

2019

ESG REPORT

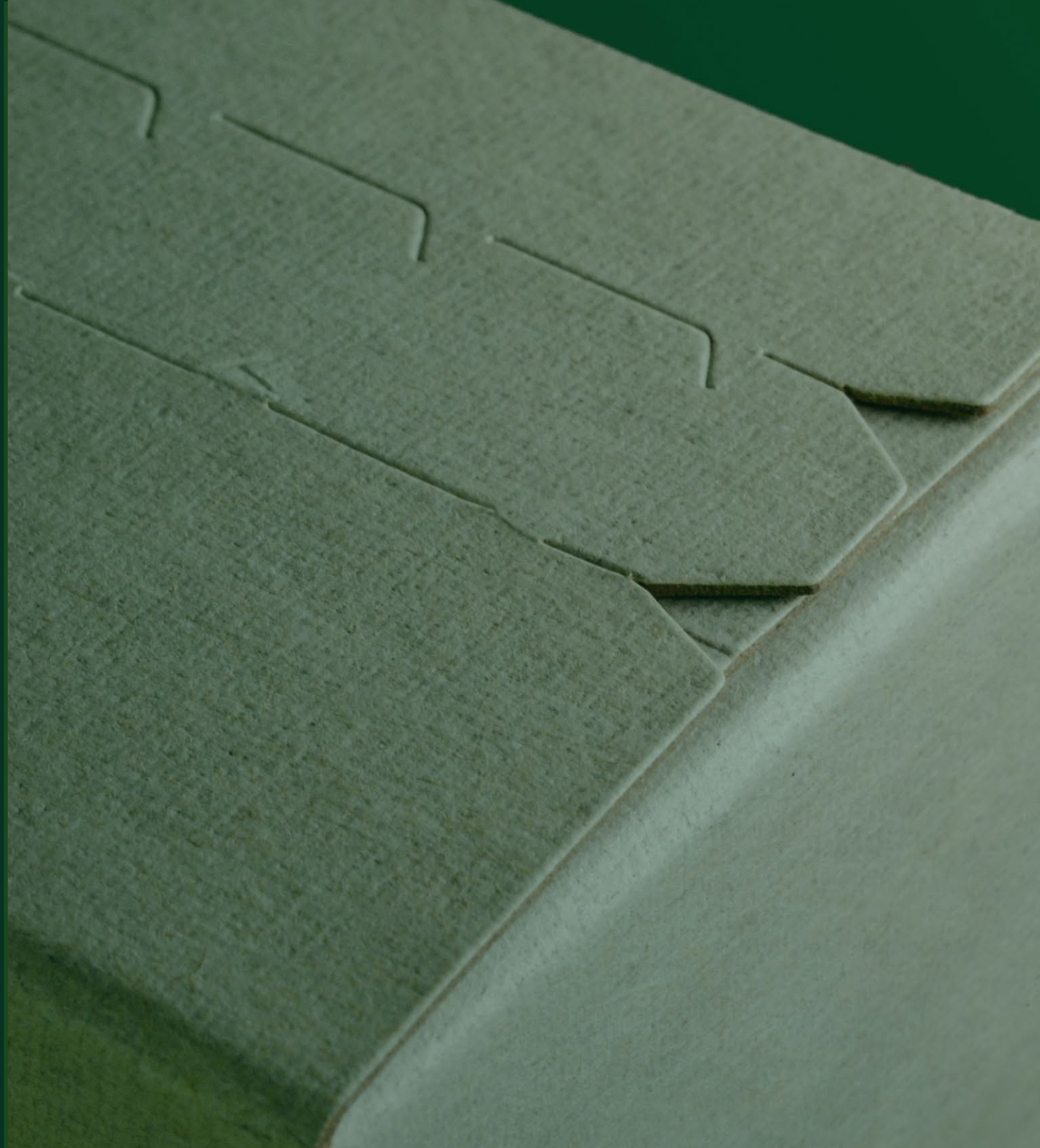


TABLE OF

CONTENTS

Cover: At Graphic Packaging Holding Company, our growth and continuous improvement over the years reflects our deep-seated dedication to innovation, quality, and sustainability. Our Design for the environment (DFE) approach and culture of innovation enables us to partner with customers to accelerate the transition to a more circular economy. This year's report cover celebrates folding cartons, a renewable and recyclable packaging solution. With this report we present paperboard solutions and spotlight several recent partnerships with customers to move to higher circular packaging solutions. And throughout the report, we showcase a few of our products at a micro-level, highlighting those important details in our design and the materials, and the renewable and recyclable attributes in each.

The 2019 ESG Report represents Graphic Packaging Holding Company as of December 31, 2019, except where noted.

