

MODERN SLAVERY ACT TRANSPARENCY STATEMENT FOR THE FINANCIAL YEAR ENDING 2019

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015. It provides an update on the steps undertaken by Graphic Packaging International Europe UK Limited, a subsidiary of Graphic Packaging International, LLC, and other relevant GPI group companies¹ (“GPI”, the “Group”, the “Company”, “we” or “our”) during year ending 2019 to mitigate the risks of slavery, servitude, forced or compulsory labour and human trafficking (“Modern Slavery”) across our business and supply chain.

INTRODUCTION

This is our fourth Modern Slavery Act Transparency Statement, and we made good progress in the past year, building on previous efforts and increasing our focus on preventing Modern Slavery in our operations and supply chain. We have continued to increase our commitment to fair labour practices and the depth and scope of our work on Modern Slavery. We recognise the increasing threat that labour exploitation and Modern Slavery pose and our customers and suppliers share our concern. In this statement, we set out the steps and activities undertaken across Graphic Packaging to ensure that Modern Slavery is not occurring within our operations or our supply chain, since our last Modern Slavery Act Transparency Statement for the year ending 2018. This statement also highlights our future objectives, taking into consideration the salient risks identified.

¹ This statement sets out the steps taken under section 54 of the Modern Slavery Act 2015 by the following Graphic Packaging International, LLC subsidiaries: Graphic Packaging International Bardon Limited, Graphic Packaging International Limited, Graphic Packaging International Gateshead Limited, Graphic Packaging International Europe UK Limited and Graphic Packaging International Foodservice Europe Ltd

OUR BUSINESS

Graphic Packaging International is a leading provider of sustainable paper-based packaging solutions for a wide variety of products to food, beverage, foodservice, and other consumer product companies. The company operates on a global basis and its history extends more than 100 years, as numerous legacy companies have joined forces to create an ever-evolving corporation. We currently have over 70 facilities worldwide which are committed to providing consumer packaging that makes a world of difference and we help our customers stay ahead of consumer trends in a competitive and dynamic marketplace. For the year ended 31 December 2019, our net sales amount to \$6.2 billion. We are as committed to our customers and more than 17,500 employees as we are to protecting the environment and giving back to the communities where we live and work.



In Europe, Graphic Packaging has a rich and dynamic history. As a leading folding carton manufacturer, our customers can count on our expertise to deliver innovative packaging solutions. By combining market-specific insights we've developed over decades, we serve many of the world's most recognised brands through our 14 converting facilities. We offer a broad range of packaging of food, beverage and foodservice products and work closely with retailers in the food industry to bring food packaging design concepts to life. The Group is committed to acting ethically and with integrity in all our business dealings in a changing environment with constantly evolving products.

\$700m
TURNOVER FOR EU

**REGIONAL
& LOCAL** 
SUPPLY NETWORK

14
PRODUCTION
SITES 

For more information about Graphic Packaging and our locations check our website at <https://www.graphicpkg.com/>.

OUR SUPPLY CHAIN

As a responsible manufacturer of paperboard and paper-based packaging, we understand that our customers and stakeholders expect us to be transparent about our business and supply chain. We recognize the challenging complexity of supply chains and associated risks that can occur due to lack of visibility, such as poor working conditions, violation of human rights and labour exploitation. Therefore, it is essential we work with our suppliers to drive transparency improvements and mitigate future risks.

The paperboard packaging produced by Graphic Packaging International comes from pine and hardwood trees and recycled fibers. Graphic Packaging International's European Supply Chain is responsible for the sourcing of the materials we require to manufacture our products in Europe. Our European converting plants consume CUK paperboard supplied from Graphic Packaging's own mills in North America and also convert other paperboard grades such as white-lined chip and folding box board purchased from external suppliers mainly in the UK and continental Europe. GPI works with long-term suppliers for our main raw material sourcing of key commodities which include carton board, printing inks, overprint varnishes, decorative materials and packaging materials. We believe that these strong supplier relationships are the key to ensuring continuous improvement in supply chain working conditions.

GPI's partnerships are built in a socially responsible manner and we are committed to strong ethics and business conduct standards. We demand the same attitude and commitment of all our suppliers and partners. Our procurement principles are to source for the best value and we expect our suppliers to meet these needs legally and ethically, and to provide equal opportunity.

