 0.75% or a LIBO rate SOFR plus an applicable margin of 1.75%. We have entered into a series of interest rate swaps to hedge a portion of the interest rate exposure resulting from these borrowings. Refer to Note 8 – Financial Instruments for further details.

The Amended External Debt Facilities contain a springing financial covenant requiring compliance with a ratio of first lien net indebtedness to consolidated EBITDA, applicable solely to the Revolving Facility. The financial covenant is tested on the last day of any fiscal quarter only if the aggregate principal amount of borrowings under the Revolving Facility and drawn but unreimbursed letters of credit exceed 35% of the total amount of commitments under the Revolving Facility on such day. We are currently in compliance with the covenants contained in our External Debt Facilities.

If an event of default occurs, the lenders under the Amended External Debt Facilities are entitled to take various actions, including the acceleration of amounts due under the Amended External Debt Facilities and all actions permitted to be taken by secured creditors.

Term Loan Facility

The Term Loan Facility matures in February 2027. The Term Loan Facility amortizes in equal quarterly installments of \$6 million, which commenced in June 2020, with the balance payable on maturity. During the year ended December 31, 2023, we made voluntary principal payments of \$250 million on our Term Loan Facility, which were first applied to pay the remaining quarterly amortization payments in full, with the residual balance applied to the outstanding principal balance due at maturity. During the year ended December 31, 2021, we made voluntary principal payments of \$100 million on our Term Loan Facility, which were applied to the outstanding principal balance.

Revolving Facility

In November 2023, we amended the External Debt Facilities to extend the maturity date of the Revolving Facility by one year. The Revolving Facility matures in February 2025 2026 and includes a sub-facility for letters of credit. As of December 31, 2022 December 31, 2023, we had no outstanding borrowings under the Revolving Facility, and we had \$7 million \$6 million of letters of credit outstanding, which reduces the borrowing capacity under the Revolving Facility.

Reynolds Consumer Products Inc.
Notes to the Consolidated Financial Statements

Fair Value of Our Long-Term Debt

The fair value of our long-term debt as of December 31, 2022 December 31, 2023, which is a Level 2 fair value measurement, approximates the carrying value due to the variable market interest rate and the stability of our credit profile.

Interest expense, net:

Interest expense, net consisted of the following:

	For the Years Ended December 31,					
	2022		2021		2020	
	(in millions)					
Interest expense, Term Loan Facility	\$	74	\$	41	\$	52
Amortization of deferred financing transaction costs		4		4		4
Interest expense, PEI Group U.S. Term Loan		—		—		8
Interest expense, related party borrowings ⁽¹⁾		—		—		5
Interest rate swaps (benefit) expense		(6)		2		—
Other		4		1		1
Interest expense, net	\$	76	\$	48	\$	70

(1) Refer to Note 17 – Related Party Transactions for additional information.

	For the Years Ended December 31,					
	2023		2022		2021	
	(in millions)					
Interest expense, Term Loan Facility	\$	142	\$	74	\$	41
Amortization of deferred financing transaction costs		4		4		4
Interest rate swaps (benefit) expense		(29)		(6)		2
Other		2		4		1
Interest expense, net	\$	119	\$	76	\$	48

Scheduled Maturities

Below is a schedule of required future repayments on our debt outstanding as of December 31, 2022 December 31, 2023:

	(in millions)		(in millions)
	2023	2024	
2024	2024	25	
2025	2025	25	
2026	2026	25	
2027	2027	2,007	
Total	Total		
long-term debt			
debt			
		<u>\$2,107</u>	

Note 7 – Leases

We lease certain buildings and plant and equipment. Our leases have reasonably assured remaining lease terms of up to 14 years. Certain leases include options to renew for up to 15 years. At lease inception, we determine the lease term by assuming the exercise of those renewal options that are reasonably certain. Some leases have variable payments, however, because they are not based on an index or rate, they are not included in the measurement of ROU assets and lease liabilities. Variable payments for real estate leases relate primarily to common area maintenance, insurance, taxes and utilities associated with the properties. Variable payments for equipment leases relate primarily to hours, miles, or other quantifiable usage factors, which are not determinable at the time of lease inception. These variable payments are expensed as incurred. The discount rate applied to our leases in determining the present value of lease payments is our incremental borrowing rate based on the information available at the commencement date. Leases with an initial term of 12 months or less are not recorded in our consolidated balance sheets and we recognize lease expense for these leases on a straight-line basis over the lease term.

Operating lease costs consisted of the following:

	As of December 31,					
	2023		2022		2021	
	(in millions)					
Operating lease costs	\$	18	\$	17	\$	15
Variable lease costs		1		1		1
Short-term lease costs		4		4		3

Total operating lease costs	\$ 23	\$ 22	\$ 19
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Operating lease costs consisted of the following:

	As of December 31,		
	(in millions)		
	2022	2021	2020
Operating lease costs	\$ 17	\$ 15	\$ 16
Variable lease costs	1	1	1
Short-term lease costs	4	3	3
Total operating lease costs	\$ 22	\$ 19	\$ 20

Lease costs related to the amortization of finance lease assets and interest on finance lease liabilities were not material for the years ended December 31, 2022, December 31, 2023, 2022 and 2021.

Future lease payments under non-cancellable leases were as follows:

	As of December 31, 2022		
	Operating	Finance	Total
	Leases	Leases	
(in millions)			
2023	\$ 17	\$ 2	\$ 19

	As of December 31, 2023			As of December 31, 2023	
	Operating Leases			Operating Leases	Finance Leases
	(in millions)			(in millions)	
2024	2024	17	1	18	
2025	2025	15	1	16	
2026	2026	10	1	11	
2027	2027	8	1	9	
2028					
Thereafter	Thereafter	9	10	19	
Total	Total				
undiscounted lease payments	undiscounted lease payments	76	16	92	
Less: imputed interest	Less: imputed interest	(9)	(4)	(13)	
Present value of lease liabilities	Present value of lease liabilities	\$ 67	\$ 12	\$ 79	

As of December 31, 2022 December 31, 2023, there were no material lease transactions we had an additional \$55 million in commitments related to operating leases executed that we have entered into but have not yet commenced. The leases are expected to commence during 2024.

Lease liabilities and ROU assets included in our consolidated balance sheets were as follows:

	As of		
	December 31,		
	2022	2021	
(in millions)			
	As of		
	December		
	31,		
		As of December 31,	

		2023		2022	
		(in millions)		(in millions)	
Operating leases	Operating leases	Operating Sheet Classification			
Right-of-use assets					
Right-of-use assets					
Right-of-use assets	Right-of-use assets	Operating lease right-of-use assets	\$ 65	\$55	
Current lease liabilities	Current lease liabilities	Current operating lease liabilities	\$ 14	\$11	
Non-current lease liabilities	Non-current lease liabilities	Long-term operating lease liabilities	53	46	
Total operating lease liabilities		Total operating lease liabilities	\$ 67	\$57	
Finance leases	Finance leases	Balance Sheet Classification			
Finance leases					
Right-of-use assets					
Right-of-use assets					
Right-of-use assets	Right-of-use assets	Other assets	\$ 12	\$—	
Current lease liabilities	Current lease liabilities	Accrued and other current liabilities	\$ 1	\$—	
Non-current lease liabilities	Non-current lease liabilities	Other liabilities	11	—	
Total finance lease liabilities		Total finance lease liabilities	\$ 12	\$—	

During the years ended December 31, 2022 December 31, 2023 and 2021 2022, new leases and lease modifications resulted in the recognition of operating ROU assets and corresponding operating lease liabilities totaling \$23 million \$6 million and \$9 million \$23 million, respectively. During the years ended December 31, 2022, December 31, 2023 and 2022, new leases resulted in the recognition of finance lease ROU assets and corresponding finance lease liabilities totaling \$6 million and \$12 million.

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million, respectively.

During the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, cash flows from operating activities in the consolidated statements of cash flows reflected \$1.7 million \$18 million, \$1.5 million \$1.7 million and \$1.4 million \$15 million, respectively, of payments for operating lease liabilities. Payments for finance lease liabilities in the years ended December 31, 2022 December 31, 2023, 2022 and 2021 were not material.

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The weighted average remaining lease term and weighted average discount rates were as follows:

As of December 31, 2022		As of December 31, 2023			
Operating Leases	Finance Leases	Operating Leases	Operating Leases	Operating Leases	Operating Leases
Weighted-average remaining lease term (in years)		Weighted-average remaining lease term (in years)		Weighted-average remaining lease term (in years)	
Weighted-average remaining lease term (in years)	4.99	13.57	Weighted-average discount rate	4.93 %	5.19 %
Weighted-average discount rate			Weighted-average discount rate	5.01 %	5.52 %

Note 8 — Financial Instruments

Interest Rate Derivatives

During the year ended December 31, 2020, 2020 and 2022, we entered into a series of interest rate swaps which to fix the LIBOR of our External Debt Facilities. In February 2023, we amended our interest rate swaps to replace the interest rate benchmark from LIBOR to SOFR. Other than the foregoing, the material terms of the interest rate swap agreements remain unchanged, and our election to use practical expedients under ASUs 2020-04 and 2021-01, as described in Note 2 - Summary of Significant Accounting Policies, resulted in no material impacts on our condensed consolidated financial statements. The aggregate notional amount of the interest rate swaps still in effect as of December 31, 2023 was \$1,150 million, and the SOFR is fixed the LIBO rate to at an annual rate of 0.18% 0.40% to 0.47% 3.40% (for an annual effective interest rate of 1.93% 2.15% to 2.22% 5.15%, including margin) for an aggregate notional amount of \$1,650 million, of which \$150 million notional value was still in effect as of December 31, 2022. During the year ended December 31, 2022, we entered into additional

The interest rate swaps which fixed the LIBO rate to an annual rate outstanding as of 2.70% to 3.44% (for an annual effective interest rate of 4.45% to 5.19%, including margin) for an aggregate notional amount of \$1,000 million. As of December 31, 2022, we had interest rate swaps of an aggregate notional amount of \$1,150 million. These interest rate swaps December 31, 2023 hedge a portion of the interest rate exposure resulting from our Term Loan Facility for periods ranging from three years two to four three years. We classified these instruments as cash flow hedges.

The following table provides the notional amounts, the annual rates, the weighted average annual effective rates, and the fair value of our interest rate derivatives:

(In millions)	(In millions)	Weighted Average Fair Value - Fair Value -				Notional Amount	Annual Rate	Weighted Average Annual Effective Rate	Fair Value - Other Current Assets	Fair Value - Other Assets
		Notional Amount	Annual Rate	Annual Effective Rate	Current Assets (In millions)					
		Other Assets	Other Assets	Other Assets	Other Assets					
As of December 31, 2023										

As of December 31, 2022 (1)	As of December 31, 2022 (1)	2.19%
		to
		\$1,150
		5.19%
		4.42%
		\$ 25
		\$ 23
		1.93%
		to
		As of December 31, 2021
		\$ 800
		2.22%
		2.01%
		\$ 1
		\$ 4

(1) Based on the interest rate swaps prior to the amendments entered into in February 2023, which was based on the LIBOR as of December 31, 2022.

Note 9 — Benefit Plans

Defined Benefit Plan

After our separation from PEI Group and IPO in February 2020, we established We have a defined benefit plan for certain of our employees. The initial liability was \$2 million employees, which was funded during 2020. The plan is non-contributory and eligible employees are fully vested after five years of service. The impact of the liability of the defined benefit plan on our consolidated balance sheets as of December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021, respectively, was not material.

Defined Contribution Plans

We offer defined contribution plans to eligible employees in the United States as well as employees in certain other countries. Our expense relating to defined contribution plans was \$27 million \$29 million, \$26 million \$27 million and \$24 million \$26 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021, respectively.

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Postretirement Benefit Plan

Certain of our employees in the United States participate in a postretirement benefit plan. Our postretirement benefit plan is not funded. The changes in and the amount of the accumulated postretirement benefit obligation were as follows:

	As of December 31,		
	2022	2021	
(in millions)			
	As of December 31, 2023		As of December 31, 2022
	(in millions)		(in millions)
Accumulated postretirement benefit obligation as of January 1	Accumulated postretirement benefit obligation as of January 1	\$48	\$54
Service cost	Service cost	1	1
Interest cost	Interest cost	1	1
Benefits paid	Benefits paid	(2)	(3)
Actuarial gains	Actuarial gains	(14)	(5)
Accumulated postretirement benefit obligation as of December 31	Accumulated postretirement benefit obligation as of December 31	\$34	\$48

The accrued benefit obligation was included in our consolidated balance sheets as follows:

	As of December 31,		
	2022	2021	
(in millions)			

	As of December 31, 2023 (in millions)	2023	As of December 31, 2022 (in millions)
Accrued and other current liabilities	Accrued and other current liabilities	\$ 2 \$ 3	
Long-term postretirement benefit obligation	Long-term postretirement benefit obligation	32 45	
		\$34 \$48	
	\$		

A portion of our accrued benefit obligation has been recorded in accumulated other comprehensive income as follows:

	As of		As of		As of	
	December 31, 2020	Changes	December 31, 2021	Changes	December 31, 2022	
(in millions)						
Net actuarial gain (loss)	\$ 10	\$ 5	\$ 15	\$ 14	\$ 29	
Deferred income tax (expense) benefit	(2)	(1)	(3)	(3)	(6)	
Accumulated other comprehensive income	\$ 8	\$ 4	\$ 12	\$ 11	\$ 23	

	As of		As of		As of	
	December 31, 2021	Changes	December 31, 2022	Changes	December 31, 2023	
(in millions)						
Net actuarial gain	\$ 15	\$ 14	\$ 29	\$ 15	\$ 44	
Deferred income tax expense	(3)	(3)	(6)	(4)	(10)	
Accumulated other comprehensive income	\$ 12	\$ 11	\$ 23	\$ 11	\$ 34	

We used the following weighted-average assumptions to determine our postretirement benefit obligations:

		As of December 31,	
		As of December 31,	
		2022	2021
Discount rate			
Discount rate			
Discount rate	Discount rate	5.18 %	2.90 %
Health care cost trend rate	Health care cost trend rate	Health care cost trend rate assumed for next year	
assumed for next year	assumed for next year	4.95 %	5.18 %
Ultimate trend rate	Ultimate trend rate	Ultimate trend rate	
		8.00 %	7.00 %
		4.50 %	4.50 %

Year that the rate reaches the ultimate trend rate	Year that the rate reaches the ultimate trend rate
2032	2029

The year-end discount rate for our plan reflects a weighted-average rate from a high-quality corporate bond yield curve that matches the expected duration of the benefit payments. Changes in our discount rates were primarily the result of changes in bond yields year-over-year. Our expected health care cost trend rate is based on historical costs and long-term expectations. We also review our participation rates based on historical actual and expected trends on an annual basis. An update to the participation rate assumption was the primary driver of the actuarial gain in the year ended December 31, 2023.