Disclaimer: Any statements of Graphic Packaging Holding Company's or management's expectations, beliefs, goals and forecasts in this document, including but not limited to our ability to reach certain sustainability targets and goals, levels of production and efficiency, new product development and talent acquisition and performance targets, constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from the Company's present expectations. These risks and uncertainties include, but are not limited to, inflation of and volatility in raw material and energy costs, cutbacks in consumer spending that reduce demand for the Company's products, continuing pressure for lower cost and recyclable products, the Company's ability to implement its business strategies, including productivity initiatives, cost and EBITDA improvements expected from the new Coated Recycled Paperboard machine in Kalamazoo, MI. Undue reliance should not be placed on such forward-looking statements, as such statements speak only as of the date on which they are made, and the Company undertakes no obligation to update such statements except as required by law. Additional information regarding these and other risks is contained in the Company's periodic filings with the Securities and Exchange Commission.

Letter from our CEO	3
Sustainability Update	6
Vision 2025 Goals	8
Our Company	9
Our Vision + Core Values	10
Our Operations	11
Our Workforce	13
Our Products	14
Our Sustainability Strategy	22
Vision 2025	23
Stakeholder Engagement and Risk Assessment	24
Environmental	27
Our Approach	28
Emissions	30
Energy	33
Forest and Wood Fiber Certification	34
Water Conservation	36
Waste, Recovery, and Circularity	38
Social	42
Our Approach	43
Community Engagement	44
Diversity and Inclusion	46
Employee Health and Safety	48
Learning and Development	48
Governance	49
Our Approach	50
Corporate Governance	51
Ethics and Compliance	53
Supply Chain Management	57
Content Indexes	59
SASB	60
GRI	64



MICHAEL P. DOSS
President and Chief Executive Officer



THROUGHOUT OUR PROUD HISTORY DATING BACK MORE THAN 100 YEARS, WE'VE PRIORITIZED FINANCIAL, ENVIRONMENTAL, AND SOCIAL PERFORMANCE IN ORDER TO DEVELOP INSPIRED PACKAGING THAT MAKES A WORLD OF DIFFERENCE.

Each year, I am proud of the progress our dedicated workforce makes on these critical priorities. Our commitment to sustainability not only enhances our business, it also strengthens our promise to all stakeholders. Our paper-based product portfolio aligns well with a circular economy and addresses customer needs. Our investments in advanced manufacturing technologies generate financial and environmental improvements for our company and communities. They also provide a safe, fulfilling work experience for current and future generations of our talented workforce.

ESG principles are integral to our Vision 2025 goals which were published in 2019. They guide how Graphic Packaging innovates for a healthier planet, supports and develops employees, champions with our partners, engages with our communities and operates responsibly. As part of Vision 2025, Graphic Packaging has taken bold actions to further our sustainability initiatives, including taking steps to further reduce greenhouse gas emissions, decrease our dependence on fossil fuel-based energy, and responsibly use water. I am grateful for the dedication and passion of our employees who are integral to achieving these commitments. Accordingly, our talent acquisition, succession, development, and diversity and inclusion strategies are critical to the success of our business. As a vertically-integrated business, we incorporate sustainability at each stage of our

“Vision 2025 is our plan for the future and outlines how we will be better stewards of our planet, allies to our partners, and supporters of our people, all while executing growth in our business and generating greater returns for our shareholders.”

manufacturing process. Our design for the environment approach and culture of innovation enable us to partner with our customers in the global transition to a more circular economy, while organically growing our business.

Our packaging solutions are made primarily from renewable wood fiber, and the vast majority of our paperboard packaging and foodservice products are recyclable. As a sustainability leader, we are driven to reduce our impact on the environment while delivering innovative paperboard packaging solutions to customers, who, in turn, improve their own environmental profile. I'm proud of how we provide leading companies with innovative products that propel them towards achieving their sustainability goals. Just in this last year, we reached an inflection point with foodservice operators as we successfully transitioned a half a billion cups from foam or plastic into paper cups.

In 2019, we announced a transformational \$600 million investment in Kalamazoo, Michigan that will result in cost, quality and sustainability advantages for years to come. Our new world-class Coated Recycled Board (CRB) machine will have a positive environmental effect by reducing greenhouse gases, water usage and purchased energy. The last major investment in the CRB industry occurred in 1991 and was Graphic Packaging's K1 machine in Kalamazoo. This new investment is one of the largest in our company's history and will solidify our position as the leader in the CRB paperboard packaging industry, as we provide more sustainable products in the most cost-efficient manner possible. Our evolution to a modernized manufacturing platform is one way we continue to reinforce our value proposition to customers, extend our leadership position in the paperboard industry and ultimately drive returns for stakeholders. We expect to generate \$100 million in incremental EBITDA as a result of this strategic investment once the new paper machine is fully commercial in 2022.

While this report reflects on our 2019 ESG performance, as I write this letter, our world is battling the COVID-19 pandemic. During this trying and uncertain time, we've adapted our safety protocols by incorporating guidelines from the CDC and local governments into our operations. We understand the vital role we serve in ensuring continuity of supply so that our customers can provide

“Graphic Packaging continues to make progress to achieve the company’s social and sustainability goals. The Board of Directors is closely involved in these efforts and we firmly believe that the strategic value our ESG commitments represent is critical to the company’s success and can make a world of difference.”

