

# Simplify daily life to enjoy what matters most

2022 Integrated Report





REYNOLDS CONSUMER PRODUCTS IS A LEADING PROVIDER OF HOUSEHOLD PRODUCTS THAT SIMPLIFY DAILY LIFE TO ENJOY WHAT MATTERS MOST. OUR PRODUCTS MAKE MEALTIME AND CLEANUP JUST THAT MUCH EASIER—SO FAMILIES CAN SPEND TIME DOING WHAT IS MOST IMPORTANT TO THEM, TOGETHER.

#### ABOUT THIS REPORT

In our third annual report to stockholders, we provide an overview of Reynolds Consumer Products Inc.’s (RCP) 2022 performance and our long-term business approach. Environmental, Social, and Governance (ESG) is a critical element of how we operate. We discuss key ESG issues important to our business and stakeholders in this report and are committed to reporting, at least annually, our progress against our goals, which were created in alignment with those published by the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) where appropriate. This report covers the fiscal year of January 1, 2022, through December 31, 2022, and includes all RCP operations.

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CHIEF EXECUTIVE OFFICER'S MESSAGE



DEAR SHAREHOLDERS,

Completing our third year as a public company, I'm pleased to be able to share our 2022 integrated report. Our mission to consumers continues to be "Simplify Daily Life to Enjoy What Matters Most," because each and every one of our products saves people time at home, so they can enjoy the activities that matter to them.

In the year, I am pleased to report that three of our four business units recovered earnings to pre-pandemic profitability. However, our Reynolds Cooking & Baking business unit performance did not reach its potential due to a combination of operational inefficiencies and lower volume. We have launched a comprehensive plan to improve performance in this business unit. In addition, we've already launched new initiatives to drive increased operational excellence across the company. Our ability to learn, adapt, and change is a tremendous skill... meeting adversity has made us stronger.

I'm pleased to share our many wins in 2022 that reflect teamwork in accomplishing a shared company strategy:

- We continue to put safety first. We finished 2022 with another world-class total recordable injury rate, although we didn't improve over 2021 as was our goal. We will continue to build on our risk-based safety programming, going back to the fundamentals to ensure every team member puts safety first.
- We delivered another year of record net revenues, growing 7% to \$3.8 billion on top of last year's record net revenues.
- We enter 2023 in a position of strong category leadership in most of our product lines, combining the power of offering both brands and store brands to drive category growth.
- We championed price leadership, necessary to pass through increased costs and maintain profitability.

- We returned service to pre-pandemic levels.
- Innovation remained a major source of volume in 2022, leaning into our emphasis on sustainable solutions and listening to our consumers and retailers to find growth opportunities.
- In building our capabilities through business transformation, we expanded the scope of our Reyvolution cost savings and growth initiatives with both short- and long-term benefits.

One of our goals this year was to include our 2022 ESG scorecard in this report to share our positive trajectory on our goals. Overall, our ESG metrics held or improved against eight of nine metrics within the scorecard, with additional plans for continued growth.

I sincerely appreciate our RCP employees working together and executing our strategies to achieve these results. I appreciate their ability to adjust and learn and for their deep commitment to individual, team, and company growth. I extend our gratitude to our Board of Directors for their guidance and support. I want to thank our shareholders for your continued confidence as we apply our learnings and expertise as we move forward in 2023.

Sincerely,

Lance Mitchell  
Chief Executive Officer

CHAIRMAN'S MESSAGE



DEAR FELLOW SHAREHOLDERS,

Please join me in congratulating the more than 6,000 employees of Reynolds Consumer Products for providing top-quality consumer products that are found in over 90% of U.S. homes.

On behalf of the Board of Directors, we are pleased to share the company's 2022 results in this report. RCP's management team leads with the core values of putting safety first, relentlessly pursuing innovation, improving profitability, and strengthening their culture by listening, learning, and evolving. The company continues to build on their Environmental, Social, and Governance [ESG] framework, including reporting ESG metrics.

In 2022, the company was able to restore profitability to three of their four business units to pre-pandemic levels, while growing their largest categories. The strong results in these three business units reflects their strong operational foundation as a company. In the fourth—the Reynolds Cooking & Baking Business Unit, there are specific plans to restore the business to historical levels of profitability.

On behalf of the Board, we want to thank the RCP management team for their leadership and commitment. While 2022 had both successes and challenges, I can attest that the RCP management team is leading with a transformational philosophy—seeking feedback, leveraging data, planning strategically, and embracing change. This approach gives us confidence that the company can aggressively address short-term issues, while also planning ahead to extend overall operational excellence.

We also sincerely thank and appreciate all of RCP's employees for their work throughout 2022, continuing to build on both the company's operational strengths and developing their culture. They have once again demonstrated their ability to provide excellent service to customers and make top-quality products loved by consumers.

As we continue to guide their overall strategies, I remain confident Reynolds Consumer Products is well-positioned for continued success. RCP leaders are focused on cost savings, growth, and profitability in order to fuel long-term earnings growth.

Sincerely,

Richard Noll  
Chairman

# 2022 Financial Performance

40%

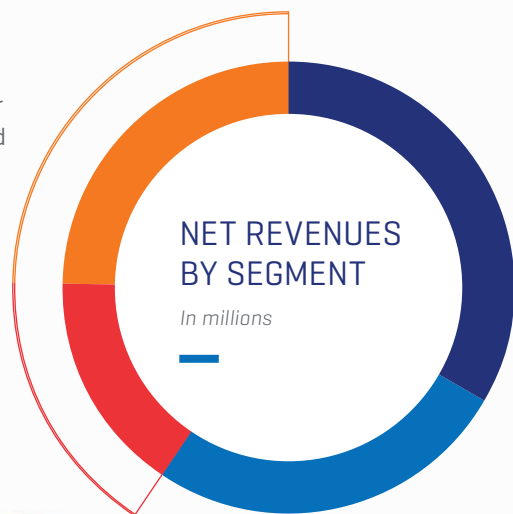
WASTE & STORAGE PRODUCTS

\$946M

**Hefty Waste & Storage**  
Branded and store brand slider food storage bags, Hefty brand trash bags, and large volume store brand trash bags

\$604M

**Presto Products**  
Store brand food storage bags, trash bags, plastic wrap, and containers



34%

COOKING PRODUCTS

\$1,287M

**Reynolds Cooking & Baking**  
Branded and store brand foil, parchment paper, oven bags, wax and freezer paper, disposable aluminum pans, and slow cooker liners



26%

TABLEWARE

\$1,000M

**Hefty Tableware**  
Branded and store brand disposable dishes, plates, bowls, platters, cups, and cutlery



## ADJUSTED EBITDA



Reynolds Cooking & Baking  
**\$142M**

Adjusted EBITDA Margin  
11%

Hefty Waste & Storage  
**\$207M**

22%

Hefty Tableware  
**\$134M**

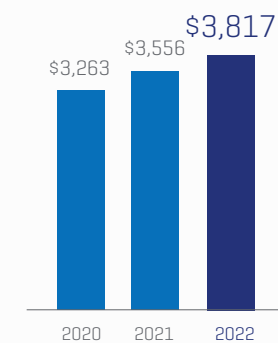
13%

Presto Products  
**\$96M**

16%

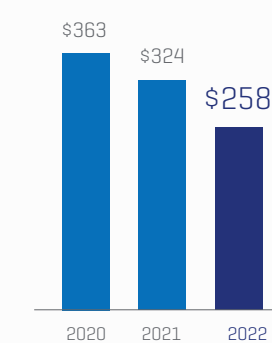
## TOTAL NET REVENUES

In millions



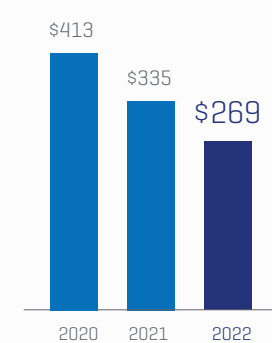
## NET INCOME

In millions



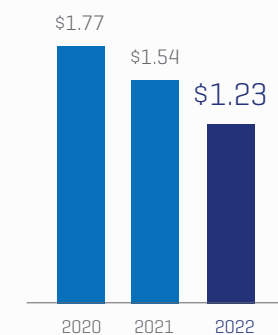
## ADJUSTED NET INCOME\*

In millions



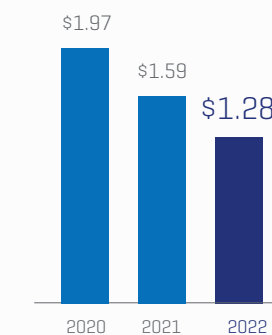
## EARNINGS PER SHARE

[diluted]



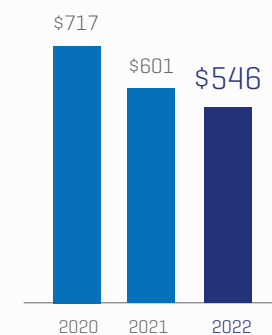
## ADJUSTED EARNINGS PER SHARE

[diluted] \*



## ADJUSTED EBITDA\*

In millions



\*Adjusted Net Income, Adjusted earnings per share, and Adjusted EBITDA are non-GAAP financial measures. For a discussion of our use of these non-GAAP financial measures, and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures, see pages 30-31 of the Form 10-K for our fiscal year ended December 31, 2022, included in this annual report.



Understanding consumers' needs drives product development and enhancements

## PRODUCTS PEOPLE LOVE

WE LISTEN, LEARN, AND EVOLVE

*How do we find ways to make mealtime and cleanup easier and more enjoyable? We ask. We listen. We then look for ways to enhance our products in meaningful ways. Whether it's improved packaging that's more sustainable, a new size, or a fresh new scent.*

# Consumer Preferences Drive Growth

REYNOLDS CONSUMER PRODUCTS IS COMMITTED TO DRIVING GROWTH BY LISTENING TO CONSUMERS TO FIND OUT WHAT THEY VALUE. GROWTH OPPORTUNITIES COME IN MANY FORMS, INCLUDING NEW PRODUCTS AND PRODUCT FEATURES AND DEVELOPING SUSTAINABLE PRODUCTS AND SOLUTIONS.

HERE ARE JUST SOME OF OUR 2022 INNOVATIONS.



## GROWTH IN SUSTAINABLE TABLEWARE

AS FEATURED ON THE COVER, THE HEFTY ECOSAVE™ LINE OF TABLEWARE PRODUCTS CONTINUED TO GROW IN 2022!

Hefty ECOSAVE™ plates, bowls, hinged-lid containers, platters and trays are compostable\*, heavy duty, microwave-safe, made with 95% plant-based materials and made without PFAS. They are designed to simplify all types of events, including backyard BBQs, family dinners, or casual entertaining!

The product line includes 16-ounce and 28-ounce bowls, 10-inch, 9-inch, and 7-inch plates, 10-inch 3-compartment plates, large oval platters, 5-compartment trays and various sizes of hinged-lid containers. Product packaging carries the [How2Recycle.Info](https://www.how2recycle.info) standardized labeling for recycling instructions and the [Hefty.com](https://www.hefty.com) website carries additional products and up-to-date information on each product's sustainability claims.

\*Commercially compostable only. Facilities may not exist in your area. Not suitable for home composting.

## NEW FABULOSO® SCENT DRIVES GROWTH FOR THE HEFTY® WASTE PORTFOLIO!

The Hefty® team is pleased to launch Hefty® Ultra Strong™ with Fabuloso® Lemon Scent<sup>1</sup>—a fresh, vibrant expansion of the Fabuloso® scents consumers are passionate about! Due to the incremental growth of Hefty® Ultra Strong™ bags with the Fabuloso® Lavender scent—we've expanded to add the fan-favorite Fabuloso® Lemon Scent. Lemon-scented trash bags are a growing segment and our tests on bags with Fabuloso® Lemon reflected high purchase intent among consumers.

Hefty® Ultra Strong™ tall kitchen bags—with Fabuloso® Lemon Scent and Arm & Hammer Continuous Odor Control<sup>2</sup>—work to keep homes smelling fresh. Hefty® Ultra Strong™ strength helps manage the toughest kitchen trash. The consumer-preferred drawstring closure makes it easy!

THE FABULOSO® LEMON SCENT IS THE LATEST IN THE LINE EXTENSION WITH NEW BAG SIZES IN THE FABULOSO® LAVENDER SCENT, INCLUDING

*13-gallon tall kitchen bags with drawstring closure and odor control*  
*30-gallon large black bags with drawstring closure and odor control*

NOW A FRESH NEW GENERATION HAS A WIDER SELECTION OF SCENTS AND SIZES TO KEEP THEIR HOME FRESH!

