CROWN

Brand-Building Packaging™

2020

FORGING AHEAD

ANNUAL REPORT

ANNUAL MEETING

We cordially invite you to attend the virtual Annual Meeting of Shareholders to be held via the Internet at 9:30 a.m. Eastern Time on Thursday, April 22, 2021. A formal notice of this meeting, together with the Proxy Statement and Proxy Card, was mailed to each shareholder of common stock of record as of the close of business on March 2, 2021, and only holders of record on said date will be entitled to vote. The Board of Directors of the Company requests the shareholders of common stock to sign proxies and return them in advance of the meeting or register your vote by telephone or through the Internet. You may also vote online at the virtual Annual Meeting if you are a shareholder of record.

FINANCIAL HIGHLIGHTS

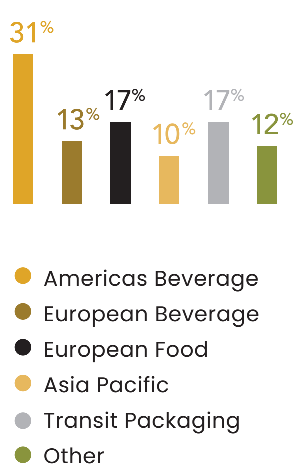
(in millions, except share, per share, employee and statistical data)

	2020	2019
NET SALES	$11,575	$11,665
INCOME FROM OPERATIONS	1,264	1,196
NET INCOME ATTRIBUTABLE TO CROWN HOLDINGS	579	510
PER AVERAGE COMMON SHARE:		
EARNINGS ATTRIBUTABLE TO CROWN HOLDINGS — DILUTED	$4.30	$3.78
MARKET PRICE (CLOSING)*	100.20	72.54
NUMBER OF EMPLOYEES	33,264	33,043
SHARES OUTSTANDING AT DECEMBER 31	134,801,030	135,577,878
AVERAGE SHARES OUTSTANDING — DILUTED	134,560,915	133,884,969

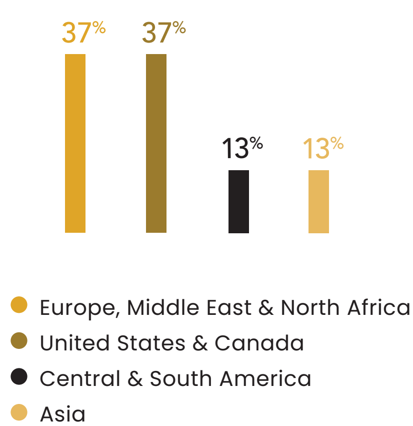
*Source: New York Stock Exchange – Composite Transactions

NET SALES

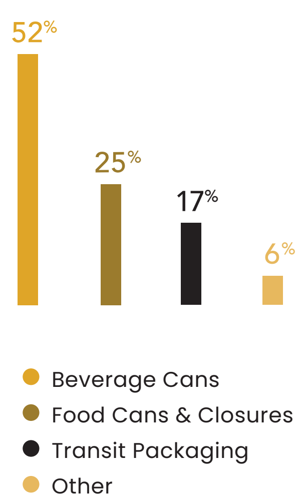
BY SEGMENT



BY GEOGRAPHIC AREA



BY PRODUCT



A LETTER TO SHAREHOLDERS

Our Company performed exceptionally well in 2020 in the face of the global coronavirus pandemic. Segment income for the year increased 7% over 2019, driven by robust demand for beverage cans and food cans and excellent manufacturing performance throughout the organization. We generated record operating cash flow of over $1.3 billion, a 13% increase over the prior year. With 2020 free cash flow of $756 million, the Company has generated more than $1.5 billion in free cash flow over the last two years. As planned, we utilized our 2020 free cash flow to reduce debt, and the Company's year-end 2020 net leverage ratio declined to 3.9x.

Crown's share price closed 2020 at an all-time high of $100.20, reflecting a one-year gain of 38% and a two-year cumulative increase of 141%. This compares to one-year and two-year cumulative advances in the S&P 500 Index of 18% and 57%, respectively, and to one-year and two-year cumulative gains in the Dow Jones U.S. Containers & Packaging Index of 18% and 47%, respectively.

I would like to thank all of our employees and partners, whose dedication and commitment continue to be instrumental as we navigate through the unprecedented challenges presented by the pandemic. Crown responded to the crisis quickly and took a number of specific actions, including increased safety measures at our manufacturing facilities to ensure that they continue to meet evolving requirements in a safe and timely manner. Crown's products are a crucial part of food and beverage supply chains and also provide critical support to the transportation industry. The health and safety of our employees, customers and partners is our highest priority.

Sustainability is a core value at Crown, fundamental to the future success of our Company and its stakeholders. Our accomplishments in 2020 demonstrated how we integrate sustainability into every aspect of the organization. Crown is the first North American beverage can manufacturer to activate renewable power for 100% of its plants. Our partnership with BNP Paribas on a $3.25 billion sustainability-linked credit facility established Crown as the first packaging company in the Americas to secure sustainability-linked terms for syndicated credit facilities. Based on our achievement of agreed upon goals, our interest rate for the facility decreased by the maximum allowable amount. The Science Based Targets initiative (SBTi) approved our greenhouse gas (GHG) emissions reduction targets in July, resulting in Crown being one of the few companies in the global packaging sector to receive sign-off.

Sustainalytics, a leading global environmental, social and governance (ESG) ratings provider, ranked Crown as the number one low-risk organization of the 48 reviewed companies operating in the metal and glass packaging sector. Within Sustainalytics' total research universe of more than 12,500 companies, Crown placed in the top 1.4% of scores. In October, "The Wall Street Journal" named Crown as one of the world's 100 most sustainably managed companies and, notably, the highest-rated packaging producer on the list. In addition, the WSJ ranked Crown among the world's top ten companies for environmental issues management - the only U.S.-based company to achieve that distinction.

To elevate our industry-leading commitment to sustainability, the Company debuted **Twenty**by**30**, a robust program that outlines twenty measurable ESG goals to be achieved by 2030 or sooner. The program identifies five distinct pillars of action - Climate Action, Resource Efficiency, Optimum Circularity, Working Together and Never Compromise - that represent areas of the business in which Crown can create notable impact.

Our global beverage can business, which comprised 52% of Crown's revenue in 2020, performed exceptionally well during the year and will continue to be the major strategic focus of the Company's future growth. Crown's global beverage can volume of over 72 billion units advanced 4% over the previous year, led by strong shipments in Brazil, Spain, the United Kingdom and, in particular, North America (United States and Canada). For the five years ending 2020, Crown's beverage can shipments have risen at a compound annual rate of over 4%, outpacing estimated annual industry expansion of 3% over the same period. To meet this accelerating demand, the Company has commercialized and/or announced 15 billion units of beverage can capacity from late 2019 through the end of 2022.

After many years of relatively flat volumes, beverage can growth in North America took hold during 2019 and has accelerated ever since. According to the Can Manufacturers Institute's shipment data, on the heels of more than 3% unit growth in 2019, North American-supplied volume surged by more than 6% in 2020. Actual growth was meaningfully higher, as imported cans augmented domestic supply. Even then, significant customer requirements remained unfulfilled. This expansion is driven by the outsized portion of new beverage products being introduced in cans versus other packaging formats, and is expected to continue. Cans are gaining preference among brand owners and consumers alike and are increasingly being viewed as the most responsible and sustainable beverage packaging option. A number of successful product launches of sparkling waters, energy drinks, carbonated soft drinks, teas, nutritional beverages, hard seltzers, craft beers and cocktails have fueled the climb in demand.

To meet accelerating North American demand, in early 2020, we commenced production on the third line in Toronto, Ontario, and in June we began commercial production on the third line in Nichols, New York. Construction is underway at a new greenfield facility in Bowling Green, Kentucky, an attractive location to effectively serve a number of diverse customers in the region. The first production line of the plant is expected to start up during the second quarter of 2021, with the second line targeted for a late third quarter 2021 start up. To meet the expanding requirements of specialty cans in the Pacific Northwest, we will construct a third line in Olympia, Washington, which is scheduled to begin production during the third quarter of 2021. We will also construct a greenfield two-line facility in Henry County, Virginia, which is expected to commence operations during the first quarter of 2022. In addition to significantly expanding our North American network, this new capacity, underpinned by multi-year customer contracts, is expected to double our specialty can percentage off a much larger base.

With half of the Company's beverage can revenue generated from fast-growing developing markets, and leadership positions in a number of those key regions, Crown has established an excellent platform for expansion in the coming years. In late 2019, we commenced operations at a new one-line beverage can facility in Rio Verde, Brazil and are currently in the process of adding a second line, which is expected to begin production during the third quarter of 2021. As the package mix for beer in Brazil continues to shift toward cans, we have also begun construction of a greenfield two-line facility in the southeastern state of Minas Gerais, with the first line expected to begin production during the second quarter of 2022 and the second line scheduled to start up during the fourth quarter of 2022. During the second quarter of 2020, we completed the conversion of two lines in Seville, Spain from steel to aluminum. In July 2020, we commenced operations at a new one-line plant in Nong Khae, Thailand to support growth in that market. In Vung Tau, Vietnam, construction continues on a new greenfield beverage can plant, which will begin commercial production in September 2021.

Food cans and closures comprised 25% of the Company's revenue in 2020. Global food can volumes advanced 7%, with notable increases in both Europe, where the harvest conditions and crop yields were considerably improved compared to the prior year, and North America, where demand has benefitted from more at-home meal preparation during the pandemic. As a global leader in food can production, Crown's footprint, particularly in Europe, provides close proximity to our customers. With plants in 16 countries across Europe, the Middle East and Africa, we provide our customers with the ability to pack their products at the peak of freshness. European consumers in particular view the can as a premium format, valuing product protection and flavor preservation that metal packaging offers. The infinitely recyclable food can is unrivaled from a sustainability standpoint, helping to eliminate over one billion liters a year in food waste.

Our Transit Packaging segment, which comprised 17% of the Company's 2020 revenue, provides critical in-transit protection to high-value, high-volume goods across a number of end markets, including food and beverage, metals, corrugated, construction and agriculture, among others. Combined with its highly engineered equipment and service business, the Transit Packaging segment, which holds leading positions in most of its markets, broadens and diversifies Crown's customer base and significantly increases the Company's free cash flow. While early 2020 results were adversely impacted by a general slowdown in industrial production during the pandemic, the Transit business recovered during the second half of 2020 and meaningfully reduced its cost structure. The business is poised to benefit from further recovery in industrial activity.

Our other operations, which include the Company's global aerosol, European promotional packaging and leading beverage can equipment business, also performed well in 2020.

In December 2020, the Company elected Dwayne Wilson to the Board of Directors. Dwayne most recently served as Senior Vice President of Fluor Corporation, a leading $18 billion construction and engineering company. We are pleased to welcome Dwayne to the Board and look forward to his valuable contributions to help drive increased shareholder value.

We anticipate the Company's capital allocation program in 2021 to include the initiation of a regular quarterly dividend and opportunistic repurchases of common stock.

Looking ahead, we are excited about the opportunities in 2021 and beyond. Our global metal packaging and transit businesses are strong, holding leading market positions and generating significant and stable cash flows. Crown is poised to continue to outpace industry expansion in beverage cans, the world's most sustainable and responsible beverage package.

In closing, I would like to express my sincere appreciation to our 33,000 associates across operations in 47 countries. Their dedication, creativity and drive for results, particularly in the face of the global pandemic, are the foundation of our success.

Sincerely,

Timothy J. Donahue
President and Chief Executive Officer

OPERATING WITH CLEAR INTENTIONS

From William Painter's first game-changing technology, the crown cork, to the 33,000-employee organization we are today, our Company continues to follow a business strategy rooted in **strong values,** built on a clear vision and focused on future growth.

As a global leader in rigid packaging solutions, as well as transit and protective packaging products, equipment and services, we understand the role we play in supporting critical consumer markets and driving innovation that impacts people every day. We also recognize our responsibility to be watchful stewards of our environment and our communities.

Our values and priorities have helped our business continue to forge ahead during the unprecedented challenges of 2020. They guide our decisions and actions and reflect our commitment to being a collaborative partner, best-in-class employer and responsible corporate citizen. The comprehensive sustainability initiative we launched in July—**Twenty**by**30**—and the capital investments we have made were undertaken based on prevailing industry trends and the evolving needs of our customers around the world.

We are increasing production capacity in several of our operations around the world and building new plants to meet the tremendous demand for metal packaging while simultaneously taking steps to reduce our environmental footprint. We also continue to adapt our protocols at our manufacturing facilities to ensure the safety of our people and products and support local government initiatives to stem the spread of COVID-19. These steps underline our commitment to going beyond simply setting targets or generating ideas, and instead, taking concrete action toward accomplishing our goals.

As we continue to invest in our business, we understand the importance of transparency and communication. By keeping a close eye on the market and aligning our priorities with those of our stakeholders, we are ready to provide support where it is needed most.

OUR VALUES

Put People First

Govern Ethically & Responsibly

Commitment to Quality

Innovate Every Day

Operate Sustainably

Strategic Global Presence

EXPRESSING APPRECIATION FOR OUR EMPLOYEES

Our 236 plants around the world operate in different environments and face unique challenges—yet they all share one common thread: our talented employees. Our professionals are devoted to performing their duties to the highest standards possible, and that commitment has never been more apparent than in 2020.

Throughout the pandemic, our workforce has demonstrated resilience as individuals and as a united global team. Our employees took the Company's role in the manufacture of essential goods to heart and were flexible and resourceful when challenged to keep production efficient and safe.

We sincerely thank our global team members for their commitment and initiative.

FUTURE-PROOFING WITH BEVERAGE CANS

In a period of uncertainty, beverage cans have experienced a year of strength and increased loyalty from consumers. The format has reached an estimated global demand of more than **350 billion units,** solidifying its position as the preferred format in both established and emerging markets.

"In a **period of uncertainty,** beverage cans have experienced a year of strength and **increased loyalty from consumers.**"

On average over the last several years, the format grew by 3% globally—even with a flat North American market. Now, the region is surging in activity and tracking above 6% (nearly double the rate observed between 2018 and 2019), not including imports that help augment demand. North American beverage can shipments are also the highest witnessed in 25 years. Considering this regional boom, global figures are even higher than previously reported and representative of an expanding, flourishing market.

This heightened demand can be traced to several factors, including the fact that consumers have displayed an increased preference for beverage cans for several years, recognizing the format's suitability for their lifestyles and personal priorities. In addition, consumers have relied on metal packaging to continue enjoying their favorite beverages in a reliable, secure format and as an effortless way to bring social experiences and new flavors into their homes. Finally, a significant part of the growth stems from the large number of products being introduced in the format. In North America, a reported 70% of new beverages are appearing on shelves in beverage cans.

PACKAGE FOR THE PEOPLE

Brand owners continue to look to consumer behavior to guide their decisions about beverage packaging formats. With increasing frequency, consumers are reaching for cans, propelling the format to record-breaking levels of demand. The format is seeing increased appreciation for the benefits that have always defined and differentiated metal packaging:

Convenience:
Packable, durable and lightweight, cans offer ease-of-use for consumption in any setting—including when outdoors and on-the-go.

Sustainability:
Infinitely recyclable, efficient to recycle and capable of retaining their properties forever, cans minimize use of resources and protect against food and material waste.

Visual Appeal:
Boasting a 360-degree billboard that supports vibrant graphics and messaging, cans effectively tell brand stories, command attention from the shelf and enhance consumer experiences.

Now more than ever, these features resonate deeply with consumers. As beverages are regularly enjoyed in the home or outdoors, and as e-commerce becomes a more prominent channel for product purchases, metal packaging provides a unique advantage. The format demonstrates resilience throughout shipping and subsequent transport and offers a tamper-resistant, tamper-evident design—both of which provide important reassurance. In addition, consumers opening cans at home are able to recognize and appreciate the look and feel of the brands and varieties they are familiar with, bringing much-needed comfort in a period of unknowns. They are also enticed to try new offerings or refresh their routines when brand owners employ compelling graphics and finishes that create the promise of exciting experiences.

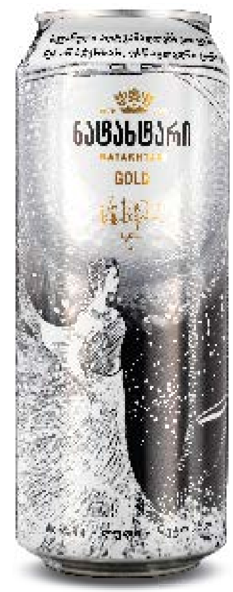
MAKING A MARK WITH METAL PACKAGING: NEW PRODUCT DEBUTS

Increasingly, beverage brands are bringing their new SKUs to market in aluminum cans. Utilizing our design innovations and technical expertise, here are just a few of the brands that made a splash in 2020:

A Refreshing Transformation

Acqua S. Bernardo, a near-century-old Italian mineral water brand historically packaged exclusively in glass bottles, made the switch to aluminum cans to enable its still and sparkling varieties to be consumed in diverse settings, including at the beach and during sporting activities and outdoor events. Positioning the product as "the lightest water in the world," the brand leveraged metal packaging's portability, as well as its ability to maintain cold temperatures for extended periods of time. San Bernardo, as the company is referred to colloquially, also selected beverage cans for their sustainability credentials, which align with ongoing corporate initiatives around responsible operations and environmental stewardship. To maintain brand heritage and a loyal customer base, the cans exhibit a design reminiscent of a signature San Bernardo bottle and use our special tactile finish to help call attention to the new format.

Consumable Art



Efes Georgia, a division of Efes Breweries International, reimagined medieval poetry with the debut of its limited-edition series of beverage cans for Natakhtari, Georgia's leading beer brand. Decorated with detailed character illustrations from artist David Matchavariani, the cans tell the story of "The Knight in the Panther's Skin," a poem written by Shota Rustaveli in the 12th century and still celebrated by Georgians today for its themes of wisdom, friendship, love and gender equality. Using our state-of-the-art High-Quality Print™ technology and a strategic manipulation of matte varnishes on aluminum, the packaging emphasizes the precise line work of the drawings and creates an elegant, premium aesthetic for the brand.

Eye on Excellence

The International Metal Decorating & Packaging Association (IMDPA) recognized our team in Kankakee, Illinois with an "Excellence in Quality" award for a can designed for Brickstone Brewery. Judged on quality of printing, degree of technical difficulty and appearance of coating finishes, Crown secured the "Award of Excellence" title with its eye-catching design for the brewer's Haz'd Juice IPA. The package, which showcases electric colors and bold graphic elements, demonstrates the expertise required to produce a complex design, including precise registration, accurate pressure levels and a meticulous attention to detail throughout production.

Seeing Green

Baladin, the first Italian craft brewer to utilize cans, selected the format once again for its launch of “Nazionale,” an organic beer that commemorates the opening of the world’s first green retail park. Located in Turin, Italy, Green Pea retail park hosts regional vendors that share a respect for the environment and offer eco-friendly goods. To support this community initiative, Baladin chose metal packaging for its new brew, recognizing the can’s recyclability among other inherent sustainability benefits.

The clean, simplistic design for the product reflects these priorities, showcasing a small green pea set against a minimalist white background. The can also features our revolutionary 360 End®, a full-aperture lid that, when removed, transforms the package into an open-mouth cup.

A Celebration of Culture

INX International, a leading ink supplier, named Crown’s Mexico team the winner of the inaugural “Colored by INX Can Design Contest” for a collaboration with INDIO. Owned by Heineken and brewed and sold in Mexico since 1893, the dark beer brand released the 16-ounce Pueblos de México Unido Edición Muertos, a special-edition package promoting the country’s annual Dia de los Muertos holiday. With the expertise of our Toluca-based team of graphic designers and technical operators, INDIO launched its seasonal can with a striking look that captures the celebratory essence of the event, featuring high-contrast neon and jewel tones from INX. The can design and resulting recognition underscores our capability to communicate important stories and connect consumers through packaging.

> Increasingly, beverage brands are bringing their new SKUs to market in **aluminum cans.**

MARKET LEADERS

While metal packaging is driving the beverage market as a whole, a few select categories led the pack throughout 2020 and are expected to continue capturing market share:

Cocktails & Mocktails:
The format offers convenience to consumers, who can enjoy spirits in the home or any setting.

Hard Seltzers:
Cans, which provide superior protection against oxygen and light, provide the optimal format for these popular carbonated, alcoholic offerings.

Performance Energy & Functional Beverages:
Easy to transport, cans support the energy-boosting, benefit-delivering varieties appreciated by active consumers.

GEARING UP FOR GROWTH

The surging demand for beverage cans shows no signs of slowing down. We are confident in the growth and profit potential of beverage cans, as consumers and brand owners continue to acknowledge the valuable features and sustainability attributes that metal packaging provides and, as a result, products are introduced disproportionately in the format.

To ensure our customers have access to this in-demand packaging, we have continued to make capital investments around the world to increase output, including expanding capabilities in existing beverage can plants and constructing new plants in strategic locations. A key part of our strategy is ramping up our ability to support beverage brands with specialty can sizes. These specialty sizes,

> The surging demand for beverage cans shows **no signs of slowing down.**

defined as offerings other than the standard diameter 12-ounce (330ml) can, promote portfolio diversity and brand differentiation for beverage manufacturers aiming to stand out.

Ranging from a 5.1-ounce/150ml (202mm diameter) package to an 18.6-ounce/550ml (211mm diameter) package, our 24 can sizes provide benefits that boost the product experience for consumers. Smaller, sleek style cans evoke a more premium feel and support priorities of portion control and portability. Larger sizes address other needs, including delivering more volume to consumers—a helpful feature for events and other consumption settings where larger serving sizes are preferred. Specialty sizes foster greater visibility and shelf appeal for brands, which must leverage any opportunity for distinction as the market expands and consumers can choose from multiple options.

All new plants and production lines are designed to make multiple sizes. When the new, announced capacity comes online, we will have virtually tripled our specialty can production capability in North America, further helping brands differentiate themselves in the market and satisfy the preferences of modern consumers.

PROJECTS COMPLETED IN 2020

1. Third line added to existing facility in Nichols, New York.
2. Third line added to existing facility in Toronto, Canada.
3. Fourth ends module added to existing facility in Winchester, Virginia.
4. Converted two lines from steel to aluminum in our plant in Seville, Spain.
5. Commercialized operations in a new one-line plant in Nong Khae, Thailand.

PROJECTS EXPECTED TO BE COMPLETED IN 2021 AND 2022

6

Greenfield facility in Bowling Green, Kentucky.

- First production line expected to begin operations during Q2 2021.
- Second line targeted for a late Q3 2021 start-up.

7

Third line in Olympia, Washington slated to be operational in early Q3 2021.

8

In Vung Tau, Vietnam, construction continues on a new greenfield beverage can plant which will begin commercial production in Q3 2021.

9

Our recently constructed plant in Rio Verde, Brazil will expand capacity with the addition of a second production line in Q3 2021.

10

Third ends module in Dayton, Ohio expected to be operational in Q4 2021.

11

We will expand our annual beverage can production capacity in Brazil to 13.3 billion with the addition of a new plant in Minas Gerais State, southeast Brazil. The first line is expected to begin production in Q2 2022, followed by the second line in Q4 2022.

12

We will build our third greenfield beverage can manufacturing plant in the U.S. in five years in Henry County, Virginia. The plant is expected to begin operations in Q2 2022 and will help meet growing demand for standard and specialty beverage cans.

MAINTAINING STRENGTH ACROSS ALL SEGMENTS

The inherent benefits of beverage cans extend across all forms of metal packaging. As substrates, aluminum and steel strike a **unique balance between flexible and firm.**

Packaging made from the metals can be shaped and tailored to meet specific design visions and goals, but once formed, offers a level of unyielding, dependable strength unsurpassed by any other material. Few formats can provide this level of customization and performance while still receiving high marks in sustainability. As a result, our food cans, aerosol cans, caps, closures and promotional packaging products offer important elements of practicality and responsibility.

Dedicated to Distinction

We continue to push the boundaries of metal in each of these product segments and raise the bar for packaging performance. Whether innovation takes the form of a more user-friendly, convenient container or an eye-catching, premium design effect, we know our customers can better serve consumers with packaging that enhances the product experience.

Throughout the year, we have collaborated closely with our partners to elevate brand image and explore new possibilities for metal packaging.

Packaging that Pays Homage

A collaborative design process with U.K. spirits brand Fishers Gin yielded a striking design for its first-ever gifting tin, a premium container to enhance product presentation and showcase the company's unique coastal origins. Our expert design and engineering teams worked closely on brand vision with Fishers, ultimately employing a detailed embossing technique to create an all-over fishnet effect harmonious with the liquor's "Gin Distilled by the Sea" identity and netted style of its signature bottle. Multidimensional and tactile, the design element catches consumer attention from afar and engages the senses during interaction. In addition, the strategy to print labels directly on the substrate's surface rather than adhere traditional paper components contributes to the premium look and feel of the tin, elevating brand image.

COMMUNICATING THE BENEFITS OF CANNED FOOD

From impressive shelf stability to quick meal preparation, canned foods offer a wide range of benefits to consumers seeking greater convenience and value in their purchases. To communicate these attributes more widely, we have supported several initiatives that offer more insight into the food can and its capabilities.

UPPIA, which represents the French canning industry, created a campaign to unearth existing perceptions of canned food and educate consumers on the real advantages found through metal packaging. For example, the movement included a live event that demonstrated how consumers can prepare imaginative, exciting meals using canned goods.

In a similar vein, a recent campaign by Love Canned Food worked to dispel common misconceptions about canned food and highlight key strengths of the format, including versatility and sustainability. Using channels including social media and television, the project relayed points about taste, quality, value, nutrition and similar credentials of canned food that resonate closely with U.K. consumers.

As the industry continues to evolve and the market for metal packaging experiences further growth, we are proud to collaborate with UPPIA and Love Canned Food to promote greater awareness and understanding of cans and the ways they can enhance the everyday lives of consumers.

Fine Dining On Demand

Our partnership with William Saurin, a renowned French premium ready meal producer, demonstrated capabilities to house gourmet foods in a shelf-stable format with a new canned ready meal concept. At an event hosted by Ferrandi Paris—the French School of Culinary Arts and Hospitality Management—two-star Michelin chef Olivier Bellin created two exciting recipes: duck pot au feu and a vegetarian meal of buckwheat quinoa paired with glazed carrots, ginger and thyme butter. While Chef Bellin prepared the dishes, expert nutritionist Ysabelle Levasseur communicated how canned foods offer a healthy, high-quality consumption experience on par with foods prepared from scratch. As metal provides a strong barrier that locks in flavor and nutritional value and protects against spoilage, steel food cans deliver a long-lasting ready meal option. Building on these attributes, the novel concept for the gourmet meals features a 400-gram can with a peelable lid and metal fastener that allows the container to be resealed once opened, promoting portion control and convenience—two attributes important to today's consumers.

> Canned foods offer a healthy, high-quality consumption experience **on par with foods prepared from scratch.**

Expanding Brand Reach

Long-time customer Cidacos, Spain's premier producer of packaged vegetables, was an early adopter of our Orbit® Closure. Currently, four Cidacos products are available in the Spanish market with the innovative technology, which offers easy-open convenience for consumers of all ages. Featuring a central, floating panel that is vacuum-sealed to the jar and paired with an outer ring for opening and closing the container, the Orbit® Closure provides a strong package seal to preserve food safety while also enabling consumers to open jars with a simple, resistance-free twist. Positive consumer reception to the technology—along with a significant reduction in vacuum loss caused by shocks throughout transportation, storage and stocking—encouraged Cidacos to expand its use of the closure. Now, with sales continuing to rise and the brand's recent acquisition of legume producer Seprolesa providing more growth potential, the brand chose to shift all products to the Orbit® Closure. The portfolio transition brings additional offerings to the market with the closure for the first time and aims to provide every customer with the helpful feature. To support the increased demand for the closure, we added a production line in our existing Asturias, Spain plant. The site's proximity to the customer facilitates close collaboration and faster time to market. Through this support, we are delivering the benefits of the Orbit® Closure to more consumers in the Spanish region and expanding the impact of the user-friendly, reliable technology.

SPOTLIGHT ON SUPPLY CHAIN

Now more than ever, the supply chain is of critical importance and expected to continue connecting people with the items they need every day. The market must meet consumers where they are—at home—and uphold quality and efficiency in the process. Our Transit Packaging Division continues to rise to the challenges presented by COVID-19, demonstrating a commitment to our customers across the globe.

The Division is streamlining the business to reduce costs by identifying and eliminating inefficiencies where possible. It is also implementing new technologies and processes that reflect a spirit of innovation and drive to push limits, including:

- A new pellet machine design used in facilities in Florence, Kentucky and Latta, South Carolina. The design has been retooled to generate recycled product that meets the same quality standards of traditional materials, facilitating more responsible operations and reducing external pellet supply costs.
- Plant floor adjustments in Florence, Kentucky that improve management of unwanted foam on wash lines and allow for a 46% savings in annual antifoam agent costs. The site optimized tank temperature settings and employed new cleaning schedules to minimize foam presence and encourage more controlled, efficient usage of the antifoam agent.

A Premium Refresh

By leveraging advanced aerosol packaging technology and design expertise, we supported major consumer goods company Unilever in the global relaunch of its classic Brut deodorant line. With a new three-piece steel can to replace the aluminum can historically used by the brand, the packaging overhaul updates the product portfolio and breathes new life into existing offerings. The can utilizes an innovative color-coordinated side stripe that, through careful color matching and metal printing capabilities, effectively conceals its seam and creates a sleek appearance. Precise registration maintains the integrity of the brand's recognizable logo across a series of five scent varieties sporting different shades and decorative finishes. With these customized design touches, the redesigned Brut line evokes a premium aesthetic that appeals to modern consumers.

- A transition to electric forklifts in Burseryd, Sweden to lower annual maintenance costs, fuel usage (approximately 600 liters per year) and CO_2 emissions (approximately 11,000 kg). The facility has also installed energy-efficient LED lighting to cut electricity costs and maintenance.
- The addition of insulation to a heat treatment unit in Dahej, India and the installation of a new paint curing oven in Rudraram, India—changes that preserve energy as the plants manufacture steel strapping.
- An increased use of post-industrial recycled plastics, paper waste and other non-prime materials within edgeboard production at a facility in Rudrapur, India.

SETTING THE PACE FOR UNSTOPPABLE PROGRESS

We run our business with the mindset that **we can only be as good as the world we live in.** That principle has led us to establish a sustainability strategy not for the sake of setting goals, but for the sake of **accomplishing them.**

"Improving our environment and its future health is simply **the right thing to do.**"

Twentyby30

Accelerating Sustainability

We view sustainability as a critical element of our business plan and recognize that improving our environment and its future health is simply the right thing to do.

Our robust **Twenty**by**30** program reflects this heightened awareness. It also aligns with the United Nations (UN's) declaration of the 2020 to 2030 period as the "Decade of Action"—a timespan particularly critical for industry to course-correct. A comprehensive strategy that outlines 20 measurable goals to be achieved by or before 2030, the program will accelerate our global efforts in all three dimensions of sustainability (environmental, economic and social) and support the goals of our customers.

FIVE PILLARS OF ACTION

CLIMATE ACTION

RESOURCE EFFICIENCY

OPTIMUM CIRCULARITY

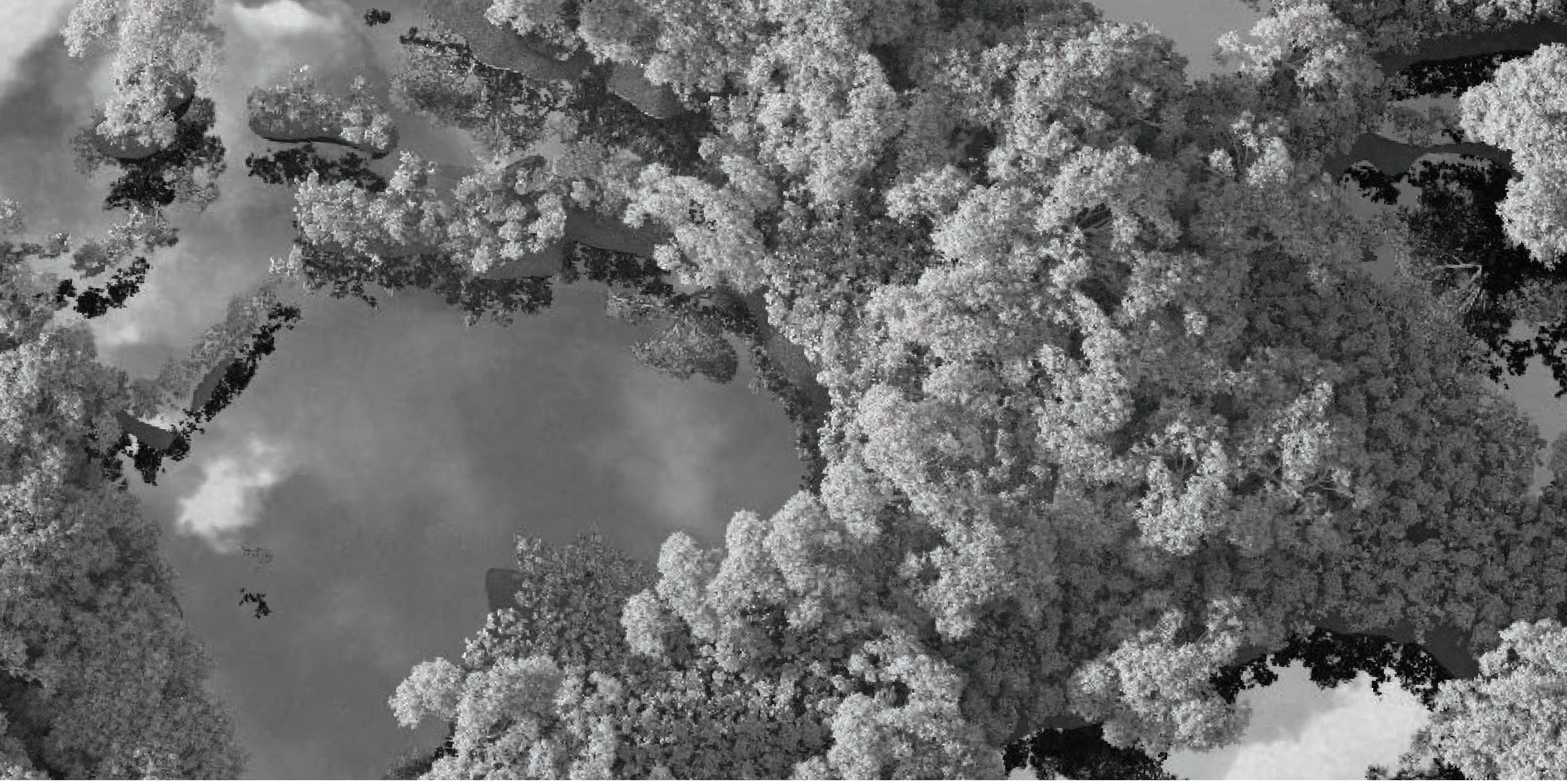
WORKING TOGETHER

NEVER COMPROMISE

Twentyby**30** features five pillars of action, each of which reflects an area of urgent global concern and in which we can make a significant impact.

Each pillar contains several goals, all set against a 2019 baseline, that together create a framework for larger change. Through this structure, we pledge to raise our global performance around energy, water, waste, material use efficiency, recycling, employee health and safety, Diversity & Inclusion, responsible and ethical sourcing, food contact and chemical safety and other key areas. Goals include objectives such as lowering greenhouse gas emissions in our operations, transitioning to 100% renewable electricity and advancing the Circular Economy.

All program pillars and their specific targets are underpinned by responsible governance and ethics. Our individual objectives are informed by the 17 Sustainable Development Goals (SDGs) set by the UN so our actions can contribute to a greater collective impact.



GAINING RECOGNITION

We are proud to have been recognized this year for the launch of our global **Twenty**by**30** sustainability initiative. Acknowledgment of our efforts from well-respected independent organizations cements that we are on the right track with our program, taking the appropriate steps to future-proof our business and achieve the goals important to our stakeholders. It also demonstrates our commitment to leading change in the metal packaging industry, as well as the larger manufacturing industry, and in making choices that better serve our environment and our communities.

WSJ 100 MOST SUSTAINABLY MANAGED COMPANIES 2020

The Wall Street Journal

The *Journal* named us one of the 100 most sustainably managed companies in the world. We are the highest-ranking company in the containers and packaging industry on the list and the only metal packaging company included in the ranking. We are also the lone U.S.-based organization and only containers and packaging supplier to be included in the publication's list of the 10 best companies at managing environmental risk.

SUSTAINALYTICS

Sustainalytics

The environmental, social and governance (ESG) ratings provider ranked us as the number one low-risk organization of 48 reviewed companies operating in the metal and glass packaging sector. Within Sustainalytics' total research universe of more than 12,500 companies, Crown placed in the top 1.4% of scores.

TAKING THE LEAD

Throughout 2020, we have achieved key milestones that place us at the forefront of industry advancement.

Achieving an Industry First in Alternative Energy

We are the first metal packaging manufacturer to activate renewable power for 100% of its U.S. and Canadian beverage can plants, taking this step with the knowledge that smarter energy usage is an important way we can make an impact. The transition, which advances use of renewable electricity in our global operations to 27.5%, is the result of a 15-year wind power Virtual Power Purchase Agreement (VPPA) that generates more than 440,000 MWhs of electricity. Parallel projects led by the Transit Packaging Division have also added to our alternative energy efforts, with several new solar panel installations taking place in facilities in Europe and Asia Pacific and yielding a combined carbon footprint reduction of nearly 800 metric tons.

Establishing New Financing Standards

Our partnership with BNP Paribas on a $3.25 billion sustainability-linked credit facility established us as the first packaging company in the Americas to secure sustainability-linked terms for syndicated credit facilities. As one of the largest sustainability-linked loans raised to date in the world, the financing agreement sets us apart in the manufacturing industry. Following our top ranking this year with ESG ratings provider Sustainalytics, our interest rate for the sustainability-linked credit facility decreased by the maximum amount based on financing terms tied directly to performance in ESG issues management.

Joining an Exclusive Group for Climate Change

The Science Based Targets initiative (SBTi) approved our greenhouse gas (GHG) emissions reduction targets in July, making us, at the time, one of only eight total companies in the global containers and packaging sector to receive sign-off. The SBTi also confirmed our targets as consistent with reductions required to keep warming to 1.5°C, the most ambitious goal of the Paris Agreement. Our specific objectives include decreasing absolute Scope 1 and Scope 2 GHG emissions by 50% by 2030 (using a 2019 baseline), as well as decreasing absolute Scope 3 GHG emissions by 16% over the same target period. Receiving approval from the data-centric SBTi substantiates these goals as capable of creating notable change in the health of our climate and confirms our strategy is well-informed.

Focusing on Resource Protection

Our Transit Packaging Division's team in India has initiated important action around water conservation. In line with this mission, our Bangalore facility began collecting rainwater in an effort to minimize consumption of local water supply. In 2020 alone, the effort captured and saved over 16 million liters of water, enabling the plant to operate without drawing from critical community resources. Across all regions in which we operate, we will continue to identify and leverage opportunities for water conservation as part of our **Twenty**by**30** program commitments.

CROSSING THE FINISH LINE: 2020 SUSTAINABILITY GOALS

As we commence a new decade of growth, we observe the progress made to date around our previous set of targets: our 2020 Sustainability Goals. Established in 2016 against a 2015 baseline, these objectives targeted progress in energy consumption and emissions.

Reduce GHG emissions
by 10% per billion standard units of production, including Scope 1 and Scope 2 emissions

Surpassed
across global operations

Reduce energy consumption
by 5% per billion standard units of production

Surpassed
across global metal packaging plants*

*Goal status not reflective of Company's limited glass operations, for which production is energy-intensive by nature.