– Phil Martens, Chairman of the Board



essential products to families and individuals. Our focus on health and safety, both of our employees and partners, is unwavering.

Recent societal events have put the inequities experienced by people of color front and center for all to witness and respond. Clearly, work is needed to ensure equal opportunity, safety, and well-being for all of our neighbors. There is absolutely no place for racism of any kind in our company, our communities, or our society. At Graphic Packaging, we embrace a culture of inclusion that values different viewpoints, perspectives and backgrounds. While we have strong commitments to diversity and inclusion today, we have explicit plans to amplify and accelerate progress. We are committed to evolving and advancing our talent strategy and diversity and inclusion program. To ensure a more diverse, inclusive and equitable culture at Graphic Packaging, we have instituted more comprehensive oversight by the Board of Directors that includes an annual review process of the company’s progress against our multi-year plan.

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. This ESG report signifies our commitment to transparency and accountability of our performance across all facets of the business. As you explore this 2019 report, you will see we have expanded our reporting, and further demonstrated sustainability is interwoven across every step of our operations, empowering us to protect our planet, partner with our customers and support our employees.

A handwritten signature in black ink that reads "Michael P. Doss".

MICHAEL P. DOSS

President and Chief Executive Officer

ANDY JOHNSON

Vice President, Government Affairs & Sustainability



WE ARE EXCITED TO PRESENT OUR 2019 ESG REPORT.
THIS REPORT REFLECTS SOME OF THE VALUABLE
FEEDBACK WE HAVE RECEIVED AND REPRESENTS
ANOTHER STEP FORWARD IN OUR REPORTING
AND TRANSPARENCY.

We have changed the name of the report to better reflect the scope of our disclosure and our commitment to a broad set of environmental, social and governance initiatives. The report aligns with the Global Reporting Initiative (GRI) Core and is informed by the Task Force on Climate-related Financial Disclosures (TCFD). The report is also aligned with the Sustainability Accounting Standards Board (SASB) framework. Our next step in demonstrating our commitments will be setting Science Based Targets (SBT). Our goal is to have an SBT commitment formalized by the end of 2022. To enhance transparency to our stakeholders, going forward we plan to publish our ESG report annually.

To strengthen our CDP (formally known as the Carbon Disclosure Project) disclosure and this report, we engaged two outside partners to review our process for collecting our greenhouse gases. KPMG and Lloyd's Register conducted independent audits of our Greenhouse gas (GHG) inventory process. The results included an Inventory Management Plan and [limited assurance statement](#). Most importantly, they confirmed the efficacy of our robust process to generate reliable GHG data. We did find some process opportunities that resulted in non-material changes to our historic GHG data. As a result, we made minor adjustments to GHG data back to 2016.

Collaborating with partners is essential for us to meet our ESG goals. We are making progress with our customers converting plastic packaging to paperboard packaging and increasing the circularity of the packaging used in many well-known products. I am encouraged by the momentum of innovation that the Graphic Packaging team and our customer partners are engaged in daily. Our focus on circular packaging is unyielding and we have included examples of packaging conversion to paperboard, which is renewable and recyclable, in the "Our Products" section of this report.

2019 was a pivotal year for our Solid Bleached Sulfate (SBS) mills. As communicated in our 2018 Sustainability and Social Responsibility update, these mills received substantial capital investment, process improvements and incorporation of the "GPI Way" of operating a paperboard mill. These programs have resulted in a GHG reduction in saleable tons when comparing 2019 to 2018. We have provided more context in the [emissions section](#) of this report.



Finally, Graphic Packaging is a collection of exceptional people. We strive to be a cultural mirror of the communities in which we operate and we value and embrace a diverse and inclusive culture. Our multi-year Diversity and Inclusion program was enhanced with additional oversight by the Compensation and Management Development Committee. Safety is an executional absolute at Graphic Packaging and we continue to make progress in this area across the numerous facilities in which we operate. We hope you find this information useful and we look forward to engaging with our stakeholders as we continue to progress in our ESG journey.

■ **ANDY JOHNSON**
Vice President, Government Affairs & Sustainability

VISION 2025 GOALS

2019 UPDATE



Greenhouse Gas Emissions

GOAL

Reduce greenhouse gas emissions by 15% (metric tonnes CO₂e/\$1,000 sales)

PROGRESS

GHG emissions changed 0% from 2016



Non-Renewable Energy

GOAL

Reduce non-renewable energy use by 15% (MMBTU/\$1,000 sales)

PROGRESS

Non-renewable energy use has decreased by 0.1% from 2016



Water Conservation

GOAL

Reduce mill water effluent by 15% (1,000 gal/saleable ton)

PROGRESS

Water effluent has decreased by 1.3% from 2016



Recyclability

GOAL

100% of products recyclable

PROGRESS

81% nationally recyclable
16% regionally recyclable



Reducing LDPE usage*

GOAL

Reduce LDPE use by 40%

PROGRESS

4.3% reduction from 2018

* Low Density Polyethylene (LDPE) is applied to paper products as a water and grease barrier.