What's even better is that with this launch we optimized our production process and reduced the footprint of our Hefty® Ultra Strong™ tall kitchen cartons while keeping the same thickness and bag count, which resulted in a positive environmental impact thanks to less materials used. Less footprint also means more boxes in a case, improving the use of space not only for our warehouses and trucks but also on customer shelves—and they fit better in the kitchen, too!



<sup>1</sup>Fabuloso® and associated designs are trademarks of Colgate-Palmolive Company and are used by Reynolds Consumer Products LLC under license.

<sup>2</sup>The ARM & HAMMER trademarks are owned by Church & Dwight Co., Inc., and used by Reynolds Consumer Products LLC under license.

## TWO KITCHEN HELPERS WITH IMPROVED SUSTAINABILITY

Sustainability continues to be important to consumers. We are proud to announce that our Reynolds Kitchens® Pink butcher paper<sup>1</sup> and Reynolds Kitchens Cut-Rite® wax paper<sup>2</sup> passed testing and are now certified compostable on packaging. We also eliminated the center cardboard cores from both products to reduce materials.

Additionally, Reynolds Kitchens® Cut-Rite® wax paper is now produced in a slightly smaller carton, made with 100% recycled paperboard. The smaller size allows retailers to fit more product on a shelf and takes up less space in kitchen drawers.

These products both carry the [How2Recycle.Info](https://www.how2recycle.info) standardized labeling for recycling instructions. The [ReynoldsBrands.com](https://www.reynoldsbrands.com) website carries up-to-date information on each product's sustainability claims.



## THE NUMBER ONE PARTY CUP IN AMERICA JUST GOT BETTER

Strength and durability are top purchase drivers for party cups. The new design for Hefty® 16-ounce party cups was launched in 2022 and is 35% stronger and rated highly with consumers for overall liking, aesthetic appeal, ergonomics, strength, and quality perception!

The new design for the 16-ounce cup unifies design elements of the 18-ounce design—both now have a stylized upper collar with an embossed Hefty® logo. The 16-ounce cups were also upgraded with an updated side wall rib design for added strength that is easy to hold.

Hefty® 16-ounce party cups are sold in multi-colored packs of 80 or 100—offering four colors in each package. Research has shown that color drives purchase, so we're keeping colors current by offering a flow-through of new colors for the holiday season.

Bright party colors—lime, tangerine, teal, and orchid—sell through the bulk of the year.

Holiday party colors—darker shades of green, burgundy, gold, and silver—sell in the fourth quarter.

Consumers don't need to worry—the classic red Hefty® 18-ounce party cups are available all year long!



## PRIVATE LABEL FOOD BAGS: NEW CONSUMER-PREFERRED ENHANCEMENTS

In early 2022, Presto Products upgraded our food bag offering for private label customers to up their categories with consumer-preferred benefits. Sold under the banners of our customer partners, these products represent a balanced offering of great features, top quality, and value.

Our press-to-close quart and gallon food bags were upgraded with gusseted bottoms—so bags stand up on the counter for easy filling. Testing found a 91% consumer preference for gusseted bags in this product category. New label callouts for STAND 'N FREEZE™ and STAND 'N STORE™ Easy-Fill Bags draw consumers' attention to the new benefit. Presto-made food bags are now the only private label press-to-close bags featuring gusseted bottoms that are sold in the U.S.

Also in 2022, Presto-produced slider quart and gallon bags were upgraded with color-coded sliders and tracks to help consumers more easily differentiate between bag types. This gives consumers a visual cue with red for storage bags and blue for freezer bags. Presto slider bags also call out the easy open, easy close Click 'N Lock® Zipper consumers can hear and feel, and carry a gusseted bottom so the bag stands up and is easy to fill.

For both products, not only was all production converted to the new offering, but all customer packaging was updated to showcase the new features.



<sup>1</sup>Butcher paper—Commercially and home compostable. Facilities may not exist in your area.

<sup>2</sup>Wax paper—Commercially compostable only. Facilities may not exist in your area. Not suitable for home composting.

**“EVERYTHING” BOWLS:  
POPULAR NEW SIZE AND  
SHAPE IN TWO MATERIALS**

In 2022, the Hefty® brand introduced two new large bowls—both with wide and deep designs that are perfect for one pot meals, food bowls, snacks, pasta dishes, and more!

As eating habits changed over the last few years, some consumer behaviors are continuing post-pandemic. When using reusable dishes, consumers have shifted to using large shallow bowls instead of plates—for any kind of meal or “everything”—and especially for heavier, saucier types of meals.

Because one pot meals and food bowl trends are here to stay, we’ve extended two Hefty® tableware lines to include large bowls. They come in two different materials to satisfy the needs of both the foam [cost-conscious] and molded fiber [eco-conscious] consumers.

*Hefty ECOSAVE™ Large Bowls hold 28 fluid ounces and are compostable<sup>1</sup>, heavy duty, microwave-safe, and made without PFAS.*

*Hefty® foam Everything Bowls hold 27 fluid ounces and are soak proof, durable, and provide easy cleanup.*



**FOIL BAKEWARE: THE ONLY FOIL CONTAINER  
WITH AN OVEN-SAFE LID MAKES MEAL PREP  
AND STORAGE EASIER**

The EZ Foil® brand continues to bring innovation to the growing Storage/Meal Prep segment! EZ Foil® Store & Reheat Storage Containers are the only containers in the consumer foil pans category with oven-safe lids!

Consumer insights show that not only are consumers continuing to cook at home, but they are looking for convenient ways to prepare meals ahead and store leftovers. These pans make it easy for home cooks to take their favorite dishes from their freezer or fridge to the oven and back again. Consumers are responding with strong sales and positive reviews, already placing EZ Foil® Store & Reheat as one of our top five selling items, where in distribution.

For easy merchandising and to fit more product on a shelf, we implemented a process for the ovenable lids to be folded inside the packaging, allowing the pans to nest into a smaller space.

**NEW PRODUCT LINE: HEFTY® COMPOSTABLE  
PRINTED PAPER PLATES AND BOWLS**

In 2022, Hefty® launched an exciting new tableware line that is compostable<sup>1</sup>, stylish, and delivers on the strength and quality that consumers count on from the Hefty® brand. The white tableware with a blue and green printed border are ultra-strong, commercially compostable, microwave-safe, soak-resistant, made without PFAS, and made with 96% plant-based materials.

Product packages carry the USDA Certified Biobased 96% product seal and [How2Recycle.Info](http://How2Recycle.Info) standardized labeling for recycling instructions. The [Hefty.com](http://Hefty.com) website carries up-to-date information on each product’s sustainability claims.

**THE PRODUCT LINE INCLUDES THREE PLATE SIZES  
10-inch, 9-inch, and 6-inch plates and a 12-ounce bowl.**

Compostable tableware provides consumers a great option for both convenience and sustainability!



**CUTLERY: COMBINING UTILITY,  
CONVENIENCE & QUALITY**

Premium clear plastic cutlery has become a trusted meal-time solution. The quality, heavy-weight and extra strength allows consumers to enjoy any occasion—home meals, to-go food, parties, casual gatherings and catered events—without having to deal with the messy clean-up.

As a proud supplier to Sam’s Club® for its Member’s Mark™<sup>2</sup> brand, we offer club-size single and combination packs, which meet the evolving needs of consumers and small businesses alike.



<sup>1</sup>Commercially compostable only. Facilities may not exist in your area. Not suitable for home composting.

<sup>2</sup>Member’s Mark is a registered trademark of Walmart Apollo, LLC.

<sup>1</sup>Commercially compostable only. Facilities may not exist in your area. Not suitable for home composting.



# TRANSFORMING OUR BUSINESS

## Our “REYVOLUTION” Continues

TO HELP FUEL GROWTH, OUR BUSINESS TRANSFORMATION PROGRAM, KNOWN AS “REYVOLUTION,” TRACKS AND RESOURCES INITIATIVES AT THE PROJECT LEVEL.

THE PROGRAM IDENTIFIES, PRIORITIZES, AND RESOURCES HIGH-VALUE INITIATIVES.

Reyvolution strengthens our topline through disruptive growth and innovation, and supports margin expansion through improvements to our cost structure through investment in multiple high-value initiatives. This regimented process involves every area of the company, including people, processes, systems, and technology. Key focus areas include how we hire/develop/retain hourly employees, automation, intelligent factory, procurement, productivity, and more.

We not only look at what we do now, but what we want to achieve in the future, and how to do it in the best way. This work is designed to evolve our people, processes, and technologies to be best-in-class for profitable growth.

Several 2022 highlights from this program include:

**DIGITAL JOURNEY:**

In 2022, we modernized key systems to upgrade efficiencies in our processes and reporting, including supply chain planning and capabilities, logistics execution, and procure-to-pay and sourcing automation.



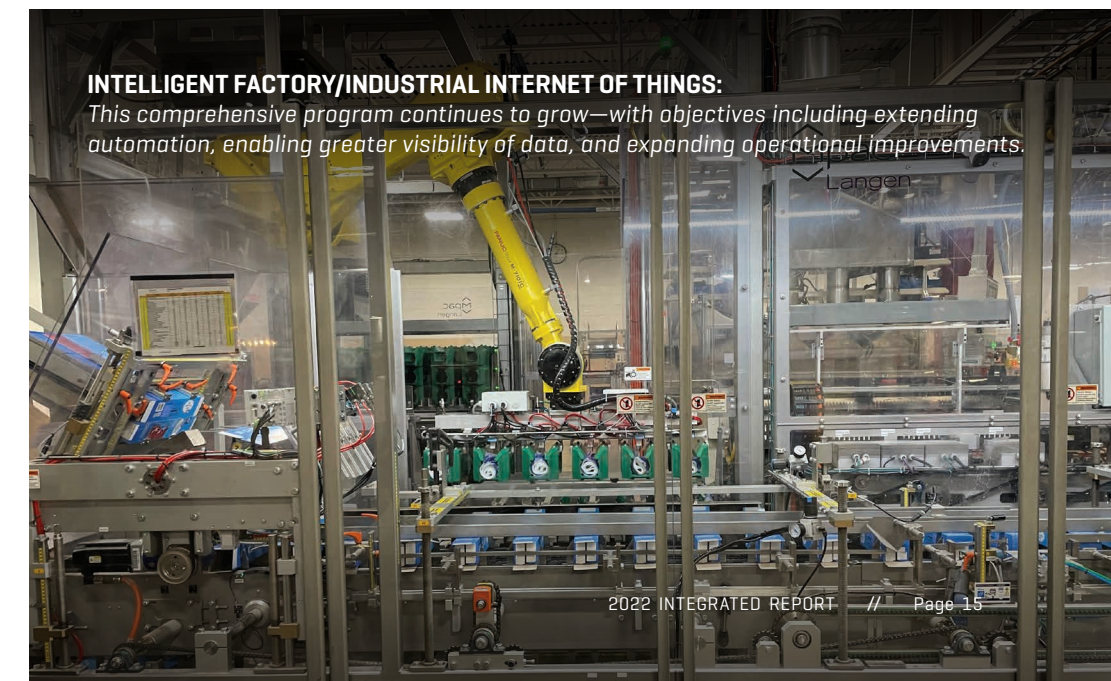
**WINNING TALENT:**

Focusing on hourly talent in our manufacturing facilities, a cross-functional team led by Business Transformation created foundational elements for a detailed system, playbook, and culture for how we hire, develop, and retain our great manufacturing employees.



**INTELLIGENT FACTORY/INDUSTRIAL INTERNET OF THINGS:**

This comprehensive program continues to grow—with objectives including extending automation, enabling greater visibility of data, and expanding operational improvements.



# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) 2022 ESG Approach, Metrics, and Scorecard

## ESG SCORECARD

ESG SCORECARD	TARGET
PRODUCTS	<b>SUSTAINABLE PRODUCT OFFERINGS.</b> Offer sustainable options in each product line across our portfolio by 2025
	<b>SUSTAINABLE PACKAGING.</b> Use recyclable or reusable packaging for all of our branded products and make available for private label products by 2025
	<b>POST-CONSUMER WASTE.</b> Provide recycling instructions for all of our branded products by 2022
PEOPLE	<b>SAFETY.</b> Strive for zero incidents
	<b>DIVERSITY.</b> Commit to increasing our gender and ethnicity representation at all levels through year-over-year improvements
	<b>PAY EQUITY.</b> Continue our commitment to maintaining pay equity
COMMUNITIES	<b>COMMUNITY COLLABORATION.</b> Divert hard-to-recycle plastics from landfills by expanding availability of the Hefty® EnergyBag® program
	<b>GREENHOUSE GAS EMISSIONS.</b> Set science-based targets by 2023 to reduce greenhouse gas emissions
	<b>WASTE TO LANDFILL.</b> Achieve zero waste to landfill for manufacturing and logistics by 2025

<sup>1</sup> International & Canada product lines not included.  
<sup>2</sup> A sustainable product is a product that is recyclable, reusable, compostable, made with recycled content or made with raw materials derived from renewable resources.  
<sup>3</sup> International, Canada & B2B products not included.  
<sup>4</sup> Primary & secondary packaging.  
<sup>5</sup> Pay Equity will be updated June 2023; data reflects plus or minus 3%.

## OUR APPROACH

Environmental and social issues affect not only the communities in which we operate, but also the long-term sustainability of our business. We also have the opportunity to drive positive and meaningful change through our practices, investments, and products. In 2022, RCP continued to make progress on the ESG framework we created in 2021. Our ESG framework is intended to drive our long-term growth, create purposeful and positive change, and deliver value to our shareholders, customers, employees, and other stakeholders.

METRICS	2022 PERFORMANCE	OBJECTIVE	TIMING
% of US product lines <sup>1</sup> with at least one sustainable product offering <sup>2</sup>	85%	100%	2025
% of US consumer branded products <sup>3</sup> that have recyclable or reusable packaging <sup>4</sup>	98%	100%	2025
% of US consumer branded products <sup>3</sup> with recycling instructions on the product label or on the company website	100% <sup>9</sup>	100%	2022
Total Recordable Rate	0.89	0	
% of female diversity representation in total workforce % of ethnic diversity representation in total workforce	32% 43%	Targeted Improvement	
Gender Pay Equity Ethnic Pay Equity	Achieved	100% <sup>5</sup>	
Amount of hard-to-recycle plastics diverted from landfills through the Hefty® EnergyBag® program Number and % of US households with access to both curbside recycling and the EnergyBag program	4.3M lbs <sup>7</sup> 800K HHs <sup>6,7</sup> 1% HHs <sup>6,7</sup>	400M lbs 50M HHs 75% HHs	
Baseline data and targets approved by SBTi	Achieved		Feb '23
	Certification in progress	Zero waste certification	2025

<sup>6</sup> Based on estimated US households with access to curbside recycling, using public resources such as the US Census Bureau, The Recycling Partnership, and the Sustainable Packaging Coalition organizations.  
<sup>7</sup> From program inception (late 2016) to year-end 2022.  
<sup>8</sup> Stand-alone warehouse locations data not included; reflects 2021 data, 2022 data will be provided March 2023.  
<sup>9</sup> Website instructions.



### ESG TRANSPARENCY

We commit to transparent communication about our governance, operations, and products. We will, at least annually, disclose material metrics and progress against goals using standards such as SASB and GRI.

### STAKEHOLDER ENGAGEMENT

We are committed to engaging with stakeholders as we work to implement our ESG framework. We seek their input, listen to their perspectives, and identify opportunities to collaborate through direct communication, investor conferences, shareholder meetings, community partnerships, customer engagement, and employee feedback. In addition, we will continue to engage with industry peers and experts. As a result, our ESG strategy will continue to evolve over time.

### ESG LEADERSHIP AND COMMITTEE

Our ESG efforts are led by Rachel Bishop, our President, Hefty Tableware, and an ongoing dedicated role to support ESG, combined with a cross-functional ESG committee. Together, they help formally embed our ESG framework and goals at all levels of the organization. The team draws on additional internal and external experts to apply ESG standards, align definitions, gather, and analyze data, and stay informed on trends and changes in the industry. In addition, the team has assembled specialized working groups to drive progress toward achieving our targets. To guide RCP's progress, updates on our ESG efforts are presented to our Leadership Team at least quarterly.



## Products for a Better Tomorrow

OUR GOAL IS TO INCREASE THE NUMBER OF SUSTAINABLE PRODUCT OPTIONS IN EACH OF OUR CATEGORIES.

*We're listening to consumers who want to choose products that not only meet their needs, but are also better for the planet. We're committed to providing consumers with information to help them recycle or compost our products after use, as applicable.*

### ADDING NEW SUSTAINABLE PRODUCT OPTIONS

In 2022, we added four new sustainable product options bringing our percentage of product categories with sustainable product options (recyclable, compostable, made with recycled or plant-based materials, reusable) to 88% of all our product categories. Examples in this report include a new Hefty ECOSAVE™ “everything” bowl, and a new line of HEFTY® Compostable printed paper plates and bowls.<sup>1</sup> Both Reynolds Kitchens® Pink butcher paper<sup>2</sup> and Reynolds Kitchens Cut-Rite® wax paper<sup>1</sup> passed testing and are now certified compostable on packaging.

<sup>1</sup>Commercially compostable only. Facilities may not exist in your area. Not suitable for home composting.

<sup>2</sup>Commercially and home compostable. Facilities may not exist in your area.

# The Hefty ReNew™ Program

## A NEW NAME FOR THE INNOVATIVE PROGRAM FOR HARD-TO-RECYCLE PLASTICS

In 2023, the Hefty® EnergyBag® program will become the Hefty ReNew™ program. Extensive research has confirmed the new name resonates more with program participants and partners—and more accurately reflects what the program does: collects hard-to-recycle plastics and gives them a second life.

The Hefty® EnergyBag® curbside program is currently available to 800,000 households in Omaha, Nebraska; Boise, Idaho; and Atlanta, Georgia. In 2022, Chattanooga, Tennessee, was added as a drop-off-only market. Since inception in 2016, the program has diverted over 2,000 tons of hard to recycle plastics. For the latest updates on the program, visit [HeftyRenew.com](https://HeftyRenew.com).

Where the program is available—all it takes is a few simple steps to help keep hard-to-recycle plastics out of the landfill and turn them into something more valuable.

- 1 Participants purchase Hefty® ReNew® bags at their local store.
- 2 They fill the orange bag with acceptable, hard-to-recycle plastics.
- 3 They tie up the full orange bag and put it into a curbside recycling bin / cart OR take to an approved drop-off facility, depending on the community.
- 4 The recycling truck picks up and delivers bags to a local recycling facility (MRF) as part of its routine service and schedule.
- 5 The orange bags are sorted at the MRF and sent to a facility for use as valued resources.



### HEFTY® RENEW® ORANGE COLLECTION BAGS UPGRADE TO DRAWSTRING CLOSURES

WITH THE CHANGE IN NAME, HEFTY® RENEW® BAGS ARE MOVING TO A CONSUMER-PREFERRED DRAWSTRING CLOSURE TO MAKE IT EASIER TO USE!





# People

“SIMPLIFY DAILY LIFE” EXTENDS TO OUR TEAMS AND HOW WE WORK TOGETHER.

OUR EMPLOYEES ARE CRITICAL TO OUR MISSION. WE ARE COMMITTED TO PUTTING SAFETY FIRST, ALWAYS. WE TREAT PEOPLE WITH RESPECT AND OPERATE ETHICALLY. WE ARE PASSIONATE ABOUT ACHIEVING OUR GOALS.



## EMPLOYEE HEALTH AND SAFETY Safety: Our Top Priority

WE BELIEVE THAT EVERY SINGLE PERSON WHO COMES TO WORK SHOULD GO HOME AS HEALTHY AND WHOLE AS WHEN THEY ARRIVED. OUR GOAL IS ZERO INJURIES.

In 2022, we achieved another best-in-class safety record, adding to our already impressive safety record with an outstanding total recordable injury rate of 0.89 and surpassing the benchmark of 1.0, amidst a continued challenging environment. In addition, two plants and 11 warehouses completed 2022 with zero recordable incidents. For the company overall, we worked to reduce 75% of our top-identified risks.

To accomplish this, we have robust safety policies and programs and work to raise awareness among all employees. Safety is an integral part of our innovation processes—we “build in” safety to each and every

one of our processes, choosing our equipment with careful attention to how to best protect people.

Our overall safety practices are governed by our company-wide safety policy, supplemented by additional local policies specific to the processes and equipment unique to each site. All employees, contractors, and visitors are required to report all incidents in a timely manner to ensure appropriate care is received and that the incident is investigated thoroughly to identify root cause(s) and ensure effective corrective and preventative measures are implemented.

We record safety activities and events and track training and compliance requirements through a centralized safety management system. We evaluate and track performance using corporate and site-specific scorecards composed of leading and lagging indicators. Results are reviewed as an organization each month and communicated at all levels. All employees and contractors participate in safety training before beginning work in our facilities. We also communicate environmental, health, and safety policies and protocols during monthly safety awareness training with employees throughout the year.



## EVERY EMPLOYEE IS EMPOWERED TO STOP ANY ACTIVITY THAT PRESENTS A DANGER TO THEMSELVES, COWORKERS, CUSTOMERS, CONTRACTORS, OR THE PUBLIC.

We recognize safe behavior with positive reinforcement and reward employees for participating in proactive safety initiatives that increase awareness, mitigate hazards, and reduce risk.

### OUR INITIATIVES FOCUS ON TOP AREAS OF RISK, INCLUDING PREVENTING SLIPS, TRIPS, AND FALLS AND ERGONOMIC-RELATED INJURIES AND ILLNESSES.

Not only do we conduct general awareness training on a regular basis for compliance and prevention, but we also provide focused training as needed in response to increased risk, such as busier production cycles, and according to weather conditions, such as preventing heat-related illness during the summer and avoiding slip and fall incidents during the winter.

One of the top reasons for injuries and illness are ergonomic hazards that lead to musculoskeletal disorders (MSD)—typically joint, tendon and ligament pain. Due to the manual activity of many job tasks, MSDs can develop from repetitive and strenuous motions and exertions. We mitigate ergonomic hazards with automation, lift assist devices, work acclimation, job rotation,

and stretching programs, and training on proper lifting techniques, body mechanics, and early reporting. Additionally, we promote and encourage health benefits offered by the company for work-related and non-work-related health conditions.

## TO PROTECT EMPLOYEE HEALTH AND EXPOSURE TO THE HARMFUL EFFECTS IN THE WORKPLACE, WE ALSO EMPLOY ACTIVE POLICIES IN THESE AREAS:

To prevent injuries, we assess what Personal Protective Equipment (PPE) is required in each work area. PPE may include safety shoes with different levels of protection, safety glasses, hard hats, hearing protection, and different types of gloves. We restrict types of clothing and non-standard tools that could lend themselves to injuries.

To prevent exposure to bloodborne pathogens and to ensure the best outcome for an injured person, key employees are trained in first aid and what to do in the event of an injury, including calling 911.

To prevent the spread of disease, we encourage employees to wash their hands frequently, clean work areas frequently, practice respiratory etiquette, stay home if they are not feeling well, consider being vaccinated, and consult with their healthcare provider.

To prevent potential exposure to hazardous materials, we ensure that employees are properly trained, informed, and provided with the appropriate PPE. All materials and substances must have a Safety Data Sheet (SDS), properly labeled, inventoried, and kept in designated storage locations. We conduct industrial hygiene surveys as needed to ensure no serious exposure risk exists.

Where noise is a potential harmful exposure in any of our worksites, hearing-conservation measures are actively enforced to prevent hearing loss. Risks are assessed and mitigated through noise surveys, noise-reduction projects, required use of hearing protection, and training.

## ANNUAL SAFETY AWARDS

One way we recognize our teams' commitment to safety is through our annual safety awards, which include:

EXECUTIVE SAFETY COUNCIL AWARD	RISK REDUCTION AWARD	EHS EXCELLENCE AWARD	EXCELLENCE IN SAFETY—WAREHOUSE AWARD
Awarded to the team that embodies RCP's vision for health and safety excellence through its commitment to a safety-first culture.	Awarded to the site that has demonstrated the biggest gains in reducing safety risks.	Awarded to sites that achieve zero, or a 20% or more reduction in injuries, maintained above goal for all leading indicators, and that have not received non-compliance citations from an EHS government regulatory agency. In 2022, this included four of our 17 plant sites.	Awarded to our warehouse teams who have shown outstanding commitment to safety excellence. In 2022, this included 11 of our 14 warehouses.

We believe that safety is not built on a series of one-time events but is built into our values and is a part of our culture.