OUR POLICIES

Key to our zero-tolerance approach to Modern Slavery is ensuring that Graphic Packaging International has robust policies in place, relevant to the prevention of Modern Slavery. In relation to Graphic Packaging's operations these policies aim to protect our employees' welfare and basic human rights and include the following:

- ✓ **Code of Business Conduct and Ethics**
- ✓ **Human Rights policy**
- ✓ **Anti-Slavery and Human Trafficking Policy**
- ✓ **Policy Statement on Conflict Minerals**
- ✓ **Equal Employment Opportunity Policy**
- ✓ **Anti-Harassment Policy**
- ✓ **California Transparency in Supply Chains Act Declaration**

These policies are available on our website and are mainly aimed at our employees, however GPI expects equivalent standards of ethical conduct and respect to human rights from all of its suppliers and partners.

Graphic Packaging's core values of Integrity, Respect, Accountability, Relationships and Teamwork are at the heart of everything we do and form the foundation of our Code of Business Conduct and Ethics ("**Code of Conduct**"), which serves as a guideline as to how we engage with employees, customers, suppliers, and the community. Our Code of Conduct and Human Rights Policy encompass the international human rights principles set forth in the:

- ✓ UN Guiding Principles on Business and Human Rights
- ✓ Universal Declaration of Human Rights and its two corresponding covenants
- ✓ International Bill of Rights
- ✓ United Nations Conventions on the Rights of the Child
- ✓ United Nations Convention on the Elimination of Discrimination against Women

Graphic Packaging's approach to its business operations is informed by the OECD Guidelines for Multinational Enterprises, and the International Labor Organization's 1998 Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Impact.

The implementation of all company policies is also supported by an embedded governance structure.

ALERTline

As reported in our previous statement, our employees are encouraged to speak up about ethical concerns with a manager, Human Resources Representative, the Law Department, or online through our independent **ALERTline**, without fear of retaliation or negative consequences. The ALERTline is available 24 hours a day, seven days a week online or at the appropriate phone number for every Graphic Packaging location worldwide. All ALERTline reports are investigated, and Graphic Packaging maintains the anonymity of the employees who report a concern should they choose that option. ALERTline calls are also reported to the Board of Directors of Graphic Packaging International Holding Company.

In order to reinforce the capabilities of the ALERTline as a tool for revealing incidents of Modern Slavery, in 2019 we extended its scope to include a separate section for reporting specifically Human Trafficking/Anti-Slavery concerns. This can be now done in all relevant languages for our organization. During 2019, in total 283 calls were received via our ALERTline and we are glad to report that none was related to Modern Slavery. Each complaint received via the ALERTline is investigated and addressed in less than 30 days.

Global Supplier Code of Conduct

Graphic Packaging International expects its suppliers to conduct business responsibly, with integrity, honesty and transparency. In order to set out our global minimum expectations in the areas of business integrity, anti-corruption, labor practices, health and safety, and environmental management, in 2019 Graphic Packaging International developed and published a new Global Supplier Code of Conduct ("**Supplier Code**"). The Supplier Code is intended to complement Graphic Packaging International's global Code of Conduct and the company's other policies and standards referenced therein. It prohibits the use of child labour and all forms of forced or compulsory labor, including human trafficking and slavery.

All suppliers, contractors, consultants, agents and other providers of goods and services who do business with Graphic Packaging International entities worldwide ("Suppliers") are expected to follow this Supplier Code or any relevant laws and policies that may apply to the specific services provided by them to Graphic Packaging International. In order to extend these commitments, Suppliers are also expected to communicate and apply this Supplier Code and relevant policies throughout their supply chain. Suppliers' employees and contractors may report suspected violations of the Supplier Code via Graphic Packaging International's ALERTline. Graphic Packaging International reserves the right to cease doing business with any Supplier that does not share its commitment to conducting business ethically.

Contract clauses

As reported in our 2018 statement, we have updated our template contracts with our suppliers, partners and service providers by including a specific anti-slavery and human trafficking clause. This clause requires GPI's suppliers to comply with the Modern Slavery Act 2015, with GPI's Anti-Slavery and Human Trafficking policy and to take all reasonable steps to ensure that Modern Slavery is not taking place in their business or supply chains. The anti-slavery and human trafficking clause also imposes obligations to suppliers on risk assessment, controls, and notification of Modern Slavery findings. In 2019 we continued to strengthen our contractual processes.

DUE DILIGENCE AND INITIATIVES

Our expectations from suppliers

At Graphic Packaging, we are committed to fair labor practices and upholding human rights as part of our company culture. It is the responsibility of all of us to operate ethically and legally while maintaining respect for all individuals.