Forest and Fiber Certification

GOAL

All global Graphic Packaging facilities compliant with a certification standard

PROGRESS

100% of facilities are compliant



Social Responsibility

GOAL

All global folding carton manufacturing plants in compliance with Social Compliance Sedex Member Ethical Trade Audit (SMETA)

PROGRESS

89% under a SMETA Audit (in 2019 we modified this goal to include Foodservice manufacturing plants)



Waste Diversion

GOAL

Drive out waste in all our operations

PROGRESS

100% of global carton manufacturing plants engaged in a waste diversion program



Recovery Rate

GOAL

Increase industry recovery of paper and paperboard in the U.S. to 70% in 2020

PROGRESS

66.2% recovery

Source American Forest & Paper Association



Safety

GOAL

Continue progress toward aspirational target of zero incidents, ensuring that safety remains a top priority

PROGRESS

Reduced recordable incident rate to 1.05 from 1.09 in 2018

OUR COMPANY

“ESG is fundamental to how we operate our business, enhance our environment and support our employees. Cash flow generation and the returns we provide stakeholders are directly linked to responsibly managing ESG factors. Our culture focused on productivity, innovation and sustainability drives our investments, increases our organic growth potential, reduces our costs and increases employee productivity and satisfaction.”

– **Stephen R. Scherger**, Executive Vice President and Chief Financial Officer

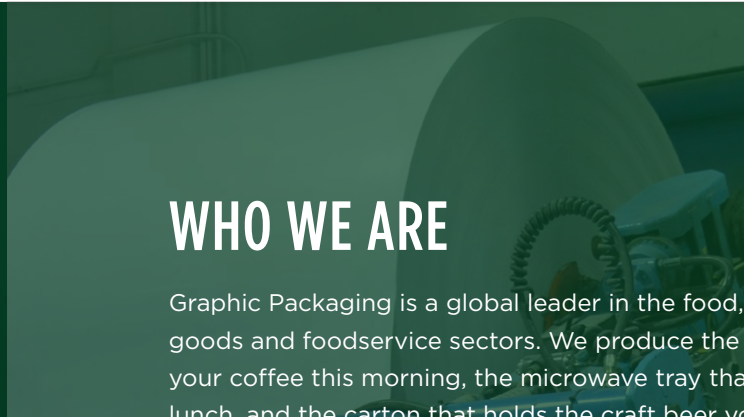


WHO WE ARE

Graphic Packaging is a global leader in the food, beverage, household goods and foodservice sectors. We produce the paper cup that held your coffee this morning, the microwave tray that heated your meal at lunch, and the carton that holds the craft beer you may enjoy tonight.

Graphic Packaging has 90 facilities across the globe that produce innovative and sustainable paper packaging solutions that enable customers to reach their sustainability goals, accommodate changing consumer preferences, stand apart from competitors, and achieve brand loyalty. With a product portfolio that emphasizes renewable, recycled, and recyclable materials, we are as committed to our customers and our more than 18,000 employees as we are to protecting the environment and giving back to the communities where we live and work.

Graphic Packaging’s history extends more than 100 years, as numerous legacy companies have joined forces to create an ever-evolving corporation. Our growth and continuous improvement over the years reflect our deep-seated dedication to innovation, quality, sustainability, and service. These priorities remain integral to Graphic Packaging’s strategic focus today.



OUR VISION

INSPIRED PACKAGING. A WORLD OF DIFFERENCE.

We believe in creating a positive difference in our world. We do this by utilizing natural resources effectively and designing insight-based packaging solutions that are both aesthetically pleasing and functionally effective. We are a trusted partner to many of today's leading consumer brands, helping them meet their consumers' needs and succeed in the marketplace.



Graphic Packaging employees volunteer at an Atlanta food bank.

OUR CORE VALUES

At Graphic Packaging, we are guided by our core values. They are fundamental to how we operate our business, empower our employees, support our customers, and engage with our communities.

1 Integrity

We are honest in what we do and say. We lead by example. We keep our promises, fulfill our commitments, and take pride in what we do. We respect our policies and live up to the trust others place in us. Our Company is built on truthfulness and trust.

2 Respect

We value each person's unique skills and abilities. We actively solicit each other's ideas and honor diverse opinions. We appreciate everyone's contribution and recognize accomplishments. We show courtesy to each other and our customers. Our work environment is open, honest, supportive, and fulfilling.

3 Accountability

We are personally responsible for doing our job to the best of our ability and delivering results. We look out for each other's safety and effectively use the resources entrusted to us. We act with initiative, learn from our experiences, share our knowledge, and strive to continuously improve our performance.

4 Relationships

We have an unwavering commitment to listen to and meet the needs of our customers, creating innovative solutions that result in shared prosperity. Internally and externally, we listen and communicate openly and directly, maintain positive attitudes, and foster long-term relationships.

5 Teamwork

We share our goals and work together to achieve them. We win together by leveraging our differences and combining our strengths. We encourage everyone's involvement and support each other's ideas. We help others without being asked. We unleash the power of our global company by collaborating locally and around the world, and sharing our knowledge. We celebrate success!