We continued to invest in safety in 2022 with a focus on strengthening roles, expectations, and accountabilities; mitigating ergonomic and slips, trips, and fall hazards; reinforcing safe behaviors; and a continued focus on proactive hazard identification and injury and illness risk mitigation.

# Diversity, Equity & Inclusion

WE ARE BUILDING A RESPECTFUL WORKPLACE, EDUCATING OUR EMPLOYEES, AND INTEGRATING DE&I THROUGHOUT OUR BUSINESS STRATEGY.

WE HAVE EVOLVED FROM COMMITMENT TO ACTION.

Our DE&I work is led by our Director of Diversity, Equity & Inclusion, supported by our DE&I Advisory Council and embodies an expanding partnership with our business units and functions, including Human Resources and Marketing.

Meaningful DE&I has long been a business imperative and the right thing to do. Through our DE&I work, we aim to do well in our workplaces, communities, and for our shareholders while building deeper authentic connections with each group. Advancing DE&I is an ongoing process that requires shared understanding, creative tools, deep collaboration, and an evolution of policies and practices.

There are two primary areas where customers and stakeholders can experience our commitment to DE&I—marketing and community connections. In 2022, we launched our work to enhance employee experiences by building shared direction to strengthen our culture.

OUR COMMITMENT TO DE&I IS REFLECTED THROUGHOUT OUR PRACTICES AND EVOLVING POLICIES. EXAMPLES INCLUDE:

<p><b>WE DO NOT BELIEVE IN ACCIDENTAL DIVERSITY</b></p>	<p><i>We incorporate DE&amp;I into our recruitment, hiring, and retention practices.</i></p>
<p><b>EDUCATION IS KEY TO EMPATHY, AUTHENTICITY, AND RESPECT</b></p>	<p><i>We offer numerous DE&amp;I-focused team experiences such as training courses, educational sessions on unconscious bias, and a full-year cultural calendar.</i></p>





## 2022 DE&I PROGRESS

- Piloted a refreshed hiring process with a DE&I focus by implementing diverse interview panels for director-and-above positions. We hired four plant managers in 2022 using this process and as a result, increased the number of women in plant leadership.
- In job descriptions, we applied bias scanners that identify and remove gender and racial bias.
- In interviews, we embedded behavioral-based interview questions supportive of DE&I.
- Developed and deployed a DE&I Creative Review Tool for marketing campaigns.
- Created new strategies and goals with a focus on investment in diverse media channels as part of our commitment to supplier diversity.
- Hosted first Juneteenth and Pride awareness communications, including webinars for the entire company.
- Launched gender-inclusion education to ensure awareness, safety, and an affirming environment.
- Strengthened employee experience and brand recognition through creating a new employee entrance and mural at a key manufacturing workplace.



*“Reynolds Consumer Products believes a diverse, equitable, and inclusive organization will enhance the sense of belonging for all employees as well as add value for our customers, shareholders, and communities in which we operate. We are committed to building a respectful workplace, educating our employees, and integrating DE&I with our overall business strategy.”*

# Recruiting and Retention

WE ARE BUILDING A RESPECTFUL WORKPLACE, EDUCATING OUR EMPLOYEES, AND INTEGRATING DE&I THROUGHOUT BUSINESS STRATEGY.

Ensuring that we have an engaged, stable workforce is essential to our success. The Talent Acquisition Team's mission is to provide expert recruitment services to attract, select, and retain top-quality talent, to support RCP's strategic goals.

We strive to attract and retain a diverse, inclusive, and talented workforce. In 2022, RCP filled more than 3,400 hourly positions and 300 salaried roles at our corporate offices and manufacturing facilities.

For hourly recruiting, we upgraded our structure to a Center of Excellence model at the end of 2022. The new organizational structure and processes are designed to provide

expert recruiting services, increase efficiencies, and ensure consistency across all of our plant locations.

From a talent management standpoint, we continue to refine our processes and leverage our technology resources. We completed succession planning for more than 1,200 salaried roles in 2022 and filled 17 successor roles internally with candidates nominated during the annual talent review and succession planning process.

RCP invests in the growth and development of its employees. In 2022, we rolled out a new Learning Management System (LMS), which will serve as a common technology platform to deliver and track critical

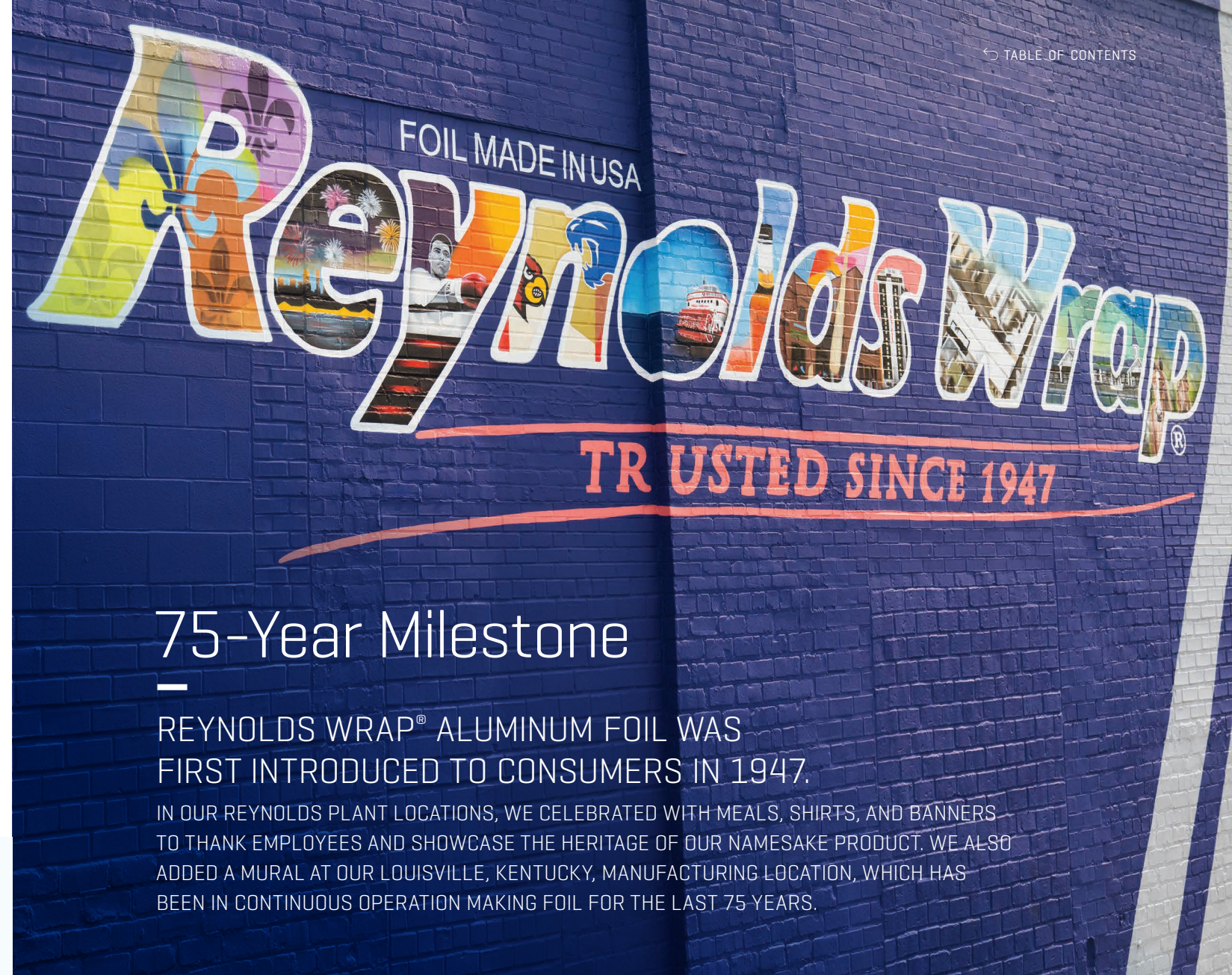
on-demand employee training. The LMS is a cornerstone of our new "Drive Your Career" platform, which hosts development tools, including resources for manager/employee feedback sessions, employee talent development profiles, online training courses, and information on how to participate in our mentorship and tuition reimbursement programs.

Our mentorship program is open to all salaried employees. Those who serve as mentors strengthen their leadership and coaching skills. Those who seek mentorship have the opportunity for individual coaching to build their competencies for personal and professional success.



## THE PURSUIT OF WELLNESS IS REWARDED

*Our wellness program for U.S. employees reinforces wellness through prevention, education, and encouraging healthy habits. Employees can earn points through various activities that support and promote physical, mental, and financial wellness, including company-provided health screenings, meeting health targets, preventative care such as annual physicals, dental cleanings, vision screenings, and vaccinations. Qualifying activities include options for educational sessions, exercise, volunteering, and more. Financial health options include attending educational sessions for 401(k) retirement and financial planning.*



## 75-Year Milestone

REYNOLDS WRAP® ALUMINUM FOIL WAS FIRST INTRODUCED TO CONSUMERS IN 1947.

IN OUR REYNOLDS PLANT LOCATIONS, WE CELEBRATED WITH MEALS, SHIRTS, AND BANNERS TO THANK EMPLOYEES AND SHOWCASE THE HERITAGE OF OUR NAMESAKE PRODUCT. WE ALSO ADDED A MURAL AT OUR LOUISVILLE, KENTUCKY, MANUFACTURING LOCATION, WHICH HAS BEEN IN CONTINUOUS OPERATION MAKING FOIL FOR THE LAST 75 YEARS.

## COMPENSATION, BENEFITS, AND WELLNESS

We are committed to gender and racial pay equity, which we achieved again in 2022. We regularly review compensation data in each market to ensure our pay rates are competitive and adjust wages as needed.

Our comprehensive benefits package for U.S. employees is focused on supporting the health and well-being of our employees and their families. We

offer a range of options including medical, dental, vision, prescription drug coverage, short- and long-term disability, 401(k) retirement plan with a company matching contribution, vacation and holiday pay, our employee assistance program, and life insurance.

In 2022, we expanded the program with additional family-friendly benefits, including parental leave for birth or

adoption of a child, adoption assistance program, and updated fertility medical coverage. We also enhanced our benefit offerings by providing online physical therapy program for back and joint pain and a surgical care center of excellence for musculoskeletal conditions.



# Communities

OUR EMPLOYEES AND THEIR FAMILIES INCREASINGLY REFLECT THE EXPANDING DIVERSITY OF OUR BROAD CONSUMER BASE AND COMMUNITIES.

BY WORKING TOGETHER, WE CAN CONTRIBUTE TO THE BROADER RCP COMMUNITY, NOW AND INTO THE FUTURE.

## RECYCLING EDUCATION

As a part of our ESG goals, we've identified recycling education as an opportunity to improve recycling rates over time. We will be looking to develop our educational resources to promote recycling both as it exists today and as it evolves over time.

The majority of our branded products carry [How2Recycle.Info](#) standardized labeling for packaging recycling instructions—so consumers can easily understand recycling options both at the time of purchase in-store and also at the time they are using the product.

Our [Hefty.com](#) and [ReynoldsBrands.com](#) consumer-facing websites each carry a dedicated sustainability section and were updated in 2022. On our websites, individual products with sustainability claims have that information outlined directly in the product description, including the ability to recycle or compost the product. We've also shared these statements with our retail partners for ecommerce websites so consumers can easily find this information when purchasing online.

## REDUCING OUR ENVIRONMENTAL FOOTPRINT

As we continue to grow our business, we are identifying opportunities to reduce our energy consumption and operational waste. In 2022, we submitted science-based greenhouse gas emission reduction targets for review and approval to the [Science Based Target initiative \(SBTi\)](#).

The following near-term science-based emission reduction targets were approved by the SBTi in February 2023: Reynolds Consumer Products Inc. commits to reduce absolute scope 1 and 2 greenhouse gas emissions (GHG) 25% by 2030 from a 2021 base year. The company also commits to reduce absolute scope 3 GHG emissions from purchased goods and services 25% within the same timeframe. The SBTi has classified the company's scope 1 and 2 target ambition and has determined that it is in line with a well-below 2°C trajectory.

We also continuously work to reduce our consumption of raw materials in producing our products, including reducing or recycling scrap generated during our production processes. We offer recycling in our facilities as available in each community.