Components of Net Periodic Postretirement Costs:

Our total net periodic pension and postretirement benefit cost for each of the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 was not material.

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We used the following weighted-average assumptions to determine our net periodic postretirement health care cost:

		For the Years Ended December 31,					
		2022	2021	2020			
For the Years Ended December							
	31,						
	2023						
	2023						
	2023						
Discount rate							
Discount rate							
Discount rate	2.90 %	2.54 %	3.24 %		5.18 %	2.90 %	2.54 %
Health care cost trend rate assumed for next year							
Health care cost trend rate							
assumed for next year	6.60 %	6.90 %	7.20 %		7.00 %	6.60 %	6.90 %
Ultimate trend rate							
Ultimate trend rate	4.50 %	4.50 %	4.50 %		4.50 %	4.50 %	4.50 %
Year that the rate reaches the ultimate trend rate							
the rate reaches the ultimate trend rate	2029	2029	2029				

Future Benefit Payments:

Expected contributions for the next fiscal year equal the estimated benefit payments of \$2 million.

Our estimated future benefit payments for our postretirement benefit plan as of December 31, 2022 December 31, 2023 were as follows:

		(in millions)
2023	\$	2

		(in millions)		(in millions)
2024	2024	2		
2025	2025	3		
2026	2026	3		
2027	2027	3		
2028-2032		13		
2028				
2029-				
2033				

Note 10 ■ Stock-based Compensation

We granted restricted stock units ("RSUs") in July 2019 to certain members of management, pursuant to retention agreements entered into with these employees (the "IPO Grants"). These RSUs ~~vested~~ upon satisfaction of both a performance-based vesting condition, which was satisfied when we completed our IPO on February 4, 2020, and a service-based vesting condition, which ~~will be~~ was satisfied with respect to one-third of an employee's RSUs on each anniversary from the date of our IPO for three consecutive years, subject to the employee's continued employment through the applicable vesting date.

In addition, in conjunction with our Corporate Reorganization and IPO in February 2020, we established an equity incentive plan for purposes of granting stock-based compensation awards to certain of our senior management, our non-executive directors and to certain employees, to incentivize their performance and align their interests with ours. We have granted RSUs to certain employees and non-employee directors that have a service-based vesting condition. In addition, we have granted performance stock units ("PSUs") to certain members of management that have a performance-based vesting condition. We account for forfeitures of outstanding but unvested grants in the period they occur. A maximum of 10.5 million shares of common stock were initially available for issuance under equity incentive awards granted pursuant to the plan. In the year ended ~~December 31, 2022~~ December 31, 2023, 0.2 million ~~0.3~~ million RSUs and 0.2 million PSUs were granted.

A summary of activity for RSUs and PSUs for the year ended ~~December 31, 2022~~ December 31, 2023 is as follows (in millions, except for per share data):

		Shares	Weighted-Average Grant-Date Fair Value Per Share
Unvested, at December 31, 2021		0.4	\$ 29.28
Unvested, at December 31, 2022			
Granted	Granted	0.4	30.05
Forfeited	Forfeited	—	30.08
Vested	Vested	(0.1)	28.89
PSU performance adjustment	PSU performance adjustment	(0.3)	30.04
Unvested, at December 31, 2022		<u>0.4</u>	<u>\$ 29.64</u>
Unvested, at December 31, 2023			

Unrecognized compensation expense relating to unvested RSUs as of ~~December 31, 2022~~ December 31, 2023, was \$4 million, \$5 million, which is expected to be recognized over a weighted average period of ~~1.4~~ ~~1.35~~ years.

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Unrecognized compensation expense relating to unvested PSUs as of December 31, 2023, was \$3 million, which is expected to be recognized over a weighted average period of 1.77 years.

There were stock-based compensation awards, representing 0.4 million 0.8 million shares and 0.4 million shares outstanding at each of December 31, 2022 December 31, 2023 and 2021. 2022, respectively. Stock-based compensation expense was \$5 million \$14 million, \$4 million \$5 million and \$5 million \$4 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

Note 11 Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following:

	As of December 31,			As of December 31,	
	2022	2021		2023	2022
	(in millions)			(in millions)	
Accrued personnel costs					
Trade promotion allowances	\$ 38	\$ 40			
Accrued personnel costs	35	34			
Other	72	74			
Accrued and other current liabilities	<u>\$145</u>	<u>\$148</u>			

Note 12 Other Expense, Net

Other expense, net consisted of the following:

	For the Years Ended December 31,				For the Years Ended December 31,		
	2022	2021	2020		2023	2022	2021
	(in millions)				(in millions)		
IPO and separation-related costs (1)	IPO and separation-related costs (1)	\$12	\$14	\$31			
Other	Other	10	(1)	(2)			
Other expense, net	Other expense, net	<u>\$22</u>	<u>\$13</u>	<u>\$29</u>			

(1) Reflects costs related to our separation to operate as a stand-alone public company and the IPO process.

Note 13 Commitments and Contingencies

Legal Proceedings:

We are from time to time party to litigation, legal proceedings and tax examinations arising from our operations. Most of these matters involve allegations of damages against us relating to employment matters, consumer complaints, advertising/labelling claims, personal injury and commercial or contractual disputes. We record estimates for claims and proceedings that constitute a present obligation when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of such obligation can be made. While it is not possible to predict the outcome of any of these matters, based on our assessment of the facts and circumstances as of December 31, 2023, we do not

believe any of these matters, individually or in the aggregate, will have a material adverse effect on our financial position, results of operations or cash flows. However, actual outcomes may differ from those expected and could have a material effect on our financial position, results of operations or cash flows in a future period.

As of December 31, 2022, there were no legal proceedings pending other than those for which we have determined that the possibility of a material outflow is remote.

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Note 14 — Accumulated Other Comprehensive Income

The following table summarizes the changes in our balances of each component of accumulated other comprehensive income.

		Accumulated			
		Currency Translation	Employee Benefit	Interest Rate	Other Comprehensive Income
		Adjustments	Plans	Derivatives	
(in millions)					
Balance as of December 31,					
2019		\$ (6)	\$ 11	\$ —	\$ 5
Loss arising during the period		—	(4)	(1)	(5)
Reclassification to earnings		—	(1)	—	(1)
Effect of deferred taxes		—	2	—	2
		Currency Translation Adjustments		Currency Translation Adjustments	Employee Benefit
		(in millions)		Plans	Interest Rate Derivatives
Balance as of December 31,		Balance as of December 31,		Accumulated Other Comprehensive Income	
2020	2020	\$ (6)	\$ 8	\$ (1)	\$ 1
Gain arising during the period	Gain arising during the period	—	6	4	10
Reclassification to earnings	Reclassification to earnings	—	(1)	2	1
Effect of deferred taxes	Effect of deferred taxes	—	(1)	(1)	(2)
Balance as of December 31,	Balance as of December 31,				
2021	2021	\$ (6)	\$ 12	\$ 4	\$ 10
Gain (loss) arising during the period	Gain (loss) arising during the period	(1)	16	48	63
Reclassification to earnings	Reclassification to earnings	—	(2)	(6)	(8)
Effect of deferred taxes	Effect of deferred taxes	—	(3)	(10)	(13)
Balance as of December 31,	Balance as of December 31,				
2022	2022	\$ (7)	\$ 23	\$ 36	\$ 52
Gain arising during the period					
Reclassification to earnings					
Effect of deferred taxes					

**Balance as of
December 31,
2023**

Note 15 -- Income Taxes

The components of income before income tax were as follows:

			For the Years Ended December 31,		
			2022	2021	2020
			(in millions)		
For the Years Ended December 31,			For the Years Ended December 31,		
2023			2023	2022	2021
(in millions)			(in millions)		
Income before income taxes:					
United States					
United States	United States	\$332	\$424	\$511	
International	International	6	6	5	
Total income before income taxes	Total income taxes	\$338	\$430	\$516	

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Significant components of income tax expense were as follows:

		For the Years Ended		
		December 31,		
		2022	2021	2020
(in millions)				
		For the Years Ended		
		December 31,		
		2023	2022	2021
(in millions)				
Current	Current			
United States	United States			
United States	United States			
Federal	Federal			
Federal	Federal	\$64	\$ 69	\$ 70
State	State	14	14	14
Foreign	Foreign	1	1	1
Total current income tax expense	Total current income tax expense	79	84	85
Deferred	Deferred			

United States	United States			
United States				
Federal				
Federal				
Federal	Federal	3	19	54
State	State	(3)	3	13
Foreign	Foreign	1	—	1
Total deferred income tax expense		1	22	68
Total deferred income tax (benefit) expense				
Total income tax expense	Total income tax expense	\$80	\$106	\$153

A reconciliation of income taxes computed at the U.S. Federal statutory income tax rate of 21% for 2023, 2022 2021 and 2020, to our income tax expense was as follows:

		For the Years Ended December 31,					
		2022	2021	2020			
		(in millions)					
		For the Years Ended December 31,			For the Years Ended December 31,		
		2023	2022	2021			
		(in millions)			(in millions)		
U.S. Federal income tax expense at the statutory rate	U.S. Federal income tax expense at the statutory rate	\$71	\$ 90	\$108			
U.S. State income tax expense	U.S. State income tax expense	9	15	17			
Non-deductible expenses	Non-deductible expenses	1	—	2			
CARES Act		—	—	27			
Return to provision adjustments	Return to provision adjustments	(1)	1	(2)			
Other		—	—	1			
Total income tax expense	Total income tax expense	\$80	\$106	\$153			

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Deferred Tax Assets and Liabilities

Deferred income taxes result from temporary differences between the amount of assets and liabilities recognized for financial reporting and tax purposes. The components of our net deferred income tax liability were as follows:

		As of December 31,	
		2022	2021
		(in millions)	
		As of December 31,	
		2023	2023
		(in millions)	
Deferred tax assets	Deferred tax assets		
Employee benefits	Employee benefits		
Employee benefits	Employee benefits	\$ 24	\$ 26
Lease obligations	Lease obligations	19	13
Inventory	Inventory	8	9
Reserves	Reserves	5	4
Tax losses	Tax losses	3	4
Total deferred tax assets	Total deferred tax assets	59	56
Valuation allowance	Valuation allowance	(5)	(6)
Total deferred tax assets after valuation allowance	Total deferred tax assets after valuation allowance	54	50
Deferred tax liabilities	Deferred tax liabilities		
Intangible assets	Intangible assets	(290)	(293)
Intangible assets	Intangible assets		
Property, plant and equipment	Property, plant and equipment	(98)	(93)
Lease right-of-use assets	Lease right-of-use assets	(18)	(13)
Financial instruments	Financial instruments	(11)	(1)
Other	Other	(2)	(1)
Total deferred tax liabilities	Total deferred tax liabilities	(419)	(401)
Net deferred tax liabilities	Net deferred tax liabilities	<u>\$(365)</u>	<u>\$(351)</u>

Uncertain Tax Positions

ASC 740 prescribes a recognition threshold of more-likely-than not to be sustained upon examination as it relates to the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. Our policy is to include interest and penalties related to gross unrecognized tax benefits in income tax expense.

The following table summarizes the activity related to our gross unrecognized tax benefits:

		For the Years Ended December 31,		
		2022	2021	2020
		(in millions)		
For the Years Ended December 31,				For the Years Ended December 31,
		2023	2022	2021
(in millions)		(in millions)		
Balance as of beginning of the year	Balance as of beginning of the year	\$ 5	\$ 4	\$ 2
Increase associated with tax positions taken during the current year	Increase associated with tax positions taken during the current year	2	1	2
Increase associated with tax positions taken in prior years	Increase associated with tax positions taken in prior years	1	—	—
Ending unrecognized tax benefits	Ending unrecognized tax benefits	\$ 8	\$ 5	\$ 4

Each year we file income tax returns in the various federal, state, local and foreign income taxing jurisdictions in which we operate. Foreign jurisdictions comprise Canada and China, is the only foreign jurisdiction in which we operate. Our income tax returns are subject to examination and possible challenge by the tax authorities. Although ultimate timing is uncertain, the net amount of tax liability for unrecognized tax benefits may change within the next twelve months due to changes in audit status, settlements of tax assessments and other events.

Prior to February 4, 2020, we were part of consolidated U.S. federal tax returns filed by PEI Group. Under a Tax Matters Agreement, entered into as part of our corporate reorganization prior to our IPO, PEI Group has retained responsibility for all U.S. federal tax matters for periods to and including February 4, 2020.