OUR OPERATIONS

37% OF ALL FOLDING CARTONS IN NORTH AMERICA PRODUCED BY GRAPHIC PACKAGING

#1 CRB PRODUCER (49%; 2.1M TONS) IN THE U.S. MARKET

#2 SBS PRODUCER IN THE U.S. MARKET

30% OF ALL PAPER CUPS IN THE U.S. PRODUCED BY GRAPHIC PACKAGING

#1 COATED UNBLEACHED KRAFT (CUK) PRODUCER (56%; 2.7M TONS) IN THE U.S. MARKET

SCALE OF OPERATIONS



NUMBER OF EMPLOYEES

MORE THAN **18,000** EMPLOYEES

December 31, 2019



TOTAL NUMBER OF OPERATIONS

90 FACILITIES WORLDWIDE

December 31, 2019



NET SALES

\$6,160 MILLION

TOTAL ASSETS

\$7,290 MILLION

December 31, 2019



TOTAL CAPITALIZATION

FORM OF CAPITAL	\$M'S	% OF TOTAL
Total Debt	2,860	32%
Market Equity	4,754	53%
Non-Controlling Interest*	1,309	15%
Total Capital	8,923	100%

As of December 31, 2019
* Valued at market price

BENEFICIAL OWNERSHIP

The largest stockholders of Graphic Packaging Holding Company are:

NAME	NUMBER OF SHARES	% OF TOTAL
The Vanguard Group	26,149,471	9.1%
FMR LLC	17,405,825	6.1%
Shapiro Capital Management LLC	16,229,932	5.7%
BlackRock, Inc.	14,931,842	5.2%

Reported in the 2020 Proxy Statement

QUANTITY OF PRODUCTS

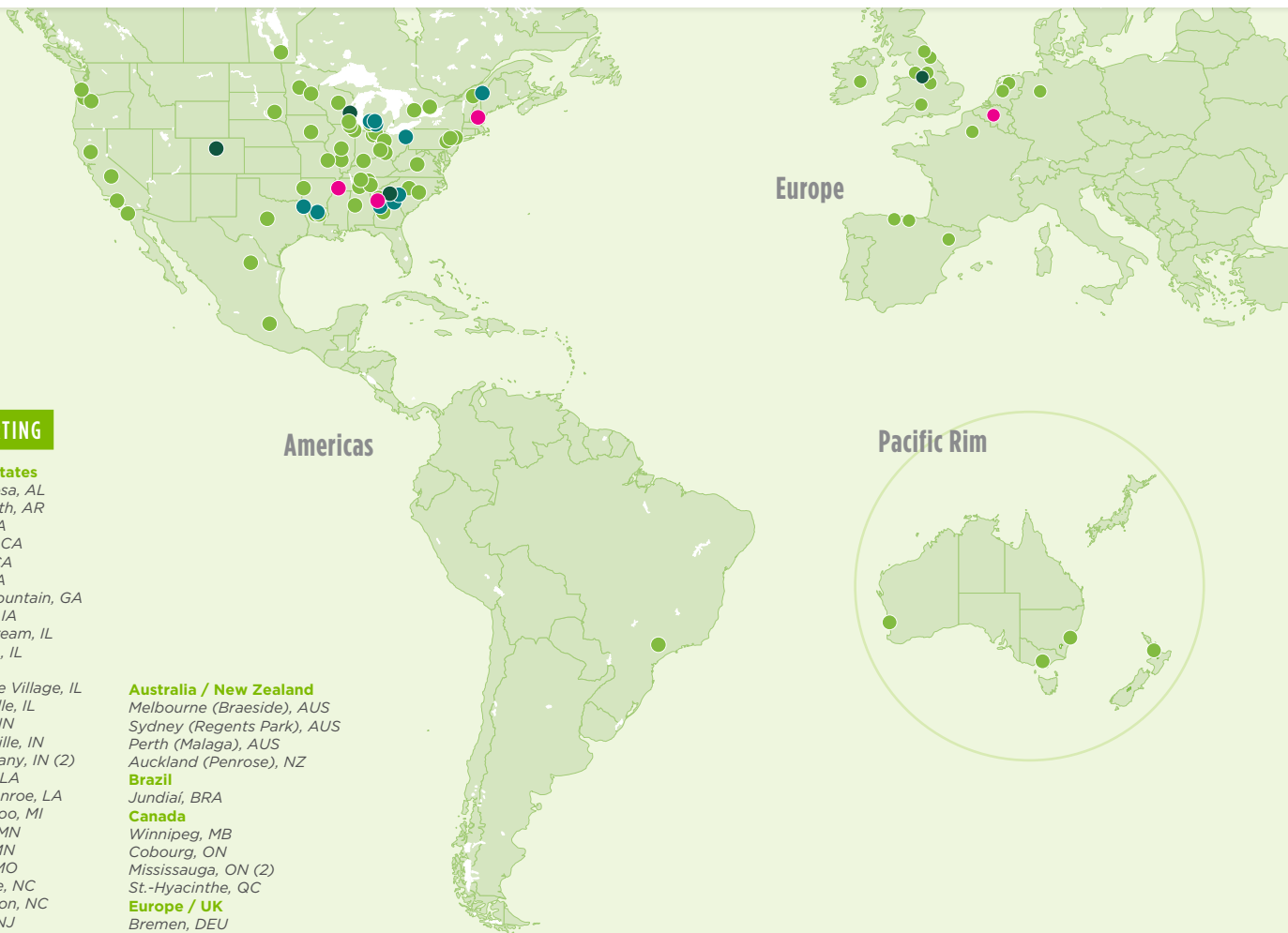
Below is the production at each of the Company's paperboard mills:

LOCATION	PRODUCT	# OF MACHINES	2019 NET TONS PRODUCED
West Monroe, LA	CUK	2	910,759
Macon, GA	CUK	2	708,496
Kalamazoo, MI	CRB	2	493,130
Battle Creek, MI	CRB	2	210,673
Middletown, OH	CRB	1	169,475
East Angus, Québec	CRB	1	97,921
White Pigeon, MI ^(a)	CRB	1	28,025
Texarkana, TX	SBS	2	607,330
Augusta, GA	SBS	2	583,147
West Monroe, LA	Corrugated Medium	1	121,929

(a) Indicates net tons produced from August to December.

Location of Operations

At Graphic Packaging, we produce paperboard at our mills. We print, cut, fold, and glue (convert) the paperboard into folding cartons and other paperboard packaging solutions at our converting facilities, and we design and manufacture specialized, proprietary packaging machines that package bottles, cans, and to a lesser extent, non-beverage consumer products. We also install our packaging machines at customer plants and provide support, service, and advanced performance monitoring of the machines. Our integrated approach to packaging solutions has strengthened our global capabilities and supply networks to both local and worldwide customers.



CONVERTING

United States

Tuscaloosa, AL
 Fort Smith, AR
 Irvine, CA
 Oroville, CA
 Visalia, CA
 Perry, GA
 Stone Mountain, GA
 Newton, IA
 Carol Stream, IL
 Centralia, IL
 Elgin, IL
 Elk Grove Village, IL
 Shelbyville, IL
 Auburn, IN
 Kendallville, IN
 New Albany, IN (2)
 Monroe, LA
 West Monroe, LA
 Kalamazoo, MI
 Crosby, MN
 Hamel, MN
 Pacific, MO
 Charlotte, NC
 Lumberton, NC
 Wayne, NJ
 Kenton, OH
 Marion, OH
 Solon, OH
 Xenia, OH
 Gresham, OR
 N. Portland, OR
 Pittston, PA
 Valley Forge, PA
 Mitchell, SD
 Clarksville, TN
 Gordonsville, TN
 Lawrenceburg, TN
 Lebanon, TN
 Lancaster, TX
 Staunton, VA
 Vancouver, WA
 Wausau, WI

Australia / New Zealand

Melbourne (Braeside), AUS
 Sydney (Regents Park), AUS
 Perth (Malaga), AUS
 Auckland (Penrose), NZ

Brazil

Jundiaí, BRA

Canada

Winnipeg, MB
 Cobourg, ON
 Mississauga, ON (2)
 St.-Hyacinthe, QC

Europe / UK

Bremen, DEU
 Bardonia, ENG
 Bristol, ENG
 Gateshead, ENG
 Leeds, ENG
 Newcastle, ENG
 Winsford, ENG
 Igualada, ESP
 Maliaño, ESP
 Requejada, ESP
 Masières, FRA
 Portlaoise, IRL
 Hoogerheide, NLD
 Sneek, NLD

Mexico

Querétaro, MEX
 Monterrey, MEX
 Tijuana, MEX

Americas

HEADQUARTERS

Global
 Atlanta, GA
EMEA
 Brussels, BEL

MILL

CRB
 Battle Creek, MI
 Kalamazoo, MI
 White Pigeon, MI
 Middletown, OH
 East Angus, QC
CUK
 Macon, GA
 West Monroe, LA
SBS
 Augusta, GA
 Prosperity, SC (extrusion)
 Texarkana, TX