INVESTING IN RECYCLING

As we continue to execute our **Twenty**by**30** strategy, we recognize we must look beyond our own products, facilities and teams and help implement change across our value chain. Our Optimum Circularity pillar aims to eliminate wasteful resource use, utilize design and innovation to decrease the footprint of our products and extend our products' lifecycle via increased recycled content and recycling rates.

The Circular Economy

We are taking a more active role in accepting greater responsibility within the complete value chain. This step is about seeing things through: making sure we are monitoring and maintaining an awareness of our products and their journey far beyond initial creation. A beverage can, for example, may be the clearest format for sustainable packaging, but if it does not make it through the recycling stream properly, those benefits are not fully realized.

A major part of enabling packaging to successfully traverse the recycling system is understanding where pitfalls can occur in the supply chain. Research from The Aluminum Association and Can Manufacturers Institute (CMI) reveals that a significant portion of used packaging—an estimated 50 billion aluminum cans[1]—falls through the cracks at the collection and sorting stages. This means that instead of heading back to manufacturing plants to be used again, that metal is mistakenly sent to landfill, creating missed opportunities for critical resource preservation and wasting roughly $810 million of material value.

To help improve the recycling system, we have partnered with CMI and Ardagh's North American business to provide grants to Material Recovery Facilities (MRF) for aluminum can capture equipment in 2021. The program will support more effective sorting and collection for metal that can then be injected back into the supply chain and return as new packaging. CMI reports that when considering sorting and processing losses, more than 80% of aluminum in used beverage cans (UBCs) is recovered and remelted for high-quality closed loop recycling[2]—a drastic difference from PET bottles, of which only 13% of recovered material appears as new products. This comparison underscores the value that can be earned by improving recovery rates for metal packaging and the impetus for our investment in this area.

[1] https://www.aluminum.org/news/aluminum-can-remains-most-sustainable-package-number-key-performance-metrics

[2] https://www.cancentral.com/sites/cancentral.com/files/public-documents/Metabolic_Report_RecyclingUnpacked.pdf

The Communities that Drive Us

Beyond product monitoring and facilitating more effective recycling, we are also committed to supporting the communities that allow us to operate and deliver to customers and connect us with skilled employees that comprise our workforce. Investing in areas where we can both build our business and support local economies presents a win-win scenario that simply makes sense. We know that where we can plant new roots for expansion, we are helping to stimulate activity in communities and create new opportunities to bring talented professionals into the field of manufacturing.

Our greenfield construction of a 327,000-square-foot beverage can plant in Bowling Green, Kentucky is an example of this in action. The facility will not only help meet surging demand for beverage cans and support regional customers, but will also provide 126 new jobs, setting local Kentucky residents up with fulfilling careers. Recognizing this economic impact, the Bowling Green Area Chamber of Commerce honored us with two prestigious awards: the John B. Holland Business of the Year Award—the Chamber's highest honor—and the Newcomer Award. We will continue to make investments that can foster this type of result: a stronger community and a stronger Crown.

> We know that drawing from **diverse backgrounds** and points of view fosters **innovation and creativity.**

Fostering Internal Growth: Diversity & Inclusion

Our **Twentyby30** program also looks for ways that we can be the employer of choice for both today's and tomorrow's talent. Building a diverse and inclusive workforce is one critical aspect of this goal. We know that drawing from diverse backgrounds and points of view fosters innovation and creativity, enhancing the products and services we can offer to customers and setting a new industry standard. Diverse experiences also help create resilient organizations with stronger governance and problem-solving skills.

We are actively taking steps to become a more employee-centric organization where Diversity & Inclusion (D&I) awareness is embedded into our culture, allowing our people to be authentic at work. We are also encouraging our top management to be D&I role models as a source of inspiration for all. To make progress toward these goals, we are implementing new training, processes and procedures on the Corporate and Divisional levels.

Some specific steps include:

- Launching a series of D&I awareness workshops for our top leaders and managers, exploring topics such as Psychological Safety, Valuing Diversity, Engaging with Difference, Openness to New Ideas and Counteracting Bias. Similar training will be conducted on a regional and Business-Unit level.
- Leading an affinity program focused on women and minorities.
- Adding a D&I task force to our recruitment process and practices to ensure equal employment opportunity (EEO) compliance and to improve our talent pool and employee culture.
- Executing initiatives like our FORWARD program in Europe, which recruits young individuals of different nationalities, genders and backgrounds to encourage greater diversity in the future workforce.
- Assessing and updating policies and procedures for reporting—and properly addressing—any issues around harassment, misconduct or discrimination.

A SMARTER SUBSTRATE

Unlike many other packaging materials, metal does not require manipulation to be sustainable. It is eco-friendly at its core.

- Infinite recyclability enables repeated reuse without loss of properties
- Oxygen- and light-blocking, puncture-resistant barrier prevents food waste
- Energy-efficient production from recycled materials yields a 90% (aluminum) and 74% (steel) power savings

MATERIAL MATCH-UP: ALUMINUM CANS VS. PET BOTTLES[3]

U.S. consumer recycling rates*
- Aluminum: 46%
- Plastic: 21%

Average recycled content
- Aluminum: 73%
- Plastic: 6%

Material value
- Aluminum: $1,210/ton
- Plastic: $237/ton

*These figures are representative of the U.S. market. Other markets have even higher rates of recycling. For example, consumer recycling rates in areas like Brazil, which clock in at 98%, and Europe, which stand at 76%, reveal positive public perceptions of aluminum cans and support for their recovery.

The aluminum can remains the most sustainable package on the market, holding the most value as a substrate and receiving the highest industry and consumer recycling rates among other formats. With these performance scores, metal sets itself apart as the material of choice for a variety of packaging applications.

[3] https://www.aluminum.org/news/aluminum-can-remains-most-sustainable-package-number-key-performance-metrics

MAPPING OUT OUR NEXT MOVES

Looking ahead, our eyes are set on the various targets of our **Twenty**by**30** strategy. We will work toward our next timed milestones, which include goals in 2022 and 2025 for product and workplace safety, water usage and responsible and ethical sourcing. Along the way, we will amplify our efforts around our complete list of objectives, executing operational improvements that make us more efficient as a business and more effective as an employer.

Throughout the entirety of our program, we will be operating with one common goal: maximizing our value and impact while minimizing our footprint. As we continue to evolve as a Company, we recognize the importance of remaining transparent with our stakeholders—customers, employees, shareholders and consumers—and will share updates about where we are on our journey.

BOARD OF DIRECTORS

JOHN W. CONWAY (A)
Chairman of the Board

TIMOTHY J. DONAHUE (A)
President and Chief Executive Officer of the Company

RICHARD H. FEARON
Vice Chairman and Chief Financial and Planning Officer of Eaton Corporation

ANDREA J. FUNK (B, C)
VP Finance, Americas of EnerSys

STEPHEN J. HAGGE (C)
Former President and Chief Executive Officer of AptarGroup

ROSE LEE (D)
President of DuPont Water & Protection

JAMES H. MILLER (A, C, D)
Former Chairman and Chief Executive Officer of PPL Corporation

JOSEF M. MÜLLER (B, C)
Former Chairman and Chief Executive Officer of Nestlé in the Greater China Region

B. CRAIG OWENS (B)
Former Chief Financial Officer and Chief Administrative Officer of Campbell Soup Company

CAESAR F. SWEITZER (A, B, D)
Former Senior Advisor and Managing Director of Citigroup Global Markets

JIM L. TURNER (A, C, D)
Chief Executive Officer of JLT Beverages; former Chairman, President and Chief Executive Officer of Dr Pepper/Seven Up Bottling Group

WILLIAM S. URKIEL (B, D)
Former Senior Vice President and Chief Financial Officer of IKON Office Solutions

DWAYNE A. WILSON (B)
Former Senior Vice President of Fluor Corporation

COMMITTEES: (A) EXECUTIVE, (B) AUDIT, (C) COMPENSATION, (D) NOMINATING AND CORPORATE GOVERNANCE

CORPORATE OFFICERS

TIMOTHY J. DONAHUE
President and Chief Executive Officer

GERARD H. GIFFORD
Executive Vice President and Chief Operating Officer

DANIEL A. ABRAMOWICZ
Executive Vice President – Corporate Technology and Regulatory Affairs

CARLOS BAILA
Senior Vice President – Global Procurement

ADAM J. DICKSTEIN
Senior Vice President, General Counsel and Corporate Secretary

THOMAS A. KELLY
Senior Vice President and Chief Financial Officer

SIDONIE LÉCLUSE
Senior Vice President – Diversity and Inclusion

DAVID A. BEAVER
Vice President and Corporate Controller

CHRISTOPHER A. BLAINE
Vice President – Corporate Risk Management

KEVIN C. CLOTHIER
Vice President and Treasurer

THOMAS T. FISCHER
Vice President – Investor Relations and Corporate Affairs

TORSTEN J. KREIDER
Vice President – Planning and Development

JOSEPH C. PEARCE
Vice President – Corporate Tax

JOHN ROST
Vice President – Global Sustainability and Regulatory Affairs

CHRISTY L. ROBESON
Assistant Corporate Controller

MICHAEL J. ROWLEY
Assistant Corporate Secretary and Assistant General Counsel

ROSEMARY M. HASELROTH
Assistant Corporate Secretary

DIVISION OFFICERS

AMERICAS DIVISION

DJALMA NOVAES, JR.
President

EDUARDO ARGUETA
President – Mexico and Caribbean

WILMAR ARINELLI
President – Beverage Packaging Brazil

THOMAS J. GORDON
President – Food Packaging North America

MARK KETCHESON
President – Beverage Packaging North America

JUAN CARLOS TRUJILLO
President – Colombia

JAMES D. WILSON
President – Closures, Aerosol and Promotional Packaging (CAPP) North America

TIMOTHY P. AUST
Senior Vice President and Chief Financial Officer

ALFRED J. DERMODY
Vice President – Human Resources

KENNETH W. TUTIN
Vice President – Continuous Improvement

EUROPEAN DIVISION

DIDIER SOURISSEAU
President

JOHN BEARDSLEY
Senior Vice President – Finance and Chief Financial Officer

ASHWINI KOTWAL
Senior Vice President – Bevcan

SIDONIE LÉCLUSE
Senior Vice President – EMEA Human Resources

FRANCOIS QUERRIOUX
Senior Vice President – Food

CLAUDINE SCHELP
Senior Vice President – Sourcing

LAURENT WATTEAUX
Vice President – Aerosols and Promotional Packaging

JEAN-FRANCOIS LELOUCH
Assistant General Counsel

LAURENT LEUCIO
EHS Director Sustainability & Excellence Projects Coordinator

ASIA PACIFIC DIVISION

HOCK HUAT GOH
President

MARTYN GOODCHILD
Senior Vice President – Manufacturing

FRANK KOH
Senior Vice President – Beverage Packaging Southeast Asia

YIN LENG CHAN
Vice President and Chief Financial Officer

PATRICK NG
Vice President – Sourcing

CLEMENT CHIN
Director – Beverage Packaging China and Hong Kong

PATRICK LEE
Director – Food and Aerosol Thailand

CHEE MENG WAN
Director – Supply Chain

TOH KAI YONG
Senior Regional Human Resource Manager

DRAGON WONG
Group General Manager – Superior Multi-Packaging Limited

CROWN PACKAGING TECHNOLOGY

DANIEL A. ABRAMOWICZ
President

KEVIN AMBROSE
Vice President – Development Technology

MICHAEL A. ANTRY
Vice President – Environment, Health and Safety

ANDREW KAYE
Vice President – Technology Services

BRIAN ROGERS
Vice President – Project Management and Engineering

TRANSIT PACKAGING

ROBERT H. BOURQUE, JR.
President

LENNART BANGMAN
Group President – EMEA

BYRON PAUL
Group President – Automation & Packaging Technologies (APT)

PATRICIA CHIDIAC
Senior Vice President – Global Human Resources

RICHARD MORGAN
Senior Vice President and General Counsel

GAURAV MAHESHWARI
Group President – Asia Pacific

LUCAS SCOTT
Vice President – Global Quality

ALDO TESI
Senior Vice President and Chief Financial Officer

RAMUNAS VENCLOVAS
Vice President – Business Optimization

MICHAEL WATTS
Senior Vice President – Strategy and Business Development

LANCE WRIGHT
Group President – Signode Americas

GIAN LUCA BON
Vice President – Global Procurement

INVESTOR INFORMATIOS

COMPANY PROFILE
Crown Holdings, Inc., through its subsidiaries, is a leading global supplier of rigid packaging products to consumer marketing companies, as well as transit and protective packaging products, equipment and services to a broad range of end markets. World headquarters are located in Yardley, Pennsylvania. As of December 31, 2020, the Company operated 236 plants located in 47 countries, employing 33,264 people.

STOCK TRADING INFORMATION
Stock Symbol: CCK (Common)
Stock Exchange Listing: New York Stock Exchange

CORPORATE HEADQUARTERS
770 Township Line Rd., Yardley, PA 19067
Main phone: +1 (215) 698-5100

SHAREHOLDER SERVICES
Registered shareholders needing information about stock holdings, transfer requirements, registration changes, account consolidations, lost certificates or address changes should contact the Company's stock transfer agent and registrar:

MAILING ADDRESS:
EQ Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120

GENERAL TELEPHONE NUMBER: 1-800-468-9716
WEBSITE: www.shareowneronline.com

Owners of shares in street name (shares held by any bank or broker in the name of the bank or brokerage house) should direct communications or administrative matters to their bank or stockbroker.

FORM 10-K AND OTHER REPORTS
The Company will provide without charge a copy of its Annual Report on Form 10-K, excluding exhibits, as filed with the U.S. Securities and Exchange Commission ("SEC"). To request a copy of the Company's Annual Report, call toll free 888-400-7789 or write to Investor Relations Department, Crown Holdings, Inc., 770 Township Line Road, Yardley, PA 19067.

INTERNET
Visit our website at www.crowncork.com for more information about the Company, including news releases and investor information.

CERTIFICATIONS
The Company included as Exhibit 31 to its 2020 Annual Report on Form 10-K, as filed with the U.S. Securities and Exchange Commission, certifications of the Chief Executive Officer and Chief Financial Officer of the Company. The CEO and CFO certify to, among other things, the information contained in the Company's Form 10-K. The Company has also submitted to the New York Stock Exchange a certification from the CEO certifying that he is not aware of any violation by the Company of New York Stock Exchange corporate governance listing standards.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2020

☐ **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 000-50189

CROWN HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania	75-3099507
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

770 Township Line Road	Yardley PA	19067-4232
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: 215-698-5100

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock $5.00 Par Value	CCK	New York Stock Exchange
7 3/8% Debentures Due 2026	CCK26	New York Stock Exchange
7 1/2% Debentures Due 2096	CCK96	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE
(Title of Class)

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 Exchange 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 filings 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 such shorter period that the registrant was required to submit such files). Yes ☒ No ☐
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the 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	☐

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. Yes ☒ No ☐

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

As of June 30, 2020, 134,770,527 shares of the Registrant's Common Stock, excluding shares held in Treasury, were issued and outstanding, and the aggregate market value of such shares held by non-affiliates of the Registrant on such date was $8,777,604,424 based on the New York Stock Exchange closing price for such shares on that date.

As of February 24, 2021, 134,936,129 shares of the Registrant's Common Stock were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Document	Parts Into Which Incorporated
Proxy Statement for the Annual Meeting of Shareholders to be held April 22, 2021	Part III to the extent described therein

Crown Holdings, Inc.

2020 FORM 10-K ANNUAL REPORT

TABLE OF CONTENTS

PART I

PART I

ITEM 1. BUSINESS

Crown Holdings, Inc. (the "Company" or the "Registrant") (where the context requires, the "Company" shall include reference to the Company and its consolidated subsidiary companies) is a Pennsylvania corporation.

The Company is a worldwide leader in the design, manufacture and sale of packaging products and equipment for consumer goods and industrial products. The Company's packaging for consumer goods includes steel and aluminum cans for food, beverage, household and other consumer products, glass bottles for beverage products, metal vacuum closures and steel crowns sold through the Company's sales organization to the soft drink, food, citrus, brewing, household products, personal care and various other industries. The Company's packaging for industrial products includes steel and plastic strap consumables and equipment, paper-based protective packaging, and plastic film consumables and equipment, which are sold into the metals, food and beverage, construction, agricultural, corrugated and general industries.

At December 31, 2020, the Company operated 236 plants along with sales and service facilities throughout 47 countries and had approximately 33,000 employees. In 2020, consolidated net sales for the Company were $11.6 billion with 69% derived from operations outside the U.S.

DIVISIONS AND OPERATING SEGMENTS

The Company's business is generally organized by product line and geography within four divisions: Americas, Europe, Asia Pacific and Transit Packaging. See below for further information regarding the Company's divisions and reportable segments within each division. The Company's other segments include its North American food can business, its European aerosol and promotional packaging business, its North American aerosol can business and its beverage tooling and equipment operations in the U.S. and U.K.

Additional financial information concerning the Company's operating segments is set forth within "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report and under Note X to the consolidated financial statements.

AMERICAS DIVISION

The Americas Division includes operations in the U.S., Brazil, Canada, the Caribbean, Colombia and Mexico. These operations manufacture beverage, food and aerosol cans and ends, glass bottles, specialty packaging, metal vacuum closures, steel crowns and aluminum caps. In 2020, the Americas Division had net sales of $4.6 billion.

Americas Beverage

The Americas Beverage segment manufactures aluminum beverage cans and ends, glass bottles, steel crowns and aluminum caps. Manufacturing facilities are located in the U.S., Brazil, Canada, Colombia and Mexico. Americas Beverage had net sales in 2020 of $3.6 billion and segment income (as defined under Note X to the consolidated financial statements) of $652 million.

EUROPEAN DIVISION

The European Division includes operations in Europe, the Middle East and Africa. These operations manufacture beverage, food and aerosol cans and ends, promotional packaging and metal vacuum closures and caps. Net sales in 2020 were $3.7 billion.

European Beverage

The European Beverage segment manufactures steel and aluminum beverage cans and ends in Europe, the Middle East and North Africa. European Beverage had net sales in 2020 of $1.5 billion and segment income (as defined under Note X to the consolidated financial statements) of $215 million.

European Food

The European Food segment manufactures steel and aluminum food cans and ends, and metal vacuum closures, in Europe and Africa. European Food had net sales in 2020 of $2.0 billion and segment income (as defined under Note X to the consolidated financial statements) of $228 million.

ASIA PACIFIC DIVISION

The Asia Pacific Division is a reportable segment primarily consisting of beverage can operations in Cambodia, China, Indonesia, Malaysia, Myanmar, Singapore, Thailand and Vietnam and also includes non-beverage can operations, primarily food cans and specialty packaging.

The Asia Pacific segment had net sales in 2020 of $1.2 billion and segment income (as defined under Note X to the consolidated financial statements) of $175 million.

TRANSIT PACKAGING DIVISION

The Company's Transit Packaging Division is a reportable segment which includes the Company's worldwide industrial and protective solutions and equipment and tools businesses. Industrial solutions include steel strap, plastic strap, industrial film and other related products that are used in a wide range of industries, including steel, lumber, brick/block, corrugated boxes, food and beverage goods, agriculture products, and a large variety of other goods. Protective solutions include transit protection products, such as airbags, edge protectors, and honeycomb products that help prevent movement of, and/or damage to, a wide range of industrial and consumer goods during transport. Equipment and tools includes manual, semi-automatic and automatic equipment and tools, which are primarily used in end-of-line operations to apply consumables such as strap and film.

The Transit Packaging segment had net sales in 2020 of $2.0 billion and segment income (as defined under Note X to the consolidated financial statements) of $254 million.

PRODUCTS

Beverage Cans and Glass Bottles

The Company supplies beverage cans and ends and other packaging products to a variety of beverage and beer companies, including Anheuser-Busch InBev, Coca-Cola, Keurig Dr Pepper, Heineken, Molson Coors, Pepsi-Cola and Refresco, among others. The Company's beverage can business is built around local, regional and global markets, which has served to develop the Company's understanding of global customer and consumer expectations. The Company's glass bottle business is based in Mexico and serves customers primarily in the local market.

The beverage market is dynamic and highly competitive, with each packaging manufacturer working together with its customers to satisfy consumers' ever-changing needs. The Company competes by offering its customers broad market knowledge, resources at all levels of its worldwide organization and extensive research and development capabilities that have enabled the Company to provide its customers with innovative products. The Company meets its customers' beverage packaging needs with an array of two-piece beverage cans and ends and metal bottle caps. Innovations include the SuperEnd® and 360 End™ beverage can ends, and size variations. Size variations include slim and sleek cans for portion control, low calorie products or other product differentiation, as well as larger sizes for high volume consumption. The Company expects to continue to add capacity in many of its growing markets around the world.

Beverage can and glass bottle manufacturing is capital intensive, requiring significant investment in tools and machinery. The Company seeks to effectively manage its invested capital and is continuing its efforts to reduce the metal content of its cans and reduce non-metal costs, including water and energy usage, while improving production processes.

Food Cans and Closures

The Company manufactures a variety of food cans and ends, including two-piece and three-piece cans in assorted shapes and sizes, and sells food cans to food marketers such as Abbott Laboratories, Bonduelle, Morgan Foods, Nestlé, Princes Group and Simmons Foods, among others. The Company offers a wide variety of metal vacuum closures and sealing equipment solutions to leading marketers such as Abbott Laboratories, Danone, Nestlé and Unilever, among others, from a network of metal vacuum closure plants around the world. The Company supplies total packaging solutions, including metal and composite closures, capping systems and services while working closely with customers, retailers and glass and plastic container manufacturers to develop innovative closure solutions and meet customer requirements.

Technologies used to produce food cans include three-piece welded, two-piece drawn and wall-ironed and two-piece drawn and redrawn. The Company also offers its LIFTOFF™ series of food ends, including its Easylift™ full aperture steel food can ends, and PeelSeam™ and PeelFit™ flexible aluminum foil laminated ends. The Company offers expertise in closure design and decoration, ranging from quality printing of the closure in up to nine colors, to inside-the-cap printing, which offers customers new promotional possibilities, to better product protection through Ideal Closures™, Orbit™ and Superplus™. The Company's commitment to innovation has led to developments in packaging materials, surface finishes, can shaping, lithography, filling, retorting, sealing and opening techniques and environmental performance. The Company manufactures easy open, vacuum and conventional ends for a variety of heat-processed and dry food products including fruits and vegetables, meat and seafood, soups, ready-made meals, infant formula, coffee and pet food.

Transit Packaging

The Company's transit packaging products are used to contain, unitize, and protect goods during manufacturing, transport, and warehousing and are sold around the world under a broad array of well-known brand names such as Signode, Strapex, Orgapack, Shippers Airbags, Angleboard, and MIMA. The Company serves diverse end markets, including metals, food and beverage, construction, agricultural, corrugated and general industrial. The Company's long operational history has resulted in a large base of equipment, which drives recurring revenue through the sale of consumables, parts and service offerings and future equipment replacement sales. The Company's customer concentration is low.

Aerosol Cans

The Company's customers for aerosol cans and ends include manufacturers of personal care, food, household and industrial products, including FrieslandCampina, Procter & Gamble, S.C. Johnson and Unilever, among others. The aerosol can business is highly competitive. The Company competes by offering its customers a broad range of products including multiple sizes, multiple color schemes and shaped packaging.

Promotional and Specialty Packaging

The Company's promotional and specialty packaging businesses are primarily located in Europe and Asia. The Company produces a wide range of promotional and specialty packaging containers with numerous lid and closure variations. The Company's customers include Britvic and Nestlé among others.

SALES AND DISTRIBUTION

Global marketers qualify suppliers on the basis of their ability to provide global service, innovative designs and technologies in a cost-effective manner.

With its global reach, the Company primarily markets and sells products to customers through its own sales and marketing staffs. In some instances, contracts with customers are centrally negotiated, but products are ordered through and distributed directly by the Company's local facilities. The Company's facilities are generally located in proximity to their respective major customers. The Company works closely with customers in order to develop new business and to extend the duration of existing contracts.

Many customers provide the Company with quarterly or annual estimates of product requirements along with related quantities pursuant to which periodic commitments are given. Such estimates assist the Company in managing production and controlling use of working capital. The Company schedules its production to meet customer requirements. Because the production time for the Company's products is short, any backlog of customer orders in relation to overall sales is not significant.

SEASONALITY

The food packaging business is somewhat seasonal with the first quarter tending to be the slowest period as the autumn packing period in the Northern Hemisphere has ended and new crops are not yet planted. The industry generally enters its busiest period in the third quarter when the majority of fruits and vegetables are harvested and immediately canned. Due to this seasonality, inventory levels increase in the first half of the year to meet peak demand in the second and third quarters. Weather represents a substantial uncertainty in the yield of food products and is a major factor in determining the demand for food cans in any given year. Generally, beverage products are consumed in greater amounts during the warmer months of the year and sales have generally been higher in the second and third quarters of the calendar year.

The Company's other businesses tend not to be as significantly affected by seasonal variations.

COMPETITION

Most of the Company's packaging products for consumer goods are sold in highly competitive markets, primarily based on price, quality, service and performance. The Company competes with other packaging manufacturers as well as with fillers, food processors and packers, some of whom manufacture containers for their own use and for sale to others. The Company's competitors include, but are not limited to, Ardagh Group, Ball Corporation, Ball Metalpack, Mauser Packaging Solutions, Can-Pack S.A., Metal Container Corporation, Silgan Holdings Inc., and Trivium Packaging.

The Transit Packaging Division also faces substantial competition from many regional and local competitors of various sizes in the manufacture, distribution and sale of its products. The division differentiates itself from the competition by leveraging its global scale, broad product portfolio and established brand reputation. The division's products compete, to some extent, with various other packaging materials, including other products made of paper, plastics, wood and various types of metal.

CUSTOMERS

The Company's largest customers consist of many of the leading manufacturers and marketers of packaged consumer products in the world. Consolidation trends among beverage and food marketers have led to a concentrated customer base. The Company's top ten global customers represented in the aggregate approximately 31% of its 2020 net sales. In each of the years in the period 2018 through 2020, no one customer accounted for more than ten percent of the Company's net sales. Each operating segment, with the exception of the Transit Packaging Segment, has major customers and the loss of one or more of these major customers could have a material adverse effect on an individual segment or the Company as a whole. Major customers include those listed above under the caption "Products". In addition to sales to Coca-Cola and Pepsi-Cola, the Company also supplies independent licensees of Coca-Cola and Pepsi-Cola.

RESEARCH AND DEVELOPMENT

The Company's principal Research, Development & Engineering ("RD&E") Centers for packaging products for consumer goods are located in Alsip, Illinois and Wantage, United Kingdom. The Company utilizes its centralized corporate RD&E capabilities to advance and deliver technologies for the Company's worldwide packaging activities that (1) promote development of value-added metal packaging systems for its customers, (2) design cost-efficient manufacturing processes, systems and materials and material-efficient container designs that further the sustainability of metal packaging, (3) provide continuous quality and/or production efficiency improvements in its manufacturing facilities, (4) advance customer and supplier relationships, and (5) provide value-added engineering services and technical support. These capabilities facilitate (1) the identification of new and/or expanded market opportunities by working directly with customers to develop new packaging products or enhance existing packaging products through the application of new technologies that better differentiate customers' products in the retail environment (for example, the creation of new packaging shapes, novel decoration methods, or the addition of digital content through unique codes) and/or the incorporation of consumer-valued features (for example, improved openability and/or ease of use) and (2) the reduction of manufacturing costs by reducing the material content of the Company's products (while retaining necessary performance characteristics), reducing spoilage, and increasing operating efficiencies in manufacturing facilities. These corporate R&D Centers are also applying their technical expertise to advance product design and manufacturing capabilities for the Company's Transit Packaging Division, supplementing their existing divisional product developments.

The Company maintains a substantial portfolio of patents and other intellectual property ("IP") in the field of metal packaging systems and seeks strategic partnerships to extend its IP in existing and emerging markets. As a result, the Company has licensed IP in geographic regions where the Company has a limited market presence today. Existing technologies such as SuperEnd® beverage ends, 360 End™ beverage ends, Easy-Flow™ beverage ends, Eole™ easy-open food ends and can shaping have been licensed in Australia, Japan, and Africa to provide customers with global access to Crown's brand building innovations.

The Transit Packaging Division is well known throughout its markets for its ability to drive product innovation and leadership in new technologies. The division focuses on market driven innovation and has a long history of creating product and service solutions that solve problems and create value for its customers. The division's platforms are primarily responsible for designing and executing their own research and development projects and the division's development process is comprised of a customer-oriented, "outside-in" approach. The division works with customers to determine their most pressing industrial packaging challenges, utilizing a rigorous multi-step product development process to ensure that they shape the ultimate product for both the customer and the broader market. Transit Packaging's track record of new product innovation is largely due to the success of this model.

The Transit Packaging Division has been an industry leader in industrial packaging innovation over the last 100 years as evidenced by their introduction of the first strap packaging product (1913), the first fully-automatic strapping machine (1946), the industry's first battery operated plastic strap hand tools (1995), and most recently the industry's first battery-operated steel strap hand tools (2013). At the core of its intellectual property strategy is a focus on obtaining quality patents that cover key products and technologies, in alignment with its business objectives. The Transit Packaging Division has grown its global patent portfolio to over 330 United States issued patents or pending patent applications and over 1,110 foreign issued patents or pending patent applications. The portfolio broadly covers about 335 customized technologies and spans diverse business platforms, as well as the different countries in which it operates.

The Company spent $53 million in 2020, $55 million in 2019, and $51 million in 2018 in its RD&E activities. Certain of these activities are expected to improve and expand the Company's product lines in the future. These expenditures include projects to improve manufacturing efficiencies, reduce unit costs, and develop new and improved value-added packaging systems.

MATERIALS AND SUPPLIERS

The Company uses various raw materials, primarily aluminum and steel, in its manufacturing operations. The Transit Packaging division also uses materials derived from crude oil and natural gas, such as polyethylene and polypropylene. In general, these raw materials are purchased in highly competitive, price-sensitive markets, which have historically exhibited price and demand cyclicality. These and other materials used in the manufacturing process have historically been available in adequate supply from multiple sources.

The Company has agreements for what it considers adequate supplies of raw materials. However, sufficient quantities may not be available in the future due to, among other things, shortages due to excessive demand, weather or other factors, including disruptions in supply caused by raw material transportation or production delays. From time to time, some of the raw materials have been in short supply but, to date, these shortages have not had a significant impact on the Company’s operations.

In 2020, consumption of steel and aluminum represented 16% and 35% of consolidated cost of products sold, excluding depreciation and amortization. Due to the significance of these raw materials to the overall cost of products sold, raw material efficiency is a critical cost component of the products manufactured. Supplier consolidations, changes in ownership, government regulations, political unrest and increased demand for raw materials in the packaging and other industries, among other risk factors, could cause uncertainty as to the availability of and the level of prices at which the Company might be able to source such raw materials in the future. Moreover, the prices of aluminum and steel can be subject to significant volatility. The Company’s raw material supply contracts vary as to terms and duration, with steel contracts typically one year in duration with fixed prices or set repricing dates, and aluminum contracts typically multi-year in duration with fluctuating prices based on aluminum ingot costs. The Company generally attempts to mitigate its steel and aluminum price risk by matching its purchase obligations with its sales agreements; however, there can be no assurance that the Company will be able to fully mitigate that risk.

The Company also uses commodity and foreign currency forwards in an attempt to manage its exposure to aluminum price volatility.

There can be no assurance that the Company will be able to fully recover from its customers the impact of aluminum and steel price increases or that the use of derivative instruments will effectively manage the Company’s exposure to price volatility. In addition, if the Company were unable to purchase steel and aluminum for a significant period of time, its operations would be disrupted, and if the Company were unable to fully recover the higher cost of steel and aluminum, its financial results may be adversely affected. As a result of continuing global supply and demand pressures, other commodity-related costs affecting the Company’s business may increase as well, including utility and freight-related costs. The Company will attempt to increase prices on its products accordingly in order to recover these costs. Certain of the Company's sales contracts contain non-metal pass-through provisions that include annual selling price adjustments based on a producer price index. In certain years the referenced index may be negative, requiring the Company to reduce its selling price while its actual costs may have increased.

In response to the volatility of raw material prices, ongoing productivity and cost reduction efforts in recent years have focused on improving raw material cost management. The Company’s manufacturing facilities are dependent, in varying degrees, upon the availability of water and processed energy, such as natural gas and electricity. Certain of these may become difficult or impossible to obtain on acceptable terms due to external factors, which could increase the Company’s costs or interrupt its business.

Aluminum and steel, by their very nature, can be recycled at high effectiveness and can be repeatedly reused to form new consumer packaging with minimal or no degradation in performance, quality or safety. By recycling these metals, large amounts of energy can be saved and significant water use and carbon dioxide emissions avoided.

SUSTAINABILITY AND ENVIRONMENTAL MATTERS

The Company has a Corporate Sustainability Policy and a Corporate Environmental Protection Policy. In addition, in 2020, the Company debuted its Twentyby30 program, which creates an opportunity for the Company to move beyond the challenges of addressing regulatory and supply chain disruption risks caused by environmental, social and governance ("ESG") concerns. The program identifies five distinct pillars of action - Climate Action, Resource Efficiency, Optimum Circularity, Working Together and Never Compromise - that represent topics of urgent global concern and areas of the business in which the Company can create notable impact and twenty measurable ESG goals to be completed by 2030 or sooner. A key aspect to the Company's success lies with the fact that the Company's primary material, metal, supports a circular economy and protects the customers' products by delivering outstanding shelf life.

Environmental considerations are among the criteria by which the Company evaluates projects, products, processes and purchases. The Company is committed to continuous improvement in product design and manufacturing practices to provide the best outcome for the human and natural environment, both now and in the future. By reducing the per-unit amount of raw materials used in manufacturing its products, the Company can significantly reduce the amount of energy, water and other resources and associated emissions necessary to manufacture metal containers. The Company aims to continue that process of improvement in its manufacturing process to assure that consumers and the environment are best served through the use of its products.

The Company’s operations are subject to numerous laws and regulations governing the protection of the environment, disposal of waste, discharges into water, emissions into the atmosphere and the protection of employee health and safety. Future regulations may impose stricter environmental requirements on the packaging industry and may require additional capital investment. Anticipated future restrictions in some jurisdictions on the use of certain coatings may require the Company to employ additional control equipment or process modifications.

There can be no assurance that current or future environmental laws or liabilities will not have a material effect on the Company’s financial condition, liquidity or results of operations. Discussion of the Company’s environmental matters is contained within “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Annual Report under the caption “Environmental Matters,” and under Note O to the consolidated financial statements.

HUMAN CAPITAL

At December 31, 2020, the Company had approximately 33,000 employees worldwide, with approximately 7,500 employed by the Americas Division, 12,000 employed by the European Division, 4,500 employed by the Asia Pacific Division and 8,500 employed by the Transit Packaging Division.

A significant portion of the Company’s workforce is unionized. Collective bargaining agreements with varying terms and expiration dates cover approximately 18,000 employees. The Company has experienced no union-initiated work stoppages during the 2020 fiscal year and believes that its employee relations remain good. The Company does not expect that renegotiation of any collective bargaining agreements expiring in 2021 will have a material adverse effect on its consolidated results of operations, financial position or cash flow.

The Company believes that its employees are key to achieving the Company’s business goals and growth strategy. Attracting, developing and retaining the best people globally is crucial to all aspects of the Company’s activities. Towards this end, the Company has cultivated a senior management team with extensive industry experience and highly specialized skills and has consistently re-invested in necessary resources to effectively staff and efficiently support its businesses. The Company aspires to offer market rate competitive salaries for the regions in which it operates, and to engage employees with rewarding opportunities to contribute to the Company’s success.

The Company is committed to the health and safety of its employees and their families. Since the outbreak of coronavirus (also known as COVID-19), the Company has taken specific actions to ensure the safety of its employees. The Company’s COVID-19 Task Teams have been actively monitoring scientific developments and government actions related to the virus;

instituting policies and procedures to minimize risk for the Company's global team members and facilities and to enable the Company to continue serving its customers in a safe and timely manner; sharing information with the workforce about the virus and actions to prevent its spread; and assisting staff in their efforts to get vaccinated. Beginning with the implementation of travel and visitor restrictions in February 2020, the Company has updated many of its policies to adapt to the pandemic environment. The Company has taken increased safety measures in its manufacturing facilities to ensure the safety of employees and the products they produce. The Company adheres to the latest updates from the U.S. Centers for Disease Control and Prevention and the World Health Organization, as well as the directives of local authorities, and has implemented a variety of other precautionary measures, including expanding remote working to as many employees as possible.

In addition to the Company's COVID-19 efforts, the Company supports the well-being of its employees and their families with a variety of physical, mental and social wellness programs. These programs differ by region, but include Company-sponsored or subsidized medical insurance over and above government provisions, annual medical, cancer and audiometry screenings, voluntary health fairs and employee assistance programs to improve health and wellness. The Company has built a Total Safety Culture that provides the framework for all health and safety initiatives across the Company and empowers employees to take a proactive role in their safety and that of their peers. The Company's focus is on behaviors and attitudes and achieving success in incident, injury and near-miss reductions. The Company's Twentyby30 program includes a goal to reduce the Total Recordable Incident Rate by 20% by 2025.

The Company recognizes that a diverse and inclusive workforce is critical to its future business success. It has therefore integrated Diversity & Inclusion (D&I) as a dimension of its Twentyby30 sustainability program aiming first to embed D&I awareness in its organizational culture. The Company believes different backgrounds, experiences and perspectives generate powerful new ideas and foster good and sustainable decision making. The Company's approach includes deployment of D&I training initiatives, such as psychological safety and Unconscious Bias trainings, improvement of its recruitment and onboarding processes including D&I principles and promotion of a positive work environment through policies, guidelines and practices that consider D&I. The Company is establishing Divisional D&I Committees to facilitate this cultural and organizational awareness.

The Company places a high value on skills management and lifelong learning opportunities that benefit both the individual employee and the whole Company. The Company provides a variety of educational opportunities, including a mix of mandatory and voluntary training programs that occur in classrooms, online or on the job. The Company also recognizes the importance of multifunctional teams and as such, management training includes international exposure and cross divisional activity to develop common approaches and values. Talent development programs vary by region, but include leadership programs designed to support operations leadership, lean manufacturing operations and employee performance management.

The Company maintains a written Code of Business Conduct and Ethics documenting its policies with respect to, among other things, anti-corruption, confidential information, and environmental, health and safety, as well as the Company's commitment to ensuring that all of its employees are treated with respect and dignity and are able to work in an environment free from all forms of unlawful employment discrimination. The Company's Compliance Teams are responsible for implementing these policies, and provide a mechanism for employees to report suspected violations of Company policies on a confidential basis, including anonymous reporting where permitted by local law.

WORKING CAPITAL

The Company generally uses cash during the first nine months of the year to finance seasonal working capital needs. The Company's working capital requirements are funded by cash flows from operations, revolving credit facilities and receivables securitization and factoring programs.

Further information relating to the Company's liquidity and capital resources is set forth within "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report under the caption "Liquidity" and under Note L to the consolidated financial statements.

AVAILABLE INFORMATION

The Company's website address is www.crowncork.com. Information on the Company's website is not incorporated by reference in this Annual Report on Form 10-K. The Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports filed by the Company with the U.S. Securities and Exchange Commission pursuant to sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are accessible free of charge through the Company's website as soon as reasonably practicable after the documents are filed with, or otherwise furnished to, the U. S. Securities and Exchange Commission ("SEC"). The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers, including the Company, that file electronically with the SEC. The public can obtain any documents that the Company files with the SEC at http://www.sec.gov.

The Company’s Code of Business Conduct and Ethics, its Corporate Governance Guidelines, and the charters of its Audit, Compensation and Nominating and Corporate Governance committees are available on the Company’s website. These documents are also available in print to any shareholder who requests them. Amendments to and waivers of the Code of Business Conduct and Ethics requiring disclosure under applicable SEC rules will be disclosed on the Company's website.