Suppliers are critical stakeholders for Graphic Packaging and are vital to our success. Therefore, we endeavor to choose suppliers that share our commitment to high ethical standards and operate in a responsible way. We expect our suppliers to comply with all applicable laws and commit to conducting business in a manner that aligns with our Global Supplier Code of Conduct and other applicable policies. These policies require suppliers to protect human rights and treat all employees with dignity and respect. Suppliers shall prevent and not participate in human trafficking, involuntary labour, or under age labour, as well as seek our approval of subcontractors.

We believe that a continuing focus on transparency can help identify Modern Slavery risks. Thus, it is important that we conduct due diligence within our supply chain and operations to understand whether there is evidence of Modern Slavery issues, and whether there are sufficient controls in place.

Supplier Questionnaires

As reported in our previous statement, in 2018 we expanded the scope of our Supplier Questionnaire ("SQ") in order to include additional and more detailed questions on ethical trading and Modern Slavery. This has enabled us to better understand our supply chain and to gather further information of any signs of forced labour or human trafficking.

In order to reinforce the importance of responsible recruitment practices, in 2019 we developed a separate tailor made Supplier Questionnaire for the personnel/recruitment agencies we are working with in the UK. This SQ includes targeted and additional questions

on ethical trading and fair labour practices and has helped us to further strengthen our due diligence processes of suppliers of recruitment services.

SEDEX

Sedex has continued to be an important platform for our relationships and collaboration with our customers in 2019. All of our folding cartons manufacturing facilities under Graphic Packaging ownership for a year or more have completed self-assessments on labor standards, health and safety, environment through the platform, and business practices and have been audited by a third party under the Sedex Member Ethical Trade Audit (SMETA) within the past three years. Thus, our recently acquired Winsford plant in the UK has completed a SMETA audit in 2019 and two other plants in the UK have been SMETA re-audited this year.

In addition to that, in 2019 we have continued to promote SEDEX accreditation and conformance to the SMETA pillars in our supply chain and several additional suppliers “linked” to Graphic Packaging on the platform which resulted in driving further transparency.

Sustainability

Our sustainability strategy is fully connected and integral to how we operate our business and thrive as a company. In 2019, Graphic Packaging continued to make progress to achieve the company’s social and sustainability goals and the Board of Directors has been closely involved in these efforts. Vision 2025, which guides Graphic Packaging’s sustainability-driven business strategy, lays out bold goals and objectives that allow us to measure our progress and ensure we are on track. The four pillars of Vision 2025 are: Planet, People, Partners, Profit. We are proud that Environmental, Social and Governance (ESG) principles are integral to our Vision 2025 goals and guide how Graphic Packaging innovates for a healthier planet, supports and develops employees, champions with our partners, engages with our communities and operates responsibly.

We have set ambitious goals to help steer our team towards achieving Vision 2025, and we will continuously monitor, report and improve as we progress on our journey. As reported in our previous statement, in 2018 we issued Graphic Packaging’s first GRI-referenced Sustainability and Social Responsibility report. With the publication of this report, we were able to present our goals in the greater context of our environmental and social impacts and in alignment with our long-term growth strategies. In order to strengthen our commitment to transparency, in 2019 we delivered Graphic Packaging’s 2018 Sustainability and Social Responsibility Update. The mid-cycle update highlights progress made in Graphic Packaging’s robust sustainability initiatives and highlights additional stretch goals that Graphic Packaging has set for itself.

ASSESSING AND MANAGING THE RISK

Assessing the risk

At Graphic Packaging, we believe that acting ethically and responsibly is not only the right thing to do, but also strengthens our business. We are committed to transparency and accountability of our performance and we realize that conducting appropriate risk assessments is central to our supply chain management.

We have assessed the ongoing Modern Slavery risks in our supply chain based on the following criteria:

- ✓ **Industry risk**- What type of commodities and services we source
- ✓ **Geographic Area** - Commodities sourced from countries with weak labour laws have higher risk profile than others
- ✓ **Supply Chain Characteristics**- Is it a direct supplier relationship or do we use intermediaries
- ✓ **Supply Chain Risk** -How complex are suppliers' own supply chains
- ✓ **Supplier Size and Characteristics**- What is the size of suppliers' business and is it impacted by seasonality
- ✓ **Insecure Workers Risk** - If any of the workforce is unskilled, temporary and/or seasonal, they are at higher risk of labour abuses
- ✓ **Agency Workers Risk** - Staff employed under temporary contracts and engaged by temporary staffing agencies is at higher risk than others

Graphic Packaging manufactures paperboard at its own mills in North America. A majority of the paperboard we produce is consumed in our global network of folding carton and foodservice packaging manufacturing facilities, and we conduct an assessment of compliance with applicable laws annually as part of our forestry certification program third-party audit. As a vertically integrated company, we incorporate a sustainability mindset into all steps of the manufacturing process.