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Note 16 Segment Information

Our Chief Executive Officer, who has been identified as our Chief Operating Decision Maker ("CODM" ("CODM"), has evaluated how he views and measures our performance. In applying the criteria set forth in the standards for reporting information about segments in financial statements, we have determined that we have four reportable segments - Reynolds Cooking & Baking, Hefty Waste & Storage, Hefty Tableware and Presto Products. The key factors used to identify these reportable segments are the organization and alignment of our internal operations and the nature of our products. This reflects how our CODM monitors performance, allocates capital and makes strategic and operational decisions. Our segments are described as follows:

Reynolds Cooking & Baking

Our Reynolds Cooking & Baking segment produces branded and store brand aluminum foil, disposable aluminum pans, parchment paper, freezer paper, wax paper, butcher paper, plastic wrap, baking cups, oven bags and slow cooker liners. Our branded products are sold under the Reynolds Wrap, Reynolds KITCHENS and EZ Foil brands in the United States and selected international markets, under the ALCAN brand in Canada and under the Diamond brand outside of North America.

Hefty Waste & Storage

Our Hefty Waste & Storage segment produces both branded and store brand trash and food storage bags. Our branded products are sold under the Hefty Ultra Strong and Hefty Strong brands for trash bags, and as the Hefty and Baggies brands for our food storage bags.

Hefty Tableware

Our Hefty Tableware segment sells both branded and store brand disposable and compostable plates, bowls, platters, cups and cutlery. Our Hefty branded products include dishes and party cups.

Presto Products

Our Presto Products segment primarily sells store brand products in four main categories: food storage bags, trash bags, reusable storage containers and plastic wrap. Our Presto Products segment also includes our specialty business, which serves other consumer products companies by providing Fresh-Lock and Slide-Rite resealable closure systems.

Information by Segment

We present segment adjusted EBITDA ("Adjusted EBITDA" EBITDA) as this is the financial measure by which management and our CODM allocate resources and analyze the performance of our reportable segments.

Adjusted EBITDA represents each segment's earnings before interest, tax, depreciation and amortization and is further adjusted to exclude IPO and separation-related costs, as well as other non-recurring costs.

Total assets by segment are those assets directly associated with the respective operating activities, comprising inventory, property, plant and equipment and operating lease right-of-use assets. Other assets, such as cash, accounts receivable and intangible assets, are monitored on an entity-wide basis and not included in segment information that is regularly reviewed by our CODM.

Reynolds Consumer Products Inc.
Notes to the Consolidated Financial Statements

The accounting policies applied by our segments are the same as those described in Note 2 - Summary of Significant Accounting Policies. Transactions between segments are at negotiated prices.

	Reynolds Cooking & Baking	Hefty Waste & Storage	Hefty Tableware	Presto Products	Segment total	Unallocated ⁽¹⁾	Total
2023							
Net revenues	\$ 1,273	\$ 931	\$ 967	\$ 579	\$ 3,750	\$ 6	\$ 3,756
Intersegment revenues	—	11	—	14	25	(25)	—
Total segment net revenues	1,273	942	967	593	3,775	(19)	3,756
Adjusted EBITDA	184	261	174	112	731		
Depreciation and amortization	31	19	16	21	87	37	124
Capital expenditures	46	11	28	8	93	11	104
Total assets	556	267	216	239	1,278	3,502	4,780
	Reynolds Cooking & Baking	Hefty Waste & Storage	Hefty Tableware	Presto Products	Segment total	Unallocated ⁽¹⁾	Total
2022							
Net revenues	\$ 1,287	\$ 934	\$ 1,000	\$ 597	\$ 3,818	\$ (1)	\$ 3,817
Intersegment revenues	—	12	—	7	19	(19)	—
Total segment net revenues	1,287	946	1,000	604	3,837	(20)	3,817
Adjusted EBITDA	142	207	134	96	579		
Depreciation and amortization	24	19	17	22	82	35	117
Capital expenditures	51	15	36	20	122	6	128
Total assets	646	314	226	274	1,460	3,469	4,929
	Reynolds Cooking & Baking	Hefty Waste & Storage	Hefty Tableware	Presto Products	Segment total	Unallocated ⁽¹⁾	Total
2021							
Net revenues	\$ 1,314	\$ 876	\$ 815	\$ 560	\$ 3,565	\$ (9)	\$ 3,556
Intersegment revenues	—	8	—	4	12	(12)	—
Total segment net revenues	1,314	884	815	564	3,577	(21)	3,556
Adjusted EBITDA	255	173	137	69	634		
Depreciation and amortization	21	18	16	21	76	33	109

Capital expenditures	42	22	19	53	136	5	141							
Total assets	562	290	165	247	1,264	3,548	4,812							
Hefty														
Reynolds Waste														
Cooking & Hefty Presto Segment														
& Baking Storage Tableware Products total Unallocated ⁽¹⁾ Total														
2020	(in millions)													
Reynolds														
Cooking														
& Baking														
2021	2021 (in millions)													
Net revenues	Net revenues	\$ 1,159	\$ 809	\$ 763	\$ 532	\$ 3,263	\$ — \$ 3,263							
Intersegment revenues	Intersegment revenues	—	9	—	1	10	(10) —							
Total segment net revenues	Total segment net revenues	1,159	818	763	533	3,273	(10) 3,263							
Adjusted EBITDA	Adjusted EBITDA	254	236	170	98	758								
Depreciation and amortization	Depreciation and amortization	20	15	14	19	68	31 99							
Depreciation and amortization	Depreciation and amortization													
Capital expenditures	Capital expenditures	33	30	24	38	125	18 143							

(1) Unallocated includes the elimination of intersegment revenues, other revenue adjustments and certain corporate costs, depreciation and amortization and assets not allocated to segments. Unallocated assets are comprised of cash, accounts receivable, other receivables, entity-wide property, plant and equipment, entity-wide operating lease ROU assets, goodwill, intangible assets, related party receivables and other assets.

Reynolds Consumer Products Inc.
Notes to the Consolidated Financial Statements

The following table presents a reconciliation of segment Adjusted EBITDA to consolidated GAAP income before income taxes:

	For the Years Ended December 31,			For the Years Ended December 31,		
	2022	2021	2020	2023	2022	2021
	(in millions)			(in millions)		
Segment Adjusted EBITDA	Segment Adjusted EBITDA	\$ 579	\$ 634	\$ 758		
Corporate / unallocated expenses	Corporate / unallocated expenses	(33)	(33)	(41)		
		546	601	717		
		636				

Adjustments to reconcile to GAAP income before taxes	Adjustments to reconcile to GAAP income before taxes
Depreciation and amortization	
Depreciation and amortization	
Depreciation and amortization	Depreciation and amortization (117) (109) (99)
Interest expense, net	Interest expense, net (76) (48) (70)
IPO and separation-related costs	IPO and separation-related costs (12) (14) (31)
Other	Other (3) — (1)
Consolidated GAAP income before income taxes	Consolidated GAAP income before income taxes \$338 \$430 \$516

Information in Relation to Products

Net revenues by product line are as follows:

	For the Years Ended December 31,			(in millions)
	2022	2021	2020	
	For the Years Ended December 31,			
	2023	2022	2021	(in millions)
	(in millions)			(in millions)
Waste and storage products ⁽¹⁾	Waste and storage products ⁽¹⁾	\$1,550	\$1,448	\$1,351
Cooking products	Cooking products	1,287	1,314	1,159
Tableware products	Tableware products	1,000	815	763
Unallocated	Unallocated	(20)	(21)	(10)
Net revenues	Net revenues	\$3,817	\$3,556	\$3,263

(1) Waste and storage products are comprised of our Hefty Waste & Storage and Presto Products segments.

Our different product lines are generally sold to a common group of customers. For all product lines, there is a relatively short time period between the receipt of the order and the transfer of control over the goods to the customer.

Geographic Data

Geographic data for net revenues (recognized based on location of our business operations) and long-lived assets (representing property, plant and equipment) are as follows:

	For the Years Ended December 31,			(in millions)
	2022	2021	2020	
	For the Years Ended December			
	31,			For the Years Ended December 31,

2023		2023		2021	
				(in millions)	
Net	Net				
revenues:	revenues:				
United States					
United States					
United States	United States	\$3,742	\$3,495	\$3,206	
Other	Other	75	61	57	
Net	Net	<u>\$3,817</u>	<u>\$3,556</u>	<u>\$3,263</u>	
revenues	revenues				

Reynolds Consumer Products Inc.
Notes to the Consolidated Financial Statements

		As of December 31,			
		2022	2021		
		(in millions)			
As of December 31,				As of December 31,	
		2023	2023	2022	
(in millions)				(in millions)	
Long-lived assets	Long-lived assets				
United States					
United States					
United States	United States	\$715	\$671		
Other	Other	7	6		
Long-lived assets	Long-lived assets	<u>\$722</u>	<u>\$677</u>		

Entity-wide Disclosures

Net revenues from our largest customer and its affiliates were 48%, 44% and 43% of total net revenues for the years ended December 31, 2022 December 31, 2023, 2021 and 2020, respectively. The net revenues from our largest customer were recognized across all of our segments. No other customers accounted for 10% or more of our total net revenues in any of the years presented.

Note 17 – Related Party Transactions

We historically operated as part of PEI Group. In preparation for our IPO in February 2020, PEI Group transferred its interest in us to Packaging Finance Limited ("PFL"). PFL owns the majority of our outstanding common stock and owns the majority of the outstanding common stock of Pactiv Evergreen Inc. and its subsidiaries ("PEI Group"). We sell and purchase various goods and services with PEI Group under contractual arrangements that expire over a variety of periods through December 31, 2027. During the pre-IPO allocation of expenses year ended December 31, 2023, we amended these contractual arrangements with PEI Group, which, among other things, extended the expiration date for certain services related to group wide functions provided by PEI Group discussed in Note 1 – Description of Business and Basis of Presentation, other transactions arrangements. Transactions between us and PEI Group are described below.

On-going Related Party Transactions

For the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, revenues from products sold to PEI Group were \$101 million \$83 million, \$111 million \$101 million and \$116 million \$111 million, respectively. For the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, products purchased from PEI Group were \$399 million \$381 million, \$343 million \$399 million and \$330 million \$343 million, respectively. For the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, PEI Group charged us freight and warehousing costs of \$54 million \$37 million, \$60 million \$54 million and \$80 million \$60 million, respectively, which were included in cost of sales. The resulting related party receivables and payables are settled regularly with PEI Group in the normal course of business.

Furthermore, \$143 million, \$143 million and \$92 million of dividends were paid to PFL during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, respectively.

Transactions Related to our Separation from PEI Group

On January 30, 2020, we repurchased all of the U.S. accounts receivable that we previously sold through PEI Group's securitization facility for \$264 million, \$240 million of which was settled in cash and the remaining amount used to settle certain current related party receivables. The cash to purchase these receivables was provided by an increase in related party borrowings, which was subsequently settled as discussed below.

On January 30, 2020, our outstanding borrowings, net of deferred financing transaction costs and original issue discounts plus accrued interest incurred under the PEI Group Credit Agreement were reallocated to an entity within PEI Group and on February 4, 2020, we were fully and unconditionally released from the security and guarantee arrangements relating to PEI Group's borrowings. This reallocation resulted in a payment to PEI Group of \$8 million for accrued interest and an increase of \$2,001 million in related party borrowings, which was subsequently settled as discussed below.

On February 4, 2020, we repaid \$3,627 million of related party borrowings and \$22 million of related party accrued interest owed to PEI Group and capitalized, as additional paid-in capital without the issuance of any additional shares, the remaining \$831 million balance of the related party borrowings owed to PEI Group.

Reynolds Consumer Products Inc. Notes to the Consolidated Financial Statements

On February 4, 2020, we entered into a transition services agreement with a subsidiary of PEI Group, whereby PEI Group continued to provide certain administrative services to us, including information technology services; accounting, treasury, financial reporting and transaction support; human resources; procurement; tax, legal and compliance related services; and other corporate services for up to 24 months. In addition, we entered into a transition services agreement with Rank Group Limited (an affiliate of PEI Group) whereby, upon our request, Rank Group Limited provided certain administrative services to us, including financial reporting, consulting and compliance services, insurance procurement and human resources support, legal and corporate secretarial support, and related services for up to 24 months. For the **years** year ended December 31, 2021 and 2020, we incurred \$6 million and \$10 million, respectively, related to transition services which was included in selling, general and administrative expenses in our consolidated statements of income. There was no expense for the **year** years ended December 31, 2022 December 31, 2023 and 2022 related to transition services.

Note 18 Subsequent Events

Quarterly Cash Dividend

On **January 26, 2023** January 25, 2024, our Board of Directors approved a cash dividend of \$0.23 per common share to be paid on **February 28, 2023** February 29, 2024 to shareholders of record on **February 14, 2023** February 15, 2024.

Except as described above, there have been no events subsequent to **December 31, 2022** December 31, 2023 which would require accrual or disclosure in these consolidated financial statements.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Management's **Management's** Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) are designed to ensure that information required to be disclosed by us in reports we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the **SEC's** SEC's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. We, under the supervision of and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of **December 31, 2022** December 31, 2023.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed under the supervision of the Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements under all potential conditions. Therefore, effective internal control over financial reporting provides only reasonable, and not absolute, assurance with respect to the preparation and presentation of financial statements.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting as of **December 31, 2022** December 31, 2023 using the criteria set forth in the Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). As a result of that evaluation, management concluded that our internal control over financial reporting was effective as of **December 31, 2022** December 31, 2023.

Our independent registered public accounting firm, PricewaterhouseCoopers LLP, has audited the effectiveness of our internal control over financial reporting as of **December 31, 2022** December 31, 2023, as stated in its report which appears in Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the fiscal quarter ended **December 31, 2022** December 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None. During the quarter ended December 31, 2023, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any non-Rule 10b5-1 trading arrangement (as identified in Item 408(c) of Regulation S-K).