ITEM 1A. RISK FACTORS

In addition to factors discussed elsewhere in this Annual Report and in "Management's Discussion and Analysis of Financial Condition and Results of Operations," the following are some of the important factors that could materially and adversely affect the Company's business, financial condition and results of operations.

Risks Relating to the Company's Business and Industry

The Company's profits will decline if the price of raw materials or energy rises and it cannot increase the price of its products, and the Company's financial results could be adversely affected if the Company was not able to obtain sufficient quantities of raw materials.

The Company uses various raw materials, such as steel, aluminum, tin, water, natural gas, electricity and other processed energy, as well as materials derived from crude oil and natural gas, such as polyethylene and polypropylene resins, in its manufacturing operations. Sufficient quantities of these raw materials may not be available in the future or may be available only at increased prices. The Company's raw material supply contracts vary as to terms and duration, with steel contracts typically one year in duration with fixed prices and aluminum contracts typically multi-year in duration with fluctuating prices based on aluminum ingot costs. The availability of various raw materials and their prices depends on global and local supply and demand forces, governmental regulations (including tariffs and duties), level of production, resource availability, transportation, and other factors, including natural disasters such as floods and earthquakes. In particular, in recent years the consolidation of steel suppliers, shortage of raw materials affecting the production of steel and the increased global demand for steel, including in China and other developing countries, have contributed to an overall tighter supply for steel, resulting in increased steel prices and, in some cases, special surcharges and allocated cut backs of products by steel suppliers. In addition, new tariffs and potential limits on steel supply in the United States from certain foreign countries could further negatively impact the Company's ability to obtain sufficient quantities of steel at competitive prices. Moreover, future steel supply contracts may provide for prices that fluctuate or adjust rather than provide a fixed price during a one-year period. As a result of continuing global supply and demand pressures, other commodity-related costs affecting the Company's business may increase as well, including natural gas, electricity and freight-related costs.

The prices of certain raw materials used by the Company, such as steel, aluminum, resins and processed energy, have historically been subject to volatility. In 2020, consumption of steel and aluminum represented 16% and 35% of the Company's consolidated cost of products sold, excluding depreciation and amortization. While certain, but not all, of the Company's contracts pass through raw material costs to customers, the Company may be unable to increase its prices to offset increases in raw material costs without suffering reductions in unit volume, revenue and operating income. In addition, any price increases may take effect after related cost increases, reducing operating income in the near term. Significant increases in raw material costs may increase the Company's working capital requirements, which may increase the Company's average outstanding indebtedness and interest expense and may exceed the amounts available under the Company's senior secured credit facilities and other sources of liquidity. In addition, the Company hedges raw material costs on behalf of certain customers and may suffer losses if such customers are unable to satisfy their purchase obligations.

If the Company is unable to purchase steel, aluminum, resins or other raw materials for a significant period of time, the Company's operations would be disrupted and any such disruption may adversely affect the Company's financial results. If customers believe that the Company's competitors have greater access to raw materials, perceived certainty of supply at the Company's competitors may put the Company at a competitive disadvantage regarding pricing and product volumes.

The Company's principal markets may be subject to overcapacity and intense competition, which could reduce the Company's net sales and net income.

Food and beverage cans are standardized products, allowing for relatively little differentiation among competitors. This could lead to overcapacity and price competition among food and beverage can producers if capacity growth outpaced the growth in demand for food and beverage cans and overall manufacturing capacity exceeded demand. These market conditions could reduce product prices and contribute to declining revenue and net income and increasing debt balances. Competitive pricing pressures, overcapacity, the failure to develop new product designs and technologies for products, as well as other factors, such as consolidation among the Company's competitors, could cause the Company to lose existing business or opportunities to generate new business and could result in decreased cash flow and net income.

The Company is subject to competition from substitute products and decreases in demand for its products, which could result in lower profits and reduced cash flows.

The Company is subject to substantial competition from producers of alternative packaging made from glass, paper, flexible materials and plastic. The Company's sales depend heavily on the volumes of sales by the Company's customers in the food and beverage markets. Changes in preferences for products and packaging by consumers of prepackaged food and beverage cans significantly influence the Company's sales. Changes in packaging by the Company's customers may require the Company to re-tool manufacturing operations, which could require material expenditures. In addition, a decrease in the costs of, or a further increase in consumer demand for, alternative packaging could result in lower profits and reduced cash flows for the Company. For example, increases in the price of aluminum and steel and decreases in the price of plastic resin, which is a petrochemical product and may fluctuate with prices in the oil and gas market, may increase substitution of plastic food and beverage containers for metal containers or increases in the price of steel may increase substitution of aluminum packaging for aerosol products. Moreover, due to its high percentage of fixed costs, the Company may be unable to maintain its gross margin at past levels if it is not able to achieve high capacity utilization rates for its production equipment. In periods of low worldwide demand for its products or in situations where industry expansion created excess capacity, the Company experiences relatively low capacity utilization rates in its operations, which can lead to reduced margins during that period and can have an adverse effect on the Company's business.

The Company's business results depend on its ability to understand its customers' specific preferences and requirements, and to develop, manufacture and market products that meet customer demand.

The Company's ability to develop new product offerings for a diverse group of global customers with differing preferences, while maintaining functionality and spurring innovation, is critical to its success. This requires a thorough understanding of the Company's existing and potential customers on a global basis, particularly in potential high developing markets, including South America, Eastern Europe and Asia (including India). Failure to deliver quality products that meet customer needs ahead of competitors could have a significant adverse effect on the Company's business.

Loss of third-party transportation providers upon whom the Company depends or increases in fuel prices could increase the Company's costs or cause a disruption in the Company's operations.

The Company depends generally upon third-party transportation providers for delivery of products to customers. Strikes, slowdowns, transportation disruptions or other conditions in the transportation industry, including, but not limited to, shortages of truck drivers, disruptions in rail service, decreases in the availability of vessels or increases in fuel prices, could increase the Company's costs and disrupt Company’s operations and its ability to service customers on a timely basis.

The Company's business is seasonal and weather conditions could reduce the Company's net sales.

The Company manufactures metal and glass packaging primarily for the food and beverage can market. Its sales can be affected by weather conditions. Due principally to the seasonal nature of the soft drink, brewing, iced tea and other beverage industries, in which demand is stronger during the summer months, sales of the Company's products have varied and are expected to vary by quarter. Shipments in the U.S. and Europe are typically greater in the second and third quarters of the year. Unseasonably cool weather can reduce consumer demand for certain beverages packaged in its containers. In addition, poor weather conditions that reduce crop yields of packaged foods can decrease customer demand for its food containers.

The Company has a significant amount of goodwill that, if impaired in the future, would result in lower reported net income and a reduction of its net worth.

Impairment of the Company's goodwill would require a write down of goodwill, which would reduce the Company's net income in the period of any such write down. At December 31, 2020, the carrying value of the Company's goodwill was $4.6 billion. The Company is required to evaluate goodwill reflected on its balance sheet at least annually, or when circumstances indicate a potential impairment. If it determines that the goodwill is impaired, the Company would be required to write off a portion or all of the goodwill.

A significant portion of the Company's workforce is unionized and labor disruptions could increase the Company's costs and prevent the Company from supplying its customers.

A significant portion of the Company's workforce is unionized and a prolonged work stoppage or strike at any facility with unionized employees could increase its costs and prevent the Company from supplying its customers. In addition, upon the expiration of existing collective bargaining agreements, the Company may not reach new agreements without union action in certain jurisdictions and any such new agreements may not be on terms satisfactory to the Company. If the Company is unable to negotiate acceptable collective bargaining agreements, it may become subject to union-initiated work stoppages, including strikes. Moreover, additional groups of currently non-unionized employees may seek union representation in the future.

Failure by the Company's joint venture partners to observe their obligations could adversely affect the business and operations of the joint ventures and, in turn, the business and operations of the Company.

A portion of the Company's operations, including certain beverage can operations in Asia, the Middle East and South America, is conducted through joint ventures. The Company participates in these ventures with third parties. In the event that the Company's joint venture partners do not observe their obligations or are unable to commit additional capital to the joint ventures, it is possible that the affected joint venture would not be able to operate in accordance with its business plans or that the Company would have to increase its level of commitment to the joint venture.

The Company may not be able to use all of its foreign tax credit carryforwards in the event it undergoes an ownership change as defined by the U.S. Internal Revenue Code of 1986.

The Company has substantial foreign tax carryforwards that can, subject to complex limitations, reduce U.S. taxes owed on foreign income. In the event the Company undergoes an ownership change as determined, its use of those foreign tax credit carryovers may be severely curtailed under section 383 of the U.S. Internal Revenue Code of 1986. An ownership change may occur if the percentage of the Company's stock owned by one or more 5% shareholders increases by more than 50 percentage points over the lowest percentage of the Company's stock owned by those shareholders, measured over a three year period.

The loss of the Company's intellectual property rights may negatively impact its ability to compete.

If the Company is unable to maintain the proprietary nature of its technologies, its competitors may use its technologies to compete with it. The Company has a number of patents covering various aspects of its products, including its SuperEnd® beverage can end, whose primary patent expired in 2016, Easylift™ full aperture steel food can ends, PeelSeam™ and PeelFit™ flexible lidding and Ideal™ product line. The Company's patents may not withstand challenge in litigation, and patents do not ensure that competitors will not develop competing products or infringe upon the Company's patents. Moreover, the costs of litigation to defend the Company's patents could be substantial and may outweigh the benefits of enforcing its rights under its patents. The Company markets its products internationally and the patent laws of foreign countries may offer less protection than the patent laws of the United States. Not all of the Company's domestic patents have been registered in other countries. The Company also relies on trade secrets, know-how and other unpatented proprietary technology, and others may independently develop the same or similar technology or otherwise obtain access to the Company's unpatented technology. In addition, the Company has from time to time received letters from third parties suggesting that it may be infringing on their intellectual property rights, and third parties may bring infringement suits against the Company, which could result in the Company needing to seek licenses from these third parties or refraining altogether from use of the claimed technology.

Risks Relating to the Company's International Operations

The Company's international operations, which generated approximately 69% of its consolidated net sales in 2020, are subject to various risks that may lead to decreases in its financial results.

The Company is an international company, and the risks associated with operating in foreign countries may have a negative impact on the Company's liquidity and net income. The Company's international operations generated approximately 69%, 70% and 73% of its consolidated net sales in the years ended 2020, 2019 and 2018. In addition, the Company's business strategy includes continued expansion of international activities, including within developing markets and areas, such as South America, Eastern Europe and Asia, that may pose greater risk of political or economic instability. Approximately 37% of the Company's consolidated net sales in the year ended 2020 and approximately 35% of the Company's consolidated net sales in the years ended 2019 and 2018 were generated outside of the developed markets in Western Europe, the United States and Canada. Further, if a downturn in European economic conditions ultimately leads to a significant devaluation of the euro, the value of the Company's financial assets that are denominated in euro would be significantly reduced when translated to U.S. dollars for financial reporting purposes. Any of these conditions could ultimately harm the Company's overall business, prospects, operating results, financial condition and cash flows.

Emerging markets are a focus of the Company's international growth strategy. The developing nature of these markets and the nature of the Company's international operations generally are subject to various risks, including:

- foreign governments' restrictive trade policies;
- inconsistent product regulation or policy changes by foreign agencies or governments;
- duties, taxes or government royalties, including the imposition or increase of withholding and other taxes on remittances and other payments by non-U.S. subsidiaries;
- customs, import/export and other trade compliance regulations;
- foreign exchange rate risks and exchange controls;
- difficulty in collecting international accounts receivable and potentially longer payment cycles;
- increased costs in maintaining international manufacturing and marketing efforts;
- non-tariff barriers and higher duty rates;
- difficulties associated with expatriating cash generated or held abroad in a tax-efficient manner and changes in tax laws;
- difficulties in enforcement of contractual obligations and intellectual property rights and difficulties in protecting intellectual property or sensitive commercial and operations data or information technology systems generally;
- national and regional labor strikes;
- geographic, language and cultural differences between personnel in different areas of the world;
- high social benefit costs for labor, including costs associated with restructurings;
- civil unrest or political, social, legal and economic instability;
- product boycotts, including with respect to the products of the Company's multi-national customers;
- customer, supplier, and investor concerns regarding operations in areas such as the Middle East;
- taking of property by nationalization or expropriation without fair compensation;
- imposition of limitations on conversions of foreign currencies into dollars or payment of dividends and other payments by non-U.S. subsidiaries;
- hyperinflation and currency devaluation in certain foreign countries where such currency devaluation could affect the amount of cash generated by operations in those countries and thereby affect the Company's ability to satisfy its obligations;
- war, civil disturbance, global or regional catastrophic events, natural disasters, and acts of terrorism;
- geographical concentration of the Company's factories and operations and regional shifts in its customer base;
- periodic health epidemic concerns, such as the ongoing coronavirus pandemic
- the complexity of managing global operations; and
- compliance with applicable anti-corruption or anti-bribery laws.

As the Company seeks to expand its business globally, growth opportunities may be impacted by greater political, economic and social uncertainty and the continuing and accelerating globalization of businesses could significantly change the dynamics of the Company's competition, customer base and product offerings.

The Company's efforts to grow its businesses depend to a large extent upon access to, and its success in developing market share and operating profitably in, geographic markets including but not limited to the Middle East, South America, Eastern Europe and Asia. In some cases, countries in these regions have greater political and economic volatility, greater vulnerability to infrastructure and labor disruptions and differing local customer product preferences and requirements than the Company's other markets. Operating and seeking to expand business in a number of different regions and countries exposes the Company to multiple and potentially conflicting cultural practices, business practices and legal and regulatory requirements that are subject to change, including those related to tariffs and trade barriers, investments, property ownership rights, taxation, repatriation of earnings and regulation of advanced technologies. Such expansion efforts may also use capital and other resources of the Company that could be invested in other areas. Expanding business operations globally also increases exposure to currency fluctuations which can materially affect the Company's financial results. As emerging geographic markets become more important to the Company, its competitors are also seeking to expand their production capacities and sales in these same markets, which may lead to industry overcapacity that could adversely affect pricing, volumes and financial results in such markets. Although the Company is taking measures to adapt to these changing circumstances, the Company's reputation and/or business results could be negatively affected should these efforts prove unsuccessful.

The Company is subject to the effects of fluctuations in foreign exchange rates, which may reduce its net sales and cash flow.

The Company is exposed to fluctuations in foreign currencies as a significant portion of its consolidated net sales, costs, assets and liabilities, are denominated in currencies other than the U.S. dollar. The Company's international operations generated approximately 69%, 70% and 73% of its consolidated net sales in the years ended 2020, 2019 and 2018. Volatility in exchange rates may increase the costs of its products, impair the purchasing power of its customers in different markets, result in significant competitive benefit to certain of its competitors who incur a material part of their costs in other currencies than it does, and increase its hedging costs and limit its ability to hedge exchange rate exposure. In its consolidated financial statements, the Company translates local currency financial results into U.S. dollars based on average exchange rates prevailing during a reporting period. During times of a strengthening U.S. dollar, its reported international revenue and earnings will be reduced because the local currency will translate into fewer U.S. dollars. Conversely, a weakening U.S. dollar will effectively increase the dollar-equivalent of the Company's expenses and liabilities denominated in foreign currencies. See “Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources-Market Risk” and "Quantitative and Qualitative Disclosure about Market Risk" in this Annual Report. Although the Company may use financial instruments such as foreign currency forwards from time to time to reduce its exposure to currency exchange rate fluctuations in some cases, it may not elect or have the ability to implement hedges or, if it does implement them, there can be no assurance that such agreements will achieve the desired effect.

For the year-ended December 31, 2020, a 0.10 movement in the average euro rate would have reduced net income by $9 million.

The vote by the United Kingdom to leave the European Union could adversely affect the Company.

The United Kingdom (“U.K.”) has ceased to be a member of the European Union (“E.U.”) on January 31, 2020, and the applicable transition period ended on December 31, 2020 (such departure commonly referred to as “Brexit”). The U.K. is also no longer part of the European Economic Area (the “EEA”).

Due to the ongoing political uncertainty as regards the structure of the future relationship between the U.K. and the E.U. and, as a consequence, the uncertainty as to the wider implications it will have for the U.K., it is not possible to determine the precise impact on general economic conditions in the U.K., including any implications for the U.K. sovereign ratings, ratings of relevant transaction parties or the performance of other entities or exposures with a U.K. nexus. The uncertainty continues to adversely affect economic and market conditions in the U.K., in the E.U. and its member states and elsewhere, and also contribute to some uncertainty and instability in global financial markets. In particular, Brexit significantly impacts volatility, liquidity and/or the market value of securities. Accordingly, Brexit could adversely affect the Company's business, results of operations, financial condition and cash flows.

Risks Relating to the Company's Indebtedness and Liquidity

The substantial indebtedness of the Company could prevent it from fulfilling its obligations under its indebtedness.

The Company has substantial outstanding indebtedness. As a result of the Company's substantial indebtedness, a significant portion of the Company's cash flow will be required to pay interest and principal on its outstanding indebtedness, and the Company may not generate sufficient cash flow from operations, or have future borrowings available under its senior secured credit facilities, to enable it to repay its indebtedness or to fund other liquidity needs. As of December 31, 2020, the Company and its subsidiaries had approximately $8.3 billion of indebtedness, excluding unamortized discounts and debt issuance costs.

The Company’s current sources of liquidity includes a securitization facility with a program limit up to a maximum of $375 that expires in July 2021, a securitization facility with a program limit of $282 that expires in November 2022, and an uncommitted securitization facility with a program limit of $175 that expires in December 2021. Additional sources of the Company's liquidity include borrowings under its $1,650 billion revolving credit facilities that matures in December 2024.

The Company's indebtedness includes its €650 million ($794 million at December 31, 2020) 4.0% senior notes in July 2022; its $1 billion 4.50% senior notes in January 2023; its €335 million ($409 million at December 31, 2020) 2.25% senior notes in February 2023; its €550 million ($671 million at December 31, 2020) 0.75% senior notes in February 2023; its €600 million ($733 million at December 31, 2020) 2.625% senior notes in September 2024; its €600 million ($733 million at December 31, 2020) 3.375% senior notes in May 2025; its $875 million 4.75% senior notes in February 2026; its €500 million ($610 million at December 31, 2020) 2.875% senior notes in February 2026; its $400 million 4.25% senior notes in September 2026; its $350 million 7.375% senior notes in December 2026; its $40 million 7.5% senior notes in December 2096; and its $110 million of other indebtedness in various currencies at various dates through 2027. In addition, the Company’s term loan facilities mature as follows: $41 million in 2021, $82 million in 2022, $83 million in 2023, and $1,210 million in 2024.

The substantial indebtedness of the Company could:

- increase the Company's vulnerability to general adverse economic and industry conditions, including rising interest rates;
- restrict the Company from making strategic acquisitions or exploiting business opportunities, including any planned expansion in emerging markets;
- limit the Company's ability to make capital expenditures both domestically and internationally in order to grow the Company's business or maintain manufacturing plants in good working order and repair;
- limit, along with the financial and other restrictive covenants under the Company's indebtedness, the Company's ability to obtain additional financing, dispose of assets or pay cash dividends;
- require the Company to dedicate a substantial portion of its cash flow from operations to service its indebtedness, thereby reducing the availability of its cash flow to fund future working capital, capital expenditures, research and development expenditures and other general corporate requirements;
- require the Company to sell assets used in its business;
- limit the Company's ability to refinance its existing indebtedness, particularly during periods of adverse credit market conditions when refinancing indebtedness may not be available under interest rates and other terms acceptable to the Company or at all;
- increase the Company's cost of borrowing;
- limit the Company's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates; and
- place the Company at a competitive disadvantage compared to its competitors that have less debt.

If its financial condition, operating results and liquidity deteriorate, the Company's creditors may restrict its ability to obtain future financing and its suppliers could require prepayment or cash on delivery rather than extend credit, which could further diminish the Company's ability to generate cash flows from operations sufficient to service its debt obligations. In addition, the Company's ability to make payments on and refinance its debt and to fund its operations will depend on the Company's ability to generate cash in the future.

Some of the Company's indebtedness is subject to floating interest rates, which would result in the Company's interest expense increasing if interest rates rise.

As of December 31, 2020, approximately $1.5 billion of the Company's $8.3 billion of total indebtedness and other outstanding obligations were subject to floating interest rates. Changes in economic conditions could result in higher interest rates, thereby increasing the Company's interest expense and reducing funds available for operations or other purposes. The Company's annual interest expense was $300 million, $378 million and $384 million for 2020, 2019 and 2018, respectively. Based on the amount of variable rate debt outstanding at December 31, 2020, a 0.25% increase in variable interest rates would increase its annual interest expense by approximately $4 million before tax. Accordingly, the Company may experience economic losses and a negative impact on earnings as a result of interest rate fluctuation. The actual effect of a 0.25% increase in these floating interest rates could be more than $4 million as the Company’s average borrowings on its variable rate debt may be higher during the year than the amount at December 31, 2020. In addition, the cost of the Company’s securitization and factoring facilities would also increase with an increase in floating interest rates. Although the Company may use interest rate protection agreements from time to time to reduce its exposure to interest rate fluctuations in some cases, it may not elect or have the ability to implement hedges or, if it does implement them, there can be no assurance that such agreements will achieve the desired effect. See “Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources-Market Risk” and “Quantitative and Qualitative Disclosures About Market Risk” in this Annual Report.

Restrictive covenants in the debt agreements governing the Company's current or future indebtedness could restrict the Company's operating flexibility.

The indentures and agreements governing the Company's senior secured credit facilities and outstanding notes contain affirmative and negative covenants that limit the ability of the Company and its subsidiaries to take certain actions. These restrictions may limit the Company's ability to operate its businesses and may prohibit or limit its ability to enhance its operations or take advantage of potential business opportunities as they arise. The Company's senior secured credit facilities require the Company to maintain specified financial ratios and satisfy other financial conditions. The agreements or indentures governing the Company's senior secured credit facilities and certain of its outstanding notes restrict, among other things, the ability of the Company and the ability of all or substantially all of its subsidiaries to:

- incur additional debt;
- pay dividends or make other distributions, repurchase capital stock, repurchase subordinated debt and make certain investments or loans;
- create liens and engage in sale and leaseback transactions;
- create restrictions on the payment of dividends and other amounts to the Company from subsidiaries;
- make loans, investments and capital expenditures;
- change accounting treatment and reporting practices;
- enter into agreements restricting the ability of a subsidiary to pay dividends to, make or repay loans to, transfer property to, or guarantee indebtedness of, the Company or any of its subsidiaries;
- sell or acquire assets, enter into leaseback transactions and merge or consolidate with or into other companies; and
- engage in transactions with affiliates.

In addition, the indentures and agreements governing the Company's senior secured credit facilities and certain of its outstanding notes limit, among other things, the ability of the Company to enter into certain transactions, such as mergers, consolidations, joint ventures, asset sales, sale and leaseback transactions and the pledging of assets.

The breach of any of these covenants by the Company or the failure by the Company to meet any of these ratios or conditions could result in a default under any or all of such indebtedness. If a default occurs under any such indebtedness, all of the outstanding obligations thereunder could become immediately due and payable, which could result in a default under the Company's other outstanding debt and could lead to an acceleration of obligations related to the Company's senior secured credit facilities, outstanding notes and other outstanding debt. The ability of the Company to comply with these covenants or indentures governing other indebtedness it may incur in the future and its outstanding notes can be affected by events beyond its control and, therefore, it may be unable to meet these ratios and conditions.

Notwithstanding the Company's current indebtedness levels and restrictive covenants, the Company may still be able to incur substantial additional debt or make certain restricted payments, which could exacerbate the risks described above.

The Company may be able to incur additional debt in the future, including in connection with acquisitions or joint ventures. Although the Company's senior secured credit facilities and indentures governing certain of its outstanding notes contain restrictions on the Company's ability to incur indebtedness, those restrictions are subject to a number of exceptions, and, under certain circumstances, indebtedness incurred in compliance with these restrictions could be substantial. The Company may also consider investments in joint ventures or acquisitions or increased capital expenditures, which may increase the Company's indebtedness. Moreover, although the Company's senior secured credit facilities and indentures governing certain of its outstanding notes contain restrictions on the Company's ability to make restricted payments, including the declaration and payment of dividends and the repurchase of the Company's common stock, the Company is able to make such restricted payments under certain circumstances which may increase indebtedness. Adding new debt to current debt levels or making otherwise restricted payments could intensify the related risks that the Company and its subsidiaries now face.

The Company's senior secured credit facilities provide that certain change of control events constitute an event of default. In the event of a change of control, the Company may not be able to satisfy all of its obligations under the senior secured credit facilities or other indebtedness.

The Company may not have sufficient assets or be able to obtain sufficient third-party financing on favorable terms to satisfy all of its obligations under the Company's senior secured credit facilities or other indebtedness in the event of a change of control. The Company's senior secured credit facilities provide that certain change of control events constitute an event of default under the senior secured credit facilities. Such an event of default entitles the lenders thereunder to, among other things, cause all outstanding debt obligations under the senior secured credit facilities to become due and payable and to proceed against the collateral securing the senior secured credit facilities. Any event of default or acceleration of the senior secured credit facilities will likely also cause a default under the terms of other indebtedness of the Company. In addition, the indentures governing certain of the Company's outstanding notes require that the Company offer to repurchase the notes at an offer price of 101% of principal upon certain change of control repurchase events.

The Company is subject to certain restrictions that may limit its ability to make payments on its debt out of the cash reserves shown on the Company's consolidated financial statements.

The ability of the Company's subsidiaries and joint ventures to pay dividends, make distributions, provide loans or make other payments to the Company may be restricted by applicable state and foreign laws, potentially adverse tax consequences and their agreements, including agreements governing their debt. In addition, the equity interests of the Company's joint venture partners or other shareholders in the Company's non-wholly owned subsidiaries in any dividend or other distribution made by these entities would need to be satisfied on a proportionate basis with the Company. As a result, the Company may not be able to access a portion of its cash flow to service the Company's debt.

The Company has significant pension plan obligations worldwide and significant unfunded postretirement obligations, which could reduce its cash flow and negatively impact its results of operations and its financial condition.

The Company sponsors various pension plans worldwide, with the largest funded plans in the U.K., U.S. and Canada. In 2020, 2019 and 2018, the Company contributed $27 million, $23 million and $20 million to its pension plans. Pension expense was $92 million, including settlement charges of $66 million, in 2020 and is expected to be $48 million in 2021, using foreign currency exchange rates in effect at December 31, 2020. A 0.25% change in the 2021 expected rate of return assumptions would change 2021 pension expense by approximately $12 million. A 0.25% change in the discount rates assumptions as of December 31, 2020 would change 2021 pension expense by approximately $2 million. The Company may be required to accelerate the timing of its contributions under its pension plans. The actual impact of any accelerated funding will depend upon the interest rates required for determining the plan liabilities and the investment performance of plan assets. An acceleration in the timing of pension plan contributions could decrease the Company's cash available to pay its outstanding obligations and its net income and increase the Company's outstanding indebtedness.

Based on current assumptions, the Company expects to make pension contributions of $22 million in 2021, $42 million in 2022, $68 million in 2023, $78 million in 2024 and $111 million in 2025. Future changes in the factors used to determine pension contributions, including investment performance of plan assets, could have a significant impact on the Company's future contributions and its cash flow available for debt reduction, capital expenditures or other purposes.

The difference between pension plan obligations and assets, or the funded status of the plans, significantly affects the net periodic benefit costs of the Company's pension plans and the ongoing funding requirements of those plans. Among other factors, significant volatility in the equity markets and in the value of illiquid alternative investments, changes in discount rates, investment returns and the market value of plan assets can substantially increase the Company's future pension plan funding requirements and could have a negative impact on the Company's results of operations and profitability. See Note Q to the Company's audited consolidated financial statements in this Annual Report. As long as the Company continues to maintain its various pension plans, the Company will continue to incur additional pension obligations. The Company's pension plan assets consist primarily of common stocks and fixed income securities and also include alternative investments such as interests in private equity and hedge funds. If the performance of plan assets does not meet the Company's assumptions or discount rates decline, the underfunding of the pension plans may increase and the Company may have to contribute additional funds to the pension plans, and the Company's pension expense may increase. In addition, certain of the Company's pension and postretirement plans are unfunded.

The Company's U.S. funded pension plan is subject to the Employee Retirement Income Security Act of 1974, or ERISA. Under ERISA, the Pension Benefit Guaranty Corporation, or PBGC, has the authority to terminate an underfunded plan under certain circumstances. In the event its U.S. pension plan is terminated for any reason while the plan is underfunded, the Company will incur a liability to the PBGC that may be equal to the entire amount of the underfunding, which under certain circumstances may be senior to the notes. In addition, as of December 31, 2020 the unfunded accumulated postretirement benefit obligation, as calculated in accordance with U.S. generally accepted accounting principles, for retiree medical benefits was approximately $166 million, based on assumptions set forth under Note Q to the Company's audited consolidated financial statements in this Annual Report.

Risks Relating to Litigation and Regulatory Matters

The Company is subject to litigation risks which could negatively impact its operations and net income.

The Company is subject to various lawsuits and claims with respect to matters such as governmental, environmental and employee benefits laws and regulations, securities, labor, and actions arising out of the normal course of business, in addition to asbestos-related litigation described under the risk factor titled "Pending and future asbestos litigation and payments to settle asbestos-related claims could reduce the Company's cash flow and negatively impact its financial condition." The Company is currently unable to determine the total expense or possible loss, if any, that may ultimately be incurred in the resolution of such legal proceedings. Regardless of the ultimate outcome of such legal proceedings, they could result in significant diversion of time by the Company's management. The results of the Company's pending legal proceedings, including any potential settlements, are uncertain and the outcome of these disputes may decrease its cash available for operations and investment, restrict its operations or otherwise negatively impact its business, operating results, financial condition and cash flow.

In March 2015, the Bundeskartellamt, or German Federal Cartel Office ("FCO"), conducted unannounced inspections of the premises of several metal packaging manufacturers, including one of the Company's German subsidiaries. The local court order authorizing the inspection cited FCO suspicions of anti-competitive agreements in the market for the supply of metal packaging products. The Company conducted an internal investigation into the matter and discovered instances of inappropriate conduct by certain employees of German subsidiaries of the Company. The Company cooperated with the FCO and submitted a leniency application with the FCO which disclosed the findings of its internal investigation to date. In April 2018, the FCO discontinued its national investigation and referred the matter to the European Commission (the "Commission"). Following the referral, Commission officials conducted unannounced inspections of the premises of several metal packaging manufacturers, including Company subsidiaries in Germany, France and the United Kingdom.

The Commission's investigation is ongoing and, to date, the Commission has not officially charged the Company or any of its subsidiaries with violations of competition law. The Company is cooperating with the Commission and submitted a leniency application with the Commission with respect to the findings of the investigation in Germany referenced above. This application may lead to the reduction of possible future penalties. At this stage of the investigation the Company believes that a loss is probable but is unable to predict the ultimate outcome of the Commission's investigation and is unable to estimate the loss or possible range of losses that could be incurred, and has therefore not recorded a charge in connection with the actions by the Commission. If the Commission finds that the Company or any of its subsidiaries violated competition law, fines levied by the Commission could be material to the Company's operating results and cash flows for the periods in which they are resolved or become reasonably estimable.

Pending and future asbestos litigation and payments to settle asbestos-related claims could reduce the Company's cash flow and negatively impact its financial condition.

Crown Cork & Seal Company, Inc. (Crown Cork), a wholly-owned subsidiary of the Company, is one of many defendants in a substantial number of lawsuits filed throughout the United States by persons alleging bodily injury as a result of exposure to asbestos. In 1963, Crown Cork acquired a subsidiary that had two operating businesses, one of which is alleged to have manufactured asbestos-containing insulation products. Crown Cork believes that the business ceased manufacturing such products in 1963.

As of December 31, 2020, Crown Cork's accrual for pending and future asbestos-related claims and related legal costs was $251 million, including $214 million for unasserted claims. The Company determines its accrual without limitation to a specific time period. Assumptions underlying the accrual include that claims for exposure to asbestos that occurred after the sale of the subsidiary's insulation business in 1964 would not be entitled to settlement payouts and that state statutes described under Note N to the Company's audited consolidated financial statements included in this Annual Report, including Texas and Pennsylvania statutes, are expected to have a highly favorable impact on Crown Cork's ability to settle or defend against asbestos-related claims in those states and other states where Pennsylvania law may apply.

During the year ended December 31, 2020, Crown Cork received approximately 1,500 new claims, settled or dismissed approximately 1,500 claims, and had approximately 56,000 claims outstanding at the end of the period. Of these outstanding claims, approximately 16,500 claims relate to claimants alleging first exposure to asbestos after 1964 and approximately 39,500 relate to claimants alleging first exposure to asbestos before or during 1964, of which approximately 13,000 were filed in Texas, 1,500 were filed in Pennsylvania, 6,000 were filed in other states that have enacted asbestos legislation and 19,000 were filed in other states. The outstanding claims at December 31, 2020 also exclude approximately 19,000 inactive claims, as well as claims in Texas filed after June 11, 2003 (as the state of Texas has enacted legislation limiting asbestos-related liabilities, as further discussed in Note N. Due to the passage of time, the Company considers it unlikely that the plaintiffs in these cases will pursue further action. The exclusion of these inactive claims had no effect on the calculation of the Company's accrual as the claims were filed in states where the Company's liability is limited by statute. The Company devotes significant time and expense to defend against these various claims, complaints and proceedings, and there can be no assurance that the expenses or distractions from operating the Company's businesses arising from these defenses will not increase materially.

Crown Cork made cash payments of $21 million, $22 million and $21 million in 2020, 2019 and 2018 to settle asbestos claims and pay related legal and defense costs. These payments and any such future payments will reduce the cash flow available to Crown Cork for its business operations and debt payments.

Asbestos-related payments including defense costs may be significantly higher than those estimated by Crown Cork because the outcome of this type of litigation (and, therefore, Crown Cork's reserve) is subject to a number of assumptions and uncertainties, such as the number or size of asbestos-related claims or settlements, the number of financially viable responsible parties, the extent to which state statutes relating to asbestos liability are upheld and/or applied by the courts, Crown Cork's ability to obtain resolution without payment of asbestos-related claims by persons alleging first exposure to asbestos after 1964, and the potential impact of any pending or future asbestos-related legislation. Accordingly, Crown Cork may be required to make payments for claims substantially in excess of its accrual, which could reduce the Company's cash flow and impair its ability to satisfy its obligations. Further information regarding Crown's Cork's asbestos-related liabilities is presented within “Management's Discussion and Analysis of Financial Condition and Results of Operations” under the headings, “Provision for Asbestos” and “Critical Accounting Policies” and under Note N to the Company's audited consolidated financial statements included in this Annual Report.

The Company is subject to costs and liabilities related to stringent environmental and health and safety standards.

Laws and regulations relating to environmental protection and health and safety may increase the Company’s costs of operating and reduce its profitability. The Company's operations are subject to numerous U.S. federal and state and non-U.S. laws and regulations governing the protection of the environment, including those relating to operating permits, treatment, storage and disposal of waste, the use of chemicals in the Company's products and manufacturing process, discharges into water, emissions into the atmosphere, remediation of soil and groundwater contamination and protection of employee health and safety. Future regulations may impose stricter environmental or employee safety requirements affecting the Company's operations or may impose additional requirements regarding consumer health and safety, such as potential restrictions on the use of bisphenol-A, a starting material used to produce internal and external coatings for some food, beverage, and aerosol containers and metal closures. In the U.S., the FDA has banned the use of bisphenol-A in baby bottles, children’s drinking cups and epoxy resins that coat infant formula cans as well as in packaging and utensils for all foods and the EPA has considered adding bisphenol-A to the chemical concern list on the basis of environmental effects and using its Design for the Environment program to encourage reductions in bisphenol-A manufacturing and use. In addition, the State of California has declared bisphenol-A a reproductive system hazard and listed it as a hazardous chemical under the state Safe Water and Toxic Environment Act. Certain other nations, including Denmark, Belgium and France, have implemented or considered implementing legislation restricting the use of bisphenol-A, including imposing product labeling requirements or restrictions on the importation and placement in the market of packaging and utensils containing bisphenol-A, and the European Food Safety Authority has recommended that the tolerable daily intake of bisphenol-A be lowered. Domestic and international, federal, state, municipal or other regulatory authorities could further restrict or prohibit the use of bisphenol-A in the future. In addition, recent public reports, litigation and other allegations regarding the potential health hazards of bisphenol-A could contribute to a perceived safety risk about the Company's products and adversely impact sales or otherwise disrupt the Company's business. While the Company is exploring various alternatives to the use of bisphenol-A and conversion to alternatives is underway in some applications, there can be no assurance the Company will be completely successful in its efforts or that the alternatives will not be more costly to the Company.

Also, for example, future restrictions in some jurisdictions on air emissions of volatile organic compounds and the use of certain paint and lacquering ingredients may require the Company to employ additional control equipment or process modifications. The Company's operations and properties, both in the United States and abroad, must comply with these laws and regulations. In addition, a number of governmental authorities in the United States and abroad have introduced or are contemplating enacting legal requirements, including emissions limitations, cap and trade systems or mandated changes in energy consumption, in response to the potential impacts of climate change. Given the wide range of potential future climate change regulations in the jurisdictions in which the Company operates, the potential impact to the Company's operations is uncertain. In addition, the potential impact of climate change on the Company's operations is highly uncertain. The impact of climate change may vary by geographic location and other circumstances, including weather patterns and any impact to natural resources such as water.

A number of governmental authorities both in the U.S. and abroad also have enacted, or are considering, legal requirements relating to product stewardship, including mandating recycling, the use of recycled materials and/or limitations on certain kinds of packaging materials such as plastics. In addition, some companies with packaging needs have responded to such developments, and/or to perceived environmental concerns of consumers, by using containers made in whole or in part of recycled materials. Such developments may reduce the demand for some of the Company's products, and/or increase its costs.

The Company may experience significant negative effects to its business as a result of new federal, state or local taxes, increases to current taxes or other governmental regulations specifically targeted to decrease the consumption of certain types of beverages.

Public health and government officials have become increasingly concerned about the health consequences associated with over-consumption of certain types of beverages, such as sugar-sweetened beverages and including those sold by certain of the Company's significant customers. Possible new federal, state or local taxes, increases to current taxes or other governmental regulations specifically targeted to decrease the consumption of these beverages may significantly reduce demand for the beverages of the Company's customers, which could in turn affect demand of the Company's customers for the Company's products. For example, taxes on certain sugar-sweetened beverages have been enacted in France, the United Kingdom, and Mexico. France has also imposed taxes on energy drinks using certain amounts of taurine and caffeine. Some state and local governments are also considering similar taxes, and several U.S. cities, including in California, Pennsylvania, Illinois, Washington, and Colorado, have enacted taxes on certain sugar-sweetened beverages. The imposition of such taxes may decrease the demand for certain soft drinks and beverages that the Company's customers produce, which may cause the Company's customers to respond by decreasing their purchases from the Company. Consumer tax legislation and future attempts to tax sugar-sweetened or energy drinks by other jurisdictions could reduce the demand for the Company's products and materially adversely affect the Company's business and financial results.

Demand for the Company's products could be affected by changes in laws and regulations applicable to food and beverages and changes in consumer preferences.

The Company manufactures and sells metal and glass packaging primarily for the food and beverage can market. As a result, many of the Company's products come into direct contact with food and beverages. Accordingly, the Company's products must comply with various laws and regulations for food and beverages applicable to its customers. Changes in such laws and regulations, such as the sugary-drink taxes discussed above, could negatively impact customers' demand for the Company's products as they comply with such changes and/or require the Company to make changes to its products. Such changes to the Company's products could include modifications to the coatings and compounds that the Company uses, possibly resulting in the incurrence of additional costs. Additionally, because many of the Company's products are used to package consumer goods, the Company is subject to a variety of risks that could influence consumer behavior and negatively impact demand for the Company's products, including changes in consumer preferences driven by various health-related concerns and perceptions.