## PARTNERSHIP WITH FEEDING AMERICA



The Reynolds® brand is partnering with Feeding America® to help reduce hunger in the United States. As part of September 2022 Hunger Action Month, Reynolds participated in a cause-marketing campaign designed to engage the public to take action on the issue of hunger. During this time, Reynolds helped provide one meal\* for Feeding America with every purchase made at participating national online retailers. All Reynolds Wrap® foil products and Reynolds Kitchens® products, including parchment paper, slow cooker liners, foil pans, and more, were a part of the campaign to maximize support, which resulted in 500,000 meals\* donated. The campaign was supported with promotions on our product websites, magazine ads, digital ads, and on our social media platforms with links leading to purchase.

To enhance our individual participation in Hunger Action Month, employees were also encouraged to volunteer at their local food bank or to consider making a donation.

## COMMITTED TO A CULTURE OF COMPLIANCE AND BUSINESS ETHICS

At RCP, it is important not only what we do, but how we do it. Key to our values is a strong culture of compliance and ethical behavior.

In addition to our commitment to adhere to all state and federal laws, rules, and regulations, we expect all officers, directors, and employees of RCP to adhere to our [Code of Business Conduct](#). Topics include, but are not limited to, harassment and discrimination, conflicts of interest, anti-bribery, and antitrust. Failure to comply with the code and other applicable policies and procedures is subject to corrective action, up to and including separation of employment. All employees are trained annually on our code, with all salaried employees certifying that they have read and agree to adhere to our code.

We provide regular communications on how to anonymously report any violation. The information on our code is available on the company website, intranet, and posted in all facilities. The Ethics Hotline is available 24 hours a day, seven days a week, by phone and website and is staffed by an independent third-party provider.

RCP is committed to investigating all potential violations of the code and dealing with each report fairly and reasonably. The company maintains a strict non-retaliation policy.

# CORPORATE GOVERNANCE

At RCP, we believe that strong governance practices are essential to providing long-term value for our shareholders, customers, team members, and communities. [Our Board of Directors has adopted corporate governance guidelines that serve as a framework for the governance of the company.](#)

The Board has two committees: [1. Audit Committee](#) [2. Compensation, Nominating, and Corporate Governance Committee](#)

As of March 1, 2023, our Board of Directors consists of seven directors, three of whom are independent based on Nasdaq rules for director independence. The Board is led by an independent nonexecutive chair. We prioritize Board diversity and are mindful of the many ways the Board benefits from receiving a wide range of viewpoints and perspectives.

You can find more detailed information about our current Board and Committee Charters on our website, [ReynoldsConsumerProducts.com/Investors](https://ReynoldsConsumerProducts.com/Investors).

## BOARD OF DIRECTORS



**Richard Noll**  
Director and Chairman  
of the Board of Directors



**Greg Cole**  
Director



**Helen Golding**  
Director



**Marla Gottschalk**  
Director



**Allen Hugli**  
Director



**Lance Mitchell**  
Director



**Ann Ziegler**  
Director

## LEADERSHIP TEAM, INVESTOR RELATIONS, AND CORPORATE SECRETARY



**Lance Mitchell**  
President and Chief  
Executive Officer



**Rachel Bishop**  
President, Hefty Tableware  
Business Unit



**Judith Buckner**  
President, Reynolds Cooking &  
Baking Business Unit



**Christopher Corey**  
President, Presto  
Products Business Unit



**Stephen Estes**  
Chief Administrative Officer



**Rita Fisher**  
Chief Information Officer  
and Executive Vice  
President, Supply Chain



**Michael Graham**  
Chief Financial Officer



**Valerie Miller**  
Executive Vice President,  
Human Resources



**Stephan Pace**  
President,  
Sales Evolution Team



**Lisa Smith**  
President, Hefty Waste &  
Storage Business Unit



**Mark Swartzberg**  
Vice President,  
Investor Relations



**David Watson**  
Legal Counsel and  
Corporate Secretary

# 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

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  No

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  No

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  No

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  No

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  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

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

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.

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.

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).

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

As of June 30, 2022, 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, 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 shares of common stock, \$0.001 par value, outstanding as of January 31, 2023.

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

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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,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” 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 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 a pandemic or disease outbreak, such as coronavirus or otherwise;
- the unknown duration and economic, operational and financial impacts of the global COVID-19 pandemic;
- 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;
- impacts from inflationary trends;
- difficulty meeting our sales growth objectives and innovation goals; and
- increases in market interest rates, or the impact of the phase-out or replacement of the LIBO rate as an interest rate benchmark.

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. 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 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 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.

Our products are typically used in the homes of consumers of all demographics on a daily basis and meet the convenience-oriented preferences of today’s consumer across a broad range of household activities. We help make daily life easier by assisting with preparation, cooking, mealtime and clean-up and by providing convenient storage and indoor/outdoor disposal solutions. Our diverse product portfolio includes aluminum foil, wraps, 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. These factors generate loyalty which empowers us 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 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 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 MULO latest 52 weeks ended January 1, 2023 and Nielsen MarketTrack latest 52 weeks ended December 31, 2022.

**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 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 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 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. 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 the Hefty EnergyBag 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, 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™ and Hefty Compostable Printed Paper Plates.
- **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. 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 2022, 2021 and 2020 were as follows:

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

(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% and 30% and Sam’s Club accounted for 18%, 15% and 13% of our total net revenue in fiscal years 2022, 2021 and 2020, 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, sales in North America and the United States represented 99% and 98% 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 customer service representatives, category management teams and a logistics and transportation team.

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 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 price, quality and brand recognition. 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 an engaged team, our objectives include successfully identifying, recruiting, onboarding, retaining and incentivizing our existing and new employees. Our talent management and succession plan 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, 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 the 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 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, 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 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. 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.

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 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 and 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.

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 to incur additional direct costs in complying 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.

### **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](http://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](http://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 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, sales to our top ten customers accounted for 74% 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, which in turn is our sole producer 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), 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 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.***

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. 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, and our 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 and indirect impacts of the COVID-19 pandemic have continued to affect recent periods. Supply chains at many companies globally continue to be strained due to increased competition for production line capacity, freight and logistics resources, as well as labor shortages, and shortages of certain materials. In addition, global supply chain issues and other macroeconomic factors 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 unfavorably impact our gross margin and operating results in future periods for as long as such constraints and challenges exist.

***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.***

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.

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.

***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 product lines or businesses, which could impact our business, financial condition and results of operations.***

We may pursue acquisitions of product lines or businesses from third parties. Acquisitions involve numerous risks, including difficulties in the assimilation of the operations, technologies, services and products of the acquired product lines or businesses, estimation and assumption of liabilities and contingencies, personnel turnover and the diversion of management's attention from other business operations. We may be unable to successfully integrate and manage certain product lines or businesses that we may acquire in the future, or be unable to achieve anticipated benefits or cost savings from acquisitions in the time frame we anticipate, or at all.

***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 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 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 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, we had \$2,107 million of outstanding indebtedness under our senior secured term loan facility (“Term Loan Facility”) maturing in 2027 and \$243 million of borrowing capacity under our senior secured revolving credit facility (“Revolving Facility”) maturing in 2025 (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, the unhedged portion of our Term Loan Facility was approximately \$957 million, and any borrowings under our Revolving Facility are subject to interest rate volatility.

The Federal Reserve recently raised interest rates multiple times and signaled that they expect additional rate increases. Higher interest rates 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 are priced using a spread over LIBOR and we may be adversely affected by the use of alternative reference rates.*

On July 27, 2017, the United Kingdom's Financial Conduct Authority, which regulates the entity that calculates LIBOR, announced that LIBOR was to be phased out by the end 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”) as the preferred alternate rate to LIBOR. We are planning for this transition and are currently evaluating amendments to our credit agreement to incorporate an alternative benchmark rate in replacement of LIBOR.

SOFR is calculated differently from LIBOR and has inherent differences which could give rise to uncertainties, including the limited historical data and volatility in the benchmark rates. While we continue to evaluate the potential impact of the transition to SOFR, these changes could result in interest obligations that are slightly more than or do not otherwise correlate exactly over time with the payments that would have been made on such debt if USD LIBOR 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. In addition, while our credit agreement provides a mechanism for determining an alternative rate of interest in the event that no tenors of LIBOR are available, there can be no assurance that we will be able to reach an agreement with the administrative agent for our lenders before experiencing adverse effects due to changes in the underlying benchmark rate, if at all, as our credit agreement provides for an amendment approach to the establishment of a successor benchmark, as opposed to a hardwired approach where LIBOR would be replaced automatically upon a benchmark transition event. The potential effect of the replacement of LIBOR on our cost of capital cannot yet be determined and any increase in the interest we pay, and a corresponding increase in our costs of capital or otherwise, could have a material adverse impact on our financial condition, results of operations or cash flows.

## 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"), 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 2. PROPERTIES

Our corporate headquarters are located in Lake Forest, Illinois. In addition, as of December 31, 2022, our production and distribution network consisted of 24 manufacturing and warehouse facilities in 11 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, 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, there were three 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.



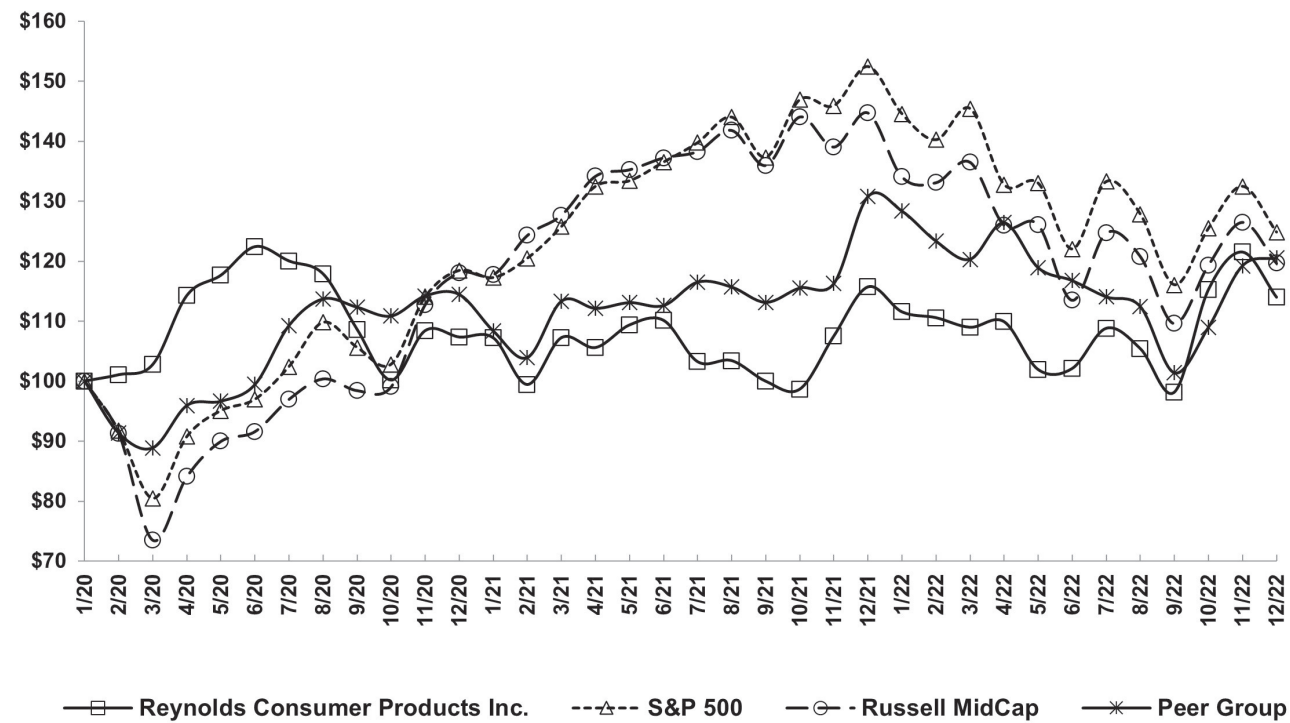
**Performance Graph**

ITEM 6. [RESERVED]

The following graph compares our cumulative total stockholder return from January 31, 2020 to December 31, 2022 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.

**COMPARISON OF CUMULATIVE TOTAL STOCKHOLDER RETURN**  
Among Reynolds Consumer Products Inc., the S&P 500 Index, the Russell MidCap Index, and a Peer Group



## 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. 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 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 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 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 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. 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 the Hefty EnergyBag 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, 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™ and Hefty Compostable Printed Paper Plates.
- **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. 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. 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, 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 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 the year ended December 31, 2022, 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 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.