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 will appear in the Company's Proxy Statement for its **2023** 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 will appear in the Company's Proxy Statement for its **2023** 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 will appear in the Company's Proxy Statement for its **2023** 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 will appear in the Company's Proxy Statement for its **2023** 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 14. PRINCIPAL ~~ACCOUNTING~~ ACCOUNTANT FEES AND SERVICES

The information required by Item 14 will appear in the Company's Proxy Statement for its **2023** 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report on Form 10-K:

1. The following consolidated financial statements are filed as part of this Annual Report on Form 10-K under Part II, Item 8:

Report of Independent Registered Public Accounting Firm (PCAOB ID 238)	42 45
Consolidated Statements of Income for the Years Ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021	44 47
Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021	45 48
Consolidated Balance Sheets as of December 31, 2022 December 31, 2023 and 2021 2022	46 49
Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021	47 50
Consolidated Statements of Cash Flows for the Years Ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021	48 51
Notes to Consolidated Financial Statements	49 52

2. Exhibits: See "Index to Exhibits" immediately preceding the signature page of this Annual Report on Form 10-K.

ITEM 16. FORM 10-K SUMMARY

None.

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INDEX TO EXHIBITS

Exhibit	Description
3.1	Amended and Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-39205) filed with the SEC on February 4, 2020)
3.2	Amended and Restated By-Laws (incorporated herein by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-39205) filed with the SEC on February 4, 2020)
4.1	Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934 (incorporated herein by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K filed with the SEC on February 12, 2021)
4.2	Form of Indenture (incorporated herein by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3 (File No. 333-265136) filed with the SEC on May 23, 2022)
4.3	Form of Debt Security (included in Exhibit 4.2)
10.1†	Form of Indemnification Agreement (incorporated herein by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1 (File No. 333-234731) filed with the SEC on November 15, 2019)
10.2†	Reynolds Consumer Products Inc. Equity Incentive Plan (incorporated herein by reference to Exhibit 99 to the Company's Registration Statement on Form S-8 (File No. 333-236204) filed with the SEC on January 31, 2020)
10.3†	Reynolds Consumer Products Inc. Equity Incentive Plan, as amended and restated effective January 27, 2022 (incorporated herein by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K filed with the SEC on February 9, 2022)
10.4†	Form of Restricted Stock Unit Award Letter (incorporated herein by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-1 (File No. 333-234731) filed with the SEC on November 15, 2019)
10.5†	Form of Restricted Stock Award Letter (incorporated herein by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1 (File No. 333-234731) filed with the SEC on November 15, 2019)
10.6†	Form of Restricted Stock Unit Award Agreement under the Equity Incentive Plan (incorporated herein by reference to Exhibit 10.6 to the Company's Annual Report on Form 10-K filed with the SEC on February 9, 2022)
10.7†	Form of Performance Share Unit Award Agreement under the Equity Incentive Plan (incorporated herein by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K filed with the SEC on February 9, 2022)
10.8†	Form of Performance Share Unit Award Letter (incorporated herein by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-1 (File No. 333-234731) filed with the SEC on November 15, 2019)
10.9†	Employment Agreement, dated July 8, 2019, between Reynolds Consumer Products LLC and Lance Mitchell (including the Restrictive Covenant Agreement attached thereto) (incorporated herein by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-1 (File No. 333-234731) filed with the SEC on November 15, 2019)
10.10†	Employment Agreement, dated July 8, 2019, between Reynolds Consumer Products LLC and Michael Graham (including the Restrictive Covenant Agreement attached thereto) (incorporated herein by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-1 (File No. 333-234731) filed with the SEC on November 15, 2019)
10.11†	Amendment to Employment Agreement, dated July 8, 2019 May 31, 2022, between Reynolds Consumer Products LLC and Craig Cappel Michael Graham (incorporated herein by reference to Exhibit 10.8 10.15 to the Company's Registration Statement on Form S-1 (File No. 333-234731) filed with the SEC on November 15, 2019 February 8, 2023)
10.12†	Employment Agreement, dated July 29, 2019, between Reynolds Consumer Products LLC and Rachel Bishop (including the Restrictive Covenant Agreement attached thereto) (incorporated herein by reference to Exhibit 10.29 to the Company's Registration Statement on Form S-1 (File No. 333-234731) filed with the SEC on January 28, 2020)
10.13†	Amendment to Employment Agreement, dated May 31, 2022, between Reynolds Consumer Products LLC and Rachel Bishop (incorporated herein by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K filed with the SEC on February 8, 2023)
10.14†	Employment Agreement, dated July 8, 2019, between Reynolds Consumer Products LLC and Judith Buckner (including the Restrictive Covenant Agreement attached thereto) (incorporated herein by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K filed with the SEC on February 9, 2022)
10.14*†10.15†	Amendment to Employment Agreement, dated February 28, 2022, between Reynolds Consumer Products LLC and Lisa Smith
10.15†	Amended and Restated Employment Agreement, dated May 31, 2022, between Reynolds Consumer Products LLC and Michael Graham
10.16†	Amended and Restated Employment Agreement, dated May 31, 2022, between Reynolds Consumer Products LLC and Craig Cappel
10.17†	Amended and Restated Employment Agreement, dated May 31, 2022, between Reynolds Consumer Products LLC and Rachel Bishop
10.18†	Amended and Restated Employment Agreement, dated May 31, 2022 May 31, 2022 between Reynolds Consumer Products LLC and Judith Buckner (incorporated herein by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K filed with the SEC on February 8, 2023)

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10.16† [Employment Agreement, dated February 28, 2022, between Reynolds Consumer Products LLC and Lisa Smith \(including the Restrictive Covenant Agreement attached thereto\) \(incorporated herein by reference to Exhibit 10.11 to the Company's Annual](#)

RESTRICTIVE COVENANT AGREEMENT AND RESTRICTIVE COVENANT AGREEMENT, INCORPORATED HEREIN BY REFERENCE TO EXHIBIT 10.14 TO THE COMPANY'S ANNUAL REPORT ON FORM 10-K FILED WITH THE SEC ON FEBRUARY 8, 2023)

10.17† [Offer Letter, dated as of September 15, 2023, by and between Reynolds Consumer Products LLC and Scott E. Huckins \(incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on October 12, 2023\).](#)

10.18†

[Employment Agreement, effective October 23, 2023, by and between Reynolds Consumer Products LLC and Scott E. Huckins \(including the Restrictive Covenant Agreement attached thereto\). \(incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on October 12, 2023\).](#)

10.19 [Master Supply Agreement, dated November 1, 2019, between Reynolds Consumer Products LLC, as Seller, and Pactiv LLC, as Buyer \(incorporated herein by reference to Exhibit 10.18 to the Company's Registration Statement on Form S-1 \(File No. 333-234731\) filed with the SEC on November 15, 2019\).](#)

10.20 [Amendment No. 1, dated January 15 2022 and Amendment No. 2, dated March 31, 2023, to the Master Supply Agreement between Reynolds Consumer Products LLC, as seller, and Pactiv LLC, as buyer \(incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 10, 2023\).](#)

10.21 [Master Supply Agreement, dated November 1, 2019, between Pactiv LLC, as Seller, and Reynolds Consumer Products LLC, as Buyer \(incorporated herein by reference to Exhibit 10.19 to the Company's Registration Statement on Form S-1 \(File No. 333-234731\) filed with the SEC on November 15, 2019\).](#)

10.21 10.22 [Amendment No. 1, dated January 15, 2022 and Amendment No. 2, dated March 31, 2023, to the Master Supply Agreement between Pactiv LLC, as seller, and Reynolds Consumer Products LLC, as buyer \(incorporated herein by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 10, 2023\).](#)

10.23 [Warehousing and Freight Services Agreement, dated November 1, 2019, between Pactiv LLC and Reynolds Consumer Products LLC \(incorporated herein by reference to Exhibit 10.20 to the Company's Registration Statement on Form S-1 \(File No. 333-234731\) filed with the SEC on November 15, 2019\).](#)

10.22 10.24 [Amended and Restated Lease Agreement, dated January 1, 2020, between Pactiv LLC and Reynolds Consumer Products LLC \(incorporated herein by reference to Exhibit 10.23 to the Company's Registration Statement on Form S-1 filed with the SEC on January 21, 2020\).](#)

10.23 10.25 [Tax Matters Agreement, dated February 4, 2020 \(incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on February 4, 2020\).](#)

10.24 10.26 [Registration Rights Agreement, dated February 4, 2020, between Packaging Finance Limited and Reynolds Consumer Products Inc. \(incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 4, 2020\).](#)

10.25 10.27 [Stockholders Agreement, dated February 4, 2020, between Packaging Finance Limited and Reynolds Consumer Products Inc. \(incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on February 4, 2020\).](#)

	<u>2020)</u>
10.26	<u>10.28 Credit Agreement between Reynolds Consumer Products LLC, as borrower, Reynolds Consumer Products Inc., as parent, and certain lenders party thereto (incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the SEC on February 4, 2020)</u>
10.29	<u>Amendment No. 1, dated February 28, 2023, to the Credit Agreement between Reynolds Consumer Products LLC, as borrower, Reynolds Consumer Products Inc., as parent, and certain lenders party thereto (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 10, 2023)</u>
10.30	<u>Amendment No. 2, dated as of November 21, 2023 to the Credit Agreement, dated as of February 4, 2020, between Reynolds Consumer Products LLC, as borrower, Reynolds Consumer Products Inc., as parent and certain lenders party thereto (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on November 21, 2023)</u>
21.1*	<u>List of subsidiaries</u>
23.1*	<u>Consent of PricewaterhouseCoopers LLP</u>
24.1*	<u>Power of Attorney (see signature page to this Annual Report on Form 10-K)</u>
31.1*	<u>Certification of Principal Executive Officer of the Company Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2*	<u>Certification of Principal Financial Officer of the Company Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1*	<u>Certification of Principal Executive Officer of the Company Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2*	<u>Certification of Principal Financial Officer of the Company Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>

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97†	<u>Reynolds Consumer Products Inc. Amended and Restated Compensation Recoupment Policy</u>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

† Management contract or compensatory plan or arrangement.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

REYNOLDS CONSUMER PRODUCTS INC.

(Registrant)

By: /s/ Lance Mitchell
 Lance Mitchell
 Chief Executive Officer
 February 8, 2023 7, 2024

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below does hereby make, constitute and appoint Lance Mitchell and Michael Graham, Scott Huckins, and each of them acting individually, his or her true and lawful attorneys-in-fact and agents, with full power of substitution, for them and in their name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K, and any amendments thereto, and to file the same with all exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Lance Mitchell Lance Mitchell	Chief Executive Officer and Director (Principal Executive Officer)	February 8, 2023 7, 2024
/s/ Michael Graham Scott Huckins Michael Graham Scott Huckins	Chief Financial Officer (Principal Financial Officer)	February 8, 2023 7, 2024
/s/ Chris Mayrhofer Chris Mayrhofer	Senior Vice President and Controller (Principal Accounting Officer)	February 8, 2023 7, 2024
/s/ Richard Noll Richard Noll	Director and Chairman of the Board of Directors	February 8, 2023 7, 2024
/s/ Gregory Cole Gregory Cole	Director	February 8, 2023 7, 2024
/s/ Helen Golding Helen Golding	Director	February 8, 2023 7, 2024
/s/ Marla Gottschalk Marla Gottschalk	Director	February 8, 2023 7, 2024
/s/ Allen Hugli Allen Hugli	Director	February 8, 2023 7, 2024
/s/ Christine Montenegro McGrath Christine Montenegro McGrath	Director	February 7, 2024
/s/ Ann Ziegler Ann Ziegler	Director	February 8, 2023 7, 2024

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Exhibit 10.14

EMPLOYMENT AGREEMENT

Employment Agreement ("Agreement") dated as of February 28, 2022, between Reynolds Consumer Products LLC (the "Company") and Lisa Smith ("Employee").

PRELIMINARY STATEMENT

- A. Employee is currently employed by the Company without a written employment agreement.
- B. The Company and Employee desire to enter into this Agreement to set forth their agreements regarding certain terms and conditions of Employee's employment.

NOW, THEREFORE, the Company and Employee agree as follows:

AGREEMENT

I. Term. The term of Employee's employment pursuant to this Agreement shall commence on the date hereof and shall continue until terminated in accordance with the terms hereof (the "Term"). However, Employee's employment with the Company commenced on the date Employee was first employed by the Company and is not affected by the parties entering into this Agreement.

2. Position, Duties and Location. Employee shall serve in the position(s) set forth on Schedule A attached hereto. Employee shall devote substantially all of Employee's working time and efforts to the business and affairs of the Company and shall not engage in any other business activity without prior written approval from the Company's CEO. Employee shall perform the services required by this Agreement at the location(s) indicated on Schedule A except for customary business travel to other locations as may be necessary to fulfill Employee's duties and responsibilities hereunder.

3. Compensation and Related Matters. During the Term:

(a) **Base Salary.** Employee's annual base salary (the "Base Salary") shall be as set forth on Schedule A. The Base Salary shall be payable in periodic installments in accordance with the usual practice of the Company for its senior employees. Employee's Base Salary will be reviewed but not necessarily increased annually as part of the Company's merit review process.

(b) **Annual Bonus.** Employee shall be eligible to receive an annual bonus (the "Annual Bonus") as set forth on Schedule A. The Annual Bonus shall be determined by the Company in its sole discretion, and there is no assurance that any Annual Bonus will be earned. The Annual Bonus, if any, earned by Employee in respect of any year shall be paid to Employee at the time that the Company pays its annual bonuses to its employees generally (usually around March 15 of the following year).

(c) **Other Compensation Programs.** Employee shall be eligible to participate in such other compensation programs as set forth on Schedule A.

(d) **Expenses.** Employee shall be entitled to receive reimbursement for all reasonable expenses incurred by Employee in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its senior officers.

(e) **Employee Benefit Programs.** Employee shall be entitled to participate in the Company's employee health and welfare plans, policies, programs and arrangements as they may be amended from time to time, to the extent Employee meets the eligibility requirements for any such plan, policy, program or arrangement.

(f) **Vacation.** Employee shall be entitled to paid vacation, as well as holidays and other paid absences, in accordance with the Company's policies and procedures for similarly situated employees of the Company, to the extent Employee meets the eligibility requirements for any such policy and procedures.