Changes in accounting standards, taxation requirements and other law could negatively affect the Company's financial results.

New accounting standards or pronouncements that may become applicable to the Company from time to time, or changes in the interpretation of existing standards and pronouncements, could have a significant effect on the Company's reported results for the affected periods. The Company is also subject to income tax in the numerous jurisdictions in which the Company operates. Increases in income tax rates or other changes to tax laws could reduce the Company's after-tax income from affected jurisdictions or otherwise affect the Company's tax liability.

In addition, the Company's products are subject to import and excise duties and/or sales or value-added taxes in many jurisdictions in which it operates. Increases in indirect taxes could affect the Company's products' affordability and therefore reduce demand for its products.

General Risk Factors

The Company's business operations and financial position have been and are expected to continue to be adversely affected by the coronavirus outbreak.

The ongoing global outbreak of coronavirus, which was declared a pandemic by the World Health Organization on March 11, 2020 and a national emergency by the President of the United States on March 13, 2020, has caused and is continuing to cause business slowdowns and shutdowns and turmoil in the financial markets both in the U.S. and abroad. The Company is closely monitoring the impact of COVID-19 on all aspects of its business and geographies, including how it has impacted and will impact the Company's employees, customers, suppliers and distribution channels. The pandemic, as well as the quarantines and other governmental and non-governmental restrictions which have been imposed throughout the world in an effort to contain or mitigate it, has created significant volatility, uncertainty and economic disruption which is expected to adversely affect the Company's business operations and may materially and adversely affect the Company's results of operations, cash flows and financial position or the Company's ability to execute its short- and long-term business strategies and initiatives. For example, governmental authorities in several regions (including Pennsylvania, where the Company's world headquarters are located) have ordered the cessation of all business activity which is deemed non-essential and there is a risk that these shutdown orders will be extended or expanded or that similar shutdown orders will be implemented in other regions; while many food and beverage products are deemed essential, several jurisdictions have implemented restrictions or prohibitions on the sale of alcoholic beverages which have reduced the demand for some of the Company's products. Likewise, the Company's Transit Packaging Division supplies a wide array of industrial markets which are being negatively affected by a decline in global economic activity.

The magnitude of COVID-19's ultimate impact on the Company will depend on numerous evolving factors, future developments and cascading effects of the coronavirus pandemic that the Company is not able to predict, including: the severity of the outbreak and the international actions that are being taken to contain and treat it; the duration of the outbreak and the myriad of business restrictions being imposed as a result of it; governmental, business and other responses to the outbreak (including limitations on the Company's operations and/or mandates that the Company provide products or services); the extent and duration of the effect of the outbreak on consumer confidence and spending, customer demand and buying patterns; the promotion of "social distancing" and the adoption of shelter-in-place orders and restrictions on exports affecting customers' demand for the Company's products; the extent to which forced remote working arrangements reduce the Company's ability to effectively manage its global operations; the impact of the outbreak on the Company's supply chain (including reductions in supply that may result in an inability to meet customer demand); the impact of the outbreak on internal controls (including those over financial reporting); the speed and success of vaccination efforts; any impairment in value of the Company's tangible or intangible assets which could be recorded as a result of a weaker economic conditions; and the effect of the ongoing disruption in the capital markets on the Company's ability to access capital on favorable terms and continue to meet its liquidity needs. Moreover, employee absenteeism due to members of the Company's workforce being quarantined or exposed to COVID-19 may impact the Company's ability to meet staffing needs which, compounded with the effects of ongoing office and potential factory closures, disruptions to ports and other shipping infrastructure, border closures, and other travel or health-related restrictions, may in turn impair the Company in the manufacture, distribution and sale of its products.

In addition, while the Company cannot predict the magnitude of the impact that COVID-19 will have on its customers and suppliers or their financial conditions, any material effect on the Company's customers or suppliers could adversely impact the Company. For example, certain of the Company's suppliers have informed the Company that the coronavirus outbreak and the resulting business restrictions may constrain supply of necessary materials and the Company may face difficulty collecting accounts receivable from any of its customers that may be negatively impacted by the pandemic. The impact of COVID-19 may also exacerbate other risk factors discussed in Item 1A of the Company's Annual Report on Form 10-K for the year ended

December 31, 2020, any of which could have a material effect on the Company. For example, significant volatility in the equity markets could have a negative impact on the market value of the Company's pension plan assets which may substantially increase the Company's future pension plan funding requirements and could have a negative impact on the Company's results of operations, pension plan funded status and future cash flows.

The extent of the impact of COVID-19 on the Company’s business is highly uncertain and difficult to predict, as information is rapidly evolving with respect to the duration and severity of the pandemic. At this point, the Company cannot reasonably estimate the duration and severity of the coronavirus outbreak or its overall impact on the Company’s business.

The loss of a major customer and/or customer consolidation could reduce the Company's net sales and profitability.

Many of the Company's largest customers have acquired companies with similar or complementary product lines. This consolidation has increased the concentration of the Company's business with its largest customers. In many cases, such consolidation has been accompanied by pressure from customers for lower prices, reflecting the increase in the total volume of product purchased or the elimination of a price differential between the acquiring customer and the company acquired. Increased pricing pressures from the Company's customers may reduce the Company's net sales and net income.

The majority of the Company's sales are to companies that have leading market positions in the sale of packaged food, beverages and household products to consumers. Although no one customer accounted for more than 10% of its net sales in the years ended 2020, 2019 or 2018, the loss of any major customers, a reduction in the purchasing levels of these customers or an adverse change in the terms of supply agreements with these customers could reduce the Company's net sales and net income. A continued consolidation of the Company's customers could exacerbate any such loss. In addition, the Company's relationship with several of its customers, particularly in the Transit Packaging division, is noncontractual, and as a result its customers may unilaterally reduce their purchases of its products.

The Company may not be able to manage its anticipated growth, and it may experience constraints or inefficiencies caused by unanticipated acceleration and deceleration of customer demand.

Unanticipated acceleration and deceleration of customer demand for the Company's products may result in constraints or inefficiencies related to the Company's manufacturing, sales force, implementation resources and administrative infrastructure, particularly in emerging markets where the Company is seeking to expand production. Such constraints or inefficiencies may adversely affect the Company as a result of delays, lost potential product sales or loss of current or potential customers due to their dissatisfaction. Similarly, over-expansion, including as a result of overcapacity due to expansion by the Company's competitors, or investments in anticipation of growth that does not materialize, or develops more slowly than the Company expects, could harm the Company's financial results and result in overcapacity.

To manage the Company's anticipated future growth effectively, the Company must continue to enhance its manufacturing capabilities and operations, information technology infrastructure, and financial and accounting systems and controls. Organizational growth and scale-up of operations could strain its existing managerial, operational, financial and other resources. The Company's growth requires significant capital expenditures and may divert financial resources from other projects, such as the development of new products or enhancements of existing products or reduction of the Company's outstanding indebtedness. If the Company's management is unable to effectively manage the Company's growth, its expenses may increase more than expected, its revenue could grow more slowly than expected and it may not be able to achieve its research and development and production goals, any of which could have a material effect on its business, operating results or financial condition.

Acquisitions, dispositions or investments that the Company is considering or may pursue could be unsuccessful, consume significant resources and require the incurrence of additional indebtedness.

The Company may consider acquisitions and investments that complement its existing business or dispositions of portions of its existing business. These possible acquisitions, dispositions and investments involve or may involve significant cash expenditures, debt incurrence (including the incurrence of additional indebtedness under the Company's senior secured revolving credit facilities or other secured or unsecured debt), operating losses and expenses that could have a material effect on the Company's financial condition and operating results.

In particular, if the Company incurs additional debt, the Company's liquidity and financial stability could be impaired as a result of using a significant portion of available cash or borrowing capacity to finance an acquisition. Moreover, the Company may face an increase in interest expense or financial leverage if additional debt is incurred to finance an acquisition, which may, among other things, adversely affect the Company's various financial ratios and the Company's compliance with the conditions of its existing indebtedness. In addition, such additional indebtedness may be incurred under the Company's senior secured credit facilities or otherwise secured by liens on the Company's assets.

Acquisitions and dispositions involve numerous other risks, including:

- diversion of management time and attention;
- failures to identify material problems and liabilities of acquisition targets or to obtain sufficient indemnification rights to fully offset possible liabilities related to the acquired businesses;
- difficulties integrating the operations, technologies and personnel of the acquired businesses;
- inefficiencies and complexities that may arise due to unfamiliarity with new assets, businesses or markets;
- disruptions to the Company's ongoing business;
- inaccurate estimates of fair value made in the accounting for acquisitions and amortization of acquired intangible assets which would reduce future reported earnings;
- the inability to obtain required financing for the new acquisition or investment opportunities and the Company's existing business;
- the need or obligation to divest portions of an acquired business;
- challenges associated with operating in new geographic regions;
- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects;
- potential loss of key employees, contractual relationships, suppliers or customers of the acquired businesses or of the Company; and
- inability to obtain required regulatory approvals.

To the extent the Company pursues an acquisition or disposition that causes it to incur unexpected costs or that fails to generate expected returns, the Company's financial position, results of operations and cash flows may be adversely affected, and the Company's ability to service its indebtedness may be negatively impacted.

If the Company fails to retain key management and personnel, the Company may be unable to implement its business plan.

Members of the Company's senior management have extensive industry experience, and it might be difficult to find new personnel with comparable experience. Because the Company's business is highly specialized, the Company believes that it would also be difficult to replace its key technical personnel. The Company believes that its future success depends, in large part, on its experienced senior management team. Losing the services of key members of its management team could limit the Company's ability to implement its business plan. In addition, under the Company's unfunded Senior Executive Retirement Plan certain members of senior management are entitled to lump sum payments upon retirement or other termination of employment and a lump sum death benefit of five times the annual retirement benefit.

The Company relies on its information technology and the failure or disruption of its information technology could disrupt its operations and adversely affect its results of operations.

The Company's business increasingly relies on the successful and uninterrupted functioning of its information technology systems to process, transmit, and store electronic information. A significant portion of the communication between the Company's personnel around the world, customers, and suppliers depends on information technology. As with all large systems, the Company's information technology systems may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. In addition, security breaches could result in unauthorized disclosure of confidential information.

The concentration of processes in shared services centers means that any disruption could impact a large portion of the Company's business within the operating zones served by the affected service center. If the Company does not allocate, and effectively manage, the resources necessary to build, sustain and protect the proper technology infrastructure, the Company could be subject to transaction errors, processing inefficiencies, loss of customers, business disruptions, the loss of or damage to intellectual property through security breach, as well as potential civil liability and fines under various states' laws in which the Company does business. While the Company has security measures in place designed to protect the integrity of customer information and prevent data loss, misappropriation, and other security breaches, the Company's information technology system could nevertheless be penetrated by outside parties intent on extracting information, corrupting information or disrupting business processes. In addition, if the Company's information technology systems suffer severe damage, disruption or shutdown and the Company's business continuity plans do not effectively resolve the issues in a timely manner, the Company may lose revenue and profits as a result of its inability to timely manufacture, distribute, invoice and collect payments from its customers, and could experience delays in reporting its financial results, including with respect to the Company's operations in emerging markets. Furthermore, if the Company is unable to prevent security breaches, it may suffer financial and reputational damage because of lost or misappropriated confidential information belonging to the Company or to its customers or suppliers. Failure or disruption of these systems, or the back-up systems, for any reason could disrupt the Company's operations and negatively impact the Company's cash flows or financial condition.

If the Company fails to maintain an effective system of internal control, the Company may not be able to accurately report financial results or prevent fraud.

Effective internal controls are necessary to provide reliable financial reports and to assist in the effective prevention of fraud. Any inability to provide reliable financial reports or prevent fraud could harm the Company's business. The Company must annually evaluate its internal procedures to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, which requires management and auditors to assess the effectiveness of internal controls. If the Company fails to remedy or maintain the adequacy of its internal controls, as such standards are modified, supplemented or amended from time to time, the Company could be subject to regulatory scrutiny, civil or criminal penalties or shareholder litigation.

ITEM 1B. UNRESOLVED STAFF COMMENTS

There are no unresolved written comments that were received from the SEC staff 180 days or more before the end of the Company’s fiscal year relating to its periodic or current reports under the Securities Exchange Act of 1934.

ITEM 2. PROPERTIES

As of December 31, 2020, the Company operated 236 manufacturing facilities, of which 65 were leased. The Company has four divisions, primarily defined geographically, within which it manufactures and markets its products. The Americas Division operated 48 facilities in seven countries, of which eight facilities were leased. Within the Americas Division, 28 facilities operated in the U.S., of which six facilities were leased. The European Division operated 61 facilities in 22 countries, of which nine facilities were leased. The Asia Pacific Division operated 29 facilities in eight countries, of which two facilities were leased and the Transit Packaging Division operated 94 facilities in 23 countries, of which 44 facilities were leased. The Company also had four canmaking equipment and spare part operations in the U.S. and the U.K., of which two were leased. Certain leases provide renewal or purchase options. The principal manufacturing facilities at December 31, 2020 are listed below and are grouped by division.

The Company’s Americas and Corporate headquarters is in Yardley, Pennsylvania. Its European headquarters is in Baar, Switzerland, its Asia Pacific headquarters is in Singapore and its Transit Packaging headquarters is in Glenview, Illinois. The Company maintains research facilities in Alsip, Illinois and Wantage, England.

The Company’s manufacturing and support facilities are designed according to the requirements of the products to be manufactured. Therefore, the type of construction may vary from plant to plant. Warehouse space is generally provided at each of the manufacturing locations, although the Company also leases outside warehouses.

Ongoing productivity improvements and cost reduction efforts in recent years have focused on upgrading and modernizing facilities to reduce costs, improve efficiency and productivity and phase out uncompetitive facilities. The Company has also opened new facilities to meet increases in market demand for its products. These actions reflect the Company’s continued commitment to realign manufacturing facilities to maintain its competitive position in its markets.

Utilization of any particular facility varies based upon product demand. While it is not possible to measure with any degree of certainty or uniformity the productive capacity of these facilities, management believes that, if necessary, production can be increased at several existing facilities through the addition of personnel, capital equipment and, in some facilities, square footage available for production. In addition, the Company may from time to time acquire additional facilities or dispose of existing facilities.

Excluded from the list below are operating facilities in unconsolidated subsidiaries as well as service or support facilities. The service or support facilities include machine shop operations, plant operations dedicated to printing for cans and closures, coil shearing, coil coating and RD&E operations. Some operating facilities produce more than one product but have been presented below under the product with the largest contribution to sales.

	Americas		Europe		Asia Pacific
Beverage and Closures	Kankakee, IL Mankato, MN Batesville, MS Nichols, NY Dayton, OH Cheraw, SC Conroe, TX Fort Bend, TX Winchester, VA Olympia, WA La Crosse, WI Worland, WY Cabreuva, Brazil Teresina, Brazil Estancia, Brazil	Manaus, Brazil Ponta Grossa, Brazil Rio Verde, Brazil Calgary, Canada Ontario, Canada Santafe de Bogota, Colombia Chihuahua, Mexico Ensenada, Mexico Guadalajara, Mexico Monterrey, Mexico (2) Orizaba, Mexico Toluca, Mexico	Custines, France Korinthos, Greece Patras, Greece Parma, Italy Amman, Jordan Dammam, Saudi Arabia Jeddah, Saudi Arabia Kosice, Slovakia Agoncillo, Spain	Sevilla, Spain Valencia, Spain El Agba, Tunisia Izmit, Turkey Osmaniye, Turkey Dubai, UAE Botcherby, U.K. Braunstone, U.K.	Phnom Penh, Cambodia (2) Sihanoukville, Cambodia Hangzhou, China Heshan, China Ziyang, China Karawang, Indonesia Bangi, Malaysia Yangon, Myanmar Singapore Nong Khae, Thailand (2) Danang, Vietnam Dong Nai, Vietnam Hanoi, Vietnam Ho Chi Minh City, Vietnam
Food and Closures	Dubuque, IA Owatonna, MN Lancaster, OH Massillon, OH Mill Park, OH Connellsville, PA	Hanover, PA Suffolk, VA Oshkosh, WI Kingston, Jamaica La Villa, Mexico Barbados, West Indies	Carpentras, France Concarneau, France Laon, France Nantes, France Outreau, France Perigueux, France Mühldorf, Germany Seesen, Germany (2) Thessaloniki, Greece Tema, Ghana Kornye, Hungary Nagykoros, Hungary Athy, Ireland Aprilia, Italy Battipaglia, Italy Calerno S. Ilario d'Enza, Italy Nocera Superiore, Italy Parma, Italy	Abidjan, Ivory Coast Toamasina, Madagascar Agadir, Morocco Casablanca, Morocco Goleniow, Poland Pruszcz, Poland Alcochete, Portugal Novotitarovskaya, Russia Timashevsk, Russia Aldeanueva De Ebro, Spain Las Torres De Cotillas, Spain Llanera, Spain Merida, Spain Osuna, Spain Pontevedra, Spain Sevilla, Spain Karacabey, Turkey Wisbech, U.K.	Bangpoo, Thailand Hat Yai, Thailand Nakhon Pathom, Thailand Samrong, Thailand Songkhla, Thailand
Aerosol	Alsip, IL Decatur, IL	Faribault, MN Spartanburg, SC	Spilamberto, Italy (2)	Sutton, U.K.	
Promotional & Specialty Packaging	Belcamp, MD		Chatillon-sur-Seine, France Hoorn, Netherlands	Carlisle, U.K. Mansfield, U.K.	Henan, China Huizhou, China Qingdao Chengyan, China Shanghai, China Tianjin, China Tongxiang, China Singapore Dong Nai, Vietnam
Canmaking Equipment and Other	Norwalk, CT Trevose, PA	Chippewa Falls, WI Acayucan, Mexico	Shipley, U.K. (3)		

	Americas		Europe		Asia Pacific
Transit Packaging	Rainbow City, AL	Irvington, NJ	Virton, Belgium	Weischlitz, Germany	Derrimut, Australia
	Benton, AR (2)	Cleveland, OH	Kardjali, Bulgaria	Gorey, Ireland	Kurri Kurri, Australia
	Fordyce, AR	Loveland, OH	Noerresundby, Denmark	Kilkenny, Ireland	Qingdao, China
	Sheridan, AR	West Chester, OH	Soenderborg, Denmark	Nairobi, Kenya	Bangalore, India (3)
	Phoenix, AZ	Elizabethtown, PA	Liljendal, Finland	Heerlen, Netherlands	Dahej, India
	Bay Point, CA	Hazleton, PA	Masku, Finland	Nuenen, Netherlands	Karnataka, India
	Stockton, CA	South Canaan, PA	Castelsarrasin, France	Zwijndrecht, Netherlands	Rudrapur, India
	Denver, CO	Imperial, PA	Fontaine les Luxeuil, France	Kosice, Slovakia	Rudraram, India (2)
	Carrollton, GA	East Providence, RI	Manneville sur Risle, France	Burseryd, Sweden	Silvassa, India (2)
	Douglasville, GA	Darlington, SC	Tournus, France	Hjo, Sweden	Pohang, South Korea
	LaGrange, GA	Greer, SC	Dinslaken, Germany	Sandared, Sweden	Rayong, Thailand
	Macon, GA	Latta, SC	Goldkronach, Germany	Ystad, Sweden	Sriracha, Thailand
	Bridgeview, IL	Orange, TX	Hilden, Germany	Dietikon, Switzerland (2)	
	Dixmoor, IL	San Antonio, TX	Nurnberg, Germany	Merenschwand, Switzerland	
	Glenview, IL	Danville, VA		Izmir, Turkey	
	Kankakee, IL (2)	Woodland, WA		Kingswinford, U.K.	
	Elkhart, IN	Cabreuva, Brazil			
	Gary, IN	Cambridge Ontario, Canada			
	Florence, KY	Amatlan de los Reyes, Mexico			
	Monroe, LA	Cienega de Flores, Mexico			
	West Monroe, LA	Toluca, Mexico			
	Brighton, MI				
	Eden, NC				
	Salisbury, NC				

ITEM 3. LEGAL PROCEEDINGS

Crown Cork is one of many defendants in a substantial number of lawsuits filed throughout the U.S. by persons alleging bodily injury as a result of exposure to asbestos. These claims arose from the insulation operations of a U.S. company, the majority of whose stock Crown Cork purchased in 1963. Approximately ninety days after the stock purchase, this U.S. company sold its insulation assets and was later merged into Crown Cork. At December 31, 2020, the accrual for pending and future asbestos claims and related legal costs that are probable and estimable was $251 million.

The Company has been identified by the Environmental Protection Agency as a potentially responsible party (along with others, in most cases) at a number of sites.

Further information on these matters and other legal proceedings is presented within “Management’s Discussion and Analysis of Financial Condition and Results of Operations” under the captions “Provision for Asbestos” and “Environmental Matters,” within the risk factor titled "The Company is subject to litigation risks which could negatively impact its operations and net income" and under Note N and Note O to the consolidated financial statements.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Information concerning the principal executive officers of the Company, including their ages and positions, is set forth in “Directors, Executive Officers and Corporate Governance” of this Annual Report.

PART II

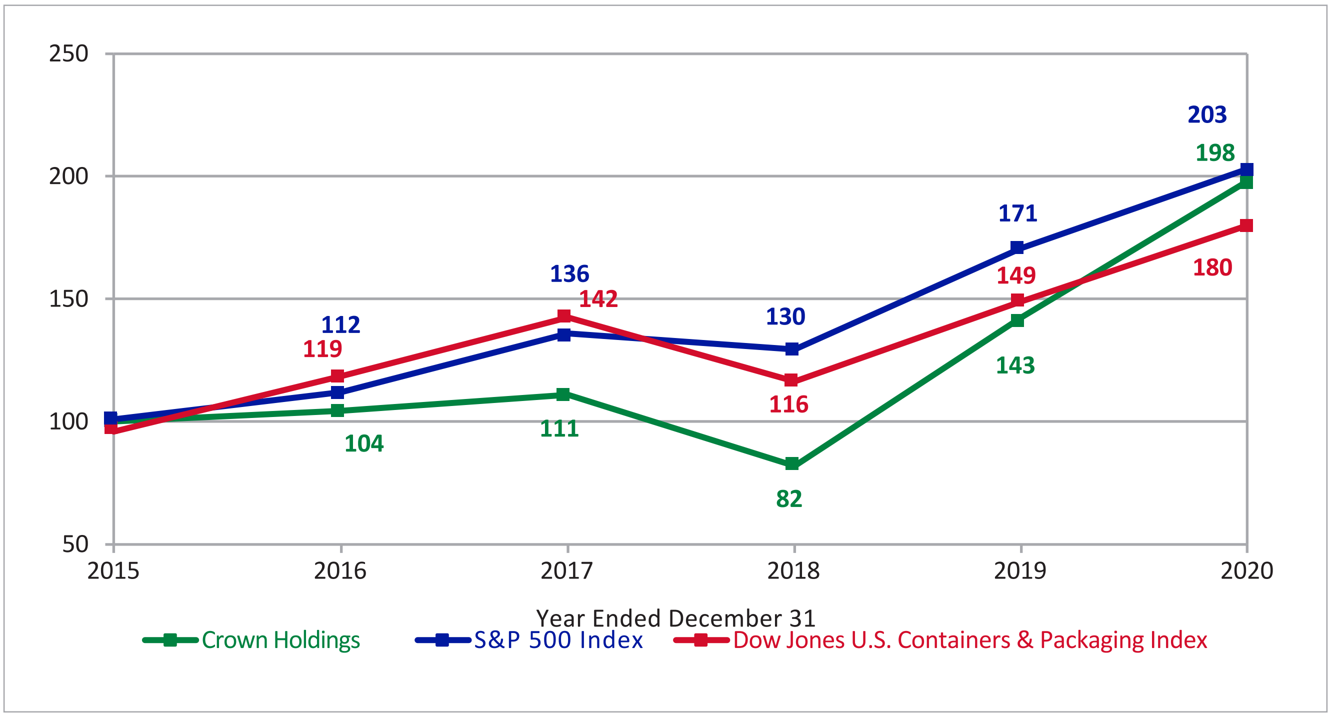
ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Registrant’s common stock is listed on the New York Stock Exchange under ticker symbol CCK. On February 25, 2021 there were 3,688 registered shareholders of the Registrant’s common stock, including 1,378 participants in the Company’s Employee Stock Purchase Plan. The market price of the Registrant’s common stock at December 31, 2020 is set forth in Part II of this Annual Report under Quarterly Data (unaudited). The foregoing information regarding the number of registered shareholders of common stock does not include persons holding stock through clearinghouse systems. Details regarding the Company’s policy as to payment of cash dividends and repurchase of shares are set forth under Note S to the consolidated financial statements included in this Annual Report. Information with respect to shares of common stock that may be issued under the Company’s equity compensation plans is set forth in “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters,” of this Annual Report.

Issuer Purchases of Equity Securities

During the three months ended December 31, 2020, there were 82,030 of the Company's shares surrendered to cover taxes on the vesting of restricted stock.

COMPARATIVE STOCK PERFORMANCE (a)
Comparison of Five-Year Cumulative Total Return (b)
Crown Holdings, S&P 500 Index, Dow Jones U.S. Containers & Packaging Index (c)



December 31,	2015	2016	2017	2018	2019	2020
Crown Holdings	$ 100	$ 104	$ 111	$ 82	$ 143	$ 198
S&P 500 Index	100	112	136	130	171	203
Dow Jones U.S. Containers & Packaging Index	100	119	142	116	149	180

(a) The preceding Comparative Stock Performance Graph is not deemed filed with the SEC and shall not be incorporated by reference in any of the Company's filings under the Security Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

(b) Assumes that the value of the investment in Crown Holdings common stock and each index was $100 on December 31, 2015 and that all dividends were reinvested.

(c) Industry index is weighted by market capitalization and, as of December 31, 2020, was composed of Crown Holdings, Amcor, AptarGroup, Avery Dennison, Ball, Berry Global, Graphic Packaging, International Paper, Packaging Corp. of America, Sealed Air, Silgan, Sonoco and WestRock.

ITEM 6. SELECTED FINANCIAL DATA

Removing and reserving Item 6 ("Selected Financial Data") of Part II

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

(in millions, except per share, average settlement cost per asbestos claim, employee, shareholder and statistical data)

INTRODUCTION

The following discussion summarizes the significant factors affecting the results of operations and financial condition of Crown Holdings, Inc. (the "Company") as of and during the three-year period ended December 31, 2020. This discussion should be read in conjunction with the consolidated financial statements included in this Annual Report.

BUSINESS STRATEGY AND TRENDS

The Company's strategy is to grow its businesses in targeted growth markets, while improving operations and results in more mature markets through disciplined pricing, cost control and careful capital allocation.

The Company's global beverage can business continues to be a major strategic focus for organic growth. Beverage cans are the world's most sustainable and recycled beverage packaging and continue to gain market share in new beverage product launches. The Company continues to drive brand differentiation by increasing its ability to offer multiple product sizes.

For several years, global industry demand for beverage cans has been growing. In North America, beverage can growth has accelerated in recent years mainly due to the outsized portion of new beverage products being introduced in cans versus other packaging formats. In addition, markets such as Brazil, Europe, Mexico and Southeast Asia have also experienced higher volumes and market expansion, although volumes in certain of those markets were negatively affected by the impact of COVID-19 in 2020. The Company continues to invest in capacity expansion to meet the accelerating demand.

The Company's primary capital allocation focus has been to reduce leverage, as was successfully accomplished following previous acquisitions, and to begin to return capital to its shareholders. In November 2019, the Company announced a Board-led review of the Company's portfolio and capital allocation strategy, which is ongoing. The Company is currently marketing its European Tinplate business, which is comprised of its food cans, food closures, aerosol cans and promotional containers operations. There can be no assurances as to the timing, price realized or certainty of such a sale and as a result, a potential sale could result in a future impairment charge.

The Company intends to initiate a regularly quarterly dividend beginning in the first quarter of 2021. In addition, the Company anticipates opportunistically repurchasing shares of its common stock in 2021 pursuant to an authorization by the Company's Board of Directors to repurchase up to $1.5 billion of the Company's common stock through the end of 2023.

In direct response to the coronavirus pandemic, the Company has taken specific actions to ensure the safety of its employees. Following the implementation of travel and visitor restrictions in February, the Company continues to update its policies as new information becomes available. The Company has increased safety measures in its manufacturing facilities to protect the safety of its employees and the products they produce. In addition, as many employees as possible are working remotely.

The Company's products are a vital part of the support system to its customers and consumers. In addition to manufacturing containers that provide protection for food and beverages, the Company also produces closures for baby food, aerosol containers for cleaning and sanitizing products and numerous other products that provide for the safe and secure transportation of goods in transit.

The Company is working to keep its manufacturing facilities around the world operational and equipped with the resources required to meet continually evolving customer demand by delivering high quality products in a safe and timely manner. The Company is actively monitoring and managing supply chain challenges, including coordinating with its suppliers to identify and mitigate potential areas of risk and manage inventories.

The Company continues to actively elevate its industry-leading commitment to sustainability, which is a core value of the Company. In July 2020, the Company debuted Twentyby30, a robust program that outlines twenty measurable environmental, social and governance goals to be completed by 2030 or sooner.

RESULTS OF OPERATIONS

The key measure used by the Company in assessing performance is segment income, a non-GAAP measure generally defined by the Company as income from operations adjusted to exclude intangibles amortization charges, provisions for asbestos and restructuring and other, and the impact of fair value adjustments to inventory acquired in an acquisition.

The foreign currency translation impacts referred to in the discussion below were primarily due to changes in the euro and pound sterling in the Company's European segments, the Mexican peso in the Company's Americas segments, the Thai baht in the Company's Asia Pacific segment and the Mexican peso, the Indian rupee and the euro in the Company's Transit Packaging segment. The Company calculates the impact of foreign currency translation by multiplying or dividing, as appropriate, current year U.S. dollar results by the current year average foreign exchange rates and then multiplying or dividing, as appropriate, those amounts by the applicable prior year average exchange rates.

NET SALES AND SEGMENT INCOME

	2020	2019	2018
Net sales	$11,575	$11,665	$11,151

Year ended December 31, 2020 compared to 2019

Net sales decreased primarily due to the pass-through of lower raw material costs and $59 from the impact of foreign currency translation, partially offset by 4% higher global beverage can sales unit volumes and 7% higher global food can sales unit volumes.

Year ended December 31, 2019 compared to 2018

Net sales increased primarily due to $569 from an additional three months of Signode's operations, following its acquisition in April 2018, and 3% higher global beverage sales unit volumes, partially offset by the impact of foreign currency translation.

Americas Beverage

The Americas Beverage segment manufactures aluminum beverage cans and ends, steel crowns, glass bottles and aluminum closures and supplies a variety of customers from its operations in the U.S., Brazil, Canada, Colombia and Mexico. The U.S. and Canadian beverage can markets have experienced recent growth due to the introduction of new beverage products in cans versus other packaging formats. To meet volume requirements in these markets, the Company began commercial production on a new beverage can line at its Toronto, Ontario plant in January 2020 and on the third line at its Nichols, NY facility in June 2020. Additionally, the Company has announced a new beverage can facility in Bowling Green, Kentucky, with the first line expected to begin production in the second quarter of 2021 and a second line scheduled for a late third quarter 2021 start-up. To meet the expanding requirements of specialty cans in the Pacific Northwest, the Company will construct a third line in its Olympia, Washington plant which is scheduled to begin production during the third quarter of 2021. The Company also announced construction of a new facility in Henry County, Virginia which is expected to commence operations during the first quarter of 2022.

In Brazil and Mexico, the Company's sales unit volumes have increased in recent years primarily due to market growth driven by increased per capita incomes and consumption, combined with an increased preference for cans over other forms of beverage packaging. In November 2019, the Company commenced operations at a new one-line beverage can facility in Rio Verde, Brazil. The Company will construct a second line at this facility that is expected to commence operations during the third quarter of 2021. The Company has also begun construction of a two-line facility in Minas Gerais, Brazil, with the first line expected to begin production during the second quarter of 2022 and the second line scheduled to start up during the fourth quarter of 2022.

Net sales and segment income in the Americas Beverage segment were as follows:

	2020	2019	2018
Net sales	$ 3,565	$ 3,369	$ 3,282
Segment income	652	534	454

Year ended December 31, 2020 compared to 2019

Net sales increased primarily due to 9% higher sales unit volumes, partially offset by $83 from the impact of foreign currency translation.

Segment income increased primarily due to higher sales unit volumes, partially offset by $18 from the impact of foreign currency translation.

Year ended December 31, 2019 compared to 2018

Net sales increased primarily due to 2% higher sales unit volumes partially offset by the pass-through of lower aluminum costs and $20 from the impact of foreign currency translation.

Segment income increased primarily due to higher sales unit volumes, lower freight costs and improved pricing in North America.

European Beverage

The Company's European Beverage segment manufactures steel and aluminum beverage cans and ends and supplies a variety of customers from its operations throughout Europe, the Middle East and North Africa. In recent years, the Western European beverage can markets have been growing.

In October 2018, the first line of a new beverage can plant in Valencia, Spain began operations and a second line began operations in February 2019. Additionally, in December 2019, the Company commenced operations at a new one-line plant in Parma, Italy. In the second quarter of 2020, both beverage can lines in the Seville, Spain plant began commercial production of aluminum cans.

Net sales and segment income in the European Beverage segment were as follows:

	2020	2019	2018
Net sales	$ 1,473	$ 1,497	$ 1,489
Segment income	215	190	193

Year ended December 31, 2020 compared to 2019

Net sales decreased primarily due to the pass-through of lower aluminum costs, partially offset by $16 related to the impact of foreign currency translation.

Segment income increased primarily due to improved operational performance and cost savings.

Year ended December 31, 2019 compared to 2018

Net sales increased primarily due to 6% higher sales unit volumes, partially offset by $56 related to the impact of foreign currency translation and the pass-through of lower aluminum costs.

Segment income decreased primarily due to higher depreciation related to recent capacity expansion and line conversions and $5 from the impact of foreign currency translation, partially offset by higher sales unit volumes.

European Food

The European Food segment manufactures steel and aluminum food cans and ends and metal vacuum closures, and supplies a variety of customers from its operations throughout Europe and Africa. The European food can market is a mature market where consumer preference continues to favor the can due to product protection and food preservation.

Net sales and segment income in the European Food segment were as follows:

	2020	2019	2018
Net sales	$ 1,975	$ 1,887	$ 1,982
Segment income	228	205	257

Year ended December 31, 2020 compared to 2019

Net sales increased primarily due to 7% higher sales unit volumes and $26 from the impact of foreign currency translation, partially offset by the pass-through of lower raw material costs. Higher sales unit volumes were primarily due to improved harvest conditions and crop yields.

Segment income increased as higher sales unit volumes and cost reduction initiatives were partially offset by $18 arising from the carryover of higher tinplate costs from prior year-end inventory.

Year ended December 31, 2019 compared to 2018

Net sales decreased primarily due to $102 from the impact of foreign currency translation, partially offset by the pass-through of higher raw material costs.

Segment income decreased primarily due to unfavorable product mix, higher tinplate and other operating costs that were not fully passed through in selling price and $11 from the impact of foreign currency translation.

Asia Pacific

The Company's Asia Pacific segment consists of beverage can operations in Cambodia, China, Indonesia, Malaysia, Myanmar, Singapore, Thailand and Vietnam and non-beverage can operations, primarily food cans and specialty packaging. In recent years, the beverage can market in Southeast Asia has been growing. In 2020, however, industry volumes decreased due to the impact of the coronavirus pandemic. The Company began commercial production at a new beverage can plant in Yangon, Myanmar in July 2018, a third beverage can line at the Phnom Penh, Cambodia plant in January 2019 and one-line plant in Nong Khae, Thailand in July 2020. Additionally, the Company has begun construction of a one-line beverage can plant in Vung Tao, Vietnam, which will begin commercial production in September 2021. In response to market conditions in China, the Company closed its Putian facility in 2018 and its Huizhou facility in early 2019. Following these closures, the Company has three beverage can plants in China with approximately $75 in annual sales.

Net sales and segment income in the Asia Pacific segment were as follows:

	2020	2019	2018
Net sales	$ 1,168	$ 1,290	$ 1,316
Segment income	175	194	186

Year ended December 31, 2020 compared to 2019

Net sales decreased primarily due to 4% lower beverage can sales unit volumes due to the impact of the coronavirus pandemic and the pass-through of lower aluminum costs.

Segment income decreased due to lower beverage can sales unit volumes, partially offset by cost reduction initiatives.

Year ended December 31, 2019 compared to 2018

Net sales decreased primarily due to lower sales unit volumes related to plant closures in China and the pass-through of lower aluminum costs, partially offset by 12% higher sales unit volumes in Southeast Asia.

Segment income increased due to higher sales unit volumes.

Transit Packaging

The Company completed its acquisition of Signode on April 3, 2018, which is reported as the Company's Transit Packaging segment. The Transit Packaging segment includes the Company's global consumables and equipment and tools businesses. Consumables include steel strap, plastic strap and industrial film and other related products that are used in a wide range of industries, and transit protection products that help prevent movement during transport for a wide range of industrial and consumer products. Equipment and tools includes manual, semi-automatic and automatic equipment and tools used in end-of-line operations to apply industrial solutions consumables.

Net sales and segment income in the Transit Packaging segment were as follows:

	2020	2019	2018
Net sales	$ 2,018	2,274	$ 1,800
Segment income	254	290	255

Year ended December 31, 2020 compared to 2019

Net sales decreased primarily due to lower sales unit volumes due to the impact of the coronavirus pandemic, the pass-through of lower raw material prices and $10 from the impact of foreign currency translation.

Segment income decreased primarily due to lower sales unit volumes, partially offset by the impact of cost reduction initiatives.

Year ended December 31, 2019 compared to 2018

Net sales and segment income increased primarily due to $569 and $73 from an additional quarter of ownership in 2019 partially offset by lower sales unit volumes due to a slowdown in manufacturing activity in many global markets, unfavorable product mix and $33 and $4 from the impact of foreign currency translation.

Other Segments

The Company's other segments include its food can and closures businesses in North America, its aerosol can businesses in North America and Europe, and its beverage tooling and equipment operations in the U.S. and U.K.

Net sales and segment income in other segments were as follows:

	2020	2019	2018
Net sales	$ 1,376	$ 1,348	$ 1,282
Segment income	119	126	122

Year ended December 31, 2020 compared to 2019

Net sales increased as higher sales in the Company's beverage can equipment operations and 9% higher sales unit volumes in the Company's North America food can business were partially offset by lower shipments in the Company's global aerosol can businesses, the pass-through of lower tinplate costs and $5 from the impact of foreign currency translation. The Company's North America food can business benefited from more at-home meal preparation during the coronavirus pandemic.

Segment income decreased primarily due to $16 arising from the carryover of higher tinplate costs from the prior year-end inventory and lower shipments in the Company's global aerosol can businesses, partially offset by higher sales in the Company's beverage can equipment operations and higher sales unit volumes in the Company's North America food can business.

Year ended December 31, 2019 compared to 2018

Net sales increased primarily due to the pass-through of higher tinplate costs and 5% higher sales unit volumes in the Company's North America food can business partially offset by lower sales unit volumes in the Company's equipment operations and $17 from the impact of foreign currency translation.

Segment income increased primarily due to higher sales unit volumes and lower freight costs in the Company's North America food can business and favorable product mix in the Company's equipment operations, partially offset by higher tinplate and other operating costs in the Company's global aerosol businesses that were not fully passed through in selling price.

Corporate and unallocated

	2020	2019	2018
Corporate and unallocated	$ (165)	$ (158)	$ (139)

Corporate and unallocated costs increased from 2019 to 2020 primarily due to higher incentive compensation costs.