### 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 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, other non-recurring costs and the impact of a tax legislation change under the CARES Act enacted on March 27, 2020.

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)		
<b>Net income – GAAP</b>	<b>\$ 258</b>	<b>\$ 324</b>	<b>\$ 363</b>
Income tax expense	80	106	153
Interest expense, net	76	48	70
Depreciation and amortization	117	109	99
IPO and separation-related costs <sup>(1)</sup>	12	14	31
Other	3	—	1
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 546</b>	<b>\$ 601</b>	<b>\$ 717</b>

(1) Reflects costs during the years ended December 31, 2022, 2021, and 2020 related to our separation to operate as a stand-alone public company as well as costs related to the IPO process.

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		
	Net Income	Diluted Shares	Diluted EPS	Net Income	Diluted Shares	Diluted EPS	Net Income	Diluted Shares	Diluted EPS
<b>As Reported - GAAP</b>	<b>\$ 258</b>	<b>210</b>	<b>\$ 1.23</b>	<b>\$ 324</b>	<b>210</b>	<b>\$ 1.54</b>	<b>\$ 363</b>	<b>205</b>	<b>\$ 1.77</b>
Assume full period impact of IPO shares <sup>(1)</sup>	—	—	—	—	—	—	—	5	—
<b>Total</b>	<b>258</b>	<b>210</b>	<b>1.23</b>	<b>324</b>	<b>210</b>	<b>1.54</b>	<b>363</b>	<b>210</b>	<b>1.73</b>
<b>Adjustments:</b>									
IPO and separation-related costs <sup>(2)</sup>	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 <sup>(2)</sup>	2	210	0.01	—	—	—	—	—	—
<b>Adjusted (Non-GAAP)</b>	<b>\$ 269</b>	<b>210</b>	<b>\$ 1.28</b>	<b>\$ 335</b>	<b>210</b>	<b>\$ 1.59</b>	<b>\$ 413</b>	<b>210</b>	<b>\$ 1.97</b>

(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 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.

## 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.

Discussions of the year ended December 31, 2021 items and comparisons between the year ended December 31, 2021 and the year ended December 31, 2020 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.

### Aggregation of Segment Revenue and Adjusted EBITDA

(in millions)	Reynolds Cooking & Baking	Hefty Waste & Storage	Hefty Tableware	Presto Products	Unallocated <sup>(2)</sup>	Total Reynolds 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 <sup>(1)</sup>						
2022	\$ 142	\$ 207	\$ 134	\$ 96	\$ (33)	\$ 546
2021	255	173	137	69	(33)	601
2020	254	236	170	98	(41)	717

- (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 Compared with the Year Ended December 31, 2021

#### Total Reynolds Consumer Products

(in millions, except for %)	For the Years Ended December 31,					
	2022	% of Revenue	2021	% of Revenue	Change	% Change
Net revenues	\$ 3,716	97 %	\$ 3,445	97 %	\$ 271	8 %
Related party net revenues	101	3 %	111	3 %	(10)	(9) %
<b>Total net revenues</b>	<b>3,817</b>	<b>100 %</b>	<b>3,556</b>	<b>100 %</b>	<b>261</b>	<b>7 %</b>
Cost of sales	(3,041)	(80) %	(2,745)	(77) %	(296)	(11) %
<b>Gross profit</b>	<b>776</b>	<b>20 %</b>	<b>811</b>	<b>23 %</b>	<b>(35)</b>	<b>(4) %</b>
Selling, general and administrative expenses	(340)	(9) %	(320)	(9) %	(20)	(6) %
Other expense, net	(22)	(1) %	(13)	— %	(9)	(69) %
<b>Income from operations</b>	<b>414</b>	<b>11 %</b>	<b>478</b>	<b>13 %</b>	<b>(64)</b>	<b>(13) %</b>
Interest expense, net	(76)	(2) %	(48)	(1) %	(28)	(58) %
<b>Income before income taxes</b>	<b>338</b>	<b>9 %</b>	<b>430</b>	<b>12 %</b>	<b>(92)</b>	<b>(21) %</b>
Income tax expense	(80)	(2) %	(106)	(3) %	26	25 %
<b>Net income</b>	<b>\$ 258</b>	<b>7 %</b>	<b>\$ 324</b>	<b>9 %</b>	<b>\$ (66)</b>	<b>(20) %</b>
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>\$ 546</b>	<b>14 %</b>	<b>\$ 601</b>	<b>17 %</b>	<b>\$ (55)</b>	<b>(9) %</b>

- (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 vs. the Year Ended December 31, 2021

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

*Total Net Revenues.* Total net revenues increased by \$261 million, or 7%, to \$3,817 million. The increase was primarily driven by higher pricing as a result of pricing actions taken in response to increased material, manufacturing and logistics costs, partially offset by lower volume.

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

*Selling, General and Administrative Expenses.* Selling, general and administrative expenses increased by \$20 million, or 6%, to \$340 million primarily due to higher advertising expense.

*Other Expense, Net.* Other expense, net increased by \$9 million, or 69%, to \$22 million. The increase was primarily attributable to changes in our deferred compensation plan assets.

*Interest Expense, Net.* Interest expense, net increased by \$28 million, or 58%, to \$76 million. The increase was primarily due to higher interest rates.

*Income Tax Expense.* We recognized 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 by \$55 million, or 9%, to \$546 million. The decrease in Adjusted EBITDA was primarily due to lower volume and higher advertising costs, partially offset by the timing of pricing actions to recover increased material, manufacturing and logistics costs.

### Segment Information

#### Reynolds Cooking & Baking

(in millions, except for %)	For the Years Ended December 31,			
	2022	2021	Change	% change
Total segment net revenues	\$ 1,287	\$ 1,314	\$ (27)	(2) %
Segment Adjusted EBITDA	142	255	(113)	(44) %
Segment Adjusted EBITDA Margin	11 %	19 %		

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

*Adjusted EBITDA.* Reynolds Cooking & Baking Adjusted EBITDA decreased by \$113 million, or 44%, to \$142 million. The decrease in Adjusted EBITDA was primarily driven by lower volume and the timing of pricing actions lagging higher material and manufacturing costs. The increase in manufacturing costs was primarily driven by equipment reliability and related inefficiencies.

## Hefty Waste & Storage

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

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

*Adjusted EBITDA.* Hefty Waste & Storage Adjusted EBITDA increased by \$34 million, or 20%, to \$207 million. The increase in Adjusted EBITDA was primarily driven by the timing of pricing actions to recover higher material, manufacturing and logistics costs and cost savings initiatives, partially offset by higher advertising costs.

## Hefty Tableware

(in millions, except for %)	For the Years Ended December 31,			
	2022	2021	Change	% change
Total segment net revenues	\$ 1,000	\$ 815	\$ 185	23 %
Segment Adjusted EBITDA	134	137	(3)	(2) %
Segment Adjusted EBITDA Margin	13 %	17 %		

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

*Adjusted EBITDA.* Hefty Tableware Adjusted EBITDA decreased by \$3 million, or 2%, to \$134 million. The decrease in Adjusted EBITDA was primarily driven by pricing actions lagging material, manufacturing and logistics costs and higher advertising costs, partially offset by higher volume.

## Presto Products

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

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

*Adjusted EBITDA.* Presto Products Adjusted EBITDA increased by \$27 million, or 39%, to \$96 million. The increase in Adjusted EBITDA was primarily driven by the timing of price increases to recover higher material, manufacturing and logistics costs and cost savings initiatives.

### 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:

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

### Cash provided by operating activities

Net cash from operating activities decreased by \$91 million, or 29%, to \$219 million. The decrease was primarily driven by lower net income and higher investment in net working capital, partially offset by lower net cash outlays related to employee costs in the current year period compared to the prior year period.

### Cash used in investing activities

Net cash used in investing activities decreased by \$13 million, or 9%, to \$128 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.

### Cash used in financing activities

Net cash used in financing activities decreased by \$100 million, or 32%, to \$217. The decrease in cash flows from financing activities was attributable to a voluntary payment of debt made in the prior year period that did not repeat in the current year period.

### External Debt Facilities

On February 4, 2020, in conjunction with our Corporate Reorganization and IPO, we entered into the External Debt Facilities which consist 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.

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

The borrower under the External Debt Facilities is Reynolds Consumer Products LLC (the "Borrower"). The Revolving Facility includes a sub-facility for letters of credit. In addition, the 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 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 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 plus an applicable margin of 1.75%.

During the year ended December 31, 2020, we entered into a series of interest rate swaps which fixed the LIBO rate to an annual rate of 0.18% to 0.47% (for an annual effective interest rate of 1.93% to 2.22%, 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 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.

### 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 Revolving Facility matures in February 2025.

### Guarantee and security

All obligations under the External Debt Facilities and certain hedge agreements and cash management arrangements provided by any lender party to the 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 External Debt Facilities and certain hedge agreements and cash management arrangements provided by any lender party to the External Debt Facilities or any of its affiliates and certain other persons, and the guarantees 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 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 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 External Debt Facilities are entitled to take various actions, including the acceleration of amounts due under the External Debt Facilities and all actions permitted to be taken by secured creditors.

We are currently in compliance with the covenants contained in our 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. 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.

### Dividends

During the year ended December 31, 2022, cash dividends totaling \$0.92 per share were declared and paid. On January 26, 2023, a quarterly cash dividend of \$0.23 per share was declared and is to be paid on February 28, 2023. 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 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:

(in millions)	Total	Less than one year	One to three years	Three to five years	Greater than five years
Long-term debt <sup>(1)</sup>	\$ 2,631	\$ 155	\$ 306	\$ 2,170	\$ —
Operating lease liabilities	76	17	32	18	9
Finance lease liabilities	16	2	2	2	10
Unconditional capital expenditure obligations	50	50	—	—	—
Postretirement benefit plan obligations	34	2	5	6	21
<b>Total contractual obligations</b>	<b>\$ 2,807</b>	<b>\$ 226</b>	<b>\$ 345</b>	<b>\$ 2,196</b>	<b>\$ 40</b>

(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.

As of December 31, 2022, our liabilities for uncertain tax positions and defined benefit pension obligations totaled \$10 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%, 4%, and 5% of total net revenues for the years ended December 31, 2022, 2021 and 2020, respectively. As of December 31, 2022 and 2021, we had accruals of \$38 million and \$40 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 2022, 2021 and 2020.

#### 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 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 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, which accrue interest at the LIBO 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, we entered into a series of interest rate swaps which fixed the LIBO rate to an annual rate of 0.18% to 0.47% (for an annual effective interest rate of 1.93% to 2.22%, 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 to four 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 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 million. Refer to Note 8 - Financial Instruments for further detail.

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

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

Based on the unhedged outstanding borrowings under the Term Loan Facility as of December 31, 2022, a 100-basis point increase (decrease) in the interest rates under the Term Loan Facility would result in a \$10 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 and 2021, 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, 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, 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 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 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, 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***

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, consideration in contracts with customers is variable due to anticipated reductions such as discounts, allowances and trade promotions. Accordingly, revenues are recorded net of estimated sales incentives, based on known or expected adjustments. The transaction price is estimated based on the amount of consideration to which management believes they will be entitled.

The principal considerations for our determination that performing procedures relating to revenue recognition including sales incentives is a critical audit matter are a high degree of auditor effort in performing procedures and evaluating audit evidence related to contractual terms in customer arrangements to determine the amount of consideration.

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. 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 revenue transactions by testing the issuance and settlement of invoices and credit memos; (iii) tracing transactions not settled to a detailed listing of accounts receivable; (iv) sampling outstanding customer invoice balances at year end by obtaining and inspecting source documents, including invoices, sales contracts, and subsequent cash receipts; and (v) testing the completeness and accuracy of data provided by management.