4. Termination. Employee's employment hereunder may be terminated as set forth in this Section 4. Upon any termination of Employee's employment, the Term shall automatically end.

(a) **Death.** Employee's employment hereunder shall automatically terminate upon Employee's death.

(b) **Discharge by the Company for Cause.** The Company may terminate Employee's employment hereunder for Cause at any time. For purposes of this Agreement, "Cause" shall mean in the good faith determination of [the Company's CEO][RGHL's CEO or Owner] that Employee has engaged in conduct consisting of (i) dishonesty or other serious misconduct related to Employee's duties as an employee of the Company, or (ii) willful and continual failure (unless due to incapacity resulting from physical or mental illness) to perform the duties of Employee's employment after written demand for substantial performance is delivered to Employee by the Company specifically identifying the manner in which Employee has not substantially performed such duties.

(c) **Termination Without Cause.** The Company may terminate Employee's employment hereunder at any time without Cause upon 30 days' written notice to Employee. Any termination by the Company of Employee's employment under this Agreement other than pursuant to Section 4(a) or Section 4(b) shall be deemed a termination without Cause.

(d) **Termination by Employee.** Employee may terminate Employee's employment hereunder upon 30 days' written notice to the Company.

(e) **Notice of Termination.** Except for termination as specified in Section 4(a), any termination of Employee's employment by the Company or any such termination by Employee shall be communicated by written to the other party hereto, specifying the applicable termination provision of this Agreement (a "Notice of Termination"). The "Date of Termination" shall mean: (i) if Employee's employment is terminated by death, the date of death; or (ii) the date specified in the applicable Notice of Termination. Notwithstanding the foregoing, if Employee gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

5. Compensation Upon Termination.

(a) **Termination Generally.** If Employee's employment with the Company is terminated for any reason, Employee (or Employee's authorized representative or estate) shall, through the Date of Termination, be paid or provided with (i) any earned but unpaid Base Salary, (ii) unpaid expense reimbursements, and (iii) any vested benefits Employee may have under any employee benefit plan of the Company (the "Accrued Obligations"). The Accrued Obligations shall be paid at the time(s) specified under any applicable employee benefit plan, or, if there is no applicable employee benefit plan, within 30 days after Employee's Date of Termination.

(b) **Termination by the Company Without Cause.** If Employee's employment is terminated by the Company without Cause as provided in Section 4(c), then Employee shall be paid or provided with the Accrued Obligations through the Date of Termination and, subject to Section 5(c), Employee shall also be paid or provided with the following:

(i) **Severance.** A severance payment (the "Severance Amount") in the Amount set forth on Schedule A. Subject to Section 5(c) and Section 6, the Severance Amount shall be paid to Employee in equal installments in accordance with the Company's normal payroll practices over a period set forth on Schedule A (the "Severance Period"); provided that no amount of the severance shall be payable until the revocation period for the Release described in Section 5(c) shall have expired (and Employee shall not have revoked Employee's agreements in the Release), and any amount that would have been paid to Employee but for this proviso shall be accrued and paid to Employee on the first payroll date immediately following the expiration of such revocation period. Notwithstanding the foregoing, and in addition to any other rights or remedies the Company may have at law or in equity, if Employee breaches any of the provisions of the Restrictive Covenant Agreement, Employee's right to receive further payments of the Severance Amount shall be terminated. Severance provided pursuant to this Agreement is in lieu of, and not in addition to, any severance that might be available to Employee by law, contract, policy, or otherwise, all of which are hereby waived by Employee. If Employee receives any other severance, the Severance Amount shall be reduced by the amount of such other severance.

(ii) **Health Care Continuation.** In addition, Employee and Employee's eligible dependents, if any, shall continue to be covered by the Company's health plan (the "Health Plan"), as in effect from time to time, and subject to the rules thereof (including any requirement to make contributions or pay premiums, except that Employee shall contribute or pay on an after-tax basis) for 12-months from Date of Termination. If the provision to Employee of the insurance coverage described in this Section would either: (A) violate the terms of the Health Plan (or any related insurance policies), or (B) violate any of the nondiscrimination requirements of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to the health insurance coverage, then the Company, in its sole discretion, may elect to pay Employee, in lieu of the health insurance coverage described under this Section 5(b)(ii), a lump-sum cash payment equal to the total monthly premiums (or in the case of a self-funded plan, the cost of COBRA continuation coverage) that would have been paid by the Company for Employee under the Health Plan.

(c) **Release.** Any payment that may become due under Section 5(b) shall be subject to Employee signing a general release of claims in favor of the Company and related persons and entities in a form and manner satisfactory to the Company (the "Release") within the 21-day (or, if required by law, 45-day) period following the Date of Termination and the expiration of the seven-day revocation period for the Release. In the event Employee fails to sign such Release within the 21-day (or 45-day) period following the Date of Termination or revokes the Release prior to the expiration of the seven-day revocation period for the Release, Employee shall reimburse the Company for any payment made to Employee under Section 5(b) prior to the expiration of such seven-day revocation period for the Release. In addition, notwithstanding anything else herein to the contrary, Employee's entitlement to the payments and benefits described in Section 5(b) shall be contingent upon Employee abiding by and not breaching any of the covenants set forth in the Release and in the Restrictive Covenant Agreement.

6. Section 409A.

(a) Notwithstanding anything in this Agreement to the contrary, to the extent that any payment or benefit described in this Agreement would be considered deferred compensation subject to Section 409A(a) of the Code, and to the extent that such payment or benefit is payable upon Employee's termination of employment or within a certain time following the "Date of Termination," then such payments or benefits shall be payable only upon Employee's "separation from service" within the meaning of Section 409A of the Code and the "Date of Termination" shall be the date on which Employee experiences such "separation from service." The determination of whether and when a "separation from service" has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h). If this Agreement provides for a payment to be made within a period of time, the date within such period on which such payment shall be made shall be determined by the Company in its sole discretion and, for the avoidance of doubt, the Company will pay the Severance Amount after the 45th day following the Date of Termination.

(b) Notwithstanding anything in this Agreement to the contrary, if at the time of Employee's "separation from service," Employee is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then, to the extent any payment or benefit that Employee becomes entitled to under this Agreement on account of Employee's "separation from service" would be considered deferred compensation subject to Section 409A(a) of the Code,

such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after Employee's "separation from service", or (B) Employee's death.

(c) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by Employee during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(d) the Company makes no representation or warranty and shall have no liability to Employee or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. Restrictive Covenant Agreement. The Company's obligations under this Agreement, including the Company's agreement to provide severance and to allow Employee to participate in the other compensation programs as provided on Schedule A, is conditioned on Employee signing a Restrictive Covenant Agreement in the form of Schedule B (the "**Restrictive Covenant Agreement**").

8. Arbitration of Disputes. Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of Employee's employment or the termination of that employment (including, without limitation, any claims of unlawful employment discrimination whether based on age or otherwise) shall, to the fullest extent permitted by law, be settled by arbitration in any forum and form agreed upon by the parties or, in the absence of such an agreement, under the auspices of the American Arbitration Association ("**AAA**") in Chicago, IL in accordance with the Employment Dispute Resolution Rules of the AAA, including, but not limited to, the rules and procedures applicable to the selection of arbitrators. In the event that any person or entity other than Employee or the Company may be a party with regard to any such controversy or claim, such controversy or claim shall be submitted to arbitration subject to such other person or entity's agreement. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This Section 8 shall be specifically enforceable. Notwithstanding the foregoing, this Section 8 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate (including, without limitation, the Company's enforcement of the Restrictive Covenant Agreement): provided, however, that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 8. Further notwithstanding the foregoing, this Section 8 shall not limit the Company's ability to terminate Employee's employment at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, including, but not limited to, any prior Agreement and/or compensation plan to which Employee and the Company or any of its affiliates are parties.

10. Withholding. All payments made by the Company to Employee under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

11. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

12. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of Employee's employment to the extent necessary to effectuate the terms contained herein.

13. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

14. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to Employee at the last address Employee has filed in writing with the Company or, in the case of the Company, at its main offices, attention of Lance Mitchell.

15. Amendment. This Agreement may be amended or modified only by a written instrument signed by Employee and by a duly authorized representative of the Company (other than Employee).

16. Governing Law. This Agreement shall be construed under and be governed in all respects by the laws of the State of Illinois without giving effect to the conflict of laws principles of such State.

17. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date set forth above.

Reynolds Consumer Products LLC Employee: Lisa Smith

By: /s/ V. Lance Mitchell Signed: /s/ Lisa M. Smith
Name: V. Lance Mitchell Print Name: Lisa M. Smith
Date: February 28, 2022 Date: February 28, 2022

Schedule A

Key Terms of Employment

1. Position: President, Hefty Waste & Storage Business Unit
2. Primary Location(s): Lake Forest, IL
3. Current Base Salary: \$475,000. The Company may adjust Employee's base salary from time to time. For purposes of Sections 5 and 6 below, "Base Salary" shall be the Employee's base salary at the time of separation.
4. Current Annual Bonus Target: 65% of Base Salary. The Company may adjust Employee's annual bonus target from time to time. For purposes of Section 5 below, "Annual Bonus Target" shall be the annual bonus target percentage at the time of separation.
5. Severance Amount/Period: (i) Base Salary, paid in equal installments over 12 months following the Date of Termination except that if (i) a Sale of Business (as defined below) occurs and (ii) within 12 months following the closing of such Sale of Business either (A) Employee is terminated without Cause, or (B) Employee's position is materially reduced in remuneration or scope of duties and Employee terminates Employee's employment, then the Severance Amount shall be (i) two times Base Salary plus (ii) Annual Bonus at Target prorated through Date of Termination, paid in equal installments over 24 months following the Date of Termination. All other terms of Section 5(b)(i) of the Agreement will apply. For purposes of this provision a "Sale of Business" shall mean the sale or other disposition of (x) more than 50% of the shares or other equity interests of the Company or the Company's direct or indirect parent to a non-affiliated party (which shall not include a sale or an offering by Packaging Finance Limited of some or all of its shares in the Company, so long as the remainder of the shares continue to be owned by the public), or (y) more than 50% of the businesses or assets that, as of the most recent year end, generated more than 50% of the Company's EBITDA (as determined in good faith by the Company's Board of Directors, based on the Company's regularly prepared financial statements), provided that a disposition as a result of lender foreclosure on assets or pursuant to a bankruptcy or judicially administered reorganization shall not constitute a Sale of Business. Employee's position shall not be materially reduced by reason of the Company being smaller or having less operations as a result of the Sale of Business so long as Employee's duties and responsibilities are generally consistent with Employee's duties and responsibilities prior to the Sale of Business.
6. Other Compensation Programs:

Long-Term Incentive Program Target: 135% of Base Salary

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Restrictive Covenant Agreement

Restrictive Covenant Agreement dated February ___, 2022, between Reynolds Consumer Products LLC (the "Company") and Lisa Smith ("Employee").

Preliminary Statement

- A. The Company and Employee have entered into an Employment Agreement of even date herewith. The execution of this Restrictive Covenant Agreement is a condition to the Company's obligations under the Employment Agreement.

B. In addition, the Company is providing Employee other consideration for Employee's execution of this Agreement, as provided in a separate letter of even date herewith.

NOW, THEREFORE, the Company and Employee agree as follows:

Agreement

1. **Definitions.** As used in this Agreement:

(a) **"Company Product"** means any product developed, manufactured, produced or distributed by the Company during the 24 month period immediately preceding the termination of Employee's employment with the Company provided that (i) Employee had access to Proprietary Information related to the product or (ii) Employee marketed or interacted with Customers or Prospective Customers regarding the product during the 12-month period immediately preceding the termination of Employee's employment with the Company.

(b) **"Competitive Activity"** means the marketing, distribution, promotion, sales, development, delivery, or servicing of any product that competes with any Company Product.

(c) **"Competitor"** means (i) those entities listed on Attachment Aplus (ii) such other entities that the Company reasonably determines are engaged in a Competitive Activity, in each case plus any direct or indirect parent or subsidiary of such entity, *minus* (iii) such entities on Attachment A that the Company reasonably determines are no longer engaged in a Competitive Activity. Company shall notify Employee in writing of any additions to or deletions from Attachment A.

(d) **"Customer"** means any customer, including distributors, with whom the Company transacted business during the 24-month period immediately preceding the termination of Employee's employment with the Company provided that (i) Employee had Material Contact with, or (ii) knew Proprietary Information of or about, the Customer during the 24-month period immediately preceding the termination of Employee's employment with the Company.

(e) **"Material Contact"** means any contact between Employee and any Customer or Prospective Customer:

- (1) with whom or with which Employee dealt on behalf of the Company;
- (2) whose dealings with the Company were coordinated or supervised by Employee; or
- (3) that resulted in Employee obtaining Proprietary Information about a Customer or Prospective Customer.

(f) **"Proprietary Information"** means confidential or proprietary information or trade secrets of the Company or its affiliates, including but not limited to, materials and information, whether written, electronic, or otherwise: a) disclosed to Employee or known by Employee as a result of his or her employment with the Company, b) which is not generally known, and c) which relates to or concerns the Company's or its affiliates' innovations; ideas; plans; processes; structures; systems; know-how; algorithms; computer programs; software; code; publications; designs; methods; techniques; drawings; apparatuses; government filings; patents; patent applications; materials; devices; research activities; reports and plans; specifications; promotional methods; financial information; forecasts; sales, profit and loss figures; personal identifying information of employees; marketing and sales methods and strategies; plans and systems; customer protocols and training programs; customer, prospective customer, vendor, licensee and client lists; information about customers, prospective customers, vendors, licensee s and clients; information about relationships between the Company or its affiliates and their business partner s, acquisition prospects, vendors, suppliers, prospective customers, customers, employees, owners, licensees and clients; information about deals and prospective deals; information about products, including but not limited strengths, weaknesses and vulnerabilities of existing products, as well as product strategies and roadmaps for future products and releases; and information about pricing including but not limited to license types, models, implementation costs, discounts and tolerance for discounts. Proprietary Information shall also include all information and matters specifically designated as proprietary and/or confidential by the Company or its affiliates or their customers or other business partners. The following information will not be considered Proprietary Information under this Agreement: a) information that has become generally available to the public through no wrongful act of Employee; b) information that Employee identified prior to Employee's employment with the Company; c) information that is disclosed to the public pursuant to the binding order of a government agency or court; and d) information that is acquired through general skill and experience during Employee's employment with the Company which Employee could reasonably have been expected to acquire in similar employment for another company provided Employee has no reason to believe that the Company would consider such information Proprietary Information as defined above.