Corporate and unallocated costs increased from 2018 to 2019 primarily due to higher incentive compensation and claims activity in 2019.

INTEREST EXPENSE

Interest expense decreased from $378 in 2019 to $300 in 2020 primarily due to lower outstanding debt and lower interest rates.

Interest expense decreased from $384 in 2018 to $378 in 2019 primarily due to lower interest rates offset by higher average outstanding debt incurred to finance the Signode acquisition.

TAXES ON INCOME

The Company's effective income tax rates were as follows:

	2020	2019	2018
Income before income taxes	$ 926	$ 786	$ 740
Provision for income taxes	244	166	216
Effective income tax rate	26.3 %	21.1 %	29.2 %

The effective tax rate in 2020 was 26.3%. The lower effective tax rate in 2019 included a benefit of $36 from the release of a valuation allowance against the Company's net deferred tax assets in Luxembourg and a benefit of $9 arising from tax law changes in India, partially offset by a charge of $15 to settle a tax contingency arising from a transaction that occurred prior to the acquisition of Signode in 2018.

The effective tax rate in 2018 included $24 related to taxes on the distributions of foreign earnings, which were previously asserted to be indefinitely reinvested.

For additional information regarding income taxes, see Note R to the consolidated financial statements.

NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS

Net income attributable to noncontrolling interest decreased from $115 in 2019 to $109 in 2020 primarily due to higher income in Brazil in 2019 related to a favorable court ruling for one of the Company's Brazilian subsidiaries related to indirect taxes.

Net income attributable to noncontrolling interest increased from $89 in 2018 to $115 in 2019 primarily due to higher earnings in the Company's beverage can operations in Brazil, including the impact of a favorable court ruling related to the recovery of indirect taxes paid in prior years.

LIQUIDITY AND CAPITAL RESOURCES

OPERATING ACTIVITIES

Cash provided by operating activities increased from $1,163 in 2019 to $1,315 in 2020 primarily due to higher income from operations.

Receivables increased from $1,528 at December 31, 2019 to $1,783 at December 31, 2020 primarily due to higher sales unit volumes and the impact of foreign currency translation. Days sales outstanding for trade receivables, excluding the impact of unbilled receivables, increased from 36 at December 31, 2019 to 38 at December 31, 2020.

Inventories increased from $1,626 at December 31, 2019 to $1,673 at December 31, 2020 primarily due to the impact of foreign currency translation. Inventory turnover was 63 days at December 31, 2019 compared to 64 days at December 31, 2020.

The food can business is seasonal with the first quarter tending to be the slowest period as the autumn packaging period in the Northern Hemisphere has ended and new crops are not yet planted. The industry enters its busiest period in the third quarter when the majority of fruits and vegetables in the Northern Hemisphere are harvested. Due to this seasonality, inventory levels increase in the first half of the year to meet peak demand in the second and third quarters. The beverage can business is also seasonal with inventory levels generally increasing in the first half of the year to meet peak demand in the summer months in the Northern Hemisphere.

Accounts payable increased from $2,646 at December 31, 2019 to $2,845 at December 31, 2020 and days outstanding for trade payables increased from 99 days at December 31, 2019 to 108 days at December 31, 2020 primarily due to higher sales unit volumes and the impact of foreign currency translation.

INVESTING ACTIVITIES

Cash used for investing activities increased from $374 in 2019 to $535 in 2020 primarily due to increased capital expenditures related to capacity expansion projects in the Americas Beverage segment.

The Company currently expects capital expenditures in 2021 to be approximately $850.

At December 31, 2020, the Company had approximately $177 of capital commitments primarily related to its Americas Beverage segment. The Company expects to fund these commitments primarily through cash generated from operations.

FINANCING ACTIVITIES

Cash used for financing activities decreased from $786 in 2019 to $239 in 2020 primarily due to lower net debt repayments in 2020. Additionally, in 2020 the Company repurchased $66 of capital stock and had an inflow of $43 from foreign exchange derivatives related to debt compared to an outflow of $16 in 2019.

LIQUIDITY

As of December 31, 2020, $1,024 of the Company's $1,173 in cash and cash equivalents was located outside the U.S. The Company is not currently aware of any legal restrictions under foreign law that materially impact its access to cash held outside the U.S. The Company funds its cash needs in the U.S. through a combination of cash flows from operations, dividends from certain foreign subsidiaries, borrowings under its revolving credit facility and the acceleration of cash receipts under its receivable securitization and factoring facilities. Of the cash and cash equivalents located outside the U.S., $663 was held by subsidiaries for which earnings are considered indefinitely reinvested. If such earnings were repatriated the Company may be required to record incremental foreign taxes on the repatriated funds.

The Company's revolving credit agreements provide capacity of $1,650. As of December 31, 2020, the Company had available capacity of $1,585 under its revolving credit facilities. The Company could have borrowed this amount at December 31, 2020 and still have been in compliance with its leverage ratio covenants.

The ratio of total debt, less cash and cash equivalents, to total capitalization was 73.0% and 77.8% at December 31, 2020 and 2019. Total capitalization is defined by the Company as total debt plus total equity, less cash and cash equivalents.

The Company's debt agreements contain covenants that limit the ability of the Company and its subsidiaries to, among other things, incur additional debt, pay dividends or repurchase capital stock, make certain other restricted payments, create liens and engage in sale and leaseback transactions. These restrictions are subject to a number of exceptions, however, which allow the Company to incur additional debt, create liens or make otherwise restricted payments provided that the Company is in compliance with applicable financial and other covenants and meets certain liquidity requirements.

The Company’s revolving credit facilities and term loan facilities also contain a total leverage ratio covenant. The leverage ratio is calculated as total net debt divided by Consolidated EBITDA (as defined in the credit agreement). Total net debt is defined in the credit agreement as total debt less cash and cash equivalents. Consolidated EBITDA is calculated as the sum of, among other things, net income attributable to Crown Holdings, net income attributable to certain of the Company's subsidiaries, income taxes, interest expense, depreciation and amortization, and certain non-cash charges. The Company’s total net leverage ratio of 3.8 to 1.0 at December 31, 2020 was in compliance with the covenant requiring a ratio no greater than 5.0 to 1.0. The ratio is calculated at the end of each quarter using debt and cash balances as of the end of the quarter and Consolidated EBITDA for the most recent twelve months. Failure to meet the financial covenant could result in the acceleration of any outstanding amounts due under the revolving credit facilities and term loan facilities.

In order to reduce leverage and future interest payments, the Company may from time to time repurchase outstanding notes and debentures with cash or seek to refinance its existing credit facilities and other indebtedness. The Company will evaluate any such transactions in light of any required premiums and then existing market conditions and may determine not to pursue such transactions.

The Company's current sources of liquidity also include a securitization facility with a program limit up to a maximum of $375 that expires in July 2021, a securitization facility with a program limit of $282 that expires in November 2022, and an uncommitted securitization facility with a program limit of $175 that expires in December 2021. The Company accounts for transfers under these facilities as sales as further discussed in Note C to the consolidated statements.

The Company utilizes its cash flows from operations, borrowings under its revolving credit facilities and the acceleration of cash receipts under its receivables securitization and factoring programs to primarily fund its operations, capital expenditures and financing obligations.

Cash payments required for purchase obligations, long-term debt maturities and interest payments and projected pension contributions in effect at December 31, 2020, are summarized in the following table:

	Payments Due by Period						
	2021	2022	2023	2024	2025	2026 & after	Total
Purchase obligations (1)	$ 3,894	$ 1,904	$ 1,584	$ 1,190	$ —	$ —	$ 8,572
Long-term debt	67	901	2,185	1,966	743	2,279	8,141
Interest on long-term debt (2)	273	258	183	170	106	—	990
Projected pension contributions (3)	22	42	68	78	111	—	321
Total	$ 4,256	$ 3,105	$ 4,020	$ 3,404	$ 960	$ 2,279	$ 18,024

All amounts due in foreign currencies are translated at exchange rates as of December 31, 2020.
(1) These purchase commitments specify significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable pricing provisions; and the approximate timing of transactions.
(2) Interest on long-term debt represents the interest that will accrue by year based on debt outstanding and interest rates in effect as of December 31, 2020.
(3) Pension projections require the use of numerous estimates and assumptions such as discount rates, rates of return on plan assets, compensation increases, health care cost increases, mortality and employee turnover and therefore projected contributions been provided for only five years.

The Company also has certain guarantees and indemnification agreements that could require the payment of cash upon the occurrence of certain events. The guarantees and agreements are further discussed under Note O to the consolidated financial statements.

Supplemental Guarantor Financial Information

As disclosed in Note L, the Company and certain of its 100% directly or indirectly owned subsidiaries provide guarantees of senior notes and debentures issued by other 100% directly or indirectly owned subsidiaries. These senior notes and debentures are fully and unconditionally guaranteed by the Company and substantially all of its subsidiaries in the United States, except in the case of the Company's outstanding senior notes issued by Crown Cork & Seal Company, Inc., which are fully and unconditionally guaranteed by Crown Holdings, Inc. (Parent). No other subsidiary guarantees the debt and the guarantees are made on a joint and several basis.

The senior notes and guarantees are senior unsecured obligations of the issuers and the guarantors, and are:

- effectively subordinated to all existing and future secured indebtedness of the issuers and the guarantors to the extent of the value of the assets securing such indebtedness, including any borrowings under the Company's senior secured credit facilities, to the extent of the value of the assets securing such indebtedness;
- structurally subordinated to all indebtedness of the Company's non-guarantor subsidiaries, which include all of the Company's foreign subsidiaries and any U.S. subsidiaries that are neither obligors nor guarantors of the Company's senior secured credit facilities;
- ranked equal in right of payment to any existing or future senior indebtedness of the issuers and the guarantors; and
- ranked senior in right of payment to all existing and future subordinated indebtedness of the issuers and the guarantors.

Each guarantee of a guarantor is limited to an amount not to exceed the maximum amount that can be guaranteed that will not (after giving effect to all other contingent and fixed liabilities of such guarantor and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of all other guarantors in respect of the obligations of such other guarantors under their respective guarantees of the guaranteed obligations) render the guarantee, as it relates to such guarantor, voidable under applicable law relating to fraudulent conveyances or fraudulent transfers.

A guarantee of a guarantor other than the Parent will be unconditionally released and discharged upon any of the following:

- any transfer (including, without limitation, by way of consolidation or merger) by the Parent or any subsidiary of the Parent to any person or entity that is not the Parent or a subsidiary of the Parent of (1) all of the equity interests of, or all or substantially all of the properties and assets of, such guarantor; or (2) equity interests of such guarantor or any issuance by such guarantor of its equity interests, such that such guarantor ceases to be a subsidiary of the Parent; provided that such guarantor is also released from all of its obligations in respect of indebtedness under the Company's senior secured credit facilities;
- the release of such guarantor from all obligations of such guarantor in respect of indebtedness under the Company's senior secured credit facilities, except to the extent such guarantor is otherwise required to provide a guarantee; or
- upon the contemporaneous release or discharge of all guarantees by such guarantor which would have required such guarantor to provide a guarantee under the applicable indenture.

The following tables present summarized financial information related to the senior notes issued by the Company's subsidiary debt issuers and guarantors on a combined basis for each issuer and its guarantors (together, an "obligor group") after elimination of (i) intercompany transactions and balances among the Parent and the guarantors and (ii) equity in earnings from and investments in any subsidiary that is a non-guarantor. Crown Cork Obligor group consists of Crown Cork & Seal Company, Inc. and the Parent. Crown Americas Obligor group consists of Crown Americas LLC, Crown Americas Capital Corp. IV, Crown Americas Capital Corp. V, Crown Americas Capital Corp. VI, the Parent, and substantially all of the Company's subsidiaries in the United States.

Crown Cork Obligor Group

	December 31, 2020
Net sales	$ —
Gross Profit	—
Income from operations	(10)
Net income[1]	(91)
Net income attributable to Crown Holdings[1]	(91)

(1) Includes $34 of expense related to intercompany interest with non-guarantor subsidiaries

	December 31, 2020
Current assets	$ 12
Non-current assets	118
Current liabilities	63
Non-current liabilities[1]	4,305

(1) Includes payables of $3,623 due to non-guarantor subsidiaries as of December 31, 2020

Crown Americas Obligor Group

	December 31, 2020
Net sales[1]	$ 3,905
Gross profit[2]	629
Income from operations[2]	201
Net income[3]	102
Net income attributable to Crown Holdings[3]	102

(1) Includes $409 of sales to non-guarantor subsidiaries
(2) Includes $41 of gross profit related to sales to non-guarantor subsidiaries
(3) Includes $61 of income related to intercompany interest and technology royalties with non-guarantor subsidiaries

	December 31, 2020
Current assets[1]	$ 917
Non-current assets[2]	3,248
Current liabilities[3]	1,081
Non-current liabilities[4]	4,491

(1) Includes receivables of $45 due from non-guarantor subsidiaries as of December 31, 2020
(2) Includes receivables of $142 due from non-guarantor subsidiaries as of December 31, 2020
(3) Includes payables of $54 due to non-guarantor subsidiaries as of December 31, 2020
(4) Includes payables of $31 due to non-guarantor subsidiaries as of December 31, 2020

The senior notes are structurally subordinated to all indebtedness of the Company's non-guarantor subsidiaries. The non-guarantors are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due pursuant to the senior notes, or to make any funds available therefore, whether by dividends, loans, distributions or other payments. Any right that the Company or the guarantors have to receive any assets of any of the non-guarantors upon the liquidation or reorganization of any non-guarantor, and the consequent rights of holders of senior notes to realize proceeds from the sale of any of a non-guarantor's assets, would be effectively subordinated to the claims of such non-guarantor's creditors, including trade creditors and holders of preferred equity interests, if any, of such non-guarantor. Accordingly, in the event of a bankruptcy, liquidation or reorganization of any of the non-guarantors, the non-guarantors will pay the holders of their debts, holders of preferred equity interests, if any, and their trade creditors before they will be able to distribute any of their assets to the Company or any of the guarantors.

Under U.S. federal bankruptcy laws or comparable provisions of state fraudulent transfer laws, the issuance of the senior note guarantees by the guarantors could be voided, or claims in respect of such obligations could be subordinated to all of their other debts and other liabilities, if, among other things, at the time the guarantors issued the related senior note guarantees, the Company or the applicable guarantor intended to hinder, delay or defraud any present or future creditor, or received less than reasonably equivalent value or fair consideration for the incurrence of such indebtedness and either:

- was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which the Company's or such guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

Each guarantee provided by a guarantor includes a provision intended to limit the guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer or conveyance. This provision may not be effective to protect those guarantees from being avoided under fraudulent transfer or conveyance law, or it may reduce that guarantor's obligation to an amount that effectively makes its guarantee worthless, and we cannot predict whether a court will ultimately find it to be effective.

MARKET RISK

In the normal course of business the Company is subject to risk from adverse fluctuations in foreign exchange rates, interest rates and commodity prices. The Company manages these risks through a program that includes the use of derivative financial instruments, primarily swaps and forwards. Counterparties to these contracts are major financial institutions. These instruments are viewed as risk management tools, involve little complexity, and are not used for trading or speculative purposes. The extent to which the Company uses such instruments is dependent upon its access to them in the financial markets and its use of other methods, such as netting exposures for foreign exchange risk and establishing sales arrangements that permit the pass-through to customers of changes in commodity prices and foreign exchange rates, to effectively achieve its goal of risk reduction. The Company's objective in managing its exposure to market risk is to limit the impact on earnings and cash flow.

The Company manages foreign currency exposures at the operating unit level. Exposures that cannot be naturally offset within an operating unit may be hedged with derivative financial instruments where possible and cost effective in the Company's judgment. Foreign exchange contracts generally mature within twelve months.

The table below provides information in U.S. dollars as of December 31, 2020 about the Company's forward currency exchange contracts. The contracts primarily hedge anticipated transactions, unrecognized firm commitments and intercompany debt. The contracts with no amounts in the fair value column have a fair value of less than $1.

Buy/Sell	Contract amount	Contract fair value gain/(loss)	Average contractual exchange rate
Euro/Sterling	$ 547	$ (5)	1.11
Sterling/Euro	234	3	0.91
Euro/U.S. dollars	182	4	0.83
Euro/Polish zloty	167	2	0.22
Polish zloty/Euro	126	(2)	4.52
U.S. dollars/Brazilian real	94	(3)	0.19
U.S. dollars/Euro	92	(1)	1.21
Singapore dollars/U.S. dollars	87	1	1.34
Euro/Swiss francs	85	—	0.92
Sterling/U.S. dollars	67	2	0.75
U.S. dollars/Thai baht	54	(1)	0.03
Euro/Singapore dollars	51	1	0.63
Singapore dollars/Euro	51	—	1.62
Euro/Swedish krona	48	—	0.10
Euro/Danish krone	45	—	0.13
	$ 1,930	$ 1	

At December 31, 2020, the Company had additional contracts with an aggregate notional value of $102 to purchase or sell other currencies, primarily Asian currencies, including the Malaysian ringgit, Indonesian rupiah, and Hong Kong dollar; European currencies, including the Hungarian florint; the South African rand; the Australian dollar; and the Canadian dollar. The aggregate fair value of these contracts was a gain of less than $1.

At December 31, 2020, the Company had cross-currency swaps with aggregate notional values of $1,075. The swaps are designated as hedges of the Company's net investment in a euro-based subsidiary and matures in 2026. The fair value of these contracts at December 31, 2020 was a net loss of $13.

The Company, from time to time, may manage its interest rate risk associated with fluctuations in variable interest rates through interest rate swaps. The use of interest rate swaps and other methods of mitigating interest rate risk may increase overall interest expense.

The table below presents principal cash flows and related interest rates by year of maturity for the Company’s long-term debt obligations as of December 31, 2020. Interest rates represent the rates in effect as of December 31, 2020.

	Year of Maturity					
Debt	2021	2022	2023	2024	2025	Thereafter
Fixed rate	$ 24	$ 816	$ 2,101	$ 754	$ 741	$ 2,276
Average interest rate	5.8 %	4.0 %	2.9 %	2.7 %	3.4 %	4.6 %
Variable rate	$ 43	$ 85	$ 84	$ 1,212	$ 2	$ 3
Average interest rate	2.0 %	1.9 %	1.9 %	2.0 %	2.3 %	2.3 %

Total future payments of long-term debt obligations at December 31, 2020 include $3,756 of U.S. dollar-denominated debt, $4,337 of euro-denominated debt and $48 of debt denominated in other currencies.

The Company uses various raw materials, such as steel and aluminum in its manufacturing operations, which expose it to risk from adverse fluctuations in commodity prices. In 2020, consumption of steel and aluminum represented 16% and 35% of the Company’s consolidated cost of products sold, excluding depreciation and amortization. The Company primarily manages its risk to adverse commodity price fluctuations and surcharges through contracts that pass through raw material costs to customers. The Company may, however, be unable to increase its prices to offset increases in raw material costs without suffering reductions in unit volume, revenue and operating income, and any price increases may take effect after related cost increases, reducing operating income in the near term. As of December 31, 2020, the Company had forward commodity contracts to hedge aluminum price fluctuations with a notional value of $243 and a net gain of $36. The maturities of the commodity contracts closely correlate to the anticipated purchases of those commodities.

In addition, the Company's manufacturing facilities are dependent, to varying degrees, upon the availability of water and processed energy, such as natural gas and electricity.

See Note M to the consolidated financial statements for further information on the Company’s derivative financial instruments.

ENVIRONMENTAL MATTERS

Compliance with the Company’s Environmental Protection Policy is mandatory and the responsibility of each employee of the Company. The Company is committed to the protection of human health and the environment and is operating within the increasingly complex laws and regulations of national, state, and local environmental agencies or is taking action to achieve compliance with such laws and regulations. Environmental considerations are among the criteria by which the Company evaluates projects, products, processes and purchases.

The Company is dedicated to a long-term environmental protection program and has initiated and implemented many pollution prevention programs with an emphasis on source reduction. The Company continues to reduce the amount of metal used in the manufacture of steel and aluminum containers through “lightweighting” programs. The Company recycles nearly 100% of scrap aluminum, steel and copper used in its manufacturing processes. Many of the Company’s programs for pollution prevention reduce operating costs and improve operating efficiencies.

The potential impact on the Company’s operations of climate change and potential future climate change regulation in the jurisdictions in which the Company operates is highly uncertain. See the risk factor entitled “The Company is subject to costs and liabilities related to stringent environmental and health and safety standards” in Part I, Item 1A of this Annual Report.

See Note O to the consolidated financial statements for additional information on environmental matters including the Company's accrual for environmental remediation costs.

CRITICAL ACCOUNTING POLICIES

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America which require that management make numerous estimates and assumptions. Actual results could differ from those estimates and assumptions, impacting the reported results of operations and financial position of the Company. The Company’s significant accounting policies are more fully described under Note A to the consolidated financial statements. Certain accounting policies, however, are considered to be critical in that (i) they are most important to the depiction of the Company’s financial condition and results of operations and (ii) their application requires management’s most subjective judgment in making estimates about the effect of matters that are inherently uncertain.

Asbestos Liabilities

The Company’s potential liability for asbestos cases is highly uncertain due to the difficulty of forecasting many factors, including the level of future claims, the rate of receipt of claims, the jurisdiction in which claims are filed, the nature of future claims (including the seriousness of alleged disease, whether claimants allege first exposure to asbestos before or during 1964 and the alleged link to Crown Cork), the terms of settlements of other defendants with asbestos-related liabilities, bankruptcy filings of other defendants (which may result in additional claims and higher settlement demands for non-bankrupt defendants) and the effect of state asbestos legislation (including the validity and applicability of the Pennsylvania legislation to non-Pennsylvania jurisdictions, where the substantial majority of the Company’s asbestos cases are filed). See Note N to the consolidated financial statements for additional information regarding the provision for asbestos-related costs.

At the end of each quarter, the Company considers whether there have been any material developments that would cause it to update its asbestos accrual calculations. Absent any significant developments in the asbestos litigation environment in general or with respect to the Company specifically, the Company updates its accrual calculations in the fourth quarter of each year. The Company estimates its liability without limitation to a specified time period and provides for the estimated amounts expected to be paid related to outstanding claims, projected future claims and legal costs.

Outstanding claims used in the accrual calculation are adjusted for factors such as claims filed in those states where the Company’s liability is limited by statute, claims alleging first exposure to asbestos after 1964 which are assumed to have no value and claims which are unlikely to ever be paid and are assumed to have a reduced or nominal value based on the length of time outstanding. Projected future claims are calculated based on actual data for the most recent five years and are adjusted to account for the expectation that a percentage of these claims will never be paid. Outstanding and projected claims are multiplied by the average settlement cost of claims for the most recent five years. As claims are not submitted or settled evenly throughout the year, it is difficult to predict at any time during the year whether the number of claims or average settlement cost over the five year period ending December 31 of such year will increase compared to the prior five year period.

In recent years, a higher percentage of Crown Cork's settlements have related to claims alleging serious disease (primarily mesothelioma) which are settled at higher dollar amounts. Accordingly, a higher percentage of claims projected into the future relate to serious diseases and are therefore valued at higher dollar amounts. As of December 31, 2020, more than 90% of the projected future claims in the Company's accrual calculation relate to claims alleging serious diseases such as mesothelioma.

The five year average settlement cost per claim was $14,900 in 2018, $14,400 in 2019 and $13,100 in 2020. Although the five year average settlement cost per claim decreased in 2020, if Crown Cork continues to settle a high percentage of claims alleging serious disease at higher dollar amounts, average settlement costs per claim are likely to increase and, if not offset by a reduction in overall claims and settlements, the Company may record additional charges in the future. A 10% change in either the average cost per claim or the number of projected claims would increase or decrease the estimated liability at December 31, 2020 by $25. A 10% increase in these two factors at the same time would increase the estimated liability at December 31, 2020 by $53. A 10% decrease in these two factors at the same time would decrease the estimated liability at December 31, 2020 by $48.

Goodwill Impairment

The Company performs a goodwill impairment review in the fourth quarter of each year or when facts and circumstances indicate goodwill may be impaired. In accordance with the accounting guidance, the Company may first perform a qualitative assessment on none, some, or all of its reporting units to determine whether further quantitative impairment testing is necessary. Factors that the Company may consider in its qualitative assessment include, but are not limited to, general economic conditions, changes in the markets in which the Company operates and changes in input costs that may affect revenue growth, gross margin percentages and cash flow trends over multiple periods.

The quantitative impairment test involves a number of assumptions and judgments, including the calculation of fair value for the Company's identified reporting units. The Company determines the estimated fair value for each reporting unit based on an average of the estimated fair values calculated using both market and income approaches. The Company uses an average of the two methods in estimating fair value because it believes they both provide an appropriate fair value for the reporting units. The Company's estimates of future cash flows include assumptions concerning future operating performance and economic conditions and may differ from actual future cash flows. Under the market approach, the Company obtains available information regarding multiples used in recent transactions, if any, involving transfers of controlling interests in the consumer and industrial packaging industries. The Company also reviews publicly available trading multiples based on the enterprise value and revenue of companies in the consumer and industrial packaging industries whose shares are publicly traded. The appropriate multiple is applied to the respective financial results of the reporting unit to obtain an estimated fair value.

Under the income approach, fair value is calculated as the sum of the projected discounted cash flows of the reporting unit over the next five years and the terminal value at the end of those five years. The projected cash flows generally include moderate to no growth assumptions, depending on the reporting unit, unless there has recently been a material change in the business or a material change is forecasted. The discount rate used is based on the average weighted-average cost of capital of companies in the consumer and industrial packaging industries, which information is available through various sources, adjusted for specific risk premiums for each reporting unit

The Company completed its annual review for 2020 and determined that no adjustments to the carrying value of goodwill were necessary. Although no goodwill impairment was recorded, there can be no assurances that future goodwill impairments will not occur.

The European Aerosol and Promotional Packaging reporting unit operates in a low-growth environment with multiple competitors. As of October 1, 2020, the fair value of the reporting unit was 9% higher than its carrying value using the methods described above, a discount rate of 8.25% and an EBITDA multiple of 9.0 times. The maximum effect of weighting the Company's valuation approaches other than equally would increase or decrease the estimated fair value by $7. Assuming all other factors remain the same, a $1 decrease in forecasted annual Adjusted EBITDA would have resulted in an impairment charge of $1 and an increase in the discount rate from 8.25% to 9.25% changes the estimated fair value by $2. If future cash flows are less than the Company has included in its projections, impairment charges may be recorded. As of December 31, 2020, the reporting unit had $71 of goodwill.

Based upon continued reorganization within the Transit Packaging segment, the Equipment & Tools and Consumable reporting units have been aggregated into a single reporting unit. The Company completed its an annual goodwill impairment test of each reporting unit prior to aggregating and concluded that no adjustments to the carrying value of goodwill were necessary.

Long-lived Assets Impairment

The Company performs an impairment review of its long-lived assets, including definite-lived intangible assets and property, plant and equipment, when facts and circumstances indicate the carrying value may not be recoverable from its undiscounted cash flows. Any impairment loss is measured by comparing the carrying amount of the asset to its fair value. The Company's estimates of future cash flows involve assumptions concerning future operating performance, economic conditions and technological changes that may affect the future useful lives of the assets. These estimates may differ from actual cash flows or useful lives.

Pension and Postretirement Benefits

Accounting for pensions and postretirement benefit plans requires the use of estimates and assumptions regarding numerous factors, including discount rates, rates of return on plan assets, compensation increases, health care cost increases, future rates of inflation, mortality and employee turnover. Actual results may differ from the Company's actuarial assumptions, which may have an impact on the amount of reported expense or liability for pensions or postretirement benefits. The Company recorded pension expense of $92, including settlement charges of $66, in 2020 and currently projects its 2021 pension expense to be $48, using foreign currency exchange rates in effect at December 31, 2020. The Company uses the spot yield curve approach to estimate the service and interest cost components of pension and postretirement benefits expense by applying the specific spot rates along the yield curve used to determine the benefit plan obligations to relevant projected cash outflows. The expected long-term rate of return on plan assets is determined by taking into consideration expected long-term returns associated with each major asset class based on long-term historical ranges, projected future outlook of each asset class, inflation assumptions and the expected net value from active management of the assets based on actual results.

The U.S. plan's assumed rate of return was 6.75 % in 2020 and is 5.65% for 2021. The U.K. plan's assumed rate of return was 3.0% in 2020 and is 2.0% for 2021. A 0.25% change in the expected rates of return would change 2021 pension expense by approximately $12.

Discount rates were selected using a method that matches projected payouts from the plans to an actuarially determined yield curve based on market observable AA bond yields in the respective plan jurisdictions and currencies. In certain jurisdictions, government securities were used along with corporate bonds to develop country-specific yield curves to the extent that the underlying markets were not deemed sufficiently developed. A 0.25% change in the discount rates from those used at December 31, 2020 would change 2021 pension expense by approximately $2 and postretirement expense by less than $1. A 0.25% change in the discount rates from those used at December 31, 2020 would have changed the pension benefit obligation by approximately $136 and the postretirement benefit obligation approximately $4 as of December 31, 2020. See Note Q to the consolidated financial statements for additional information on pension and postretirement benefit obligations and assumptions.

As of December 31, 2020, the Company had pre-tax unrecognized net losses in other comprehensive income of $1,802 related to its pension plans and $45 related to its other postretirement benefit plans. Unrecognized gains and losses arise each year primarily due to changes in discount rates, differences in actual plan asset returns compared to expected returns, and changes in actuarial assumptions such as mortality. Unrecognized gains and losses are accumulated in other comprehensive income and the portion in each plan that exceeds 10% of the greater of that plan's assets or projected benefit obligation is amortized to income over future periods. The Company's pension expense for the year ended December 31, 2020 included charges of $84 for the amortization of unrecognized net losses, and the Company estimates charges of $96 in 2021. Amortizable losses are being recognized over either the average expected life of inactive employees or the remaining service life of active participants depending on the status of the individual plans. The weighted average amortization periods range between 6 - 16 years. An increase of 10% in the number of years used to amortize unrecognized losses in each plan would decrease estimated charges for 2021 by $8. A decrease of 10% in the number of years would increase the estimated 2021 charge by $10.

RECENT ACCOUNTING GUIDANCE

In December 2019, the FASB issued new guidance to simplify the accounting for income taxes by, among other things, reducing complexity in the interim-period accounting for year-to-date loss limitations and changes in tax laws. The guidance is effective for the Company on January 1, 2021. The Company is currently evaluating the impact of adopting this standard and does not expect the guidance to have a material impact on its consolidated financial statements.

In March 2020, the FASB issued guidance which provides optional expedients and exceptions for applying GAAP to certain contract modifications and hedging relationships that reference London Inter-bank Offered Rate (LIBOR) or another reference rate expected to be discontinued. The guidance is effective upon issuance and can be applied through December 31, 2022. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

See Note A to the consolidated financial statements for information on recently adopted accounting guidance.

FORWARD LOOKING STATEMENTS

Statements in this Annual Report, including those in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in the discussions of the provision for asbestos under Note N and other contingencies under Note O to the consolidated financial statements included in this Annual Report and in discussions incorporated by reference into this Annual Report (including, but not limited to, those in the section titled “Compensation Discussion and Analysis” in the Company’s Proxy Statement), which are not historical facts (including any statements concerning plans and objectives of management for future operations or economic performance, or assumptions related thereto), are “forward-looking statements,” within the meaning of the federal securities laws. In addition, the Company and its representatives may from time to time make other oral or written statements which are also “forward-looking statements.” Forward-looking statements can be identified by words, such as “believes,” “estimates,” “anticipates,” “expects” and other words of similar meaning in connection with a discussion of future operating or financial performance. These may include, among others, statements relating to (i) the Company’s plans or objectives for future operations, products or financial performance, (ii) the Company’s indebtedness and other contractual obligations, (iii) the impact of an economic downturn or growth in particular regions, (iv) anticipated uses of cash, (v) cost reduction efforts and expected savings, (vi) the Company’s policies with respect to executive compensation and (vii) the expected outcome of contingencies, including with respect to asbestos-related litigation and pension and postretirement liabilities.

These forward-looking statements are made based upon management’s expectations and beliefs concerning future events impacting the Company and, therefore, involve a number of risks and uncertainties. Management cautions that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

Important factors that could cause the actual results of operations or financial condition of the Company to differ include, but are not necessarily limited to, the ability of the Company to expand successfully in international and emerging markets; the ability of the Company to repay, refinance or restructure its short and long-term indebtedness on adequate terms and to comply with the terms of its agreements relating to debt; the impact of Brexit; the Company’s ability to generate significant cash to meet its obligations and invest in its business and to maintain appropriate debt levels; restrictions on the Company’s use of available cash under its debt agreements; changes or differences in U.S. or international economic or political conditions, such as inflation or fluctuations in interest or foreign exchange rates (and the effectiveness of any currency or interest rate hedges), tax rates, the Tax Act and other tax laws (including with respect to taxation of unrepatriated non-U.S. earnings or as a result of the depletion of net loss or foreign tax credit carryforwards); the impact of foreign trade laws and practices; the collectability of receivables; war or acts of terrorism that may disrupt the Company’s production or the supply or pricing of raw materials, including in the Company’s Middle East operations, impact the financial condition of customers or adversely affect the Company’s ability to refinance or restructure its remaining indebtedness; changes in the availability and pricing of raw materials (including aluminum can sheet, steel tinplate, energy, water, inks and coatings) and the Company’s ability to pass raw material, energy and freight price increases and surcharges through to its customers or to otherwise manage these commodity pricing risks; the Company’s ability to obtain and maintain adequate pricing for its products, including the impact on the Company’s revenue, margins and market share and the ongoing impact of price increases; energy and natural resource costs; the cost and other effects of legal and administrative cases and proceedings, settlements and investigations; the outcome of asbestos-related litigation (including the number and size of future claims and the terms of settlements, and the impact of bankruptcy filings by other companies with asbestos-related liabilities, any of which could increase Crown Cork’s asbestos-related costs over time, the adequacy of reserves established for asbestos-related liabilities, Crown Cork’s ability to obtain resolution without payment of asbestos-related claims by persons alleging first exposure to asbestos after 1964, and the impact of state legislation dealing with asbestos liabilities and any litigation challenging that legislation and any future state or federal legislation dealing with asbestos liabilities); the Company’s ability to realize deferred tax benefits; changes in the Company’s critical or other accounting policies or the assumptions underlying those policies; labor relations and workforce and social costs, including the Company’s pension and postretirement obligations and other employee or retiree costs; investment performance of the Company’s pension plans; costs and difficulties related to the acquisition of a business and integration of acquired businesses; the impact of any potential dispositions, acquisitions or other strategic realignments, which may impact the Company’s operations, financial profile, investments or levels of indebtedness; the Company’s ability to realize efficient capacity utilization and inventory levels and to innovate new designs and technologies for its products in a cost-effective manner; competitive pressures, including new product developments, industry overcapacity, or changes in competitors’ pricing for products; the Company’s ability to achieve high capacity utilization rates for its equipment; the Company’s ability to maintain, develop and capitalize on competitive technologies for the design and manufacture of products and to withstand competitive and legal challenges to the proprietary nature of such technology; the Company’s ability to protect its information technology systems from attacks or catastrophic failure; the strength of the Company’s cyber-security (including with respect to human vulnerabilities associated with cyber-security risks); the Company's ability to generate sufficient production capacity; the Company's ability to improve and expand its existing product and product lines; the impact of overcapacity on the end-markets the Company serves; loss of customers, including the loss of any significant customers; changes in consumer preferences for different packaging products; the financial condition of the Company's vendors and customers; weather conditions, including their effect on demand for beverages and on crop yields for fruits and vegetables stored in food containers; the impact of natural disasters, including in emerging markets; changes in governmental regulations or enforcement practices, including with respect to environmental, health and safety matters and restrictions as to foreign investment or operation; the impact of increased governmental regulation on the Company and its products, including the regulation or restriction of the use of bisphenol-A; the impact of the Company's recent initiatives to generate additional cash, including the reduction of working capital levels and capital spending; the impact of the Company's comprehensive Board-led review of its portfolio and capital allocation/return; the ability of the Company to realize cost savings from its restructuring programs; the Company's ability to maintain adequate sources of capital and liquidity; costs and payments to certain of the Company's executive officers in connection with any termination of such executive officers or a change in control of the Company; the impact of existing and future legislation regarding refundable mandatory deposit laws in Europe for non-refillable beverage containers and the implementation of an effective return system; the impact of existing and future legislation regarding the taxation of sugar-sweetened beverages or energy drinks, the impact of new tariffs and potential limits on steel supply in the U.S. from certain foreign countries; and changes in the Company's strategic areas of focus, which may impact the Company's operations, financial profile or levels of indebtedness.

Some of the factors noted above are discussed elsewhere in this Annual Report and prior Company filings with the SEC, including within Part I, Item 1A, "Risk Factors" in this Annual Report. In addition, other factors have been or may be discussed from time to time in the Company's SEC filings.

While the Company periodically reassesses material trends and uncertainties affecting the Company's results of operations and financial condition in connection with the preparation of "Management's Discussion and Analysis of Financial Condition and Results of Operations" and certain other sections contained in the Company's quarterly, annual or other reports filed with the SEC, the Company does not intend to review or revise any particular forward-looking statement in light of future events.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information set forth within "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the captions "Market Risk" and "Forward Looking Statements" in this Annual Report is incorporated herein by reference.

In July 2017, the Financial Conduct Authority (the authority that regulates LIBOR) announced it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rate Committee has announced the replacement of U.S. dollar LIBOR rates with a new index calculated by short-term repurchase agreements backed by U.S. Treasury securities called the Secured Overnight Financing Rate (SOFR). The first publication of SOFR was released in April 2018. Whether or not SOFR attains market traction as a LIBOR replacement tool remains in question and the future of LIBOR at this time is uncertain. At December 31, 2020, the Company does have contracts that are indexed to LIBOR, including cross-currency swap contracts and certain of its term loan facilities, and continues to monitor this activity and evaluate the related risks.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

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 Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended). The Company's system of internal control over financial reporting is 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.

Because of the inherent limitations, a system of 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.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2020. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control - Integrated Framework (2013)*. Based on its assessment, management has concluded that, as of December 31, 2020, the Company's internal control over financial reporting was effective based on those criteria.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2020 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Crown Holdings, Inc.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Crown Holdings, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Crown Holdings, Inc. and its subsidiaries (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of operations, of comprehensive income, of changes in shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2020, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2020, 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, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 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, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Changes in Accounting Principles

As discussed in Note A to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2019 and the manner in which it accounts for revenues from contracts with customers in 2018.

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 the accompanying Management's Report on Internal Control over Financial Reporting. 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.

Goodwill Impairment Assessment - European Aerosol and Promotional Packaging Reporting Unit

As described in Notes A and E to the consolidated financial statements, the Company's consolidated goodwill balance was $4.6 billion as of December 31, 2020. The Company performs a goodwill impairment review in the fourth quarter of each year or when facts and circumstances indicate goodwill may be impaired. Management determines the estimated fair value of the reporting unit based on an average of the estimated fair values using an income and a market approach. Management's income approach utilizes significant assumptions, including revenue and adjusted EBITDA margin growth rates and discount rate. As disclosed by management, the goodwill associated with the European Aerosol and Promotional Packaging reporting unit was $71 million which was 9% higher than the carrying value.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of the European Aerosol and Promotional Packaging reporting unit is a critical audit matter are the significant judgment by management when developing their estimated fair values. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating significant assumptions within management's cash flow projections used in the income approach related to revenue and adjusted EBITDA margin growth rates and the discount rate. In addition, the audit effort involved the use of professionals with specialized skill and knowledge.

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 controls relating to management's goodwill impairment assessment, including controls over the estimation of the fair value of the reporting unit. These procedures also included, among others, testing management's process for estimating the fair value of the European Aerosol and Promotional Packaging reporting unit, testing the completeness, accuracy, and relevance of the underlying data used in the income approach, and evaluating the significant assumptions used by management related to revenue and adjusted EBITDA margin growth rates and the discount rate. Evaluating management's assumptions related to the revenue and adjusted EBITDA margin growth rates included evaluating whether the judgments made by management were reasonable considering the current and past performance of the reporting unit, the consistency with external market and industry data, and whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the reasonableness of the discount rate assumption.