Managing the risk

Our approach to managing the risk of Modern Slavery forms part of our broader efforts to act ethically and responsibly in all our business dealings. Graphic Packaging is committed to sourcing wood and paperboard material from certified chain of custody and non-controversial sources. We do not source wood-fiber that is illegally harvested, harvested in violation of traditional or civil rights, and we do not import wood from outside the United States to be used in our own carton board manufacture. In addition, every effort is made to ensure that the wood-fiber is sourced from reliable and traceable resources.

Based on the risk assessment conducted, we consider the areas at main risk of Modern Slavery to be within GPI's operations and supply chain where contract, agency and temporary labour are used. Due to the moderate seasonality of parts of our business, to a certain extent we have to rely on such labour to operate our manufacturing facilities. Recruitment agencies create an additional layer between employers and workers which might leave workers exposed to deceptive or forceful recruitment practices. Therefore, we seek to limit our exposure by working closely with these agencies to ensure they have robust processes in place to manage risk in their operations. In this respect, in 2019 we have increased our due diligence of the recruitment agencies we work with in the UK and plan to continually develop our approach to ensuring responsible recruitment practices are applied throughout our supply chain.

ASSESSMENT OF EFFECTIVENESS IN PREVENTING MODERN SLAVERY

In our 2018 statement we committed to continue to reflect on, develop and extend our approach to Modern Slavery by focusing on several initiatives and below are the concrete actions we have undertaken in 2019 in this respect:

Extending the scope of GPI's ALERTline

In order to further promote Graphic Packaging's policy of raising concerns without fear of retaliation, we have extended the scope of our ALERTline to include a separate section for reporting concerns about suspected incidents of Modern Slavery.

Developing a Global Supplier Code of Conduct

In 2019 Graphic Packaging developed and published its new Global Supplier Code of Conduct which includes prohibitions on the use of child labour and all forms of forced or compulsory labor, including human trafficking and slavery.

Publishing Sustainability and Social Responsibility Update

We delivered our 2018 Sustainability and Social Responsibility Update which highlights the progress made in company's robust sustainability initiatives and outlines additional stretch goals that Graphic Packaging has set for itself.

Developing a tailor made Supplier Questionnaire for personnel/recruitment agencies

In order to strengthen our due diligence processes of suppliers, we developed a separate tailor made Supplier Questionnaire for the personnel/recruitment agencies we are working with in the UK.

Delivering a refresher training on Modern Slavery/Human Trafficking

As committed in our 2018 statement, in 2019 we delivered a comprehensive Modern Slavery/Human Trafficking refresher training to key frontline personnel on how to identify and address Modern Slavery risks in our operations and supply chain.

TRAINING AND AWARENESS

Continuous development of our workforce and attention to the well-being of our employees is fundamental to our strategy to tackle Modern Slavery. This is why we continue to work to ensure that colleagues at all levels who need to understand Modern Slavery risks have access to relevant information and materials. In this respect, in 2019 we conducted refresher training on our Code of Conduct to all employees of Graphic Packaging globally where they were reminded of our Core Values, Human Rights policy, and our policies prohibiting discrimination and harassment. This refresher training was delivered through e-learning courses, face-to-face meetings and induction programs for new employees.

In addition to conducting our Code of Conduct training program, in 2019 we continued to work with an external partner to deliver to relevant employee groups at all levels a comprehensive and targeted Modern Slavery/Human Trafficking refresher training program. This training helped our employees understand better the complex nature of Modern Slavery and prepared them to be able to identify the early signs of human rights abuses in our business and supply chain. We will continue to support and develop this approach in 2020 and plan to conduct ongoing refresher training.

LOOKING AHEAD

The risk of Modern Slavery is evolving and we will continue our proactive approach to mitigating it. In 2020 we will be focusing on the following of initiatives and activities to ensure that there is no Modern Slavery in our supply chains or in any part of our business:

- Updating our Code of Conduct
- Publishing Graphic Packaging's 2019 Environmental, Social and Governance (ESG) Report
- Launching an enterprise-wide Engagement survey among Graphic Packaging's employees
- Delivering refresher training on our Code of Conduct

This statement was approved by the Boards of Graphic Packaging International Bardon Limited, Graphic Packaging International Limited, Graphic Packaging International Gateshead Limited, Graphic Packaging International Europe UK Limited and Graphic Packaging International Foodservice Europe Ltd.

Signed



Lauren Tashma

Executive Vice President, General Counsel and Secretary