(g) **"Prospective Customer"** means any person with whom the Company was attempting to transact business within the six month period immediately preceding the termination of Employee's employment with the Company provided that (i) Employee had Material Contact with, or (ii) knew Proprietary Information of or about, the Prospective Customer during the six-month period immediately preceding the termination of Employee's employment.

2. **Legitimate Interest.** Due to the nature of the Company's business, certain the Company employees, including Employee, have access to Proprietary Information. Likewise, via their employment, certain the Company employees, including Employee, receive specialized training and/or shall

be introduced to, given the opportunity to develop personal contacts with, and actually develop an advantageous familiarity as to the Company's Customers and Prospective Customers. If the confidential or "trade secret" information, specialized training, or contacts and familiarity were made available to the Company competitors or other individuals outside the Company, or otherwise used against the Company interests, it would undoubtedly result in a loss of business or competitive position for the Company and/or harm the Company's goodwill and investment in developing and maintaining its business relationships. Employee also agrees he/she

holds a position uniquely essential to the management, organization, and/or service of the Company and the Company's business is inherently national in character.

3. Disclosure of Existing Obligations. Except as disclosed in writing on Attachment B, Employee certifies the following:

(a) Employee is not bound by any written agreement or other obligation that directly or indirectly (i) restricts Employee from using or disclosing any confidential or proprietary information of any person or entity, (ii) restricts Employee from competing with, or soliciting actual or potential customers or business from, any person or entity, (iii) restricts Employee from soliciting any current or former employees of any person or entity, or (iv) limits Employee's ability to perform any assigned duties for the Company.

(b) Employee does not have in Employee's possession any confidential or proprietary information or documents belonging to others (except as disclosed in Attachment B), and will not use, disclose to, or induce the Company to use any such information or documents. To the extent Employee possesses any confidential information or documents from a former employer or other party, Employee agrees to immediately return any such confidential information or documents to the owner unless Employee has express written authorization to retain it or them or destroy such information or documents.

(c) Employee understands that the Company expects Employee to fulfill any contractual and fiduciary obligations Employee may owe to any former employer or other party, and Employee agrees to do so. Prior to execution of this Agreement, Employee certifies that Employee tendered to the Company all agreements and understandings described by this Section 3.

4. Work Made for Hire - Assignment of Inventions.

(a) Employee understands and agrees all "Work" (defined to mean all concepts, data, databases, inventions, formulas, discoveries, improvements, trade secrets, original works of authorship, know-how, algorithms, computer programs, software, code, publications, websites, designs, proposals, strategies, processes, methodologies and techniques, and any and all other information, materials and intellectual property, in any medium) that Employee, alone or jointly, creates, conceives, develops, or reduces to practice or causes another to create, conceive, develop, or reduce to practice, shall be a "work made for hire" within the meaning of that term under United States Copyright Act, 17 U.S.C. §§101 et seq. Employee agrees to promptly disclose to the Company, or any persons designated by it, all Work. Employee agrees to and hereby assigns and transfers to the Company, effective as of the date of its creation, any and all rights, title and interest Employee may have or may acquire in any Work including any Work not deemed, for whatever reason, to have been created as a work made for hire), effective as of the date of its creation, including any and all intellectual property rights in the Work, and the right to prosecute and recover damages for all infringements or other violations of the Work.

(b) Employee hereby gives the Company the unrestricted right to use, display, distribute, modify, combine with other information or materials, create derivative works based on, sell, or otherwise exploit for any purpose, the Work and any portion thereof, in any manner and medium throughout the world. Employee irrevocably waives and assigns to the Company any and all so-called moral rights Employee may have in or with respect to any Work. Upon the Company's request, Employee shall promptly execute and deliver to the Company any and all further assignments, patent applications, or such other documents as the Company may deem necessary to effectuate the purposes of this Agreement. Employee hereby irrevocably designates and appoints the Company and its officers and agents as Employee's agent and attorney-in-fact, with full powers of substitution, to act for and on Employee's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts as permitted in the preceding paragraph with the same legal effect as if executed by Employee. The foregoing agency and power shall only be used by the Company if Employee fails to execute within five business days after the Company's request related to any document or instrument described above. Employee hereby waives and quitclaims to the Company all claims of any nature which Employee now has or may later obtain for infringement of any intellectual property rights assigned under this Agreement or otherwise to the Company.

(c) Employee has identified on Attachment C all inventions or improvements relevant to the subject matter of Employee's engagement with the Company that Employee desires to remove from the operation of this Agreement, and Employee's post-employment restrictions. If there is no such list on Attachment C, Employee represents that Employee has made no such inventions and improvements at the time of signing this Agreement.

(d) The provisions of this Agreement requiring the assignment to the Company of Employee's rights to certain inventions do not apply to an invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on the

Employee's own time, unless (i) the invention relates a) directly to the business of the Company, or b) to the Company's actual or demonstrably anticipated research or development, or (ii) the invention results from any work performed by the Employee for the Company.

5. Restrictive Covenants.

(a) **Non-Solicitation of Customers.** Employee agrees that, during Employee's employment with the Company and for a period of 12 months following the termination of Employee's employment, Employee shall not, on behalf of any entity or person other than the Company, directly or indirectly, contact or solicit any Customer for the purpose of delivering, selling, or otherwise offering a product that is the same or similar to that of a Company Product.

(b) **Non-Solicitation of Prospective Customers.** Employee agrees that, during Employee's employment with the Company and for a period of 12 months following the termination of Employee's employment, Employee shall not, on behalf of any entity or person other than the Company, directly or indirectly, contact or solicit any Prospective Customer for the purpose of delivering, selling, or otherwise offering a product that is the same or similar to that of a Company Product.

(c) **Non-Solicitation of Employees.** Employee agrees that, during Employee's employment with the Company and for a period of 12 months following the termination of Employee's employment, Employee shall not, directly or indirectly: a) induce or attempt to induce any employee of the Company or any of its affiliates with whom Employee had a working relationship in the 24 months prior to the termination of Employee's employment to terminate his or

her employment with the Company; b) hire or employ, or attempt to hire or employ, any employee of the Company or any of its affiliates with whom Employee had a working relationship in the 24 months prior to the termination of Employee's employment; or c) assist any other person or entity in doing any of the foregoing.

(d) **Limited Non-Competition.** Employee agrees that during Employee's employment with the Company and for a period of 12 months following the termination of Employee's employment, Employee shall not, anywhere in North America (United States, Mexico or Canada) act in any capacity, whether or not for consideration, on behalf of any Competitor. Given the national nature of the Company's business, the extent to which Employee has been (or will be) exposed to the Company's Proprietary information, and the ability of Employee to carry out Employee's work remotely, regardless of physical location, Employee acknowledges the geographic scope of the post-employment restriction in this Section 5(d) is reasonable and appropriate.

(e) **Confidentiality Covenant.** During Employee's employment with the Company and following the termination of Employee's employment:

(i) Employee will not disclose or transfer, directly or indirectly, any Proprietary Information to any person or entity other than as authorized by the Company. Employee understands and agrees that disclosures authorized by the Company for the benefit of the Company must be made in accordance with the Company's policies and practices designed to maintain the confidentiality of Proprietary Information, for example providing information after obtaining signed non-disclosure or confidentiality agreements;

(ii) Employee will not use, directly or indirectly, any Proprietary Information for the benefit or profit of any person or organization, including Employee, other than the Company;

(iii) Employee will not remove or transfer from any of the Company's offices or premises any materials or property of the Company (including, without limitation, materials and property containing Proprietary Information), except as is strictly necessary in the performance of Employee's assigned duties as an employee;

(iv) Employee will not copy any Proprietary Information except as needed in furtherance of and for use in the Company's business. Employee agrees that copies of Proprietary Information must be treated with the same degree of confidentiality as the original information and are subject to the same restrictions contained in this Agreement;

(v) Employee will promptly upon the Company's request, and in any event promptly upon the termination of Employee's employment with the Company, return to the Company all materials and property removed from or belonging to the Company and Employee will not retain copies of any of such materials and property;

(vi) Employee agrees to take all reasonable steps to preserve the confidential and proprietary nature of Proprietary Information and to prevent the inadvertent or accidental disclosure of Proprietary Information; and

(vii) Employee will not use or rely on the confidential or proprietary information or trade secrets of a third party in the performance of Employee's work for the Company except when obtained through lawful means such as contractual teaming agreements.

purchase of copyrights, or other written permission for use of such information.

(f) **Scope of Covenants.** The parties desire for the restrictive covenants, including any time period and geographic scope, to be construed as broadly as permitted by applicable law. It is the parties' intent, and a critical inducement to the Company entering into this Agreement, to protect and preserve the Company's legitimate interests, and thus the parties agree that the time period and the geographic coverage and scope of the post-employment restrictions herein are reasonable and necessary. However, if a court of competent jurisdiction finds that the time period of any of the foregoing post-employment restrictions is too lengthy, the geographic scope is too broad, or the agreement overreaches in any way, the parties authorize and respectfully ask the court to modify or, if modification is not possible, strike the offending portion, but only that portion, and grant the relief reasonably necessary to protect the Company's interests so as to achieve the original intent of the parties.

(g) **Remedies.** Employee agrees that a threatened or existing violation of any of the post-employment restrictions contained in this Agreement would cause the Company irreparable injury for which it would have no adequate remedy at law and agrees that the Company will be entitled to obtain injunctive relief prohibiting such violation, in addition to any other rights and remedies available to it at law or in equity. The real or perceived existence of any claim or cause of action against the Company, whether predicated on this Agreement or some other basis, will not alleviate Employee of Employee's obligations under this Agreement and will not constitute a defense to the enforcement by the Company of post-employment restrictions contained herein.

(h) **Tolling of Time Periods.** Employee agrees that in the event Employee violates any subsection of Section 5 of this Agreement as to which there is a specific time period during which Employee is prohibited from certain actions and activities, such violation shall toll the running of such time period from the date of such violation until the date the violation ceases.

(i) **Inevitable Use of Proprietary Information.** Employee acknowledges and agrees that, after Employee's separation of employment, Employee will possess the Company's Proprietary Information which Employee would inevitably use if Employee were to engage in the conduct prohibited by Section 5 (including each of its sub-sections), that such use would be unfair and extremely detrimental to the Company and, in view of the benefits provided to Employee in this Agreement, that such conduct on his or her part would be inequitable. Accordingly, Employee separately and severally agrees for the benefit of the Company to be bound by each of the covenants described above.

6. **Reasonable Restrictions.** Employee acknowledges that it is necessary and appropriate for the Company to protect its legitimate business interests by restricting Employee's ability to engage in certain competitive activities and any violation of such post-employment restrictions would result in irreparable injury to the Company's legitimate business interests.

The parties agree that the post-employment restrictions contained in this Agreement are drafted narrowly to safeguard the Company's legitimate business interests while not unreasonably interfering with Employee's ability to obtain other employment.

7. **Entire Agreement.** No representation, promise, understanding, or warranty not set forth herein has been made or relied upon by either party in making this Agreement. No modification, amendment or addition will be valid, unless set forth in writing and signed by the party against whom enforcement of any such modification, amendment or addition is sought. Notwithstanding, this Agreement supersedes any prior confidentiality agreements or restrictive covenants between the Company and Employee provided however that if a court of competent jurisdiction refuses to enforce this Agreement, then the parties agree that the term of any prior confidentiality or restrictive covenants shall govern.

8. **At Will Employment.** Nothing in this Agreement shall be deemed to constitute a contract of employment for any given duration. The relationship between the Company and Employee shall be employment-at-will and either the Company or Employee may terminate it at any time for any reason without liability.

9. **Subsequent Employment.** In order to protect the Company's rights under this Agreement, Employee agrees that:

(a) For a period of 12 months following the termination of Employee's employment with the Company, Employee shall advise the Company with respect to any new employment by Employee's. Employee is aware that the Company may contact Employee's prospective or subsequent employers and inform them of this Agreement or any other policy or employment agreement between Employee and the Company that may be in effect on Employee's last day of employment. Employee understands that Employee has a duty to contact the Company if Employee has any questions regarding whether or not conduct by Employee would be restricted by this Agreement.

(b) Employee shall make the terms and conditions of the post-employment restrictions in this Agreement known to any business, entity or persons engaged in activities competitive with the Company's business with which Employee becomes associated during Employee's employment with the Company and in the 12-month period after the termination of Employee's employment.

10. **Assignment of Agreement.** The Company may assign this Agreement, its rights, interests and remedies under this Agreement, and its obligations under this Agreement, to any successor or purchaser of the Company or any division or business of the Company in the discretion of the Company and without notice to Employee. The validity of this Agreement will not be affected by the sale (whether via a stock or asset sale), merger, or

any other change in ownership of the Company. Employee understands that Employee's obligations under this Agreement are personal, and that Employee may not assign this Agreement, or any of Employee's rights, interests, or obligations under this Agreement.

11. Non-Waiver. No failure or delay by any party to this Agreement in exercising any right, power or privilege hereunder, will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided herein will be cumulative and in addition to any rights or remedies provided by law or equity.

12. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Illinois without giving effect to any conflict of law principles.

13. Consent To Jurisdiction. The parties expressly consent to the exclusive jurisdiction of the state or federal courts of Illinois to resolve any and all disputes arising under the post-employment restrictions contained in Section 5 of this Agreement and hereby waive any right that they might have to object to jurisdiction or venue within such court or any defense based on the doctrine of *forum non conveniens*. The parties also agree that any and all disputes arising under the post-employment restrictions contained in Section 5 of this Agreement may be resolved in a state or federal court and shall not be subject to arbitration irrespective of any other agreement.

14. Counterparts & Signatures. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument. Facsimile, electronic (PDF, etc.) and other copies or duplicates of this Agreement are valid and enforceable as originals. Similarly, Agreements signed by hand, electronically (DocuSign or similar service), or, on behalf of the Company, by signature stamp, are valid and enforceable as original signatures.

15. Notice of Immunity. Employee understands that nothing in this Agreement is intended to prohibit Employee from disclosing information, including Proprietary Information, which is permitted to be disclosed by the Federal Defend Trade Secrets Act, which provides that an individual may not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret (a) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law or (b) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, Employee understands that if Employee files a lawsuit against the Company for retaliation based on the reporting of a suspected violation of law, Employee may disclose a trade secret to Employee's attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order. To the extent Employee suspects a violation of the law, Employee should report their suspicion to an officer of the Company or in accordance with relevant Company policies.

16. Return of the Company Property. At the request of the Company (or, without any request, upon termination of my employment with the Company), Employee will immediately deliver to the Company (a) all the Company property that is then in Employee's possession, custody or control, including, without limitation, all keys, access cards, cell phones, tablets, computer hardware including but not limited to any hard drives, external storage devices, diskettes, fobs, laptops, tablets, computers and personal data assistants (and the contents thereof), internet connectivity devices, computer software and programs, data, materials, papers, books, files, documents, records; (b) any and all documents or other items containing, summarizing, or describing any Proprietary Information, including all originals and copies in whatever form; (c) any personal device that Employee synced with or used to access any of the Company system for purpose of inspection and copying; and (d) a list of passwords or codes needed to operate or access any of the items referenced in this Section 16.

17. Promotional Materials. Employee authorizes and consents to, during the term of Employee's employment with the Company, the creation and/or use of Employee's likeness as well as Employee's name by the Company, and persons or organizations authorized by it, without reservation or limitation and without further consideration. Pursuant to this authorization and consent, the Company may, for example, use Employee's likeness on its website, and publish and distribute advertising, sales, or other promotional literature containing a likeness of Employee in the course of performing Employee's job duties. Employee also waives any cause of action for personal injury and/or property damage by virtue of the creation and use of such a likeness. Property rights to any likeness of Employee produced or prepared by the Company, or any person or organization authorized by it shall vest in and remain with the Company. As used herein, "likeness" shall include a photograph, photographic reproduction, audio transmission, audio recording, video transmission and/or video recording, as well as any other similar medium.

18. Fair Meaning. The language of this Agreement shall be construed as a whole, according to its fair meaning, and not strictly for or against any party.

19. Additional Consideration. Employee understands that the Company's obligations under the Employment Agreement, as well as the provision of the additional consideration identified in the Preliminary Statement, are conditioned upon Employee signing this Agreement. Further, as a result of Employee's employment, Employee shall be (or has been) given access to the Company's Proprietary Information, provision of confidential information, opportunities for advancement, and opportunities to participate in confidential meetings and specialized training, which shall constitute independent consideration for the post-employment restrictions contained in this Agreement and would not be

(or would not have been) given to Employee without Employee's agreement to abide by the terms and conditions of this Agreement, including without limitation the ancillary obligations of confidentiality and non-disclosure.

By initialing below, Employee specifically acknowledges that Employee has read, understands and agrees to Section 19.

Employee initials: /s/LMS

By executing this Agreement below, the parties confirm they have read, understood, and voluntarily agreed to be bound by the entire Agreement.

Reynolds Consumer Products LLC Employee: Lisa Smith

By: /s/ V. Lance Mitchell Signed: /s/ Lisa M. Smith
Name: V. Lance Mitchell Print Name: Lisa M. Smith
Date: February 28, 2022 Date: February 28, 2022

Attachment A

RCP Competitors

- The Clorox Company
- S.C. Johnson & Sons, Inc.
- Trinidad Benham Corporation
- Dart Container Corporation
- Handi-foil Corporation
- Durable Packaging, International
- Solo Cup Company
- Novellis
- Georgia Pacific
- Huhtamaki
- Newell/Rubbermaid
- Jarden
- Waddington
- CuBe
- Poly-America, Inc.
- Inteplast Group, Ltd.
- Waste Zero
- Petoskey
- Multibax
- King Pac Industrial
- Sunkor
- Threestone Packing
- Bagmait Packaging
- Thantawan

Attachment B

List of Confidential or Proprietary Information Belonging to Others

None

Attachment C

List of Prior Inventions or Improvements

None

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AMENDMENT TO EMPLOYMENT AGREEMENT

This Amendment dated as of May 31, 2022 ("Amendment") is to the Amended and Restated Employment Agreement ("Agreement") dated as of July 8, 2019, between Reynolds Consumer Products LLC (the "Company") and Michael Graham ("Employee").

WHEREAS, the Company and the Employee desire to amend the Agreement to provide a new Exhibit A;

WHEREAS, the Company and the Employee have agreed on the terms and conditions set forth on the new Exhibit A; and

NOW, THEREFORE, in consideration of the promises and agreements set forth herein, the Company and the Employee, each intending to be legally bound hereby, do promise and agree as follows:

1. **NEW EXHIBIT A.** Exhibit A of the Agreement is hereby deleted in its entirety and replaced with the Exhibit A attached hereto.
2. **OTHER TERMS.** Except as provided in Section 1, all terms and conditions of the Agreement remain in effect.
3. **COUNTERPARTS.** This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date set forth above.

Reynolds Consumer Products LLC Employee: Michael Graham

By: /s/ V. Lance Mitchell Signed: /s/ Michael Graham

Name: V. Lance Mitchell Print Name: Michael Graham

Schedule A**Key Terms of Employment**

1. **Position:** Chief Financial Officer
2. **Primary Location(s):** Lake Forest, IL
3. **Current Base Salary:** \$822,678. The Company may adjust Employee's base salary from time to time. For purposes of Sections 5 and 6 below, "Base Salary" shall be the Employee's base salary at the time of separation.
4. **Current Annual Bonus Target:** 60% of Base Salary. The Company may adjust Employee's annual bonus target from time to time. For purposes of Section 5 below, "Annual Bonus Target" shall be the annual bonus target percentage at the time of separation.
5. **Severance Amount/Period:** (i) Base Salary, paid in equal installments over 12 months following the Date of Termination except that if (i) a Sale of Business (as defined below) occurs and (ii) within 12 months following the closing of such Sale of Business either (A) Employee is terminated without Cause, or (B) Employee's position is materially reduced in remuneration or scope of duties and Employee terminates Employee's employment, then the Severance Amount shall be (i) two times Base Salary plus (ii) Annual Bonus at Target prorated through Date of Termination, paid in equal installments over 24 months following the Date of Termination. All other terms of Section 5(b)(i) of the Agreement will apply. For purposes of this provision a "Sale of Business" shall mean the sale or other disposition of (x) more than 50% of the shares or other equity interests of the Company or the Company's direct or indirect parent to a non-affiliated party (which shall not include a sale or an offering by Packaging Finance Limited of some or all of its shares in the Company, so long as the remainder of the shares continue to be owned by the public), or (y) more than 50% of the businesses or assets that, as of the most recent year end, generated more than 50% of the Company's EBITDA (as determined in good faith by the Company's Board of Directors, based on the Company's regularly prepared financial statements), provided that a disposition as a result of lender foreclosure on assets or pursuant to a bankruptcy or judicially administered reorganization shall not constitute a Sale of Business. Employee's position shall not be materially reduced by reason of the Company being smaller or having less

operations as a result of the Sale of Business so long as Employee's duties and responsibilities are generally consistent with Employee's duties and responsibilities prior to the Sale of Business.

6. Other Compensation Programs:

Long-Term Incentive Program Target: 135% of Base Salary

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Exhibit 10.16

AMENDMENT TO EMPLOYMENT AGREEMENT

This Amendment dated as of May 31, 2022 ("Amendment") is to the Amended and Restated Employment Agreement ("Agreement") dated as of July 8, 2019, between Reynolds Consumer Products LLC (the "Company") and Craig Cappel ("Employee").

WHEREAS, the Company and the Employee desire to amend the Agreement to provide a new Exhibit A;

WHEREAS, the Company and the Employee have agreed on the terms and conditions set forth on the new Exhibit A; and

NOW, THEREFORE, in consideration of the promises and agreements set forth herein, the Company and the Employee, each intending to be legally bound hereby, do promise and agree as follows:

1. NEW EXHIBIT A. Exhibit A of the Agreement is hereby deleted in its entirety and replaced with the Exhibit A attached hereto.

2. OTHER TERMS. Except as provided in Section 1, all terms and conditions of the Agreement remain in effect.

3. COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date set forth above.

Reynolds Consumer Products LLC Employee: Craig Cappel

By: /s/ V. Lance Mitchell Signed: /s/ Craig Cappel

Name: V. Lance Mitchell Print Name: Craig Cappel

Schedule A

Key Terms of Employment

1. Position: President Reynolds Foil & Cooking Business Unit

2. Primary Location(s): Lake Forest, IL

3. Current Base Salary: \$525,000. The Company may adjust Employee's base salary from time to time. For purposes of Sections 5 and 6 below, "Base Salary" shall be the Employee's base salary at the time of separation.

4. Current Annual Bonus Target: 65% of Base Salary. The Company may adjust Employee's annual bonus target from time to time. For purposes of Section 5 below, "Annual Bonus Target" shall be the annual bonus target percentage at the time of separation.

5. Severance Amount/Period: (i) Base Salary, paid in equal installments over 12 months following the Date of Termination except that if (i) a Sale of Business (as defined below) occurs and (ii) within 12 months following the closing of such Sale of Business either (A) Employee is terminated without Cause, or (B) Employee's position is materially reduced in remuneration or scope of duties and Employee terminates Employee's employment, then the Severance Amount shall be (i) two times Base Salary plus (ii) Annual Bonus at Target prorated through Date of Termination, paid in equal installments over 24 months following the Date of Termination. All other terms of Section 5(b)(i) of the Agreement will

apply. For purposes of this provision a "Sale of Business" shall mean the sale or other disposition of (x) more than 50% of the shares or other equity interests of the Company or the Company's direct or indirect parent to a non-affiliated party (which shall not include a sale or an offering by Packaging Finance Limited of some or all of its shares in the Company, so long as the remainder of the shares continue to be owned by the public), or (y) more than 50% of the businesses or assets that, as of the most recent year end, generated more than 50% of the Company's EBITDA (as determined in good faith by the Company's Board of Directors, based on the Company's regularly prepared financial statements), provided that a disposition as a result of lender foreclosure on assets or pursuant to a bankruptcy or judicially administered reorganization shall not constitute a Sale of Business. Employee's position shall not be materially reduced by reason of the Company being smaller or having less operations as a result of the Sale of Business so long as Employee's duties and responsibilities are generally consistent with Employee's duties and responsibilities prior to the Sale of Business.

6. Other Compensation Programs:

Long-Term Incentive Program Target: 135% of Base Salary

2

Exhibit 10.17

AMENDMENT TO EMPLOYMENT AGREEMENT

This Amendment dated as of May 31, 2022 ("Amendment") is to the Amended and Restated Employment Agreement ("Agreement") dated as of July 8, 2019, between Reynolds Consumer Products LLC (the "Company") and Rachel Bishop ("Employee").

WHEREAS, the Company and the Employee desire to amend the Agreement to provide a new Exhibit A;

WHEREAS, the Company and the Employee have agreed on the terms and conditions set forth on the new Exhibit A; and

NOW, THEREFORE, in consideration of the promises and agreements set forth herein, the Company and the Employee, each intending to be legally bound hereby, do promise and agree as follows:

1. **NEW EXHIBIT A.** Exhibit A of the Agreement is hereby deleted in its entirety and replaced with the Exhibit A attached hereto.
2. **OTHER TERMS.** Except as provided in Section 1, all terms and conditions of the Agreement remain in effect.
3. **COUNTERPARTS.** This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date set forth above.

Reynolds Consumer Products LLC Employee: Rachel Bishop

By: /s/ V. Lance Mitchell Signed: /s/ Rachel Bishop
Name: V. Lance Mitchell Print Name: Rachel Bishop

Schedule A

Key Terms of Employment

1. **Position:** President Tableware Business Unit
2. **Primary Location(s):** Lake Forest, IL
3. **Current Base Salary:** \$525,000. The Company may adjust Employee's base salary from time to time. For purposes of Sections 5 and 6 below, "Base Salary" shall be the Employee's base salary at the time of separation.