/s/PricewaterhouseCoopers LLP  
Chicago, Illinois  
February 8, 2023

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
Net revenues	\$ 3,716	\$ 3,445	\$ 3,147
Related party net revenues	101	111	116
<b>Total net revenues</b>	<b>3,817</b>	<b>3,556</b>	<b>3,263</b>
Cost of sales	(3,041)	(2,745)	(2,290)
<b>Gross profit</b>	<b>776</b>	<b>811</b>	<b>973</b>
Selling, general and administrative expenses	(340)	(320)	(358)
Other expense, net	(22)	(13)	(29)
<b>Income from operations</b>	<b>414</b>	<b>478</b>	<b>586</b>
Interest expense, net	(76)	(48)	(70)
<b>Income before income taxes</b>	<b>338</b>	<b>430</b>	<b>516</b>
Income tax expense	(80)	(106)	(153)
<b>Net income</b>	<b>\$ 258</b>	<b>\$ 324</b>	<b>\$ 363</b>
Earnings per share			
Basic	\$ 1.23	\$ 1.54	\$ 1.78
Diluted	\$ 1.23	\$ 1.54	\$ 1.77
Weighted average shares outstanding:			
Basic	209.8	209.8	204.5
Diluted	209.9	209.8	204.5

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)

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

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
<b>Assets</b>		
Cash and cash equivalents	\$ 38	\$ 164
Accounts receivable, net	348	316
Other receivables	15	12
Related party receivables	7	10
Inventories	722	583
Other current assets	41	19
<b>Total current assets</b>	<b>1,171</b>	<b>1,104</b>
Property, plant and equipment, net	722	677
Operating lease right-of-use assets, net	65	55
Goodwill	1,879	1,879
Intangible assets, net	1,031	1,061
Other assets	61	36
<b>Total assets</b>	<b>\$ 4,929</b>	<b>\$ 4,812</b>
<b>Liabilities</b>		
Accounts payable	\$ 252	\$ 261
Related party payables	46	38
Current portion of long-term debt	25	25
Current operating lease liabilities	14	11
Income taxes payable	14	1
Accrued and other current liabilities	145	148
<b>Total current liabilities</b>	<b>496</b>	<b>484</b>
Long-term debt	2,066	2,087
Long-term operating lease liabilities	53	46
Deferred income taxes	365	351
Long-term postretirement benefit obligation	34	50
Other liabilities	47	38
<b>Total liabilities</b>	<b>\$ 3,061</b>	<b>\$ 3,056</b>
Commitments and contingencies (Note 13)		
<b>Stockholders' equity</b>		
Common stock, \$0.001 par value; 2,000 shares authorized; 210 shares issued and outstanding	—	—
Additional paid-in capital	1,385	1,381
Accumulated other comprehensive income	52	10
Retained earnings	431	365
<b>Total stockholders' equity</b>	<b>1,868</b>	<b>1,756</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 4,929</b>	<b>\$ 4,812</b>

See accompanying notes to the consolidated financial statements.

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

	Common Stock	Additional Paid-in Capital	Retained Earnings	Net Parent (Deficit)	Accumulated Other Comprehensive Income	Total Equity (Deficit)
<b>Balance as of December 31, 2019</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (823)</b>	<b>\$ 5</b>	<b>\$ (818)</b>
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
<b>Balance as of December 31, 2020</b>	<b>\$ —</b>	<b>\$ 1,381</b>	<b>\$ 233</b>	<b>\$ —</b>	<b>\$ 1</b>	<b>\$ 1,615</b>
Net income	—	—	324	—	—	324
Other comprehensive income, net of income taxes	—	—	—	—	9	9
Dividends (\$0.92 per share declared and paid)	—	—	(192)	—	—	(192)
<b>Balance as of December 31, 2021</b>	<b>\$ —</b>	<b>\$ 1,381</b>	<b>\$ 365</b>	<b>\$ —</b>	<b>\$ 10</b>	<b>\$ 1,756</b>
Net income	—	—	258	—	—	258
Other comprehensive income, net of income taxes	—	—	—	—	42	42
Dividends (\$0.92 per share declared and paid)	—	—	(192)	—	—	(192)
Other	—	4	—	—	—	4
<b>Balance as of December 31, 2022</b>	<b>\$ —</b>	<b>\$ 1,385</b>	<b>\$ 431</b>	<b>\$ —</b>	<b>\$ 52</b>	<b>\$ 1,868</b>

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
<b>Cash provided by operating activities</b>			
Net income	\$ 258	\$ 324	\$ 363
Adjustments to reconcile net income to operating cash flows:			
Depreciation and amortization	117	109	99
Deferred income taxes	1	22	67
Stock compensation expense	5	4	5
Change in assets and liabilities:			
Accounts receivable, net	(31)	(24)	(279)
Other receivables	(3)	(3)	(2)
Related party receivables	3	(2)	5
Inventories	(139)	(165)	—
Accounts payable	(14)	71	54
Related party payables	8	(3)	(28)
Related party accrued interest payable	—	—	(18)
Income taxes payable	13	(7)	7
Accrued and other current liabilities	1	(15)	38
Other assets and liabilities	—	(1)	8
<b>Net cash provided by operating activities</b>	<b>219</b>	<b>310</b>	<b>319</b>
<b>Cash used in investing activities</b>			
Acquisition of property, plant and equipment	(128)	(141)	(143)
<b>Net cash used in investing activities</b>	<b>(128)</b>	<b>(141)</b>	<b>(143)</b>
<b>Cash (used in) provided by financing activities</b>			
Repayment of long-term debt	(25)	(125)	(218)
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)
<b>Net cash (used in) provided by financing activities</b>	<b>(217)</b>	<b>(317)</b>	<b>34</b>
Cash and cash equivalents:			
(Decrease) increase in cash and cash equivalents	(126)	(148)	210
Balance as of beginning of the year	164	312	102
<b>Balance as of end of the year</b>	<b>\$ 38</b>	<b>\$ 164</b>	<b>\$ 312</b>
Cash paid:			
Interest - long-term debt	68	41	60
Interest - related party borrowings	—	—	23
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”).

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 and 2021 were \$2 million and \$7 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 and 2021.

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. 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.

*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' 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.

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.

*Revenue Recognition:*

After assessing our 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. 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, \$43 million and \$72 million in the years ended December 31, 2022, 2021 and 2020, respectively. We expense product research and development costs as incurred. Research and development expense was \$38 million, \$36 million and \$41 million in the years ended December 31, 2022, 2021 and 2020, respectively. We record marketing and advertising as well as research and development expenses in selling, general and administrative expenses.

*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 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 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.

*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 and 2021 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") issued Accounting Standards Update ("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 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 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*, which provides optional expedients 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, and other interbank offered rates expected to be discontinued, to alternative reference rates. This ASU was effective upon its issuance and can 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 expedients related to assessing probability of future LIBOR denominated cash flows and the effectiveness of the instruments hedging those cash flows. Application of these expedients 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 impact of this standard and its amendment on our consolidated financial statements.

**Note 3 - Inventories**

Inventories consisted 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
<b>Inventories</b>	<b>\$ 722</b>	<b>\$ 583</b>

**Reynolds Consumer Products Inc.**  
**Notes to the Consolidated Financial Statements**

**Note 4 - Property, Plant and Equipment, Net**

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

	As of December 31,	
	2022	2021
	(in millions)	
Land and land improvements	\$ 44	\$ 43
Buildings and building improvements	203	183
Machinery and equipment	1,202	1,126
Construction in progress	94	77
Property, plant and equipment, at cost	1,543	1,429
Less: accumulated depreciation	(821)	(752)
<b>Property, plant and equipment, net</b>	<b>\$ 722</b>	<b>\$ 677</b>

Depreciation expense was \$86 million, \$78 million and \$68 million for the years ended December 31, 2022, 2021 and 2020, respectively, of which \$76 million, \$70 million and \$62 million, respectively, was recognized in cost of sales and \$10 million, \$8 million and \$6 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	—	—	—	—	—
<b>Balance as of December 31, 2022</b>	<b>\$ 794</b>	<b>\$ 505</b>	<b>\$ 282</b>	<b>\$ 298</b>	<b>\$ 1,879</b>

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)					
<b>Finite-lived intangible assets</b>						
Customer relationships	\$ 580	\$ (400)	\$ 180	\$ 580	\$ (371)	\$ 209
Trade names	25	(24)	1	25	(23)	2
<b>Total finite-lived intangible assets</b>	<b>605</b>	<b>(424)</b>	<b>181</b>	<b>605</b>	<b>(394)</b>	<b>211</b>
<b>Indefinite-lived intangible assets</b>						
Trade names	850	—	850	850	—	850
<b>Total intangible assets</b>	<b>\$ 1,455</b>	<b>\$ (424)</b>	<b>\$ 1,031</b>	<b>\$ 1,455</b>	<b>\$ (394)</b>	<b>\$ 1,061</b>

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.**  
**Notes to the Consolidated Financial Statements**

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

(in millions)	2023	2024	2025	2026	2027
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,	
	2022	2021
	(in millions)	
Term Loan Facility	\$ 2,107	\$ 2,132
Deferred financing transaction costs	(14)	(18)
Original issue discounts	(2)	(2)
	2,091	2,112
Less: current portion	(25)	(25)
<b>Long-term debt</b>	<b>\$ 2,066</b>	<b>\$ 2,087</b>

*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 we entered into, and extinguished, a \$1,168 million facility (“IPO Settlement Facility”). The proceeds from the Term Loan Facility and IPO Settlement Facility, net of transaction costs and original issue discounts, together with available cash, were used to repay accrued related party interest and a portion of the related party loans payable.

Borrowings under the 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 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 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 External Debt Facilities are entitled to take various actions, including the acceleration of amounts due under the 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, 2021, we made voluntary principal payments of \$100 million on our Term Loan Facility.

*Revolving Facility*

The Revolving Facility matures in February 2025 and includes a sub-facility for letters of credit. As of December 31, 2022, we had no outstanding borrowings under the Revolving Facility, and we had \$7 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, 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 <sup>(1)</sup>	—	—	5
Interest rate swaps (benefit) expense	(6)	2	—
Other	4	1	1
<b>Interest expense, net</b>	<b>\$ 76</b>	<b>\$ 48</b>	<b>\$ 70</b>

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

*Scheduled Maturities*

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

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

**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.



**Reynolds Consumer Products Inc.**  
**Notes to the Consolidated Financial Statements**

Operating lease costs consisted of the following:

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

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

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

	As of December 31, 2022		
	Operating Leases	Finance Leases	Total
	(in millions)		
2023	\$ 17	\$ 2	\$ 19
2024	17	1	18
2025	15	1	16
2026	10	1	11
2027	8	1	9
Thereafter	9	10	19
<b>Total undiscounted lease payments</b>	<b>76</b>	<b>16</b>	<b>92</b>
Less: imputed interest	(9)	(4)	(13)
<b>Present value of lease liabilities</b>	<b>\$ 67</b>	<b>\$ 12</b>	<b>\$ 79</b>

As of December 31, 2022, there were no material lease transactions that we have entered into but have not yet commenced.

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

		As of December 31,	
		2022	2021
		(in millions)	
<b>Operating leases</b>	<b>Balance Sheet Classification</b>		
Right-of-use assets	Operating lease right-of-use assets	\$ 65	\$ 55
Current lease liabilities	Current operating lease liabilities	\$ 14	\$ 11
Non-current lease liabilities	Long-term operating lease liabilities	53	46
<b>Total operating lease liabilities</b>		<b>\$ 67</b>	<b>\$ 57</b>
<b>Finance leases</b>	<b>Balance Sheet Classification</b>		
Right-of-use assets	Other assets	\$ 12	\$ —
Current lease liabilities	Accrued and other current liabilities	\$ 1	\$ —
Non-current lease liabilities	Other liabilities	11	—
<b>Total finance lease liabilities</b>		<b>\$ 12</b>	<b>\$ —</b>

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

**Reynolds Consumer Products Inc.**  
**Notes to the Consolidated Financial Statements**

During the years ended December 31, 2022, 2021 and 2020, cash flows from operating activities in the consolidated statements of cash flows reflected \$17 million, \$15 million and \$14 million, respectively, of payments for operating lease liabilities. Payments for finance lease liabilities in the year ended December 31, 2022 were not material.

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

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

**Note 8 - Financial Instruments**

*Interest Rate Derivatives*

During the year ended December 31, 2020, we entered into a series of interest rate swaps which fixed the LIBO rate to an annual rate of 0.18% to 0.47% (for an annual effective interest rate of 1.93% to 2.22%, 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 years to four 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)	Notional Amount	Annual Rate	Weighted Average Annual Effective Rate	Fair Value - Other Current Assets	Fair Value - Other Assets
As of December 31, 2022	\$ 1,150	2.19% to 5.19%	4.42%	\$ 25	\$ 23
As of December 31, 2021	\$ 800	1.93% to 2.22%	2.01%	\$ 1	\$ 4

**Note 9 - Benefit Plans**

*Defined Benefit Plan*

After our separation from PEI Group and IPO in February 2020, we established a defined benefit plan for certain of our employees. The initial liability was \$2 million 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 and 2021 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, \$26 million and \$24 million for the years ended December 31, 2022, 2021 and 2020, respectively.