/s/ PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
February 26, 2021

We have served as the Company's auditor since 1928.

Crown Holdings, Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions except per share data)

For the Years Ended December 31	2020	2019	2018
Net sales	$ 11,575	$ 11,665	$ 11,151
Cost of products sold, excluding depreciation and amortization	9,182	9,349	9,028
Depreciation and amortization	481	490	425
Selling and administrative expense	614	631	558
Restructuring and other	34	(26)	44
Goodwill impairment	—	25	—
Income from operations	1,264	1,196	1,096
Loss from early extinguishments of debt	—	27	—
Other pension and postretirement	45	13	(25)
Interest expense	300	378	384
Interest income	(8)	(17)	(21)
Foreign exchange	1	9	18
Income before income taxes	926	786	740
Provision for income taxes	244	166	216
Equity in net earnings of affiliates	6	5	4
Net income	688	625	528
Net income attributable to noncontrolling interests	(109)	(115)	(89)
Net income attributable to Crown Holdings	$ 579	$ 510	$ 439
Earnings per common share attributable to Crown Holdings:			
Basic	$ 4.34	$ 3.81	$ 3.28
Diluted	$ 4.30	$ 3.78	$ 3.28

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

For the Years Ended December 31	2020	2019	2018
Net income	$ 688	$ 625	$ 528
Other comprehensive (loss) / income, net of tax			
Foreign currency translation adjustments	(88)	150	(137)
Pension and other postretirement benefits	(15)	84	50
Derivatives qualifying as hedges	46	11	(52)
Total other comprehensive (loss) / income	(57)	245	(139)
Total comprehensive income	631	870	389
Net income attributable to noncontrolling interests	(109)	(115)	(89)
Translation adjustments attributable to noncontrolling interests	(3)	(1)	1
Derivatives qualifying as hedges attributable to noncontrolling interests	(2)	(1)	2
Comprehensive income attributable to Crown Holdings	$ 517	$ 753	$ 303

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

December 31	2020	2019
Assets		
Current assets		
Cash and cash equivalents	$ 1,173	$ 607
Receivables, net	1,783	1,528
Inventories	1,673	1,626
Prepaid expenses and other current assets	254	241
Total current assets	4,883	4,002
Goodwill	4,593	4,430
Intangible assets	1,880	2,015
Property, plant and equipment, net	4,198	3,887
Operating lease right-of-use assets, net	214	204
Other non-current assets	902	967
Total	$ 16,670	$ 15,505
Liabilities and equity		
Current liabilities		
Short-term debt	$ 121	$ 75
Current maturities of long-term debt	67	62
Current portion of operating lease liabilities	55	51
Accounts payable	2,845	2,646
Accrued liabilities	1,173	1,065
Total current liabilities	4,261	3,899
Long-term debt, excluding current maturities	8,023	7,818
Postretirement and pension liabilities	762	683
Non-current portion of operating lease liabilities	164	156
Other non-current liabilities	856	857
Commitments and contingent liabilities (Note O)		
Equity		
Noncontrolling interests	406	379
Preferred stock, authorized: 30,000,000; none issued (Note S)	—	—
Common stock, par value: $5.00; authorized: 500,000,000 shares; issued: 185,744,072 shares (Note S)	929	929
Additional paid-in capital	179	207
Accumulated earnings	4,538	3,959
Accumulated other comprehensive loss	(3,193)	(3,131)
Treasury stock at par value (2020 - 50,943,042 shares; 2019 - 50,166,194 shares)	(255)	(251)
Crown Holdings shareholders' equity	2,198	1,713
Total equity	2,604	2,092
Total	$ 16,670	$ 15,505

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

For the Years Ended December 31	2020	2019	2018
Cash flows from operating activities			
Net income	$ 688	$ 625	$ 528
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	481	490	425
Restructuring and other	34	(26)	44
Goodwill impairment	—	25	—
Pension expense	92	66	45
Pension contributions	(27)	(23)	(20)
Stock-based compensation	32	29	27
Deferred income taxes	33	(35)	35
Changes in assets and liabilities:			
Receivables	(186)	60	(493)
Inventories	(2)	61	(201)
Accounts payable and accrued liabilities	121	(87)	209
Other, net	49	(22)	(28)
Net cash provided by operating activities	1,315	1,163	571
Cash flows from investing activities			
Capital expenditures	(587)	(432)	(462)
Beneficial interest in transferred receivables	—	—	490
Acquisition of businesses, net of cash acquired	—	(11)	(3,912)
Foreign exchange derivatives related to acquisition	—	—	(25)
Net investment hedges	28	23	34
Proceeds from sale of property, plant and equipment	16	39	36
Other	8	7	(4)
Net cash used for investing activities	(535)	(374)	(3,843)
Cash flows from financing activities			
Net change in revolving credit facility and short-term debt	29	(10)	(69)
Proceeds from long-term debt	110	2,216	4,082
Payments of long-term debt	(269)	(2,845)	(333)
Debt issuance costs	—	(18)	(70)
Foreign exchange derivatives related to debt	43	(16)	(14)
Finance lease payments	(3)	(15)	—
Dividends paid to noncontrolling interests	(87)	(101)	(60)
Contribution from noncontrolling interests	2	6	—
Common stock issued	2	4	1
Common stock repurchased	(66)	(7)	(4)
Net cash (used for) / provided by financing activities	(239)	(786)	3,533
Effect of exchange rate changes on cash, cash equivalents and restricted cash	34	1	(37)
Net change in cash, cash equivalents and restricted cash	575	4	224
Cash, cash equivalents and restricted cash at January 1	663	659	435
Cash, cash equivalents and restricted cash at December 31	$ 1,238	$ 663	$ 659

The accompanying notes are an integral part of these consolidated financial statements.

Crown Holdings, Inc.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(in millions)

	Crown Holdings, Inc. Shareholders' Equity							
	Common Stock	Paid-in Capital	Accumulated Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Crown Equity	Noncontrolling Interests	Total Shareholders' Equity
Balance at January 1, 2018	$ 929	$ 167	$ 3,004	$ (3,241)	$ (258)	$ 601	$ 322	$ 923
Net income			439			439	89	528
Cumulative effect of change in accounting principle			6	3		9	1	10
Other comprehensive loss				(136)		(136)	(3)	(139)
Dividends paid to noncontrolling interests						—	(60)	(60)
Restricted stock awarded		(5)			5	—		—
Stock-based compensation		27				27		27
Common stock issued		1				1		1
Common stock repurchased		(4)				(4)		(4)
Balance at December 31, 2018	$ 929	$ 186	$ 3,449	$ (3,374)	$ (253)	$ 937	$ 349	$ 1,286
Net income			510			510	115	625
Other comprehensive income				243		243	2	245
Dividends paid to noncontrolling interests						—	(101)	(101)
Contribution from noncontrolling interests						—	10	10
Sale of noncontrolling interests		(3)				(3)	4	1
Restricted stock awarded		(2)			2	—		—
Stock-based compensation		29				29		29
Common stock issued		4				4		4
Common stock repurchased		(7)				(7)		(7)
Balance at December 31, 2019	$ 929	$ 207	$ 3,959	$ (3,131)	$ (251)	$ 1,713	$ 379	$ 2,092
Net income			579			579	109	688
Other comprehensive loss				(62)		(62)	5	(57)
Dividends paid to noncontrolling interests						—	(87)	(87)
Restricted stock awarded		(2)			2	—		—
Stock-based compensation		32				32		32
Common stock issued		2				2		2
Common stock repurchased		(60)			(6)	(66)		(66)
Balance at December 31, 2020	$ 929	$ 179	$ 4,538	$ (3,193)	$ (255)	$ 2,198	$ 406	$ 2,604

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in millions, except share, per share, employee and statistical data)
A. Summary of Significant Accounting Policies

Business and Principles of Consolidation. The consolidated financial statements include the accounts of Crown Holdings, Inc. (the "Company") and its consolidated subsidiary companies (where the context requires, the "Company" shall include reference to the Company and its consolidated subsidiary companies).

The Company is a worldwide leader in the design, manufacture and sale of packaging products and equipment for consumer goods and industrial products. The Company's packaging for consumer goods include steel and aluminum cans for beverage, food, household and other consumer products, glass bottles for beverage products and metal vacuum closures and steel crowns sold through the Company's sales organization to the soft drink, food, citrus, brewing, household products, personal care and various other industries. The Company's packaging for industrial products includes steel and plastic strap consumables and equipment, paper-based protective packaging, and plastic film consumables and equipment, which are sold into the metals, food and beverage, construction, agricultural, corrugated and general industries.

The financial statements were prepared in conformity with accounting principles generally accepted in the United States of America and reflect management's estimates and assumptions. Actual results could differ from those estimates, impacting reported results of operations and financial position. All intercompany accounts and transactions are eliminated in consolidation. In deciding which entities should be reported on a consolidated basis, the Company first determines whether the entity is a variable interest entity ("VIE"). If an entity is a VIE, the Company determines whether it is the primary beneficiary and therefore, should consolidate the VIE. If an entity is not a VIE, the Company consolidates those entities in which it has control, including certain subsidiaries that are not majority-owned. Certain of the Company's agreements with noncontrolling interests contain provisions in which the Company would surrender certain decision-making rights upon a change in control of the Company. Accordingly, consolidation of these operations may no longer be appropriate subsequent to a change in control of the Company, as defined in the agreements. Investments in companies in which the Company does not have control, but has the ability to exercise significant influence over operating and financial policies, are accounted for by the equity method. Other investments are carried at cost.

Foreign Currency Translation. For non-U.S. subsidiaries which operate in a local currency environment, assets and liabilities are translated into U.S. dollars at year-end exchange rates. Income, expense and cash flow items are translated at average exchange rates prevailing during the year. Translation adjustments for these subsidiaries are accumulated as a separate component of accumulated other comprehensive income in equity. For non-U.S. subsidiaries that use a U.S. dollar functional currency, local currency inventories and property, plant and equipment are translated into U.S. dollars at rates prevailing when acquired; all other assets and liabilities are translated at year-end exchange rates. Inventories charged to cost of sales and depreciation are remeasured at historical rates; all other income and expense items are translated at average exchange rates prevailing during the year. Gains and losses which result from remeasurement are included in earnings.

Revenue Recognition. On January 1, 2018, the Company adopted new accounting guidance which outlined a single comprehensive model to use in accounting for revenue arising from contracts with customers and superseded previous revenue guidance. Under previous guidance, the Company generally recognized revenue from product sales when the goods were shipped and title and risk of loss passed to the customer. Under the new guidance, revenues are recognized when control of the promised product is transferred to customers.

The majority of the Company's revenues from metal packaging products are derived from multi-year requirement contracts with leading manufacturers and marketers of packaged consumer products for can sets, comprising a can and an end. As requirement contracts do not typically include fixed volumes, customers often purchase products pursuant to purchase orders or other communications which are short-term in nature. The can and the end are considered separate performance obligations because they are distinct and separately identifiable. Revenues from the Company's transit packaging segment are generally derived from individual purchase orders which may include multiple goods and services which are separate performance obligations because they are distinct and separately identifiable.

The Company manufactures certain products that have no alternative use to the Company once they are printed or manufactured to customer specifications. If the Company has an enforceable right to payment for custom products at all times in the manufacturing process, revenue is recognized over time. In each of the Company's geographic markets, revenue from beverage cans is primarily recognized over time using the units produced output method as beverage cans are generally printed for a specific customer in a continuous production process. The timing of revenue recognition for the Company's other products, including beverage ends and three-piece products, which includes food cans and ends and aerosol cans and ends, may vary as these products may be printed or customized depending upon customer preferences which can vary by geographic market.

Revenue that is recognized over time for the Company's three-piece products and equipment business is generally recognized using the cost-to-cost input method as these products involve an intermediary step that results in customized work-in-process inventory. For products that follow a point in time model, revenue is generally recognized when title and risk of loss transfer.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services. Standalone selling prices for each performance obligation are generally stated in the contract. When the Company offers variable consideration in the form of volume rebates to customers, it estimates the most likely amount of revenue to which it is expected to be entitled and includes the estimate in the transaction price, limited to the amount which is probable will not result in reversal of cumulative revenue recognized when the variable consideration is resolved. When the Company offers customers options to purchase additional product at discounted prices, judgment is required to determine if the discounted prices represent material rights. If so, the transaction price allocated to the discount is based on its relative standalone price and is recognized upon purchase of the additional product. Customer payment terms are typically less than one year and as such, the Company has applied the practical expedient to exclude consideration of significant financing components from the determination of transaction price.

Taxes collected from customers and remitted to governmental authorities are excluded from net sales. Shipping and handling fees and costs from product sales are reported as cost of products sold and are accrued when the Company recognizes revenue over time before the shipping and handling activities occur. Costs to obtain a contract are generally immaterial but the Company has elected the practical expedient to expense these costs as incurred if the duration of the contract is one year or less.

Unbilled receivables are recorded for revenue recognized over time when the Company has determined that control has passed to the customer but the customer has not yet been invoiced because the Company does not have present right to payment. The Company generally has a present right to payment when title of product transfers. Unbilled receivables are included in receivables in the Consolidated Balance Sheet with a corresponding decrease to inventory.

Contract assets are recorded for revenue recognized over time when the Company has determined that control for a performance obligation has passed to the customer, but the right to invoice the customer is contingent upon the completion of the performance obligations included in the contract. Contract assets are classified as current as they are expected to be invoiced within one year and may not exceed their net realizable value.

Contract liabilities are established if the Company must defer the recognition of a portion of consideration received because it has to satisfy a future obligation. Contract liabilities are classified as current or noncurrent based on when the Company expects to recognize revenue.

Stock-Based Compensation. For awards with a service or market condition, compensation expense is recognized over the vesting period on a straight-line basis using the grant date fair value of the award and the estimated number of awards that are expected to vest. For awards with a performance condition, the Company assesses the probability of vesting at each reporting period and adjusts compensation cost based on its probability assessment. The Company's plans provide for stock awards which may include accelerated vesting upon retirement, disability, or death of eligible employees. The Company considers a stock-based award to be vested when the service period is no longer contingent on the employee providing future service. Accordingly, the related compensation cost is recognized immediately for awards granted to retirement-eligible individuals, or over the period from the grant date to the date that retirement eligibility is achieved if less than the stated vesting period.

Cash, Cash Equivalents and Restricted Cash. Cash equivalents represent investments with maturities of three months or less from the time of purchase and are carried at cost, which approximates fair value because of the short maturity of those instruments. Outstanding checks in excess of funds on deposit are included in accounts payable. The Company generally classifies any cash that is legally restricted as to withdrawal or usage as restricted cash.

Accounts Receivable and Allowance for Credit Losses. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The measurement of expected credit losses is based on past events, historical experience, current conditions and forecasts that affect the collectability of accounts receivable.

Inventory Valuation. Inventories are stated at the lower of cost or net realizable value, with cost principally determined under the first-in, first-out ("FIFO") or average cost method.

Property, Plant and Equipment. Property, plant and equipment ("PP&E") is carried at cost less accumulated depreciation and includes expenditures for new facilities and equipment and those costs which substantially increase the useful lives or capacity of existing PP&E. Cost of constructed assets includes capitalized interest incurred during the construction and development period. Maintenance and repairs, including labor and material costs for planned major maintenance such as annual production line overhauls, are expensed as incurred. When PP&E is retired or otherwise disposed, the net carrying amount is eliminated with any gain or loss on disposition recognized in earnings at that time.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets described below (in years). The Company periodically reviews the estimated useful lives of its PP&E and, where appropriate, changes are made prospectively.

Land improvements	25
Buildings and building improvements	25 – 40
Machinery and equipment	3– 18

Goodwill and Intangible Assets. Assets and liabilities of acquired businesses are recorded under the acquisition method of accounting at their estimated fair values at the dates of acquisition. Goodwill represents costs in excess of fair values assigned to the underlying identifiable net assets of acquired businesses. Goodwill is carried at cost and reviewed for impairment annually in the fourth quarter of each year or when facts and circumstances indicate goodwill may be impaired. Goodwill was allocated to the reporting units at the time of each acquisition based on the relative fair values of the reporting units. In assessing goodwill for impairment, the Company may first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Further quantitative assessment may then be required. The quantitative assessment involves a number of assumptions and judgments, including the calculation of fair value for the Company’s identified reporting units. The Company determines the estimated fair value of each reporting unit based on an average of the estimated fair values using an income and a market approach. The income approach utilizes significant assumptions, including revenue and Adjusted EBITDA margin growth rates and discount rate. If the carrying value of a reporting unit exceeds its fair value, any impairment loss is measured by comparing the carrying value of the reporting unit to its fair value, not to exceed the carrying amount of goodwill.

Definite-lived intangible assets are carried at cost less accumulated amortization. Definite-lived intangibles are amortized on a straight-line basis over their estimated useful lives described below (in years). Definite-lived intangible assets are tested for impairment when facts and circumstances indicate the carrying value may not be recoverable from their undiscounted cash flows. If impaired, the assets are written down to fair value based on either discounted cash flows or appraised values.

Customer relationships	11 - 18
Trade names	8 - 27
Technology	6 - 8
Long-term supply contracts	15
Patents	8

Impairment or Disposal of Long-Lived Assets. In the event that facts and circumstances indicate that the carrying value of long-lived assets, primarily PP&E, may be impaired, the Company performs a recoverability evaluation. If the evaluation indicates that the carrying value of an asset is not recoverable from its undiscounted cash flows, an impairment loss is measured by comparing the carrying value of the asset to its fair value, based on discounted cash flows. Long-lived assets classified as held for sale are presented in the balance sheet at the lower of their carrying value or fair value less cost to sell.

Leases. On January 1, 2019, the Company adopted new guidance on lease accounting. Under the guidance, lease classification criteria and income statement recognition were similar to previous guidance; however, all leases with a term longer than one year are recorded on the balance sheet through a right-of-use asset and a corresponding liability.

The Company has operating and finance leases for land and buildings related to certain manufacturing facilities, warehouses and corporate offices, vehicle fleets and certain office and manufacturing equipment. Leases with an initial term of 12 months or less are not recorded on the balance sheet. The Company's lease terms include options to extend the lease when it is reasonably certain that the Company will exercise the option. Variable lease payment amounts that cannot be determined at commencement of the lease, such as increases in index rates, are not included in the measurement of the lease liabilities and corresponding right-of-use assets and are recognized in the period those payments are incurred. The Company separates lease and non-lease components of lease arrangements and allocates contract consideration based on standalone selling prices. Variable consideration is allocated to the lease and non-lease components to which the variable payments specifically relate. The discount rate implicit within the Company's leases is often not determinable and therefore the Company generally uses its incremental borrowing rate based on the information available at the commencement date of the lease in determining the present value of the lease payments. The incremental borrowing rate is determined based on lease term and the currency in which lease payments are made. The Company's leases do not contain any material residual value guarantees or material restrictive covenants.

Taxes on Income. The provision for income taxes is determined using the asset and liability approach. Deferred taxes represent the future expected tax consequences of differences between the financial reporting and tax bases of assets and liabilities based upon enacted tax rates and laws. The Company has made an accounting policy election to treat taxes due on future U.S. inclusions of certain intangible income of foreign subsidiaries as a current period expense when incurred.

Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Investment tax credits are accounted for using the deferral method. Income tax-related interest and penalties are reported as income tax expense.

Derivatives and Hedging. All outstanding derivative financial instruments are recognized in the balance sheet at their fair values. The impact on earnings from recognizing the fair values of these instruments depends on their intended use, their hedge designation and their effectiveness in offsetting changes in the fair values of the exposures they are hedging. Changes in the fair values of instruments designated to reduce or eliminate adverse fluctuations in the fair values of recognized assets and liabilities are reported currently in earnings along with changes in the fair values of the hedged items. Changes in the effective portions of the fair values of instruments used to reduce or eliminate adverse fluctuations in cash flows of anticipated or forecasted transactions are reported in equity as a component of accumulated other comprehensive income. Amounts in accumulated other comprehensive income are reclassified to earnings when the related hedged items impact earnings or the anticipated transactions are no longer probable. Changes in the fair values of derivative instruments that are not designated as hedges or do not qualify for hedge accounting treatment are reported currently in earnings. Amounts reported in earnings are classified consistent with the item being hedged.

The effectiveness of derivative instruments in reducing risks associated with the hedged exposures is assessed at inception and on an ongoing basis. Time value, a component of an instrument's fair value, is excluded in assessing effectiveness for fair value hedges, except hedges of firm commitments, and included for cash flow hedges.

Hedge accounting is discontinued prospectively when (i) the instrument is no longer effective in offsetting changes in fair value or cash flows of the underlying hedged item, (ii) the instrument expires, is sold, terminated or exercised, or (iii) designating the instrument as a hedge is no longer appropriate.

The Company formally documents all relationships between its hedging instruments and hedged items at inception, including its risk management objective and strategy for establishing various hedge relationships. Cash flows from hedging instruments are classified in the Consolidated Statements of Cash Flows consistent with the items being hedged.

Treasury Stock. Treasury stock is reported at par value. The excess of fair value over par value is first charged to paid-in capital, if any, and then to retained earnings.

Research and Development. Research, development and engineering costs of $53 in 2020, $55 in 2019, and $51 in 2018 were expensed as incurred and reported in selling and administrative expense in the Consolidated Statements of Operations. Substantially all engineering and development costs are related to developing new products or designing significant improvements to existing products or processes. Costs primarily include employee salaries and benefits and facility costs.

Reclassifications. Certain reclassifications of prior years' data have been made to conform to the current year presentation.

Recent Accounting and Reporting Pronouncements.

Recently Adopted Accounting Standards

On January 1, 2020, the Company adopted new guidance on the accounting for credit losses on financial instruments. The new guidance introduced an approach, based on expected losses, to estimate credit losses on certain types of financial instruments. The new approach to estimating credit losses applies to most financial assets measured at amortized cost and certain other instruments, including trade and other receivables, loans, held-to-maturity debt securities, net investments in operating leases and off-balance-sheet credit exposures. The guidance did not have a material impact on the Company's consolidated financial statements.

On January 1, 2020, the Company adopted new guidance, on a prospective basis, which aligns the accounting for implementation costs incurred in a cloud computing arrangement that is a service arrangement (i.e. hosting arrangement) with the guidance on capitalizing costs for internal use software. The guidance did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Standards

In December 2019, the FASB issued new guidance to simplify the accounting for income taxes by, among other things, reducing complexity in the interim-period accounting for year-to-date loss limitations and changes in tax laws. The guidance is effective for the Company on January 1, 2021. The Company is currently evaluating the impact of adopting this standard and does not expect the guidance to have a material impact on its consolidated financial statements.

In March 2020, the FASB issued guidance which provides optional expedients and exceptions for applying GAAP to certain contract modifications and hedging relationships that reference London Inter-bank Offered Rate (LIBOR) or another reference rate expected to be discontinued. The guidance is effective upon issuance and can be applied through December 31, 2022. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

B. Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash included in the Company's Consolidated Balance Sheets and Statement of Cash Flows were as follows:

	2020	2019
Cash and cash equivalents	$ 1,173	$ 607
Restricted cash included in prepaid expenses and other current assets	64	50
Restricted cash included in other non-current assets	1	6
Total restricted cash	65	56
Total cash, cash equivalents and restricted cash	$ 1,238	$ 663

Amounts included in restricted cash primarily represent amounts required to be segregated by certain of the Company's receivables securitization agreements.

C. Receivables

	2020	2019
Accounts receivable	$ 1,297	$ 1,162
Less: allowance for credit losses	(59)	(62)
Net trade receivables	1,238	1,100
Unbilled receivables	294	226
Miscellaneous receivables	251	202
	$ 1,783	$ 1,528

The Company uses receivables securitization and factoring facilities in the normal course of business as part of managing its cash flows. The Company primarily accounts for transfers under these facilities as sales because it has met the criteria for control of the receivables to be considered transferred.

The Company’s continuing involvement in the transfers is limited to servicing the receivables. The Company receives adequate compensation for servicing the receivables and no servicing asset or liability is recorded.

As of December 31, 2020 and 2019, the Company derecognized receivables of $1,270 and $1,318 related to the facilities.

For the years ended December 31, 2020, 2019 and 2018, the Company recorded expenses related to the facilities of $19, $23 and $21 as interest expense.

Prior to July 2018, the Company's North American securitization facility included a deferred purchase price component. Proceeds from the deferred purchase price were included in the beneficial interest in securitized receivables line in the Company's Consolidated Statement of Cash Flows.

D. Inventories

	2020	2019
Raw materials and supplies	$ 1,003	$ 905
Work in process	164	151
Finished goods	506	570
	$ 1,673	$ 1,626

E. Goodwill

Changes in the carrying amount of goodwill by reportable segment for the years ended December 31, 2020 and 2019 were as follows:

	Americas Beverage	European Beverage	European Food	Transit Packaging	Other segments	Total
Balance at January 1, 2019	$ 842	$ 531	$ 1,291	$ 1,506	$ 272	$ 4,442
Goodwill acquired	—	—	—	8	—	8
Goodwill impairment	—	—	—	—	(25)	(25)
Foreign currency translation	23	3	(22)	(5)	6	5
Balance at December 31, 2019	865	534	1,269	1,509	253	4,430
Foreign currency translation	(26)	26	108	52	3	163
Balance at December 31, 2020	$ 839	$ 560	$ 1,377	$ 1,561	$ 256	$ 4,593

In 2019, the goodwill impairment included in other segments related to the European Aerosols and Promotional Packaging reporting unit. In recent years market demand for three-piece aerosol packaging has gradually declined. This decline combined with higher operating costs that had not been fully recovered in selling prices had an adverse impact on the expected future cash flows utilized in the Company's valuation. As a result, the reporting unit's fair value declined below its carrying value.

The carrying amount of goodwill at December 31, 2020 and 2019 was net of the following accumulated impairments:

	Americas Beverage	European Beverage	European Food	Transit Packaging	Other Segments	Total
Accumulated impairments	$ 29	$ 73	$ 724	$ —	$ 175	$ 1,001

F. Intangible Assets

Gross carrying amounts and accumulated amortization of finite-lived intangible assets by major class were as follows:

	December 31, 2020			December 31, 2019		
	Gross	Accumulated amortization	Net	Gross	Accumulated amortization	Net
Customer relationships	$ 1,661	$ (470)	$ 1,191	$ 1,621	$ (331)	$ 1,290
Trade names	565	(65)	500	541	(40)	501
Technology	165	(67)	98	158	(41)	117
Long term supply contracts	142	(55)	87	150	(48)	102
Patents	16	(12)	4	14	(9)	5
	$ 2,549	$ (669)	$ 1,880	$ 2,484	$ (469)	$ 2,015

Amortization expense for the years ended December 31, 2020, 2019, and 2018 was $180, $186 and $148.

Annual amortization expense for 2021 and 2022 is estimated to be $180, 2023 is estimated to be $179, 2024 is estimated to be $166, and 2025 is estimated to be $162.

G. Property, Plant and Equipment

	2020	2019
Buildings and improvements	$ 1,419	$ 1,402
Machinery and equipment	6,166	5,836
Land and improvements	307	298
Construction in progress	514	276
	8,406	7,812
Less: accumulated depreciation and amortization	(4,208)	(3,925)
	$ 4,198	$ 3,887

H. Leases

As discussed in Note A, the Company adopted new guidance on lease accounting on January 1, 2019 on a modified retrospective basis. Total operating lease expense under the previous guidance was $50 for the year ended December 31, 2018.

The components of lease expense for the years ended December 31, 2020 and 2019 were as follows:

	2020	2019
Operating lease costs:		
Operating lease cost	$ 52	$ 49
Short-term lease cost	5	4
Total operating lease costs	$ 57	$ 53
Finance lease cost:		
Amortization of right-of-use assets	$ 1	$ 1
Total finance lease costs	$ 1	$ 1

Variable operating lease costs were $3 for the years ended December 31, 2020 and December 31, 2019. Interest on finance lease liabilities were less than $1 for the years ended December 31, 2020 and December 31, 2019.

Supplemental cash flow information related to leases was as follows:

	2020	2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 58	$ 51
Financing cash flows from finance leases	3	15
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 53	$ 33

Supplemental balance sheet information related to finance leases was as follows:

	2020	2019
Finance leases:		
Property, plant and equipment	$ 28	$ 27
Accumulated depreciation	(2)	(1)
Property, plant and equipment, net	$ 26	$ 26
Accrued liabilities	$ 2	$ 2
Other non-current liabilities	10	11
Total finance lease liabilities	$ 12	$ 13

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

	2020	2019
Weighted average remaining lease term:		
Operating leases	9.3	9.5
Finance leases	6.6	7.0
Weighted average discount rate:		
Operating leases	4.0 %	4.2 %
Finance leases	3.4 %	4.1 %

Maturities of lease liabilities as of December 31, 2020 were as follows:

	Operating Leases	Finance Leases
2021	$ 56	$ 2
2022	45	2
2023	33	2
2024	25	2
2025	20	2
Thereafter	99	3
Total lease payments	278	13
Less imputed interest	(59)	(1)
Total	$ 219	$ 12

At December 31, 2020, the Company does not have material lease commitments that have not commenced.

I. Other Non-Current Assets

	2020	2019
Pension assets	$ 532	$ 491
Deferred taxes	242	278
Investments	25	20
Debt issuance costs	13	15
Fair value of derivatives	11	54
Other	79	109
	$ 902	$ 967

J. Accrued Liabilities

	2020	2019
Salaries and employee benefits	$ 243	$ 205
Accrued taxes, other than on income	165	139
Income taxes	86	67
Accrued interest	85	82
Fair value of derivatives	29	44
Asbestos liabilities	25	25
Pension and postretirement liabilities	23	29
Restructuring	20	17
Other	497	457
	$ 1,173	$ 1,065

K. Restructuring and Other

The Company recorded restructuring and other items as follows:

	2020	2019	2018
Restructuring	$ 23	$ 22	$ 25
Other costs / (income)	9	(41)	(2)
Asset impairments and sales	2	(7)	(5)
Transaction costs	—	—	26
	$ 34	$ (26)	$ 44

2020 Activity

Restructuring costs included charges of $19 related to an internal reorganization and headcount reductions within the Transit Packaging Division. The Company continues to identify cost reduction initiatives in its businesses and it is possible that the Company may record additional restructuring charges in the future.

2019 Activity

Restructuring costs included charges of $18 for termination benefits related to headcount reductions across the Company, including $14 related to for headcount reductions in the Company's European and Transit Packaging divisions.

Other costs / (income) of $41 included gains of $50 arising from favorable court rulings related to the recovery of indirect taxes paid in prior years by certain of the Company's Brazilian subsidiaries and a charge of $7 related to the settlement of a litigation matter related to Signode that arose prior to its acquisition by the Company in 2018.

Asset impairments and sales included gains of $13 related to asset sales partially offset by a charge of $6 related to a fire at a production facility in Asia.

2018 Activity

Restructuring costs included $5 for termination benefits related to the closure of two beverage can plants in the Company's Asia Pacific segment, $12 of termination benefits related to other actions to reduce manufacturing capacity and headcount and other exit costs of $8 related to prior and current year restructuring actions.

Other costs / (income) of $2 included a benefit of $6 due to the favorable settlement of a litigation matter related to Mivisa that arose prior to its acquisition by the Company in 2014.

Asset impairments and sales included asset impairment charges of $13 to write down the carrying value of fixed assets related to the closure of two beverage can plants in the Company's Asia Pacific segment.

Asset impairment and sales also includes gains on asset sales related to prior restructuring actions.

Transaction costs related to the acquisition of Signode.

Restructuring charges by segment were as follows:

	2020	2019	2018
Americas Beverage	$ —	$ 1	$ 4
European Beverage	—	—	1
European Food	—	4	4
Asia Pacific	1	3	5
Transit Packaging	19	6	3
Other segments	3	5	5
Corporate	—	3	3
	$ 23	$ 22	$ 25

Restructuring charges by type were as follows:

	2020	2019	2018
Termination benefits	$ 12	$ 18	$ 17
Other exit costs	11	4	8
	$ 23	$ 22	$ 25

At December 31, 2020, the Company had a restructuring accrual of $20, primarily related to headcount reductions in its Transit Packaging and European divisions. The Company expects to pay these amounts over the next twelve months.

L. Debt

	2020		2019	
	Principal outstanding	Carrying amount	Principal outstanding	Carrying amount
Short-term debt	$ 121	$ 121	$ 75	$ 75
Long-term debt				
Senior secured borrowings:				
Term loan facilities				
U.S. dollar at LIBOR plus 1.5% due 2024	1,029	1,023	1,100	1,094
Euro at EURIBOR plus 1.5% due 2024[1]	387	387	505	504
Senior notes and debentures:				
€650 at 4.0% due 2022	794	791	729	725
U. S. dollar at 4.50% due 2023	1,000	997	1,000	995
€335 at 2.25% due 2023	409	407	376	372
€550 at 0.75% due 2023	671	666	617	610
€600 at 2.625% due 2024	733	729	673	668
€600 at 3.375% due 2025	733	728	673	667
U.S. dollar at 4.25% due 2026	400	396	400	395
U.S. dollar at 4.75% due 2026	875	865	875	863
U.S. dollar at 7.375% due 2026	350	348	350	348
€500 at 2.875% due 2026	610	603	561	554
U.S. dollar at 7.50% due 2096	40	40	40	40
Other indebtedness in various currencies:				
Fixed rate with rates in 2020 from 3.9% to 7.8% due through 2026	97	97	39	39
Variable rate with average rates in 2020 from 2.3% to 2.7% due through 2027	13	13	6	6
Total long-term debt	8,141	8,090	7,944	7,880
Less: current maturities	(67)	(67)	(62)	(62)
Total long-term debt, less current maturities	$ 8,074	$ 8,023	$ 7,882	$ 7,818

(1) €317 and €450 at December 31, 2020 and 2019

The estimated fair value of the Company's long-term borrowings, using a market approach incorporating level 2 inputs such as quoted market prices for the same or similar issues, was $8,617 at December 31, 2020 and $8,410 at December 31, 2019.

The revolving credit facilities include provisions for letters of credit up to $310 that reduce the amount of borrowing capacity otherwise available. At December 31, 2020, the Company's available borrowing capacity under the credit facilities was $1,585, equal to the facilities' aggregate capacity of $1,650 less $65 of outstanding letters of credit. The interest rate on the facilities can vary from LIBOR or EURIBOR, with a floor of zero, plus a margin of up to 1.55%, depending on the facility, based on the Company's leverage ratio. The revolving credit facilities and term loan facilities require the Company to maintain a leverage ratio of no greater than 5.00 times at December 31, 2020. The Company was in compliance with all covenants as of December 31, 2020.

The weighted average interest rates were as follows:

	2020	2019	2018
Short-term debt	1.9 %	2.6 %	1.0 %
Revolving credit facilities	2.8 %	3.8 %	3.2 %

Aggregate maturities of long-term debt, excluding unamortized discounts and debt issuance costs, for the five years subsequent to 2020 are $67, $901, $2,185, $1,966 and $743. Cash payments for interest during 2020, 2019 and 2018 were $302, $362 and $334.

M. Derivative and Other Financial Instruments

Fair Value Measurements

Under U.S. GAAP a framework exists for measuring fair value, providing a three-tier hierarchy of pricing inputs used to report assets and liabilities that are adjusted to fair value. Level 1 includes inputs such as quoted prices which are available in active markets for identical assets or liabilities as of the reporting date. Level 2 includes inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 3 includes unobservable pricing inputs that are not corroborated by market data or other objective sources. The Company has no items valued using Level 3 inputs other than certain pension plan assets.

The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of assets and liabilities measured at fair value and their placement within the fair value hierarchy.

The Company applies a market approach to value its commodity price hedge contracts. Prices from observable markets are used to develop the fair value of these financial instruments and they are reported under Level 2. The Company uses an income approach to value its foreign exchange forward contracts. These contracts are valued using a discounted cash flow model that calculates the present value of future cash flows under the terms of the contracts using market information as of the reporting date, such as foreign exchange spot and forward rates, and are reported under Level 2 of the fair value hierarchy.

Fair value disclosures for financial assets and liabilities that were accounted for at fair value on a recurring basis are provided later in this note. In addition, see Note L for fair value disclosures related to debt.

Derivative Financial Instruments

In the normal course of business the Company is subject to risk from adverse fluctuations in currency exchange rates, interest rates and commodity prices. The Company manages these risks through a program that includes the use of derivative financial instruments, primarily swaps and forwards. Counterparties to these contracts are major financial institutions. The Company is exposed to credit loss in the event of nonperformance by these counterparties. The Company does not use derivative instruments for trading or speculative purposes.

The Company's objective in managing exposure to market risk is to limit the impact on earnings and cash flow. The extent to which the Company uses such instruments is dependent upon its access to these contracts in the financial markets and its success using other methods, such as netting exposures in the same currencies to mitigate foreign exchange risk and using sales agreements that permit the pass-through of commodity price and foreign exchange rate risk to customers.

For derivative financial instruments accounted for in hedging relationships, the Company formally designates and documents, at inception, the financial instrument as a hedge of a specific underlying exposure, the risk management objective and the manner in which effectiveness will be assessed. The Company formally assesses, both at inception and at least quarterly thereafter, whether the hedging relationships are effective in offsetting changes in fair value or cash flows of the related underlying exposures. When a hedge no longer qualifies for hedge accounting, the change in fair value from the date of the last effectiveness test is recognized in earnings. Any gain or loss which has accumulated in other comprehensive income at the date of the last effectiveness test is reclassified into earnings at the same time as the underlying exposure.

Cash Flow Hedges

The Company designates certain derivative financial instruments as cash flow hedges. No components of the hedging instruments are excluded from the assessment of hedge effectiveness. Changes in fair value of outstanding derivatives accounted for as cash flow hedges are recorded in accumulated other comprehensive income until earnings are impacted by the hedged transaction. Classification of the gain or loss in the Consolidated Statements of Operations upon release from accumulated other comprehensive income is the same as that of the underlying exposure. Contracts outstanding at December 31, 2020 mature between one and twenty-three months.

When the Company discontinues hedge accounting because it is no longer probable that an anticipated transaction will occur in the originally specified period, changes to fair value accumulated in other comprehensive income are recognized immediately in earnings.

The Company uses commodity forwards to hedge anticipated purchases of various commodities, including aluminum, fuel oil and natural gas.

The Company also designates certain foreign exchange contracts as cash flow hedges of anticipated foreign currency denominated sales or purchases. The Company manages these risks at the operating unit level. Often, foreign currency risk is hedged together with the related commodity price risk.

In June 2019, the Company entered into interest rate swaps to convert $200 of its U.S. dollar term loan facility from floating-rate to a fixed-rate of 1.82%. These interest rate swaps mature in June 2021.

The following tables set forth financial information about the impact on accumulated other comprehensive income ("AOCI") and earnings from changes in fair value related to derivative instruments designated as cash flow hedges.

	Amount of gain / (loss) recognized in AOCI	
Derivatives designated as cash flow hedges	2020	2019
Foreign exchange	$ —	$ (8)
Interest rate	(1)	(1)
Commodities	10	(13)
	$ 9	$ (22)

	Amount of loss reclassified from AOCI into income		
Derivatives designated as cash flow hedges	2020	2019	Affected line item in the Statement of Operations
Foreign exchange	$ (4)	$ (4)	Net sales
Commodities	18	14	Net sales
Foreign exchange	(2)	(1)	Cost of products sold
Commodities	(60)	(52)	Cost of products sold
	(48)	(43)	Income before taxes
	13	11	Provision for income taxes
	$ (35)	$ (32)	Net Income

For the year ended December 31, 2021, a net gain of $35 ($28, net of tax) is expected to be reclassified to earnings. No amounts were reclassified during the years ended December 31, 2020 and 2019 in connection with anticipated transactions that were no longer considered probable.