4. **Current Annual Bonus Target:** 65% of Base Salary. The Company may adjust Employee's annual bonus target from time to time. For purposes of Section 5 below, "Annual Bonus Target" shall be the annual bonus target percentage at the time of separation.
5. **Severance Amount/Period:** (i) Base Salary, paid in equal installments over 12 months following the Date of Termination except that if (i) a Sale of Business (as defined below) occurs and (ii) within 12 months following the closing of such Sale of Business either (A) Employee is terminated without Cause, or (B) Employee's position is materially reduced in remuneration or scope of duties and Employee terminates Employee's employment, then the Severance Amount shall be (i) two times Base Salary plus (ii) Annual Bonus at Target prorated through Date of Termination, paid in equal installments over 24 months following the Date of Termination. All other terms of Section 5(b)(i) of the Agreement will apply. For purposes of this provision a "**Sale of Business**" shall mean the sale or other disposition of (x) more than 50% of the shares or other equity interests of the Company or the Company's direct or indirect parent to a non-affiliated party (which shall not include a sale or an offering by Packaging Finance Limited of some or all of its shares in the Company, so long as the remainder of the shares continue to be owned by the public), or (y) more than 50% of the businesses or assets that, as of the most recent year end, generated more than 50% of the Company's EBITDA (as determined in good faith by the Company's Board of Directors, based on the Company's regularly prepared financial statements), provided that a disposition as a result of lender foreclosure on assets or pursuant to a bankruptcy or judicially administered reorganization shall not constitute a Sale of Business. Employee's position shall not be materially reduced by reason of the Company being smaller or having less operations as a result of the Sale of Business so long as Employee's duties and responsibilities are generally consistent with Employee's duties and responsibilities prior to the Sale of Business.

6. **Other Compensation Programs:**

Long-Term Incentive Program Target: 135% of Base Salary

2

Exhibit 10.18

AMENDMENT TO EMPLOYMENT AGREEMENT

This Amendment dated as of May 31, 2022 ("Amendment") is to the Amended and Restated Employment Agreement ("Agreement") dated as of July 8, 2019, between Reynolds Consumer Products LLC (the "Company") and Judith Buckner ("Employee").

WHEREAS, the Company and the Employee desire to amend the Agreement to provide a new Exhibit A;

WHEREAS, the Company and the Employee have agreed on the terms and conditions set forth on the new Exhibit A; and

NOW, THEREFORE, in consideration of the promises and agreements set forth herein, the Company and the Employee, each intending to be legally bound hereby, do promise and agree as follows:

1. **NEW EXHIBIT A.** Exhibit A of the Agreement is hereby deleted in its entirety and replaced with the Exhibit A attached hereto.

2. **OTHER TERMS.** Except as provided in Section 1, all terms and conditions of the Agreement remain in effect.

3. **COUNTERPARTS.** This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date set forth above.

Reynolds Consumer Products LLC Employee: Judith Buckner

By: /s/ V. Lance Mitchell Signed: /s/ Judith Buckner

Name: V. Lance Mitchell Print Name: Judith Buckner

Schedule A

Key Terms of Employment

1. Position: President Presto Business Unit
2. Primary Location(s): Lake Forest, IL
3. Current Base Salary: \$475,000. The Company may adjust Employee's base salary from time to time. For purposes of Sections 5 and 6 below, "Base Salary" shall be the Employee's base salary at the time of separation.
4. Current Annual Bonus Target: 65% of Base Salary. The Company may adjust Employee's annual bonus target from time to time. For purposes of Section 5 below, "Annual Bonus Target" shall be the annual bonus target percentage at the time of separation.
5. Severance Amount/Period: (i) Base Salary, paid in equal installments over 12 months following the Date of Termination except that if (i) a Sale of Business (as defined below) occurs and (ii) within 12 months following the closing of such Sale of Business either (A) Employee is terminated without Cause, or (B) Employee's position is materially reduced in remuneration or scope of duties and Employee terminates Employee's employment, then the Severance Amount shall be (i) two times Base Salary plus (ii) Annual Bonus at Target prorated through Date of Termination, paid in equal installments over 24 months following the Date of Termination. All other terms of Section 5(b)(i) of the Agreement will apply. For purposes of this provision a "Sale of Business" shall mean the sale or other disposition of (x) more than 50% of the shares or other equity interests of the Company or the Company's direct or indirect parent to a non-affiliated party (which shall not include a sale or an offering by Packaging Finance Limited of some or all of its shares in the Company, so long as the remainder of the shares continue to be owned by the public), or (y) more than 50% of the businesses or assets that, as of the most recent year end, generated more than 50% of the Company's EBITDA (as determined in good faith by the Company's Board of Directors, based on the Company's regularly prepared financial statements), provided that a disposition as a result of lender foreclosure on assets or pursuant to a bankruptcy or judicially administered reorganization shall not constitute a Sale of Business. Employee's position shall not be materially reduced by reason of the Company being smaller or having less operations as a result of the Sale of Business so long as Employee's duties and responsibilities are generally consistent with Employee's duties and responsibilities prior to the Sale of Business.
6. Other Compensation Programs:

Long-Term Incentive Program Target: 135% of Base Salary

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Exhibit 21.1

Subsidiaries of Reynolds Consumer Products Inc.

Legal name of subsidiary	Jurisdiction of Organization
Atacama Manufacturing Inc.	Delaware
Reynolds Consumer Products Canada Inc.	Ontario, Canada
Reynolds Consumer Products Holdings LLC	Delaware
Reynolds Consumer Products LLC	Delaware
Reynolds International Services LLC	Delaware
Reynolds Manufacturing, Inc.	Delaware
Reynolds Presto Products Inc.	Delaware
Trans Western Polymers, Inc.	California

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-236204) and in the Registration Statement on Form S-3 (No. 333-265136) of Reynolds Consumer Products Inc. of our report dated **February 8, 2023** **February 7, 2024** relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Chicago, Illinois

February 8, 2023 7, 2024

Exhibit 31.1

CERTIFICATION

I, Lance Mitchell, certify that:

1. I have reviewed this Annual Report on Form 10-K of Reynolds Consumer Products Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **February 8, 2023** **February 7, 2024**

By: _____

/s/ Lance Mitchell

Lance Mitchell

President and Chief Executive Officer

CERTIFICATION

I, **Michael Graham**, **Scott Huckins**, certify that:

1. I have reviewed this Annual Report on Form 10-K of Reynolds Consumer Products Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **February 8, 2023** **February 7, 2024**

By: _____

/s/ **Michael Graham** **Scott Huckins**

Michael Graham **Scott Huckins**

Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Reynolds Consumer Products Inc. (the "Company") on Form 10-K for the period ended **December 31, 2022** **December 31, 2023** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lance Mitchell, President and Chief Executive Officer, certify, pursuant to 18 U.S.C. § 1350,

as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: **February 8, 2023** **February 7, 2024**

By: _____ /s/ Lance Mitchell
Lance Mitchell
President and Chief Executive Officer

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Reynolds Consumer Products Inc. (the "Company") on Form 10-K for the period ended **December 31, 2022** **December 31, 2023** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, **Michael Graham**, **Scott Huckins**, Chief Financial Officer, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: **February 8, 2023** **February 7, 2024**

By: _____ /s/ **Michael Graham** **Scott Huckins**
Michael Graham **Scott Huckins**
Chief Financial Officer

Exhibit 97



REYNOLDS CONSUMER PRODUCTS INC.
Amended and Restated
Compensation Recoupment Policy

Effective October 2, 2023

Policy

The Board of Directors (the "Board") of Reynolds Consumer Products Inc. (the "Company") has adopted this Amended and Restated Compensation Recoupment Policy (this "Policy") pursuant to Rule 10D-1 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), the Securities and Exchange Commission ("SEC") regulations promulgated thereunder, and applicable Nasdaq Stock Market ("Nasdaq") listing standards. Subject to and in accordance with the terms of this Policy, upon a Recoupment Event, each Covered Executive shall be obligated to return to the Company, reasonably promptly, the amount of Erroneously Awarded Compensation that was received by such Covered Executive during the Lookback Period.

Administration

This Policy will be administered by the Compensation, Nominating and Corporate Governance Committee (the "Committee") of the Board. Any determinations made by the Board or the Committee will be final and binding on all affected individuals.

Definitions

"Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as a "Big R" restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a "little r" restatement).

"Covered Executive" means each of the Company's current and former executive officers who is or was an "officer" of the Company within the meaning of Rule 16a-1(f) of the Exchange Act.

"Erroneously Awarded Compensation" means, with respect to each Covered Executive in connection with an Accounting Restatement, the excess of the amount of Incentive-Based Compensation received by the Covered Executive during the Lookback Period over the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts, computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement: (a) the amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received; and (b) the

Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to Nasdaq.

"Effective Date" means October 2, 2023.

"Financial Reporting Measures" are any measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the SEC.

"Incentive-Based Compensation" is any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

"Lookback Period" means the three completed fiscal years immediately preceding the Required Restatement Date and any transition period (that results from a change in the Company's fiscal year) of less than nine months within or immediately following those three completed fiscal years.

A **"Recoupment Event"** occurs when the Company is required to prepare an Accounting Restatement.

"Required Restatement Date" means the earlier to occur of: (a) the date the Company's Board, a committee of the Board, or the officer(s) of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

"Section 409A" means Section 409A of the Internal Revenue Code and the regulations and guidance promulgated thereunder.

Amount Subject to Recovery

The Incentive-Based Compensation that is subject to recovery under this Policy includes such compensation that is received by a Covered Executive (i) on or after the Effective Date (even if such Incentive-Based Compensation was approved, awarded or granted prior to the Effective Date), (ii) after beginning service as a Covered Executive, (iii) if the individual served as a Covered Executive at any time during the performance period for such Incentive-Based Compensation and (iv) while the Company has a class of securities listed on a national securities exchange or national securities association. However, to the extent recovery of compensation would have been covered by this Policy prior to its amendment and restatement on the Effective Date, but is not covered by this Policy as amended and restated due to such compensation being received prior to the Effective Date, such compensation shall be recoverable as determined by the Committee under the terms of this Policy prior to its amendment and restatement.

The amount of Incentive-Based Compensation subject to recovery from a Covered Executive upon a Recoupment Event is the Erroneously Awarded Compensation.

For purposes of this Policy, Incentive-Based Compensation is deemed "received" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

Recovery of Erroneously Awarded Compensation

Promptly following a Recoupment Event, the amount of Erroneously Awarded Compensation for each Covered Executive shall be determined, and the Company will provide each such Covered Executive with a written notice of such amount and a demand for repayment or return. Upon receipt of such notice, each affected Covered Executive shall promptly repay or return such Erroneously Awarded Compensation to the Company.

If such repayment or return is not made within a reasonable time, the Company shall recover Erroneously Awarded Compensation in a reasonable and prompt manner using any lawful method, which may include, without limitation: (i) seeking reimbursement of cash or equity-based awards previously paid, as well

as forfeiture of such compensation that is deferred and not yet payable, including any interest or earnings accrued; (ii) offsetting such amount from any compensation the Company otherwise owes to the Covered Executive; (iii) cancelling outstanding vested or unvested equity awards; (iv) causing the forfeiture of any unpaid, vested or unvested, compensation; and (v) taking any other remedial and recovery action permitted by law; provided that recovery of any Erroneously Awarded Compensation must be made in compliance with Section 409A. The applicable Covered Executive shall also be required to reimburse the Company for any and all expenses (including legal fees) reasonably incurred by the Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.

Limited Exceptions

Erroneously Awarded Compensation will be recovered in accordance with this Policy unless a majority of the independent directors of the Board determines that recovery would be impracticable and one of the following conditions is met:

- the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered, provided the Company has first made a reasonable and documented effort to recover the Erroneously Awarded Compensation; or
- the recovery would likely cause a U.S. tax-qualified retirement plan to fail to meet the requirements of Internal Revenue Code Sections 401(a)(13) and 411(a) and the regulations thereunder.

In the event of reliance on either of the above exemptions, the Company will further comply with applicable listing standards, including without limitation, documenting the reason for the impracticability and providing required documentation to Nasdaq.

No Insurance or Indemnification

The Company will not, and each Covered Executive shall be required to acknowledge that the Company will not, indemnify any Covered Executive against the loss of any Erroneously Awarded Compensation (or related expenses incurred by the Covered Executive) pursuant to a recovery of Erroneously Awarded Compensation under this Policy, nor will the Company pay or reimburse a Covered Executive for any insurance premiums on any insurance policy obtained by the Covered Executive to protect against the forfeiture or recovery of any compensation pursuant to this Policy.

Interpretation

Except as otherwise provided herein, the Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. This Policy shall be applied and interpreted in a manner that is consistent with the requirements of

Rule 10D-1 and any applicable regulations, rules or standards adopted by SEC or the rules of any national securities exchange or national securities association on which the Company's securities are listed. In the event that this Policy does not meet the requirements of Rule 10D-1, the SEC regulations promulgated thereunder, or the rules of any national securities exchange or national securities association on which the Company's securities are listed, this Policy shall be deemed to be amended to meet such requirements.

Reporting

The Company will file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including the disclosure required by the applicable SEC rules and forms.

Indemnification of Administrators

Any members of the Board or the Committee who participate in the administration of this Policy shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent permitted under applicable law and Company governing documents and policies with respect to any such action, determination or interpretation. The foregoing shall not limit any other rights to indemnification of the members of the Board under applicable law or Company governing documents and policies.

Amendment; Termination

The Board may amend this Policy in its discretion and shall amend this Policy as it deems necessary to comply with the regulations adopted by the SEC under Rule 10D-1 and the rules of any national securities exchange or national securities association on which the Company's securities are listed. The Board may terminate this Policy at any time. Notwithstanding anything herein to the contrary, no amendment or termination of this Policy shall be effective if that amendment or termination would cause the Company to violate any federal securities laws, SEC rules or the rules of any national securities exchange or national securities association on which the Company's securities are listed.

Other Recoupment Rights

The Board intends that this Policy will be applied to the fullest extent of the law. Any Incentive-Based Compensation provided for in an employment agreement, incentive compensation plan, policy, program or agreement, equity award, or similar plan, program or agreement shall, as a condition to the grant of any benefit thereunder, be subject to the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar provision in any employment agreement, incentive compensation plan, policy, program or agreement, equity award, or similar plan, program or agreement and any other legal remedies available to the Company. This Policy is in addition to any other clawback or compensation recovery, recoupment or forfeiture policy in effect or that may be adopted by the Company from time to time or any laws, rules or listing standards applicable to the Company, including without limitation, the Company's right to recoup any bonus or other compensation subject to Section 304 of the Sarbanes-Oxley Act of 2002.

Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

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