OFFICES, INNOVATION AND GRAPHIC CENTERS

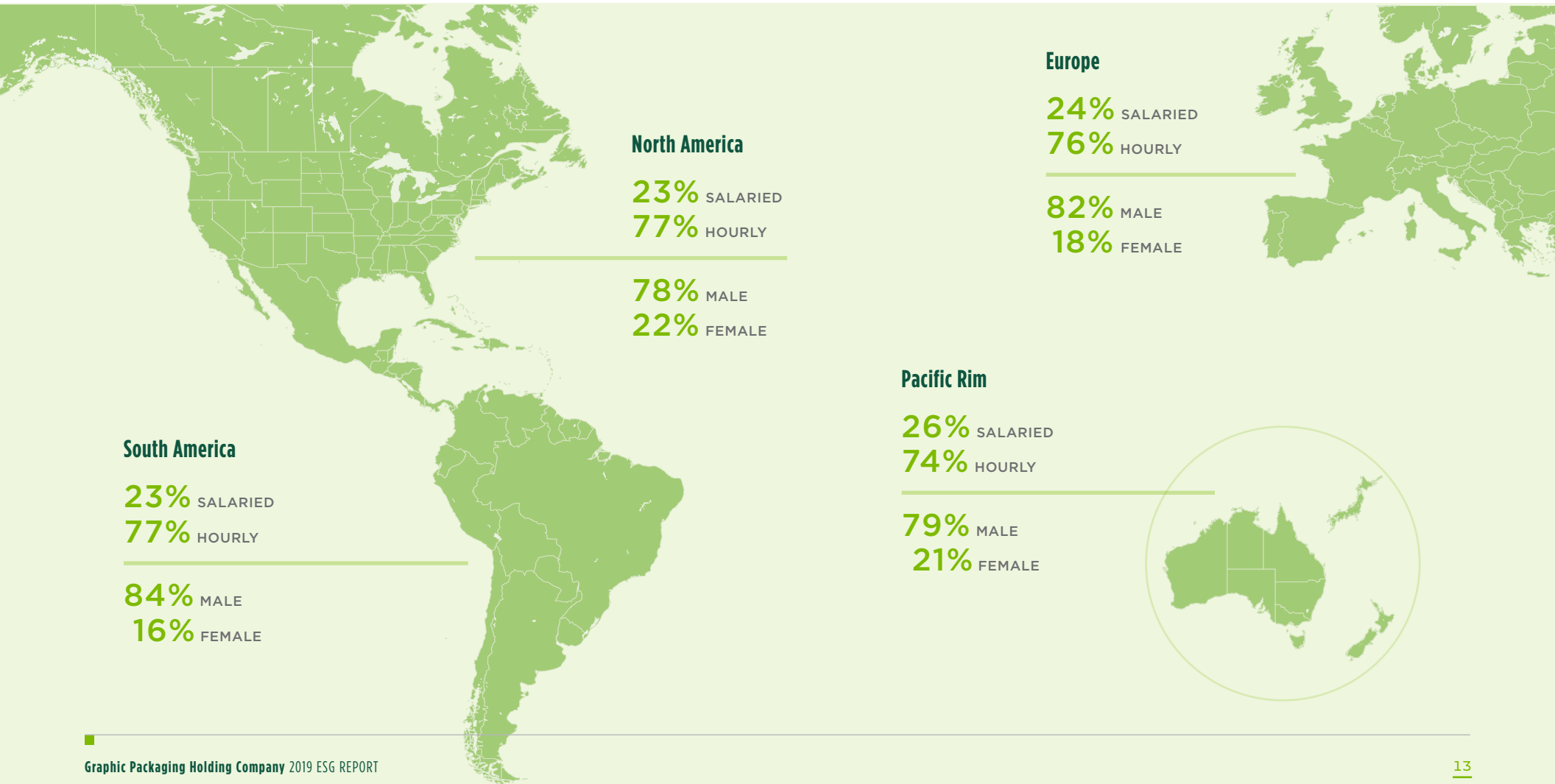
Louisville, CO
 Bardonia, ENG
 Atlanta, GA
 Carol Stream, IL
 Concord, NH
 Clemson, SC
 Memphis, TN
 Menomonee Falls, WI

Pacific Rim

Locations are as of December 31, 2019

OUR WORKFORCE

Graphic Packaging's greatest asset is our workforce. Guided by shared values and growth behaviors, team members at Graphic Packaging are collaborative, creative, and passionate. Our diverse and talented teams make a real difference in their jobs, communities, and the environment. As of December 31, 2019, we had over 18,000 employees worldwide with the following demographic and geographic breakdown:



OUR PRODUCTS

Graphic Packaging produces paperboard and paperboard packaging products. Our customers include many of the world’s most widely recognized companies and brands in beverage, food, foodservice, and other consumer products. We strive to provide our customers with packaging solutions that deliver marketing and performance benefits. We offer competitive pricing by capitalizing on our efficient paperboard mills, conveniently located converting facilities, our proprietary carton and packaging designs, and our unwavering commitment to quality and service. Graphic Packaging also manufactures high-speed cartoning equipment primarily to the beverage market.



Business Segments

Graphic Packaging manufactures paperboard in North America. A majority of the paperboard we produce is consumed in our global network of folding carton and foodservice packaging manufacturing facilities. In addition, we market and sell paperboard to domestic and global customers on the open market.

Americas Paperboard Packaging includes folding cartons and cups, lids and food containers sold primarily to consumer packaged goods (CPG) for food, beverage, and household products and foodservice companies in the Americas.