Fair Value Hedges and Contracts Not Designated as Hedges

The Company designates certain derivative financial instruments as fair value hedges of recognized foreign-denominated assets and liabilities, generally trade accounts receivable and payable and unrecognized firm commitments. The notional values and maturity dates of the derivative instruments coincide with those of the hedged items. Changes in fair value of the derivative financial instruments, excluding time value, are offset by changes in fair value of the related hedged items.

Certain derivative financial instruments, including foreign exchange contracts related to intercompany debt, were not designated or did not qualify for hedge accounting; however, they are effective economic hedges as the changes in their fair value, except for time value, are offset by changes from re-measurement of the related hedged items. The Company's primary use of these derivative instruments is to offset the earnings impact that fluctuations in foreign exchange rates have on certain monetary assets and liabilities denominated in nonfunctional currencies. Changes in fair value of these derivative instruments are immediately recognized in earnings as foreign exchange adjustments.

The impact on earnings from foreign exchange contracts designated as fair value hedges was a gain of $27 for the year ended December 31, 2020 and a gain of $1 for the year ended December 31, 2019. These adjustments were reported within foreign exchange in the Consolidated Statements of Operations and were offset by changes in the fair values of the related hedged items.

The following table sets forth the impact on earnings from derivatives not designated as hedges.

Derivatives not designated as hedges	Pre-tax amount of gain / (loss) recognized in earnings 2020	2019	Affected line item in the Statement of Operations
Foreign exchange	$ —	$ (3)	Net sales
Foreign exchange	—	3	Cost of products sold
Foreign exchange	30	(26)	Foreign exchange
	$ 30	$ (26)	

Net Investment Hedges

The Company designates certain debt and derivative instruments as net investment hedges to manage foreign currency risk relating to net investments in subsidiaries denominated in foreign currencies.

For the years ended December 31, 2020 and 2019, the Company recorded a loss of $1 ($1, net of tax) and a gain of $27 ($27, net of tax) in other comprehensive income for certain debt instruments that are designated as hedges of its net investment in a euro-based subsidiary. As of December 31, 2020, cumulative losses of $33 ($10, net of tax) were recognized in accumulated other comprehensive income related to these net investment hedges and the carrying amount of the hedged net investment was approximately €1,113 ($1,359) at December 31, 2020.

In November 2018, the Company entered into a series of cross-currency swaps with an aggregate notional value of $875. The swaps are designated as hedges of the Company's net investment in a euro-based subsidiary. Under the cross-currency contracts, the Company will receive semi-annual fixed U.S. dollar payments at a rate of 4.75% of the U.S. notional value and pay 1.84% on the euro notional value.

In May 2019, the Company entered into a cross-currency swap with an aggregate notional value of $200. The swap is designated as a hedge of the Company's net investment in a euro-based subsidiary. Under the cross-currency contract, the Company receives quarterly variable U.S. dollar payments at a rate of LIBOR plus a floating rate spread on the dollar notional value and pays EURIBOR plus a floating rate spread on the euro notional value.

Gains or losses on net investment hedges remain in accumulated other comprehensive income until disposal of the underlying assets.

The following tables set forth financial information about the impact on accumulated other comprehensive income from changes in the fair value of derivative instruments designated as net investment hedges.

Derivatives designated as net investment hedges	Amount of (loss) / gain recognized in AOCI 2020	2019
Foreign exchange	$ (48)	$ 26

Gains and losses representing components excluded from the assessment of effectiveness on derivatives designated as net investment hedges are recognized in accumulated other comprehensive income.

Fair Values of Derivative Financial Instruments

The following table sets forth the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis.

	Balance Sheet classification	December 31, 2020	December 31, 2019	Balance Sheet classification	December 31, 2020	December 31, 2019
Derivatives designated as hedging instruments						
Foreign exchange contracts cash flow	Other current assets	$ 9	$ 10	Accrued liabilities	$ 8	$ 15
	Other non-current assets	—	1	Other non-current liabilities	1	1
Foreign exchange contracts fair value	Other current assets	2	1	Accrued liabilities	6	3
Commodities contracts cash flow	Other current assets	45	11	Accrued liabilities	11	21
	Other non-current assets	4	—	Other non-current liabilities	—	—
Interest rate contracts cash flow	Other non-current assets	—	—	Other non-current liabilities	2	1
Net investment hedge	Other non-current assets	7	51	Other non-current liabilities	20	2
		$ 67	$ 74		$ 48	$ 43
Derivatives not designated as hedging instruments						
Foreign exchange contracts	Other current assets	$ 9	$ 7	Accrued liabilities	$ 4	$ 5
	Other non-current assets	—	2	Other non-current liabilities	—	1
		$ 9	$ 9		$ 4	$ 6
Total derivatives		$ 76	$ 83		$ 52	$ 49

Fair Value Hedge Carrying Amounts

	Carrying amount of the hedged assets and liabilities	
Line item in the Balance Sheet in which the hedged item is included	December 31, 2020	December 31, 2019
Receivables, net	11	12
Accrued liabilities	100	83

As of December 31, 2020 and 2019, the cumulative amounts of fair value hedging adjustments included in the carrying amount of the hedged assets and liabilities were net gains of $4 and $2.

Offsetting of Derivative Assets and Liabilities

Certain derivative financial instruments are subject to agreements with counterparties similar to master netting arrangements and are eligible for offset. The Company has made an accounting policy election not to offset the fair values of these instruments. In the table below, the aggregate fair values of the Company's derivative assets and liabilities are presented on both a gross and net basis, where appropriate.

	Gross amounts recognized in the Balance Sheet	Gross amounts not offset in the Balance Sheet	Net amount
Balance at December 31, 2020			
Derivative assets	$ 76	$ 11	$ 65
Derivative liabilities	52	11	41
Balance at December 31, 2019			
Derivative assets	$ 83	$ 16	$ 67
Derivative liabilities	49	16	33

Notional Values of Outstanding Derivative Instruments

The aggregate U.S. dollar-equivalent notional values of outstanding derivative instruments in the Consolidated Balance Sheets were:

	December 31, 2020	December 31, 2019
Derivatives designated as cash flow hedges:		
Foreign exchange	$ 1,127	$ 1,030
Commodities	248	334
Interest rate	200	200
Derivatives designated as fair value hedges:		
Foreign exchange	183	142
Derivatives designated as net investment hedges:		
Foreign exchange	1,075	1,075
Derivatives not designated as hedges:		
Foreign exchange	722	1,017

N. Asbestos-Related Liabilities

Crown Cork & Seal Company, Inc. (“Crown Cork”) is one of many defendants in a substantial number of lawsuits filed throughout the United States by persons alleging bodily injury as a result of exposure to asbestos. These claims arose from the insulation operations of a U.S. company, the majority of whose stock Crown Cork purchased in 1963. Approximately ninety days after the stock purchase, this U.S. company sold its insulation assets and was later merged into Crown Cork.

Prior to 1998, amounts paid to asbestos claimants were covered by a fund made available to Crown Cork under a 1985 settlement with carriers insuring Crown Cork through 1976, when Crown Cork became self-insured. The fund was depleted in 1998 and the Company has no remaining coverage for asbestos-related costs.

The states of Alabama, Arizona, Arkansas, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Michigan, Mississippi, Nebraska, North Carolina, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Utah, West Virginia, Wisconsin and Wyoming enacted legislation that limits asbestos-related liabilities under state law of companies such as Crown Cork that allegedly incurred these liabilities because they are successors by corporate merger to companies that had been involved with asbestos. The legislation, which applies to future and, with the exception of Arkansas, Georgia, South Carolina, South Dakota, West Virginia and Wyoming, pending claims at the time of enactment, caps asbestos-related liabilities at the fair market value of the predecessor's total gross assets adjusted for inflation. Crown Cork has paid significantly more for asbestos-related claims than the total value of its predecessor's assets adjusted for inflation. Crown Cork has integrated the legislation into its claims defense strategy. The Company cautions, however, that the legislation may be challenged and there can be no assurance regarding the ultimate effect of the legislation on Crown Cork.

In June 2003, the State of Texas enacted legislation that limits the asbestos-related liabilities in Texas courts of companies such as Crown Cork that allegedly incurred these liabilities because they are successors by corporate merger to companies that had been involved with asbestos. The Texas legislation, which applies to future and pending claims, caps asbestos-related liabilities at the total gross value of the predecessor’s assets adjusted for inflation. Crown Cork has paid significantly more for asbestos-related claims than the total adjusted value of its predecessor’s assets.

In October 2010, the Texas Supreme Court reversed a lower court decision, Barbara Robinson v. Crown Cork & Seal Company, Inc., No. 14-04-00658-CV, Fourteenth Court of Appeals, Texas, which had upheld the dismissal of an asbestos-related case against Crown Cork. The Texas Supreme Court held that the Texas legislation was unconstitutional under the Texas Constitution when applied to asbestos-related claims pending against Crown Cork when the legislation was enacted in June of 2003. The Company believes that the decision of the Texas Supreme Court is limited to retroactive application of the Texas legislation to asbestos-related cases that were pending against Crown Cork in Texas on June 11, 2003 and therefore, in its accrual, continues to assign no value to claims filed after June 11, 2003.

In December 2001, the Commonwealth of Pennsylvania enacted legislation that limits the asbestos-related liabilities of Pennsylvania corporations that are successors by corporate merger to companies involved with asbestos. The legislation limits the successor's liability for asbestos to the acquired company's asset value adjusted for inflation. Crown Cork has paid significantly more for asbestos-related claims than the acquired company's adjusted asset value. In November 2004, the legislation was amended to address a Pennsylvania Supreme Court decision (Ieropoli v. AC&S Corporation, et. al., No. 117 EM 2002) which held that the statute violated the Pennsylvania Constitution due to retroactive application. The Company cautions that the limitations of the statute, as amended, are subject to litigation and may not be upheld.

The Company further cautions that an adverse ruling in any litigation relating to the constitutionality or applicability to Crown Cork of one or more statutes that limits the asbestos-related liability of alleged defendants like Crown Cork could have a material impact on the Company.

The Company's approximate claims activity for the years ended 2020, 2019 and 2018 was as follows:

	2020	2019	2018
Beginning claims	56,000	56,000	55,500
New claims	1,500	2,000	2,000
Settlements or dismissals	(1,500)	(2,000)	(1,500)
Ending claims	56,000	56,000	56,000

For the years ended December 31, 2020, 2019, and 2018, the Company made cash payments of $21, $22, and $21 to settle asbestos claims and pay related legal and defense costs.

In the fourth quarter of each year, the Company performs an analysis of outstanding claims and categorizes by year of exposure and state filed. As of December 31, 2020 and December 31, 2019, the Company's outstanding claims were:

	2020	2019
Claimants alleging first exposure after 1964	16,500	16,500
Claimants alleging first exposure before or during 1964 filed in:		
Texas	13,000	13,000
Pennsylvania	1,500	1,500
Other states that have enacted asbestos legislation	6,000	6,000
Other states	19,000	19,000
Total claims outstanding	56,000	56,000

The outstanding claims in each period exclude approximately 19,000 inactive claims. Due to the passage of time, the Company considers it unlikely that the plaintiffs in these cases will pursue further action against the Company. The exclusion of these inactive claims had no effect on the calculation of the Company's accrual as the claims were filed in states, as described above, where the Company's liability is limited by statute.

With respect to claimants alleging first exposure to asbestos before or during 1964, the Company does not include in its accrual any amounts for settlements in states where the Company's liability is limited by statute except for certain pending claims in Texas as described earlier.

With respect to post-1964 claims, regardless of the existence of asbestos legislation, the Company does not include in its accrual any amounts for settlement of these claims because of increased difficulty of establishing identification of relevant insulation products as the cause of injury. Given its settlement experience with post-1964 claims, the Company does not believe that an adverse ruling in the Texas or Pennsylvania asbestos litigation cases, or in any other state that has enacted asbestos legislation, would have a material impact on the Company with respect to such claims.

As of December 31, the percentage of outstanding claims related to claimants alleging serious diseases (primarily mesothelioma and other malignancies) were as follows:

	2020	2019	2018
Total claims	23 %	22 %	22 %
Pre-1964 claims in states without asbestos legislation	41 %	41 %	41 %

Crown Cork has entered into arrangements with plaintiffs' counsel in certain jurisdictions with respect to claims which are not yet filed, or asserted, against it. However, Crown Cork expects claims under these arrangements to be filed or asserted against Crown Cork in the future. The projected value of these claims is included in the Company's estimated liability as of December 31, 2020.

Approximately 81% of the claims outstanding at the end of 2020 were filed by plaintiffs who do not claim a specific amount of damages or claim a minimum amount as established by court rules relating to jurisdiction; approximately 16% were filed by plaintiffs who claim damages of less than $5; approximately 3% were filed by plaintiffs who claim damages from $5 to less than $100 (36% of whom claim damages less than $25) and 14 claims were filed by plaintiffs who claim damages in excess of $100.

As of December 31, 2020, the Company's accrual for pending and future asbestos-related claims and related legal costs was $251, including $214 for unasserted claims. The Company determines its accrual without limitation to a specified time period. It is reasonably possible that the actual loss could be in excess of the Company's accrual. However, the Company is unable to estimate the reasonably possible loss in excess of its accrual due to uncertainty in the following assumptions that underlie the Company's accrual and the possibility of losses in excess of such accrual: the amount of damages sought by the claimant, the Company and claimant's willingness to negotiate a settlement, the terms of settlements of other defendants with asbestos-related liabilities, the bankruptcy filings of other defendants (which may result in additional claims and higher settlements for non-bankrupt defendants), the nature of pending and future claims (including the seriousness of alleged disease, whether claimants allege first exposure to asbestos before or during 1964 and the claimant's ability to demonstrate the alleged link to Crown Cork), the volatility of the litigation environment, the defense strategies available to the Company, the level of future claims, the rate of receipt of claims, the jurisdiction in which claims are filed, and the effect of state asbestos legislation (including the validity and applicability of the Pennsylvania legislation to non-Pennsylvania jurisdictions, where the substantial majority of the Company's asbestos cases are filed).

O. Commitments and Contingent Liabilities

The Company, along with others in most cases, has been identified by the EPA or a comparable state environmental agency as a Potentially Responsible Party ("PRP") at a number of sites and has recorded aggregate accruals of $8 for its share of estimated future remediation costs at these sites. The Company has been identified as having either directly or indirectly disposed of commercial or industrial waste at the sites subject to the accrual, and where appropriate and supported by available information, generally has agreed to be responsible for a percentage of future remediation costs based on an estimated volume of materials disposed in proportion to the total materials disposed at each site. The Company has not had monetary sanctions imposed nor has the Company been notified of any potential monetary sanctions at any of the sites.

The Company has also recorded aggregate accruals of $7 for remediation activities at various worldwide locations that are owned by the Company and for which the Company is not a member of a PRP group. Although the Company believes its accruals are adequate to cover its portion of future remediation costs, there can be no assurance that the ultimate payments will not exceed the amount of the Company's accruals and will not have a material effect on its results of operations, financial position and cash flow. Any possible loss or range of potential loss that may be incurred in excess of the recorded accruals cannot be estimated.

In March 2015, the Bundeskartellamt, or German Federal Cartel Office ("FCO"), conducted unannounced inspections of the premises of several metal packaging manufacturers, including a German subsidiary of the Company. The local court order authorizing the inspection cited FCO suspicions of anti-competitive agreements in the German market for the supply of metal packaging products. The Company conducted an internal investigation into the matter and discovered instances of inappropriate conduct by certain employees of German subsidiaries of the Company. The Company cooperated with the FCO and submitted a leniency application with the FCO which disclosed the findings of its internal investigation to date. In April 2018, the FCO discontinued its national investigation and referred the matter to the European Commission (the "Commission"). Following the referral, Commission officials conducted unannounced inspections of the premises of several metal packaging manufacturers, including Company subsidiaries in Germany, France and the United Kingdom.

The Commission's investigation is ongoing and, to date, the Commission has not officially charged the Company or any of its subsidiaries with violations of competition law. The Company is cooperating with the Commission and submitted a leniency application with the Commission with respect to the findings of the investigation in Germany referenced above. This application may lead to the reduction of possible future penalties. At this stage of the investigation the Company believes that a loss is probable but is unable to predict the ultimate outcome of the Commission's investigation and is unable to estimate the loss or possible range of losses that could be incurred, and has therefore not recorded a charge in connection with the actions by the Commission. If the Commission finds that the Company or any of its subsidiaries violated competition law, fines levied by the Commission could be material to the Company's operating results and cash flows for the periods in which they are resolved or become reasonably estimable.

In March 2017, U.S. Customs and Border Protection ("CBP") at the Port of Milwaukee issued a penalty notification alleging that certain of the Company's subsidiaries intentionally misclassified the importation of certain goods into the U.S. during the period 2004-2009. CBP initially assessed a penalty of $18 and subsequently mitigated to $6. The Company has acknowledged to CBP that the goods were misclassified and has paid all related duties. The Company has asserted that the misclassification was unintentional and disputes the penalty assessment. At the present time, based on the information available, the Company does not believe that a loss for the alleged intentional misclassification is probable. There can be no assurance the Company will be successful in contesting the assessed penalty.

The Company and its subsidiaries are also subject to various other lawsuits and claims with respect to labor, environmental, securities, vendor and other matters arising out of the Company's normal course of business. While the impact on future financial results is not subject to reasonable estimation because considerable uncertainty exists, management believes that the ultimate liabilities resulting from such lawsuits and claims will not materially affect the Company's consolidated earnings, financial position or cash flow. The Company has various commitments to purchase materials, supplies and utilities as part of the ordinary conduct of business.

The Company's basic raw materials for its products are steel and aluminum, both of which are purchased from multiple sources. The Company is subject to fluctuations in the cost of these raw materials and has periodically adjusted its selling prices to reflect these movements. There can be no assurance, however, that the Company will be able to fully recover any increases or fluctuations in raw material costs from its customers. The Company also has commitments for standby letters of credit and for purchases of capital assets.

At December 31, 2020, the Company was party to certain indemnification agreements covering environmental remediation, lease payments and other potential costs associated with properties sold or businesses divested. The Company accrues for costs related to these items when it is probable that a liability has been incurred and the amount can be reasonably estimated.

P. Other Non-Current Liabilities

	2020	2019
Deferred taxes	$ 393	$ 405
Asbestos liabilities	226	248
Postemployment benefits	37	36
Income taxes payable	28	25
Fair value of derivatives	23	5
Environmental	12	12
Finance lease liabilities	10	11
Other	127	115
	$ 856	$ 857

Income taxes payable includes unrecognized tax benefits as discussed in Note R.

Q. Pension and Other Postretirement Benefits

Pensions. The Company sponsors various pension plans covering certain U.S. and non-U.S. employees, and participates in certain multi-employer pension plans. The benefits under the Company plans are based primarily on years of service and either the employees' remuneration near retirement or a fixed dollar multiple.

A measurement date of December 31 was used for all plans presented below.

The components of pension expense were as follows:

U.S. Plans	2020	2019	2018
Service cost	$ 18	$ 15	$ 17
Interest cost	38	50	47
Expected return on plan assets	(73)	(70)	(85)
Settlements	3	—	—
Amortization of actuarial loss	56	55	51
Amortization of prior service cost	1	1	1
Net periodic cost	$ 43	$ 51	$ 31

Non-U.S. Plans	2020	2019	2018
Service cost	$ 12	$ 15	$ 26
Interest cost	53	71	75
Expected return on plan assets	(107)	(138)	(159)
Settlements	63	44	38
Curtailments	—	(14)	—
Amortization of actuarial loss	28	38	45
Amortization of prior service credit	—	(1)	(11)
Net periodic cost	$ 49	$ 15	$ 14

The settlement charges in each year arose from the payment of lump sum buy-outs to settle certain pension obligations using plan assets. The Company may incur additional settlement charges in 2021. The curtailment gain in 2019 was to recognize prior service credits that were previously recorded in accumulated other comprehensive income in connection with the closure of a non-U.S. defined benefit pension plan.

Additional pension expense of $6 in 2020 and $5 in each of 2019 and 2018 was recognized for multi-employer plans.

The projected benefit obligations, accumulated benefit obligations, plan assets and funded status of the Company's U.S. and non-U.S. plans were as follows:

	U.S. Plans		Non-U.S. Plans	
	2020	2019	2020	2019
Projected Benefit Obligations				
Benefit obligations at January 1	$ 1,440	$ 1,371	$ 3,220	$ 3,102
Service cost	18	15	12	15
Interest cost	38	50	53	71
Plan participants' contributions	—	—	2	2
Amendments	1	(1)	—	—
Settlements	(7)	—	(271)	(152)
Curtailments	—	—	—	(18)
Actuarial loss	109	133	278	242
Benefits paid	(94)	(128)	(151)	(152)
Foreign currency translation	—	—	102	110
Benefit obligations at December 31	$ 1,505	$ 1,440	$ 3,245	$ 3,220
Plan Assets				
Fair value of plan assets at January 1	$ 1,131	$ 1,012	$ 3,480	$ 3,264
Actual return on plan assets	113	244	334	373
Employer contributions	9	3	18	19
Plan participants' contributions	—	—	2	2
Settlements	(7)	—	(271)	(152)
Acquisitions	—	—	—	—
Benefits paid	(94)	(128)	(152)	(152)
Foreign currency translation	—	—	107	126
Fair value of plan assets at December 31	$ 1,152	$ 1,131	$ 3,518	$ 3,480
Funded status	$ (353)	$ (309)	$ 273	$ 260
Accumulated benefit obligations at December 31	$ 1,445	$ 1,397	$ 3,177	$ 3,182

For the year ended December 31, 2020, actuarial losses for the Company's U.S. and non-U.S. pension plans totaled $387. Actuarial gains and losses arise each year primarily due to changes in discount rates, differences in actual plan asset returns compared to expected returns, and changes in actuarial assumptions such as mortality. The loss in 2020 is primarily due to lower discount rates at the end of 2020 compared to 2019, partially offset by a gain of $268 primarily due to actual asset returns higher than expected returns.

U.S. pension plans with accumulated benefit obligations and projected benefit obligations in excess of plan assets were as follows:

	2020	2019
Projected benefit obligations	$ 1,505	$ 1,440
Accumulated benefit obligations	1,445	1,397
Fair value of plan assets	1,152	1,131

Non-U.S. pension plans with accumulated benefit obligations in excess of plan assets were as follows:

	2020	2019
Projected benefit obligations	$ 428	$ 399
Accumulated benefit obligations	386	383
Fair value of plan assets	191	187

Non-U.S. pension plans with projected benefit obligations in excess of plan assets were as follows:

	2020	2019
Projected benefit obligations	$ 432	$ 403
Accumulated benefit obligations	389	386
Fair value of plan assets	194	189

The Company's investment strategy in its U.S. plan is designed to generate returns that are consistent with providing benefits to plan participants within the risk tolerance of the plan. Asset allocation is the primary determinant of return levels and investment risk exposure. The assets of the plan are broadly diversified in terms of securities and security types in order to limit the potential of large losses from any one security.

The strategic ranges for asset allocation in the U.S. plans are as follows:

U.S. equities	39 %	to	49 %
International equities	12 %	to	18 %
Fixed income	16 %	to	26 %
Balanced funds	7 %	to	13 %
Real estate	7 %	to	13 %

The Company's investment strategy in its U.K. plan, the largest non-U.S. plan, is designed to achieve a funding level of 100% within the next 6 years. The Company seeks to achieve this objective with a risk level commensurate with a 5% chance of the funding level falling between 4% and 7% in any one year. The strategic ranges for asset allocation in the U.K. plan are as follows:

Investment grade credit	30 %	to	100 %
Equities	0 %	to	30 %
Hedge funds	0 %	to	10 %
Real estate	0 %	to	5 %
Alternative credit	0 %	to	15 %
Other	0 %	to	20 %

Pension assets are classified into three levels. Level 1 asset values are derived from quoted prices which are available in active markets as of the report date. Level 2 asset values are derived from other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the report date. Level 3 asset values are derived from unobservable pricing inputs that are not corroborated by market data or other objective sources.

<u>Level 1 Investments</u>

Equity securities are valued at the latest quoted prices taken from the primary exchange on which the security trades. Mutual funds are valued at the net asset value (NAV) of shares held at year-end.

<u>Level 2 Investments</u>

Fixed income securities, including government issued debt, corporate debt, asset-backed and structured debt securities are valued using the latest bid prices or valuations based on a matrix system (which considers such factors as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and other reference data including market research publications). Derivatives, which consist mainly of interest rate swaps, are valued using a discounted cash flow pricing model based on observable market data.

<u>Level 3 Investments</u>

Hedge funds and private equity funds are valued at the NAV at year-end. The values assigned to private equity funds are based upon assessments of each underlying investment, incorporating valuations that consider the evaluation of financing and sale transactions with third parties, expected cash flows and market-based information, including comparable transactions, and performance multiples among other factors. Real estate investments are based on third party appraisals.

Investments Measured Using NAV per Share Practical Expedient

Investments measured using NAV per share as a practical expedient include investment funds that invest in global equity, emerging markets and fixed income. The global equity funds invest in equity securities of various market sectors including industrial materials, consumer discretionary goods and services, financial infrastructure, technology, and health care. The emerging markets funds invest in equity markets within financial services, consumer goods and services, energy, and technology.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of the fair value of assets and their placement within the fair value hierarchy. The levels assigned to the defined benefit plan assets as of December 31, 2020 and 2019 are summarized in the tables below:

	2020		
	U.S. plan assets	Non-U.S. plan assets	Total
Level 1			
Cash and cash equivalents	$ 157	$ 498	$ 655
Global large cap equity	—	9	9
U.S. large cap equity	178	4	182
U.S. mid/small cap equity	301	22	323
Mutual funds – global equity	88	—	88
Mutual funds – U.S. equity	56	—	56
Mutual funds – fixed income	75	—	75
	855	533	1,388
Level 2			
Government issued debt securities	—	298	$ 298
Corporate debt securities	58	647	705
Asset backed securities	—	2	2
Structured debt	—	1,034	1,034
Insurance contracts	—	115	115
Derivatives	—	166	166
Investment funds – fixed income	—	128	128
Investment funds – global equity	—	69	69
	58	2,459	2,517
Level 3			
Investment funds – real estate	91	181	272
Hedge funds	—	2	2
Private equity	5	46	51
Real estate – direct	23	12	35
	119	241	360
Total assets in fair value hierarchy	1,032	3,233	4,265
Investments measured at NAV Practical Expedient (a)			
Investment funds – fixed income	112	25	137
Investment funds – global equity	—	141	141
Investment funds – emerging markets	7	—	7
Hedge funds	—	109	109
	119	275	394
Total investments at fair value	$ 1,151	$ 3,508	$ 4,659

	2019		
	U.S. plan assets	Non-U.S. plan assets	Total
Level 1			
Cash and cash equivalents	$ 23	$ 190	$ 213
Global large cap equity	—	7	7
U.S. large cap equity	155	4	159
U.S. mid/small cap equity	218	27	245
Mutual funds – global equity	144	—	144
Mutual funds – U.S. equity	206	—	206
Mutual funds – fixed income	67	—	67
	813	228	1,041
Level 2			
Government issued debt securities	—	260	$ 260
Corporate debt securities	52	332	384
Asset backed securities	—	2	2
Structured debt	—	811	811
Insurance contracts	—	105	105
Derivatives	—	194	194
Investment funds – fixed income	—	373	373
Investment funds – global equity	—	297	297
Investment funds – emerging markets	—	33	33
	52	2,407	2,459
Level 3			
Investment funds – real estate	96	220	316
Hedge funds	—	43	43
Private equity	5	70	75
Real estate – direct	21	9	30
	122	342	464
Total assets in fair value hierarchy	987	2,977	3,964
Investments measured at NAV Practical Expedient (a)			
Investment funds – fixed income	102	91	193
Investment funds – global equity	18	78	96
Investment funds – emerging markets	23	—	23
Hedge funds	—	328	328
	143	497	640
Total investments at fair value	$ 1,130	$ 3,474	$ 4,604

(a) Certain investments that are measured at fair value using the NAV per share practical expedient have not been classified in the fair value hierarchy.

Accrued income excluded from the tables above was as follows:

	2020	2019
U.S. plan assets	$ 1	$ 1
Non-U.S. plan assets	10	6

Plan assets include $323 and $244 of the Company’s common stock at December 31, 2020 and 2019.

The following tables reconcile the beginning and ending balances of plan assets measured using significant unobservable inputs (Level 3).

	Hedge funds	Private equity	Real estate	Total
Balance at January 1, 2019	$ 113	$ 103	$ 317	$ 533
Foreign currency translation	4	4	8	16
Asset returns – assets held at reporting date	(6)	(22)	25	(3)
Asset returns – assets sold during the period	7	17	6	30
Purchases, sales and settlements, net	(75)	(27)	(10)	(112)
Balance at December 31, 2019	43	75	346	464
Foreign currency translation	1	2	7	10
Asset returns – assets held at reporting date	3	6	(15)	(6)
Asset returns – assets sold during the period	(12)	(9)	3	(18)
Purchases, sales and settlements, net	(33)	(23)	(34)	(90)
Balance at December 31, 2020	$ 2	$ 51	$ 307	$ 360

The following table presents additional information about the pension plan assets valued using net asset value as a practical expedient:

	Fair Value	Redemption Frequency	Redemption Notice Period
Balance at December 31, 2020			
Investment funds – fixed income	$ 137	Semi-monthly	1- 5 days
Investment funds – global equity	141	Monthly	1 - 15 days
Investment funds – emerging markets	7	Daily	30 days
Hedge funds	109	Monthly	1 - 30 days
Balance at December 31, 2019			
Investment funds – fixed income	$ 193	Semi-monthly	1- 5 days
Investment funds – global equity	96	Monthly	1 - 15 days
Investment funds – emerging markets	23	Daily	30 days
Hedge funds	328	Monthly	1 - 30 days

The pension plan assets valued using net asset value as a practical expedient do not have any unfunded commitments.

Pension assets and liabilities included in the Consolidated Balance Sheets were:

	2020	2019
Non-current assets	$ 532	$ 491
Current liabilities	8	13
Non-current liabilities	610	533

The Company's current liability at December 31, 2020, represents the expected required payments to be made for unfunded plans over the next twelve months. Total estimated 2021 employer contributions are $22 for the Company's pension plans.

Changes in the net loss and prior service cost (credit) for the Company's pension plans were:

	2020		2019		2018	
	Net loss	Prior service	Net loss	Prior service	Net loss	Prior service
Balance at January 1	$ 1,808	$ 8	$ 1,962	$ (6)	$ 2,057	$ (16)
Reclassification to net periodic benefit cost	(150)	(1)	(137)	14	(134)	10
Current year gain / (loss)	118	—	(53)	—	103	—
Amendments	—	1	—	—	—	—
Foreign currency translation	26	—	36	—	(64)	—
Balance at December 31	$ 1,802	$ 8	$ 1,808	$ 8	$ 1,962	$ (6)

Expected future benefit payments as of December 31, 2020 are:

	U.S. plans	Non-U.S. plans
2021	$ 95	$ 166
2022	97	161
2023	100	159
2024	98	159
2025	93	159
2026 - 2030	429	777

The weighted average actuarial assumptions used to calculate the benefit obligations at December 31 were:

U.S. Plans	2020	2019	2018
Discount rate	2.5 %	3.2 %	4.3 %
Compensation increase	4.7 %	4.7 %	4.5 %

Non-U.S. Plans	2020	2019	2018
Discount rate	1.4 %	2.1 %	2.9 %
Compensation increase	3.0 %	3.0 %	3.2 %

The weighted average actuarial assumptions used to calculate pension expense for each year were:

U.S. Plans	2020	2019	2018
Discount rate - service cost	3.6 %	4.7 %	3.9 %
Discount rate - interest cost	2.8 %	3.9 %	3.2 %
Compensation increase	4.7 %	4.5 %	4.7 %
Long-term rate of return	6.8 %	7.3 %	7.3 %

Non-U.S. Plans	2020	2019	2018
Discount rate - service cost	2.6 %	3.0 %	2.6 %
Discount rate - interest cost	1.9 %	2.7 %	2.2 %
Compensation increase	3.0 %	3.2 %	3.2 %
Long-term rate of return	3.3 %	4.3 %	4.4 %

The expected long-term rate of return on plan assets is determined by taking into consideration expected long-term returns associated with each major asset class based on long-term historical ranges, inflation assumptions and the expected net value from active management of the assets based on actual results.

Other Postretirement Benefit Plans. The Company sponsors unfunded plans to provide health care and life insurance benefits to certain pensioners and survivors. Generally, the medical plans pay a stated percentage of medical expenses reduced by deductibles and other coverages. Life insurance benefits are generally provided by insurance contracts. The Company reserves the right, subject to existing agreements, to change, modify or discontinue the plans. A measurement date of December 31 was used for the plans presented below.

The components of net postretirement benefits cost were as follows:

Other Postretirement Benefits	2020	2019	2018
Service cost	$ 1	$ 1	$ 4
Interest cost	5	6	6
Amortization of prior service credit	(26)	(34)	(37)
Amortization of actuarial loss	4	3	4
Net periodic benefit credit	$ (16)	$ (24)	$ (23)

Changes in the benefit obligations were:

	2020	2019
Benefit obligations at January 1	$ 164	$ 147
Service cost	1	1
Interest cost	5	6
Amendments	—	6
Actuarial loss	7	14
Benefits paid	(11)	(13)
Foreign currency translation	—	3
Benefit obligations at December 31	$ 166	$ 164

Changes in the net loss and prior service credit for the Company's postretirement benefit plans were:

	2020		2019		2018	
	Net loss	Prior service	Net loss	Prior service	Net loss	Prior service
Balance at January 1	$ 42	$ (72)	$ 31	$ (105)	$ 49	$ (142)
Reclassification to net periodic benefit cost	(4)	26	(3)	34	(4)	37
Current year gain / (loss)	7	—	14	—	(14)	—
Amendments	—	—	—	(1)	—	—
Balance at December 31	$ 45	$ (46)	$ 42	$ (72)	$ 31	$ (105)

Expected future benefit payments are as follows:

	Benefit Payments
2021	$ 15
2022	13
2023	12
2024	12
2025	11
2026 - 2030	48

The assumed health care cost trend rates at December 31, 2020 were as follows:

Health care cost trend rate assumed for 2020	5.2 %
Rate that the cost trend rate gradually declines to	4.0 %
Year that the rate reaches the rate it is assumed to remain	2035

Weighted average discount rates used to calculate the benefit obligations at the end of each year and the cost for each year are presented below.

	2020	2019	2018
Benefit obligations	2.8 %	3.5 %	4.5 %
Service cost	4.1 %	4.8 %	4.9 %
Interest cost	3.3 %	4.2 %	4.1 %

Defined Contribution Benefit Plans. The Company also sponsors defined contribution benefit plans in certain jurisdictions including the U.S. and the U.K. In 2020, the Company recognized expense of $13 related to these plans.

R. Income Taxes

The components of income before income taxes were as follows:

	2020	2019	2018
U.S.	$ 93	$ (3)	$ 21
Foreign	833	789	719
	$ 926	$ 786	$ 740

The provision for income taxes consisted of the following:

	2020	2019	2018
Current tax:			
U.S. federal	$ —	$ (1)	$ (2)
State and foreign	211	202	183
	$ 211	$ 201	$ 181
Deferred tax:			
U.S. federal	$ 37	$ 16	$ 31
State and foreign	(4)	(51)	4
	33	(35)	35
Total	$ 244	$ 166	$ 216

The provision for income taxes differs from the amount of income tax determined by applying the U.S. statutory federal income tax rate to pre-tax income as a result of the following items:

	2020	2019	2018
U.S. statutory rate at 21%	$ 194	$ 166	$ 155
Tax on foreign income	30	7	30
U.S. taxes on foreign income, net of credits	14	15	24
Valuation allowance changes	(11)	(33)	(1)
Tax contingencies	1	19	(2)
Tax law changes	4	(11)	4
Other items, net	12	3	6
Income tax provision	$ 244	$ 166	$ 216

The Company benefits from certain incentives in Brazil which allow it to pay reduced income taxes. The incentives expire at various dates beginning in December 2025. These incentives increased net income attributable to the Company by $17 in both 2020 and 2019 and $14 in 2018.

The Company paid taxes of $189, $173 and $177 in 2020, 2019 and 2018.

In 2019, the Company recorded an income tax benefit of $36 related to a deferred tax valuation allowance release resulting from an internal reorganization. Additionally, the Company recorded a charge of $15 related to the settlement of a pre-acquisition tax contingency that arose from a transaction that occurred prior to its acquisition of Signode in 2018. The Company also recorded a benefit of $9 arising from tax law changes in India.

In 2018, the Company recorded a charge of $24 related to local taxes on the distributions of foreign earnings, which were previously asserted to be indefinitely reinvested.

As of December 31, 2020 the Company has not provided deferred taxes on approximately $1,500 of earnings in certain non-U.S. subsidiaries because such earnings are indefinitely reinvested in its international operations. Upon distribution of such earnings in the form of dividends or otherwise, the Company may be subject to incremental foreign tax. It is not practicable to estimate the amount of foreign tax that might be payable.

The components of deferred taxes at December 31 were:

	2020		2019	
	Assets	Liabilities	Assets	Liabilities
Tax carryforwards	$ 433	$ —	$ 512	$ —
Postretirement and postemployment benefits	39	—	40	—
Pensions	139	101	176	124
Property, plant and equipment	29	172	23	174
Intangible assets	—	385	—	401
Asbestos	61	—	66	—
Accruals and other	102	92	88	90
Right of use assets	—	42	—	30
Lease liabilities	43	—	30	—
Valuation allowances	(205)	—	(243)	—
Total	$ 641	$ 792	$ 692	$ 819

Tax carryforwards expire as follows:

Year	Amount
2021	$ 20
2022	75
2023	12
2024	13
2025	27
Thereafter	141
Unlimited	145

Tax carryforwards expiring in 2022 include $63 of U.S. federal foreign tax credits which, based on current projections, the Company believes it will utilize before expiration. Tax carryforwards expiring after 2025 include $115 of U.S. state tax loss carryforwards. The unlimited category includes $39 of Luxembourg tax loss carryforwards and $69 of French tax loss carryforwards.

Realization of any portion of the Company's deferred tax assets is dependent upon the availability of taxable income in the relevant jurisdictions. The Company considers all sources of taxable income, including (i) taxable income in any available carry back period, (ii) the reversal of taxable temporary differences, (iii) tax-planning strategies, and (iv) taxable income expected to be generated in the future other than from reversing temporary differences. The Company also considers whether there have been cumulative losses in recent years. The Company records a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company's valuation allowances at December 31, 2020 includes $171 primarily related to the portion of U.S. state tax loss carryforwards that the Company does not believe are more likely than not to be utilized prior to their expiration. The Company's ability to utilize state tax loss carryforwards is impacted by several factors including taxable income, expiration dates, limitations imposed by certain states on the amount of loss carryforwards that can be used in a given year to offset taxable income and whether the state permits the Company to file a combined return.

Management's estimate of the appropriate valuation allowance in any jurisdiction involves a number of assumptions and judgments, including the amount and timing of future taxable income. Should future results differ from management's estimates, it is possible there could be future adjustments to the valuation allowances that would result in an increase or decrease in tax expense in the period such changes in estimates are made.

A reconciliation of unrecognized tax benefits follows:

	2020	2019	2018
Balance at January 1	$ 41	$ 37	$ 29
Additions related to acquisitions	—	—	13
Additions for prior year tax positions	1	20	1
Lapse of statute of limitations	—	(1)	(3)
Settlements	—	(15)	(2)
Foreign currency translation	2	—	(1)
Balance at December 31	$ 44	$ 41	$ 37

The Company's unrecognized tax benefits include potential liabilities related to transfer pricing, foreign withholding taxes, and non-deductibility of expenses and exclude $2 of interest and penalties as of December 31, 2020.