**Reynolds Consumer Products Inc.**  
**Notes to the Consolidated Financial Statements**

*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)	
Accumulated postretirement benefit obligation as of January 1	\$ 48	\$ 54
Service cost	1	1
Interest cost	1	1
Benefits paid	(2)	(3)
Actuarial gains	(14)	(5)
<b>Accumulated postretirement benefit obligation as of December 31</b>	<b>\$ 34</b>	<b>\$ 48</b>

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

	As of December 31,	
	2022	2021
	(in millions)	
Accrued and other current liabilities	\$ 2	\$ 3
Long-term postretirement benefit obligation	32	45
	<b>\$ 34</b>	<b>\$ 48</b>

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

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

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

	As of December 31,	
	2022	2021
Discount rate	5.18 %	2.90 %
Health care cost trend rate assumed for next year	7.00 %	6.60 %
Ultimate trend rate	4.50 %	4.50 %
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.

*Components of Net Periodic Postretirement Costs:*

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

**Reynolds Consumer Products Inc.**  
**Notes to the Consolidated Financial Statements**

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
Discount rate	2.90 %	2.54 %	3.24 %
Health care cost trend rate assumed for next year	6.60 %	6.90 %	7.20 %
Ultimate trend rate	4.50 %	4.50 %	4.50 %
Year that 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 were as follows:

	(in millions)
2023	\$ 2
2024	2
2025	3
2026	3
2027	3
2028-2032	13

**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 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 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, 0.2 million RSUs and 0.2 million PSUs were granted.

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

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

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

**Reynolds Consumer Products Inc.**  
**Notes to the Consolidated Financial Statements**

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

**Note 11 - Accrued and Other Current Liabilities**

Accrued and other current liabilities consisted of the following:

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

**Note 12 - Other Expense, Net**

Other expense, net consisted of the following:

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

(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, 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, 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.

**Reynolds Consumer Products Inc.**  
**Notes to the Consolidated Financial Statements**

**Note 14 - Accumulated Other Comprehensive Income**

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

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

**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)		
Income before income taxes:			
United States	\$ 332	\$ 424	\$ 511
International	6	6	5
Total income before income taxes	<b>\$ 338</b>	<b>\$ 430</b>	<b>\$ 516</b>

**Reynolds Consumer Products Inc.**  
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Significant components of income tax expense were as follows:

	For the Years Ended December 31,		
	2022	2021	2020
	(in millions)		
<b>Current</b>			
United States			
Federal	\$ 64	\$ 69	\$ 70
State	14	14	14
Foreign	1	1	1
<b>Total current income tax expense</b>	<b>79</b>	<b>84</b>	<b>85</b>
<b>Deferred</b>			
United States			
Federal	3	19	54
State	(3)	3	13
Foreign	1	—	1
<b>Total deferred income tax expense</b>	<b>1</b>	<b>22</b>	<b>68</b>
<b>Total income tax expense</b>	<b>\$ 80</b>	<b>\$ 106</b>	<b>\$ 153</b>

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

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

**Reynolds Consumer Products Inc.**  
**Notes to the Consolidated Financial Statements**

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

*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)		
Balance as of beginning of the year	\$ 5	\$ 4	\$ 2
Increase associated with tax positions taken during the current year	2	1	2
Increase associated with tax positions taken in prior years	1	—	—
<b>Ending unrecognized tax benefits</b>	<b>\$ 8</b>	<b>\$ 5</b>	<b>\$ 4</b>

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. 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.

**Reynolds Consumer Products Inc.**  
**Notes to the Consolidated Financial Statements**

**Note 16 - Segment Information**

Our Chief Executive Officer, who has been identified as our Chief Operating Decision Maker ("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") 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 <sup>(1)</sup>	Total
2022 (in millions)							
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 <sup>(1)</sup>	Total
2021 (in millions)							
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

	Reynolds Cooking & Baking	Hefty Waste & Storage	Hefty Tableware	Presto Products	Segment total	Unallocated <sup>(1)</sup>	Total
2020 (in millions)							
Net revenues	\$ 1,159	\$ 809	\$ 763	\$ 532	\$ 3,263	\$ —	\$ 3,263
Intersegment revenues	—	9	—	1	10	(10)	—
Total segment net revenues	1,159	818	763	533	3,273	(10)	3,263
Adjusted EBITDA	254	236	170	98	758		
Depreciation and amortization	20	15	14	19	68	31	99
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,		
	2022	2021	2020
	(in millions)		
Segment Adjusted EBITDA	\$ 579	\$ 634	\$ 758
Corporate / unallocated expenses	(33)	(33)	(41)
	<u>546</u>	<u>601</u>	<u>717</u>
<i>Adjustments to reconcile to GAAP income before income taxes</i>			
Depreciation and amortization	(117)	(109)	(99)
Interest expense, net	(76)	(48)	(70)
IPO and separation-related costs	(12)	(14)	(31)
Other	(3)	—	(1)
<b>Consolidated GAAP income before income taxes</b>	<b><u>\$ 338</u></b>	<b><u>\$ 430</u></b>	<b><u>\$ 516</u></b>

*Information in Relation to Products*

Net revenues by product line are as follows:

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

(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,		
	2022	2021	2020
	(in millions)		
Net revenues:			
United States	\$ 3,742	\$ 3,495	\$ 3,206
Other	75	61	57
<b>Net revenues</b>	<b><u>\$ 3,817</u></b>	<b><u>\$ 3,556</u></b>	<b><u>\$ 3,263</u></b>

**Reynolds Consumer Products Inc.**  
**Notes to the Consolidated Financial Statements**

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

*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, 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 PEI Group. In addition to the pre-IPO allocation of expenses 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 between us and PEI Group are described below.

*On-going Related Party Transactions*

For the years ended December 31, 2022, 2021 and 2020, revenues from products sold to PEI Group were \$101 million, \$111 million and \$116 million, respectively. For the years ended December 31, 2022, 2021 and 2020, products purchased from PEI Group were \$399 million, \$343 million and \$330 million, respectively. For the years ended December 31, 2022, 2021 and 2020, PEI Group charged us freight and warehousing costs of \$54 million, \$60 million and \$80 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, 2021 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 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 ended December 31, 2022 related to transition services.

**Note 18 - Subsequent Events**

*Quarterly Cash Dividend*

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

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

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

None.

**ITEM 9A. CONTROLS AND PROCEDURES**

*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 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.

*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 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.

Our independent registered public accounting firm, PricewaterhouseCoopers LLP, has audited the effectiveness of our internal control over financial reporting as of December 31, 2022, 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 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION**

None.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not Applicable.

**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 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 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 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 Annual Meeting of Stockholders and is incorporated herein by reference.

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

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

**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:

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

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.



**INDEX TO EXHIBITS**

Exhibit	Description
3.1	<u>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)</u>
3.2	<u>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)</u>
4.1	<u>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)</u>
4.2	<u>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)</u>
4.3	<u>Form of Debt Security (included in Exhibit 4.2)</u>
10.1†	<u>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)</u>
10.2†	<u>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)</u>
10.3†	<u>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)</u>
10.4†	<u>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)</u>
10.5†	<u>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)</u>
10.6†	<u>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)</u>
10.7†	<u>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)</u>
10.8†	<u>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)</u>
10.9†	<u>Employment Agreement, dated July 8, 2019, between Reynolds Consumer Products LLC and Lance Mitchell (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)</u>
10.10†	<u>Employment Agreement, dated July 8, 2019, between Reynolds Consumer Products LLC and Michael Graham (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)</u>
10.11†	<u>Employment Agreement, dated July 8, 2019, between Reynolds Consumer Products LLC and Craig Cappel (incorporated herein by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-1 (File No. 333-234731) filed with the SEC on November 15, 2019)</u>
10.12†	<u>Employment Agreement, dated July 29, 2019, between Reynolds Consumer Products LLC and Rachel Bishop (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)</u>
10.13†	<u>Employment Agreement, dated July 8, 2019, between Reynolds Consumer Products LLC and Judith Buckner (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)</u>
10.14*†	<u>Employment Agreement, dated February 28, 2022, between Reynolds Consumer Products LLC and Lisa Smith</u>
10.15*†	<u>Amended and Restated Employment Agreement, dated May 31, 2022, between Reynolds Consumer Products LLC and Michael Graham</u>
10.16*†	<u>Amended and Restated Employment Agreement, dated May 31, 2022, between Reynolds Consumer Products LLC and Craig Cappel</u>
10.17*†	<u>Amended and Restated Employment Agreement, dated May 31, 2022, between Reynolds Consumer Products LLC and Rachel Bishop</u>
10.18*†	<u>Amended and Restated Employment Agreement, dated May 31, 2022 between Reynolds Consumer Products LLC and Judith Buckner</u>

10.19	<u>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)</u>
10.20	<u>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)</u>
10.21	<u>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)</u>
10.22	<u>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)</u>
10.23	<u>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)</u>
10.24	<u>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)</u>
10.25	<u>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>
10.26	<u>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>
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>
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.

**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

**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, 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
<u>/s/ Lance Mitchell</u> Lance Mitchell	Chief Executive Officer and Director (Principal Executive Officer)	February 8, 2023
<u>/s/ Michael Graham</u> Michael Graham	Chief Financial Officer (Principal Financial Officer)	February 8, 2023
<u>/s/ Chris Mayrhofer</u> Chris Mayrhofer	Senior Vice President and Controller (Principal Accounting Officer)	February 8, 2023
<u>/s/ Richard Noll</u> Richard Noll	Director and Chairman of the Board of Directors	February 8, 2023
<u>/s/ Gregory Cole</u> Gregory Cole	Director	February 8, 2023
<u>/s/ Helen Golding</u> Helen Golding	Director	February 8, 2023
<u>/s/ Marla Gottschalk</u> Marla Gottschalk	Director	February 8, 2023
<u>/s/ Allen Hugli</u> Allen Hugli	Director	February 8, 2023
<u>/s/ Ann Ziegler</u> Ann Ziegler	Director	February 8, 2023

**STOCKHOLDER INFORMATION**

**HEADQUARTERS**

Reynolds Consumer Products Inc.  
1900 W. Field Court  
Lake Forest, Illinois 60045  
800-879-5067 or 224-295-6800  
[ReynoldsConsumerProducts.com](http://ReynoldsConsumerProducts.com)

**INVESTOR RELATIONS**

Inquiries from shareholders, analysts, or prospective investors should be directed to:  
  
Mark Swartzberg  
Vice President, Investor Relations  
[Investors@ReynoldsBrands.com](mailto:Investors@ReynoldsBrands.com)  
224-295-6801

**COMMON STOCK**

The company's common stock is traded on the Nasdaq stock market under the symbol "REYN."

**TRANSFER AGENT**

Inquiries for stock transfer requirements, lost certificates, and changes to addresses should be directed to:

American Stock Transfer & Trust Company, LLC  
6201 15th Avenue  
Brooklyn, New York 11219  
[ASTFinancial.com](http://ASTFinancial.com)

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

PriceWaterhouseCoopers  
Chicago, Illinois

**2023 ANNUAL MEETING**

Annual Meeting of Stockholders of Reynolds Consumer Products Inc. will be held on Wednesday, April 26, 2023, at 5:00 p.m., Central Time.

The Annual Meeting will be completely virtual. You may attend the meeting, submit questions, and vote your shares electronically during the meeting via live webcast by visiting:  
[www.virtualshareholdermeeting.com/REYN2023](http://www.virtualshareholdermeeting.com/REYN2023)

Instructions on how to attend and participate in the Annual Meeting via the webcast are posted on this site.

**FORWARD-LOOKING STATEMENTS**

This report contains statements reflecting our views about our future performance that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including our first quarter and fiscal year 2023 guidance. In some cases, you can identify these statements by forward-looking words such as "may," "might," "will," "should," "expects," "intends," "outlook," "forecast," "committed," "plans," "anticipates," "believes," "estimates," "predicts," "model," "assumes," "confident," "potential" or "continue," 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 and other strategies and anticipated trends in our business, including expected levels of increases in commodity costs and volume. 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 but not limited to the risk factors set forth in our most recent Annual Report on Form 10-K.

For additional information on these and other factors that could cause our actual results to materially differ from those set forth herein, please see our filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and subsequent filings. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.



Reynolds Consumer Products Inc.  
1900 W. Field Court  
Lake Forest, IL 60045