The total interest and penalties recorded in income tax expense was less than $1 in 2020, 2019 and 2018. As of December 31, 2020, unrecognized tax benefits of $44, if recognized, would affect the Company's effective tax rate.

The Company's unrecognized tax benefits are not expected to increase over the next twelve months and are expected to decrease as open tax years lapse or claims are settled. The Company is unable to estimate a range of reasonably possible changes in its unrecognized tax benefits in the next twelve months as it is unable to predict when, or if, the tax authorities will commence their audits, the time needed for the audits, and the audit findings that will require settlement with the applicable tax authorities, if any.

The tax years that remained subject to examination by major tax jurisdictions as of December 31, 2020 were, 2010 and subsequent years for Germany; 2013 and subsequent years for India; 2015 and subsequent years for Italy, Mexico and Spain; 2016 and subsequent years for the Brazil, France and the U.K. and 2017 and subsequent years for the Canada and the U.S. In addition, tax authorities in certain jurisdictions, including France and the U.S., may examine earlier years when tax carryforwards that were generated in those years are subsequently utilized.

S. Capital Stock

A summary of common share activity for the years ended December 31 follows (in shares):

	2020	2019	2018
Common shares outstanding at January 1	135,577,878	135,173,948	134,275,609
Shares repurchased	(1,240,328)	(106,388)	(92,167)
Shares issued upon exercise of employee stock options	—	70,000	—
Restricted stock issued to employees, net of forfeitures	439,700	416,695	958,672
Shares issued to non-employee directors	23,780	23,623	31,834
Common shares outstanding at December 31	134,801,030	135,577,878	135,173,948

In 2021, the Company announced plans to initiate a regularly quarterly dividend beginning in the first quarter of 2021. On February 25, 2021, the Company's Board of Directors declared a dividend of $0.20 per share payable on March 25, 2021 to shareholders of record as of March 11, 2021. In addition, the Company's Board of Directors authorized the repurchase of an aggregate amount of $1.5 billion of Company common stock through the end of 2023. Share repurchases under the Company's program may be made in the open market or through privately negotiated transactions, and at times and in such amounts as management deems appropriate. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate and regulatory requirements and other market conditions.

The Company is not obligated to acquire any shares of its common stock and the share repurchase program may be suspended or terminated at any time at the Company's discretion. Share repurchases are subject to the terms of the Company's debt agreements, market conditions and other factors. The repurchased shares, if any, are expected to be used for the Company's stock-based benefit plans, as required, and to offset dilution resulting from the issuance of shares thereunder.

The Board of Directors has the authority to issue, at any time or from time to time, up to 30 million shares of preferred stock and has authority to fix the designations, number and voting rights, preferences, privileges, limitations, restrictions, conversion rights and other special or relative rights, if any, of any class or series of any class of preferred stock that may be desired, provided the shares of any such class or series of preferred stock shall not be entitled to more than one vote per share when voting as a class with holders of the Company's common stock.

Dividends are payable when declared by the Company's Board of Directors and in accordance with the restrictions set forth in the Company's debt agreements. While the Company's debt agreements impose restrictions on the Company's ability to pay dividends and repurchase common stock, debt agreements generally permit dividends and common stock repurchases provided that the Company is in compliance with applicable financial and other covenants and meets certain liquidity requirements.

T. Accumulated Other Comprehensive Loss Attributable to Crown Holdings

The following table provides information about the changes in each component of accumulated other comprehensive income for the years ended December 31, 2020 and 2019.

	Defined benefit plans	Foreign currency translation	Gains and losses on cash flow hedges	Total
Balance at January 1, 2019	$ (1,533)	$ (1,817)	$ (24)	$ (3,374)
Other comprehensive income / (loss) before reclassifications	10	149	(22)	137
Amounts reclassified from accumulated other comprehensive income	74	—	32	106
Other comprehensive income	84	149	10	243
Balance at December 31, 2019	(1,449)	(1,668)	(14)	(3,131)
Other comprehensive (loss) / income before reclassifications	(117)	(91)	9	(199)
Amounts reclassified from accumulated other comprehensive income	102	—	35	137
Other comprehensive (loss) / income	(15)	(91)	44	(62)
Balance at December 31, 2020	$ (1,464)	$ (1,759)	$ 30	$ (3,193)

See Note M and Note Q for further details of amounts reclassified from accumulated other comprehensive income related to cash flow hedges and defined benefit plans.

U. Revenue

For the years ended December 31, 2020 and 2019, the Company recognized revenue as follows:

	2020	2019
Revenue recognized over time	$ 5,975	$ 5,724
Revenue recognized at a point in time	5,600	5,941
Total	$ 11,575	$ 11,665

See Note X for further disaggregation of the Company's revenue.

The Company has applied the practical expedient to exclude disclosure of remaining performance obligations as its binding orders typically have a term of one year or less.

Contract Assets and Contract Liabilities

Contract assets are typically recognized for work in process related to the Company's three-piece printed products. The Company's equipment business may record contract assets or contract liabilities depending on the timing of satisfaction of performance obligations and receipt of consideration from the customer. These equipment contracts, including payment terms, are typically less than one year in duration.

Contract assets and liabilities are reported in a net position on a contract-by-contract basis. Net contract assets and liabilities as of December 31 were as follows:

	2020	2019
Contract assets included in prepaid and other current assets	$ 37	$ 30
Contract liabilities included in accrued liabilities	—	(5)
Net contract assets	$ 37	$ 25

For the year ended December 31, 2020, the Company satisfied performance obligations related to contract assets at December 31, 2019 related to the Company's equipment business and European food business and also recorded new contract assets related to work in process for these businesses.

For the year ended December 31, 2020, the Company recognized revenue of $5 related to contract liabilities at December 31, 2019 for performance obligations satisfied during the period.

V. Stock-Based Compensation

The Company's shareholder-approved stock-based incentive compensation plans provide for the granting of awards in the form of stock options, deferred stock, restricted stock or stock appreciation rights ("SARs"). The awards may be subject to the achievement of certain performance goals as determined by the Compensation Committee designated by the Company's Board of Directors. There have been no awards of SARs. At December 31, 2020, there were 2.3 million authorized shares available for future awards.

Restricted and Deferred Stock

Annually, the Company awards shares of restricted stock to certain senior executives in the form of time-vested restricted stock and performance-based shares. The time-vested restricted stock vests ratably over three years.

The performance-based share awards are subject to either a market condition or a performance condition. For awards subject to a market condition, the metric is the Company's Total Shareholder Return ("TSR"), which includes share price appreciation and dividends paid, during the three-year term of the award measured against the TSR of a peer group of companies. For awards subject to a performance condition, the metric is the Company's average return on invested capital over the three-year term.

The performance-based shares cliff vest at the end of three years. The number of performance-based shares that will ultimately vest is based on the level of performance achieved, ranging between 0% and 200% of the shares originally awarded, and is settled in shares of common stock. Participants who terminate employment because of disability, death or, subject to Company approval, retirement, receive accelerated vesting of their time-vested awards to the date of termination. However, restrictions lapse on performance-based awards, if at all, on the original vesting date.

The Company also issues shares of time-vesting restricted stock to U.S. employees and deferred stock to non-U.S. employees which vest ratably over three to five years.

A summary of restricted and deferred stock activity follows:

	Number of shares
Non-vested shares outstanding at January 1, 2020	2,102,654
Awarded:	
Time-vesting	286,593
Performance-based	166,018
Released:	
Time-vesting	(447,469)
Performance-based	(181,705)
Forfeitures:	
Time-vesting	(92,681)
Performance-based	(7,651)
Non-vested shares outstanding at December 31, 2020	1,825,759

The average grant-date fair value of restricted stock awarded in 2020, 2019 and 2018 follows:

	2020	2019	2018
Time-vested	$ 70.07	$ 56.06	$ 44.48
Performance-based	72.08	46.08	57.24

The fair values of the performance-based awards that include a market condition were calculated using a Monte Carlo valuation model and the following weighted average assumptions:

	2020	2019	2018
Risk-free interest rate	1.6 %	2.5 %	2.0 %
Expected term (years)	3	3	3
Expected stock price volatility	22.0 %	21.4 %	19.9 %

At December 31, 2020, unrecognized compensation cost related to outstanding restricted and deferred stock was $62. The weighted average period over which the expense is expected to be recognized is 2.3 years. The aggregate market value of the shares released on the vesting dates was $49 in 2020.

W. Earnings Per Share

The following table summarizes basic and diluted earnings per share ("EPS"). Basic EPS excludes all potentially dilutive securities and is computed by dividing net income attributable to Crown Holdings by the weighted average number of common shares outstanding during the period. Diluted EPS includes the effect of stock options and restricted stock as calculated under the treasury stock method.

	2020	2019	2018
Net income attributable to Crown Holdings	$ 579	$ 510	$ 439
Weighted average shares outstanding (in millions):			
Basic	133.53	133.89	133.64
Add: dilutive stock options and restricted stock	1.03	0.99	0.24
Diluted	134.56	134.88	133.88
Basic EPS	$ 4.34	$ 3.81	$ 3.28
Diluted EPS	$ 4.30	$ 3.78	$ 3.28
Contingently issuable shares excluded from the computation of diluted earnings per share because the effect would have been anti-dilutive	0.7	0.8	0.9

X. Segment Information

The Company’s business is generally organized by product line and geography within four divisions: Americas, Europe, Asia Pacific and Transit Packaging. Within the Americas and European divisions, the Company has determined that it has the following reportable segments: Americas Beverage within the Americas, and European Beverage and European Food within Europe. The Company's Asia Pacific and Transit Packaging Divisions are reportable segments.

Other segments include the Company's food can and closures businesses in North America, aerosol can businesses in North America and Europe, its promotional packaging business in Europe, and its beverage tooling and equipment operations in the U.S. and U.K.

The Company evaluates performance and allocates resources based on segment income. Segment income, which is not a defined term under GAAP, is defined by the Company as income from operations adjusted to exclude intangibles amortization charges, provisions for asbestos and restructuring and other, the impact of fair value adjustments related to inventory acquired in an acquisition and the timing impact of hedge ineffectiveness. Segment income should not be considered in isolation or as a substitute for net income data prepared in accordance with GAAP and may not be comparable to calculations of similarly titled measures by other companies.

The tables below present information about operating segments for the three years ended December 31, 2020, 2019 and 2018:

2020	External sales	Inter-segment sales	Segment assets	Depreciation	Capital expenditures	Segment income
Americas Beverage	$ 3,565	$ 2	$ 3,886	$ 93	$ 333	$ 652
European Beverage	1,473	39	1,977	47	72	215
European Food	1,975	95	2,900	37	30	228
Asia Pacific	1,168	—	1,808	56	69	175
Transit Packaging	2,018	13	4,195	45	40	254
Total reportable segments	10,199	149	14,766	278	544	$ 1,524
Other segments	1,376	126	1,134	18	33	
Corporate and unallocated items	—	—	770	5	10	
Total	$ 11,575	$ 275	$ 16,670	$ 301	$ 587	

2019	External sales	Inter-segment sales	Segment assets	Depreciation	Capital expenditures	Segment income
Americas Beverage	$ 3,369	$ 12	$ 3,577	$ 88	$ 167	$ 534
European Beverage	1,497	2	1,782	54	82	190
European Food	1,887	81	2,742	36	34	205
Asia Pacific	1,290	—	1,604	52	65	194
Transit Packaging	2,274	9	4,157	57	27	290
Total reportable segments	10,317	104	13,862	287	375	$ 1,413
Other segments	1,348	143	1,106	18	31	
Corporate and unallocated items	—	—	537	4	26	
Total	$ 11,665	$ 247	$ 15,505	$ 309	$ 432	

2018	External sales	Inter-segment sales	Segment assets	Depreciation	Capital expenditures	Segment income
Americas Beverage	$ 3,282	$ 53	$ 3,388	$ 84	$ 111	$ 454
European Beverage	1,489	1	1,705	38	121	193
European Food	1,982	69	2,792	39	17	257
Asia Pacific	1,316	—	1,558	48	130	186
Transit Packaging	1,800	5	4,415	43	24	255
Total reportable segments	9,869	128	13,858	252	403	$ 1,345
Other segments	1,282	142	1,066	18	27	
Corporate and unallocated items	—	—	338	7	32	
Total	$ 11,151	$ 270	$ 15,262	$ 277	$ 462	

Intersegment sales primarily include sales of ends and components used to manufacture cans, such as printed and coated metal, as well as parts and equipment used in the manufacturing process.

Corporate and unallocated items include corporate and division administrative costs, technology costs, and unallocated items such as stock-based compensation.

A reconciliation of segment income of reportable segments to income before income taxes for the three years ended December 31, 2020, 2019 and 2018 follows:

	2020	2019	2018
Segment income of reportable segments	$ 1,524	$ 1,413	$ 1,345
Segment income of other segments	119	126	122
Corporate and unallocated items	(165)	(158)	(139)
Restructuring and other	(34)	26	(44)
Goodwill impairment	—	(25)	—
Amortization of intangibles	(180)	(186)	(148)
Loss from early extinguishments of debt	—	(27)	—
Fair value adjustment to inventory	—	—	(40)
Other pension and postretirement	(45)	(13)	25
Interest expense	(300)	(378)	(384)
Interest income	8	17	21
Foreign exchange	(1)	(9)	(18)
Income before income taxes	$ 926	$ 786	$ 740

For the three years ended December 31, 2020, 2019 and 2018, intercompany profit of $9, $6 and $7 was eliminated within segment income of other segments.

For the three years ended December 31, 2020, 2019 and 2018, no one customer accounted for more than 10% of the Company's consolidated net sales.

Sales by major product were:

	2020	2019	2018
Metal beverage cans and ends	$ 5,716	$ 5,588	$ 5,551
Metal food cans and ends	2,507	2,435	2,452
Transit packaging	2,018	2,274	1,800
Other metal packaging	851	887	884
Other products	483	481	464
Consolidated net sales	$ 11,575	$ 11,665	$ 11,151

The following table provides sales and long-lived asset information for the major countries in which the Company operates. Long-lived assets includes property, plant and equipment.

	Net Sales			Long-Lived Assets	
	2020	2019	2018	2020	2019
United States	$ 3,586	$ 3,407	$ 3,018	$ 922	$ 722
Brazil	706	714	732	396	393
Mexico	681	834	763	421	438
Canada	662	508	502	93	73
Spain	597	682	666	384	337
United Kingdom	565	641	685	170	136
Other	4,778	4,879	4,785	1,812	1,788
Consolidated total	$11,575	$11,665	$11,151	$ 4,198	$ 3,887

Quarterly Data (unaudited)

(in millions)	2020				2019			
	First (1)	Second (2)	Third (3)	Fourth (4)	First (5)	Second (6)	Third (7)	Fourth (8)
Net sales	$ 2,757	$ 2,689	$ 3,167	$ 2,962	$ 2,755	$ 3,035	$ 3,084	$ 2,791
Gross profit *	415	417	568	512	423	495	508	400
Income from operations	246	275	406	337	262	383	352	199
Net income (loss) attributable to Crown Holdings	88	126	214	151	103	137	183	87
Earnings per average common share:								
Basic	$ 0.66	$ 0.95	$ 1.61	$ 1.13	$ 0.77	$ 1.02	$ 1.37	$ 0.65
Diluted	0.65	0.94	1.59	1.12	0.77	1.02	1.36	0.64
Average common shares outstanding:								
Basic	134.1	133.3	133.3	133.5	133.8	133.9	133.9	134.0
Diluted	135.0	134.0	134.4	134.7	134.4	134.8	135.0	135.2

* The Company defines gross profit as net sales less cost of products sold and depreciation and amortization.

Notes:
(1) Includes pre-tax charges of $7 for restructuring and other and $37 for pension plan settlements.
(2) Includes pre-tax charges of $3 for restructuring and other and $19 for pension plan settlements.
(3) Includes pre-tax charges of $10 for restructuring and other and $5 for pension plan settlements.
(4) Includes pre-tax charges of $14 for restructuring and other and $5 for pension plan settlements.
(5) Includes pre-tax charges of $4 for restructuring and other and $6 from early extinguishment of debt and a pension plan curtailment gain of $14.
(6) Includes pre-tax gains of $45 for restructuring and other, and charges of $31 for a pension plan settlement and $15 to settle a tax contingency.
(7) Includes pre-tax charges of $6 for pension plan settlements.
(8) Includes pre-tax charges of $25 for a goodwill impairment, $15 for restructuring and other and $7 for pension plan settlements. Also, includes income tax benefits of $37 primarily related to a deferred tax valuation allowance release.

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
(In millions)

COLUMN A	COLUMN B	COLUMN C Additions		COLUMN D	COLUMN E	COLUMN F
Description	Balance at beginning of period	Charged to costs and expense	Charged to other accounts	Acquisitions	Deductions – write-offs	Balance at end of period
			For the year ended December 31, 2020			
Allowances deducted from assets to which they apply:						
Trade accounts receivable	$ 62	$ 6	$ —	$ —	$ (9)	$ 59
Deferred tax assets	243	(11)	1	—	(28)	205
			For the year ended December 31, 2019			
Allowances deducted from assets to which they apply:						
Trade accounts receivable	65	4	—	1	(8)	62
Deferred tax assets	282	(33)	5	—	(11)	243
			For the year ended December 31, 2018			
Allowances deducted from assets to which they apply:						
Trade accounts receivable	71	(6)	(4)	7	(3)	65
Deferred tax assets	228	(1)	(7)	76	(14)	282

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

As of the end of the period covered by this Annual Report on Form 10-K, management, including the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of its disclosure controls and procedures. Based upon that evaluation and as of the end of the period for which this report is made, the Company's Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective to ensure that information to be disclosed in reports that the Company files and submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and terms of the Securities and Exchange Commission, and to ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

The Company's report on internal control over financial reporting is included in Part II, Item 8 of this Annual Report on Form 10-K.

There has been no change in internal control over financial reporting that occurred during the quarter ended December 31, 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item is set forth in the Company's Proxy Statement within the sections entitled "Election of Directors," "Section 16(a) Beneficial Ownership Reporting Compliance" and "Corporate Governance" and is incorporated herein by reference.

The following table sets forth certain information concerning the principal executive officers of the Company, including their ages and positions.

Name	Age	Title	Year Assumed Present Title
Timothy J. Donahue	58	President and Chief Executive Officer	2016
Gerard H. Gifford	65	Executive Vice President and Chief Operating Officer	2017
Djalma Novaes, Jr.	60	President – Americas Division	2015
Didier Sourisseau	55	President – European Division	2017
Hock Huat Goh	66	President – Asia Pacific Division	2018
Robert H. Bourque, Jr.	50	President – Transit Packaging Division	2018
Thomas A. Kelly	61	Senior Vice President and Chief Financial Officer	2013
David A. Beaver	45	Vice President and Corporate Controller	2015

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is set forth in the Company's Proxy Statement within the sections entitled "Executive Compensation," "Compensation Discussion and Analysis" and "Corporate Governance" and is incorporated herein by reference.

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

Certain information required by this Item is set forth in the Company's Proxy Statement within the sections entitled "Proxy Statement – Meeting, April 22, 2021" and "Common Stock Ownership of Certain Beneficial Owners, Directors and Executive Officers" and is incorporated herein by reference.

The following table provides information as of December 31, 2020 with respect to shares of the Company's Common Stock that may be issued under its equity compensation plans:

	Equity Compensation Plan Information		
Plan category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected In Column (a)) (c)
Equity compensation plans approved by security holders	554,567	—	3,037,436
Equity compensation plans not approved by security holders			
Total	554,567	—	3,037,436

(1) Includes the 2013 Stock-Based Incentive Compensation Plan.

(2) Includes 554,567 shares of deferred stock awarded from the 2013 Stock-Based Incentive Compensation Plan during each year from 2013 through 2020. The shares are time-vesting and will be issued up to four years from their grant date. The weighted-average exercise price in the table does not include these shares.

(3) Includes 2,811,806, 724,614 and 55,583 shares available for issuance at December 31, 2020 under the 2013 Stock Based Incentive Compensation Plan, the Company's Employee Stock Purchase Plan and the Stock Compensation Plan for Non-Employee Directors.

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

The information required by this Item is set forth in the Company's Proxy Statement within the sections entitled "Election of Directors," "Corporate Governance" and "Executive Compensation" and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is set forth in the Company's Proxy Statement within the sections entitled "Principal Accounting Fees and Services" 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 report:

(1) All Financial Statements (see Part II, Item 8)

Management's Report on Internal Control Over Financial Reporting

Report of Independent Registered Public Accounting Firm

Consolidated Statements of Operations for the years ended December 31, 2020, 2019 and 2018

Consolidated Statements of Comprehensive Income for the years ended December 31, 2020, 2019 and 2018

Consolidated Balance Sheets as of December 31, 2020 and 2019

Consolidated Statements of Cash Flows for the years ended December 31, 2020, 2019 and 2018

Consolidated Statements of Shareholders' Equity for the years ended December 31, 2020, 2019 and 2018

Notes to Consolidated Financial Statements

Supplementary Information

(2) Financial Statement Schedules:

Schedule II – Valuation and Qualifying Accounts and Reserves for the years ended December 31, 2020, 2019 and 2018

All other schedules have been omitted because they are not applicable or the required information is included in the Consolidated Financial Statements.

(3) Exhibits

3.a Articles of Incorporation of Crown Holdings, Inc., as amended (incorporated by reference to Exhibit 3.a of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2004 (File No. 000-50189)).

3.b Amended and Restated By-Laws of Crown Holdings, Inc. (incorporated by reference to Exhibit 3.ii of the Registrant's Current Report on Form 8-K dated March 23, 2020 (File No. 000-50189)).

4.a Specimen certificate of Registrant's Common Stock (incorporated by reference to Exhibit 4.a of the Registrant's Annual Report on Form 10-K for the year ended December 31, 1995 (File No. 1-2227)).

4.b Indenture, dated December 17, 1996, among Crown Cork & Seal Company, Inc., Crown Cork & Seal Finance PLC, Crown Cork & Seal Finance S.A. and the Bank of New York, as trustee (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated December 17, 1996 (File No. 1-2227)).

4.c Form of the Registrant's 7-3/8% Debentures Due 2026 (incorporated by reference to Exhibit 99.1 of the Registrant's Current Report on Form 8-K dated December 17, 1996 (File No. 1-2227)).

4.d Officers' Certificate for 7-3/8% Debentures Due 2026 (incorporated by reference to Exhibit 99.6 of the Registrant's Current Report on Form 8-K dated December 17, 1996 (File No. 1-2227)).

4.e Form of the Registrant's 7-1/2% Debentures Due 2096 (incorporated by reference to Exhibit 99.2 of the Registrant's Current Report on Form 8-K dated December 17, 1996 (File No. 1-2227)).

4.f Officers' Certificate for 7-1/2% Debentures Due 2096 (incorporated by reference to Exhibit 99.7 of the Registrant's Current Report on From 8-K dated December 17, 1996 (File No. 1-2227)). 4.g Terms Agreement, dated December 12, 1996 (incorporated by reference to Exhibit 1.1 of the Registrant's Current Report on Form 8-K dated December 17, 1996 (File No. 1-2227)).

4.g Form of Bearer Security Depositary Agreement (incorporated by reference to Exhibit 4.2 of the Registrant's Registration Statement on Form S-3, dated November 26, 1996, amended December 5 and 10, 1996 (File No. 333-16869)).

4.h Supplemental Indenture to Indenture dated December 17, 1996, dated as of February 25, 2003, between Crown Cork & Seal Company, Inc., as Issuer and Guarantor, Crown Cork & Seal Finance PLC, as Issuer, Crown Cork & Seal Finance S.A., as Issuer, Crown Holdings, Inc., as Additional Guarantor and Bank One Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.5 of the Registrant's Current Report on Form 8-K dated February 26, 2003 (File No. 000-50189)).

4.i Indenture, dated as of January 9, 2013, by and among Crown Americas LLC and Crown Americas Capital Corp. IV, as Issuers, the Guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 4 1/2% Senior Notes due 2023 (incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K dated January 9, 2013 (File No. 000-50189)).

4.j Form of 4 ½% Senior Notes due 2023 (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K Dated January 15, 2013 (File No. 000-50189)).

4.k Indenture, dated as of July 8, 2014, by and among Crown European Holdings S.A., as Issuer, the Guarantors named therein, U.S. Bank National Association, as Trustee, and the other parties thereto, relating to the €650 million 4% Senior Notes due 2022 (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated July 11, 2014 (File No. 000-50189)).

4.l Form of 4% Senior Notes due 2022 (included in Exhibit 4.p).

4.m Indenture, dated as of September 15, 2016, by and among Crown European Holdings, S.A., as Issuer, the Guarantors named therein, U.S.. Bank National Association, as Trustee, and the other parties thereto, relating to the €600 million 2.625% Senior Notes due 2024 (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated September 19, 2016 (File No. 000-50189)).

4.n Indenture, dated as of September 15, 2016, by and among Crown Americas LLC and Crown Americas Capital Corp. V, as Issuers, the Guarantors named therein and U.S. Bank National Association, as Trustee, relating to the $400 million 4.250% Senior Notes due 2026 (incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K dated September 19, 2016 (File No. 000-50189)).

4.o Indenture, dated as of May 5, 2015, among Crown European Holdings S.A., the Guarantors (as defined therein), U.S. Bank National Association, as trustee, Elavon Financial Services Limited, UK Branch, as paying agent, and Elavon Financial Services Limited, as registrar and transfer agent, relating to the €600 million 3.375% Senior Notes due 2025 (incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q dated July 30, 2015 (File No. 000-50189)).

4.p Amended & Restated Credit Agreement, dated April 7, 2017, by and among Crown Americas LLC, Crown European Holdings S.A., Crown Metal Packaging Canada LP, each of the Subsidiary Borrowers from time to time party thereto, Crown Holdings, Inc., Crown Cork & Seal Company, Inc., Crown International Holdings, Inc., each other Credit Party from time to time party thereto, Deutsche Bank AG Canada Branch, Deutsche Bank AG London Branch, Deutsche Bank AG New York Branch, and various Lenders referred to therein (incorporated by reference to Exhibit 4 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (File No. 000-50189)).

4.q First Amendment to Amended and Restated Credit Agreement, dated as of December 28, 2017, among Crown Americas LLC, Crown European Holdings S.A., Crown Metal Packaging Canada LP, each of the Subsidiary Borrowers party thereto, Crown Holdings, Inc., Crown Cork & Seal Company, Inc. and Crown International Holdings, Inc., each other Credit Party from time to time party thereto, Deutsche Bank AG New York Branch, Deutsche Bank AG, London Branch, Deutsche Bank AG, Canada Branch, and various Lenders referred to therein (incorporated by reference to Exhibit 4 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 000-50189)).

4.r Incremental Amendment No. 1, dated as of January 29, 2018, among Crown Americas LLC, Crown European Holdings S.A., Crown Metal Packaging Canada LP, each of the Subsidiary Borrowers party thereto, Crown Holdings, Inc., Crown Cork & Seal Company, Inc. and Crown International Holdings, Inc., each other Credit Party from time to time party thereto, Deutsche Bank AG New York Branch, Deutsche Bank AG, London Branch, Deutsche Bank AG, Canada Branch, and various Lenders referred to therein (incorporated by reference to Exhibit 4.1 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017).

4.s Indenture, dated as of January 26, 2018, by and among Crown European Holdings S.A., as Issuer, the Guarantors named therein, U.S. Bank National Association, as Trustee, and the other parties thereto, relating to the €335 million 2.250% Senior Notes due 2023 and the €500 million 2.875% Senior Notes due 2026 (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated February 1, 2018 (File No. 000-50189)).

4.t Indenture, dated as of January 26, 2018, by and among Crown Americas LLC and Crown Americas Capital Corp. VI, as Issuers, the Guarantors named therein and U.S. Bank National Association, as Trustee, relating to the $875 million 4.750% Senior Notes due 2026 (incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K dated February 1, 2018 (File No. 000-50189)).

4.u Registration Rights Agreement, dated as of January 26, 2018, by and among Crown Holdings, Inc., Crown Americas LLC and Crown Americas Capital Corp. VI, Citigroup Global Markets Inc., as representative of the initial purchasers, and the Guarantors (as defined therein), relating to the $875 million 4.750% Senior Notes due 2026 (incorporated by reference to Exhibit 4.3 of the Registrant's Current Report on Form 8-K dated February 1, 2018 (File No. 000-50189)).

4.v Second Amendment to Amended and Restated Credit Agreement, First Amendment to the U.S. Guarantee Agreement and First Amendment to U.S. Indemnity, Subrogation and Contribution Agreement, dated as of March 23, 2018, among Crown Americas LLC, Crown European Holdings S.A., Crown Metal Packaging Canada LP, each of the Subsidiary Borrowers from time to time party thereto, Crown Holdings, Inc., Crown Cork & Seal Company, Inc. and Crown International Holdings, Inc., each other Credit Party from time to time party thereto, Deutsche Bank AG New York Branch, Deutsche Bank AG, London Branch, Deutsche Bank AG, Canada Branch, and various Lenders referred to therein (incorporated by reference to Exhibit 4.cc of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2018).

4.w Incremental Amendment No. 2 and Third Amendment to Amended and Restated Credit Agreement, dated as of December 13, 2019, among Crown Americas LLC, Crown European Holdings S.A., Crown Metal Packaging Canada LP, each of the Subsidiary Borrowers from time to time party thereto, Crown Holdings, Inc., Crown Cork & Seal Company, Inc., and Crown International Holdings, Inc., each other Credit Party from time to time party thereto, Deutsche Bank AG New York Branch, Deutsche Bank AG London Branch, Deutsche Bank AG, Canada Branch, and the various Lenders referred to therein (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K/A dated February 28, 2020 (File No. 000-50189)).

4.x Indenture, dated as of October 31, 2019, by and among Crown European Holdings S.A., as Issuer, the Guarantors named therein, U.S. Bank National Association, as Trustee, and the other parties thereto, relating to the €550 million 0.750% Senior Notes due 2023 (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated November 4, 2019 (File No. 000-50189)).

4.y Description of the Registrant's Securities (incorporated by reference to Exhibit 4.ff of the Registrant's Annual Report on Form 10-k for the year ended December 31, 2019 (File No. 000-50189)).

4.z Other long-term agreements of the Registrant are not filed pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, and the Registrant agrees to furnish copies of such agreements to the Securities and Exchange Commission upon its requests.

10.a Employment Contracts:

(1) Employment Agreement, dated December 30, 2015, between Crown Holdings, Inc. and Timothy J. Donahue (incorporated by reference to Exhibit 10.1 of the Registrant’s Current Report on Form 8-K dated January 5, 2016 (File No. 000-50189)).

(2) First amendment to the employment contract, effective June 1, 2012, between Crown Holdings, Inc. and Gerard Gifford, dated as of July 24, 2013 (incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 (File No 000-50189)).

(3) Executive Employment Agreement, effective June 1, 2012, between Crown Holdings, Inc. and Gerard Gifford (incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 (File No 000-50189)).

(4) Employment contract between Crown Holdings, Inc. and Thomas A. Kelly, dated July 24, 2013 (incorporated by reference to Exhibit 10 of the Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 (File No. 000-50189)).

(5) Employment contract between Crown Holdings, Inc. and Djalma Novaes Jr., dated February 26, 2015 (incorporated by reference to Exhibit 10.c(11) of the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2014 (File No. 000-50189)).

(6) Executive Employment Agreement, effective May 1, 2016, between Crown Holdings, Inc. and Robert Bourque, Jr. (incorporated by reference to Exhibit 10.2 of the Registrant’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 (File No. 000-50189)).

(7) Employment contract between Crown Holdings, Inc. and Didier Sourisseau, effective April 1, 2017 (incorporated by reference to Exhibit 10.a of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017) (File No. 000-50189)).31, 2008 (File No. 000-50189)).

10.b Crown Holdings, Inc. Economic Profit Incentive Plan, effective as of January 1, 2018 (incorporated by reference to Exhibit 10.b of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2018 (File No. 000-50189).

10.c Crown Holdings, Inc. Senior Executive Retirement Plan, as amended and restated as of January 1, 2008 (incorporated by reference to Exhibit 10.l of the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2007 (File No. 000-50189)).

10.d Senior Executive Retirement Agreements:

(1) Senior Executive Retirement Agreement between Crown Holdings, Inc. and Timothy J. Donahue, dated May 3, 2007 (incorporated by reference to Exhibit 10.4(e) of the Registrant’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 (File No. 000-50189)).

(2) Senior Executive Retirement Agreement, effective June 1, 2012, between Crown Holdings, Inc. and Gerard Gifford (incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 (File No 000-50189)).

(3) Amendment No. 1 to the Senior Executive Retirement Agreement, effective June 1, 2012, between Crown Holdings, Inc. and Gerard Gifford dated December 28, 2012 (incorporated by reference to Exhibit 10.m(7) of the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 000-50189)).

(4) Senior Executive Retirement Agreement, effective July 24, 2013, between Crown Holdings, Inc. and Thomas A. Kelly (incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 (File No 000-50189)).

(5) Senior Executive Retirement Agreement between Crown Holdings, Inc. and Djalma Novaes Jr., dated February 26, 2015 (incorporated by reference to Exhibit 10.f(9) of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 (File No. 000-50189)).

(6) Senior Executive Retirement Agreement, effective May 1, 2016, between Crown Holdings, Inc. and Robert Bourque, Jr. (incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 (File No. 000-50189)).

(7) Amendment No. 2 to the Senior Executive Retirement Agreement, effective as of May 17, 2016, between Crown Holdings, Inc. and Gerard Gifford (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K dated May 18, 2016 (File No. 000-50189)).

(8) Senior Executive Retirement Agreement between Crown Holdings, Inc. and Didier Sourisseau, effective April 1, 2017 (incorporated by reference to Exhibit 10.b of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (File No. 000-50189)).

(9) Amended and Restated Senior Executive Retirement Agreement, effective as of June 1, 2017, between Crown Holdings, Inc. and Gerard Gifford (incorporated by reference to Exhibit 10.c of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (File No. 000-50189)).

(10) Amendment No.1 to Amend and Restate Senior Executive Retirement Agreement, effective October 21, 2020, between Crown Holdings, Inc. and Gerard Gifford (incorporated by reference to Exhibit 10.d of the Registrant's Quarterly Report on Form 10-Q for the Quarter ended September 30, 2020 (File No. 000-50189)).

10.e Form of Agreement for Restricted Stock Awards under Crown Holdings, Inc. 2006 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.dd of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 000-50189)).

10.f Crown Holdings, Inc. 2004 Stock-Based Incentive Compensation Plan, dated as of April 22, 2004 (incorporated by reference to the Registrant's Definitive Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission on March 19, 2004 (File No. 000-50189)).

10.g Amendment No. 1, effective December 14, 2006, to the Crown Holdings, Inc. 2004 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.ff of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 000-50189)).

10.h Form of Agreement for Non-Qualified Stock Option Awards under Crown Holdings, Inc. 2004 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.6 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 (File No. 000-51089)).

10.i Crown Holdings, Inc. Deferred Compensation Plan for Directors, as Amended and Restated, effective January 1, 2008 (incorporated by reference to Exhibit 10.w of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 000-50189)).

10.j Crown Holdings, Inc. Stock Compensation Plan for Non-Employee Directors, dated as of April 22, 2004 (incorporated by reference to the Registrant's Definitive Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission on March 19, 2004 (File No. 000-50189)).

10.k Amendment No. 1, effective April 1, 2005, to the Crown Holdings, Inc. Stock Compensation Plan for Non-Employee Directors, dated as of April 22, 2004 (incorporated by reference to Exhibit 10 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 (File No. 000-50189)).

10.l Crown Holdings, Inc. 2006 Stock-Based Incentive Compensation Plan (incorporated by reference to the Registrant's Definitive Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission on March 24, 2006 (File No. 000-50189)).

10.m Amendment No. 1, effective December 14, 2006, to the Crown Holdings, Inc. 2006 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.pp of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 000-50189)).

10.n Amendment No. 2, effective July 28, 2010, to the Crown Holdings, Inc. 2006 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 (File No. 000-50189)).

10.o Form of Agreement for Non-Qualified Stock Option Awards under Crown Holdings, Inc. 2006 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 (File No. 000-50189)).

10.p Crown Holdings, Inc. 2013 Stock-Based Incentive Compensation Plan (incorporated by reference to the Registrant's Definitive Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission on March 18, 2013 (File No. 000-50189)).

10.q Form of Agreement for Restricted Stock Awards under Crown Holdings, Inc. 2013 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 (File No. 000-50189)).

10.r Form of Agreement for Deferred Stock Awards under Crown Holdings, Inc. 2013 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 (File No. 000-50189)).

10.s Crown Cork & Seal Company, Inc. Restoration Plan, dated July 28, 2010 (incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 (File No. 000-50189)).

10.t Amendment No. 1, effective July 1, 2011, to the Crown Cork & Seal Company, Inc. Restoration Plan (incorporated by reference to Exhibit 10.4 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 (File No. 000-50189)).

10.u Amendment No. 1, effective February 28, 2020, to the Crown Holdings, Inc. 2013 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on From 10-Q for the quarter ended March 31, 2020 (File No. 000-50189)).

10.v Amendment No. 2, effective February 25, 2021, to the Crown Holdings, Inc. 2013 Stock-Based Incentive Compensation Plan.

Exhibits 10.c through 10.t are management contracts or compensatory plans or arrangements required to be filed as exhibits pursuant to Item 14(c) of this Report.

21 Subsidiaries of Registrant.

22 List of Guarantors.

23 Consent of Independent Registered Public Accounting Firm.

31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by Timothy J. Donahue, President and Chief Executive Officer of Crown Holdings, Inc. and Thomas A. Kelly, Senior Vice President and Chief Financial Officer of Crown Holdings, Inc.

101 The following financial information from the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2020 formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations for the twelve months ended December 31, 2020, 2019 and 2018, (ii) Consolidated Statements of Comprehensive Income for the twelve months ended December 31, 2020, 2019 and 2018; (iii) Consolidated Balance Sheets as of December 31, 2020 and December 31, 2019, (iv) Consolidated Statements of Cash Flows for the twelve months ended December 31, 2020, 2019 and 2018, (v) Consolidated Statements of Changes in Shareholders' Equity for the twelve months ended December 31, 2020, 2019 and 2018 and (vi) Notes to Consolidated Financial Statements.

104 Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded with the XBRL document.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

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

Crown Holdings, Inc.
Registrant

By: /s/ David A. Beaver
David A. Beaver
Vice President and Corporate Controller

Date: February 26, 2021

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Timothy J. Donahue, Thomas A. Kelly and Adam J. Dickstein, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities to sign any and all amendments to the Annual Report on Form 10-K for the Company's 2020 fiscal year, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, 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 or any of them, or their respective substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated above.

SIGNATURE	TITLE
/s/ Timothy J. Donahue Timothy J. Donahue	Director, President and Chief Executive Officer
/s/ Thomas A. Kelly Thomas A. Kelly	Senior Vice President and Chief Financial Officer
/s/ David A. Beaver David A. Beaver	Vice President and Corporate Controller

DIRECTORS

/s/ John W. Conway John W. Conway, Chairman of the Board	/s/ Josef M. Müller Josef M. Müller
/s/ Richard H. Fearon Richard H. Fearon	/s/ B. Craig Owens B. Craig Owens
/s/ Andrea J. Funk Andrea J. Funk	/s/ Caesar F. Sweitzer Caesar F. Sweitzer
/s/ Stephen J. Hagge Stephen J. Hagge	/s/ Jim L. Turner Jim L. Turner
/s/ Rose Lee Rose Lee	/s/ William S. Urkiel William S. Urkiel
/s/ James H. Miller James H. Miller	/s/ Dwayne A. Wilson Dwayne A. Wilson

Please visit our website **www.crowncork.com**
to read more of our story and obtain additional information.

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