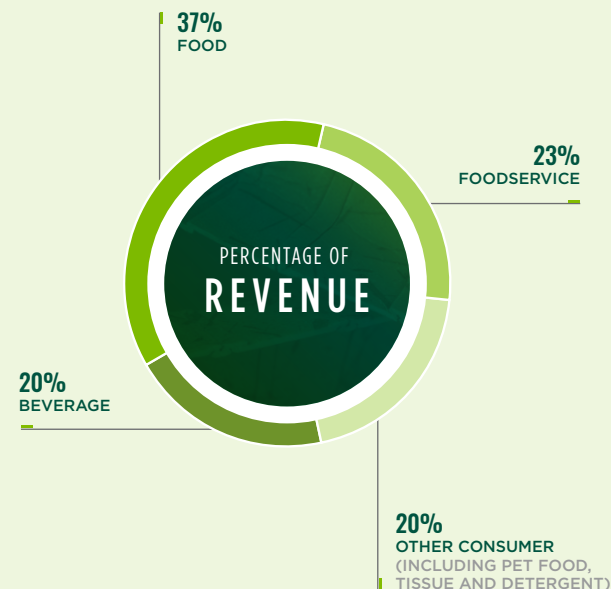
Europe Paperboard Packaging includes folding cartons and cups, lids, and food containers sold primarily to CPG companies serving the food, beverage, and consumer product markets in Europe.

Pacific Rim Paperboard Packaging includes folding cartons sold primarily to CPG companies serving the food and beverage consumer product markets in the Pacific Rim and Australian region.

Paperboard Mills include the nine North American paperboard mills which produce CUK, CRB, and SBS grades that are consumed internally and converted into our paperboard packaging solutions. The remaining paperboard is sold externally to a wide variety of independent paperboard packaging converters and brokers.

Markets Served

Our end markets are resilient, largely recession resistant and are also a part of the essential product supply chain.



As of December 31, 2019

Innovating for a World of Difference

We pride ourselves on our industry-leading innovation. We invest significant capital into research and development and have a talented, knowledgeable team dedicated to creating and commercializing innovative packaging solutions for our customers. Our innovation efforts center on new paper-based packaging solutions that we believe are more sustainable, renewable, and recyclable as compared to alternatives. Not only do our new product innovations boast improved sustainability aspects, they also offer enhanced convenience for the consumer and brand building opportunities for our customers.



Graphic Packaging Innovation Centers are set up to facilitate collaboration with customers for rapid development of creative packaging solutions.

Circularity of Our Products

We consciously integrate sustainability into our innovation process through Designing for the Environment (DfE). DfE considers multiple design decisions starting with the beginning of life, which for Graphic Packaging, is the forest for our virgin paperboard products, and recycled fiber for our CRB products. Different design solutions require different material selections and enable the most effective “fitness for use” application.

Other final design considerations include structural enhancements to improve the consumer experience, optimum use of the selected substrate to not over-engineer a package, and inks and coatings to provide the required performance characteristics. We always consider the end-of-life requirements for each of these structures, and creating solutions that can be easily recycled or composted is critical to the success of all our products.

Integrating a whole life cycle perspective is imperative to ensure that our packaging products are circular. Further, DfE considers other environmental aspects including energy requirements, water use, and greenhouse gas emissions. We seek to find a balance across this broad spectrum to minimize our impact on the communities where we operate and the world as a whole.

The journey to using renewable materials and energy, and creating products that are recyclable or compostable, requires that we consider the full circularity of the package and the product that it protects. With each innovation challenge, we assess the current package’s position on the Package Sustainability Continuum, a sustainability scale that we developed to quantify progress to an aspiration package that meets renewable and recyclable expectations. We then identify areas where an innovative approach will move that package closer to our goal of making 100% of our products recyclable by 2025.

Advancing Sustainability Across our Product Portfolio and Expanding Our Market Presence

In addition to traditional folding cartons and paperboard, our product portfolio includes innovative packaging solutions that improve circularity of our customers’ products. Circularity improvements are achieved by optimizing fiber in the package for enhanced strength and providing fiber-based solutions that are more circular, with renewable material and higher rates of recycling. These innovative solutions create opportunities for our customers and allow Graphic Packaging to expand our market share in new segments.

Our enhanced strength solutions are engineered to provide structural integrity of the package throughout the supply chain. As a vertically integrated company manufacturing all three paperboard grades and converting that paperboard into packaging, we have an unparalleled understanding of how to leverage the inherent strength of wood fiber. We continue to expand our strength packaging offerings to address marketplace needs in several product sectors and distribution channels.

In the beverage sector, Graphic Packaging takes an integrated approach to machinery development and carton design. We are at the forefront of innovating unique solutions to improve manufacturing efficiency, optimize material usage and improve customer experience.

Graphic Packaging paperboard trays and bowls enhance the consumer experience and can replace current crystallized polyethylene terephthalate (CPET) products. Additionally, our **PaperSeal™** tray for chilled meats, cheese, fruit, produce, and more uses up to 90 percent less plastic than traditional plastic or foam trays. Innovations like **IntegraFlex™** provide convenience for eating on-the-go in a paper-based format.

Graphic Packaging is regularly developing new foodservice packaging solutions that offer operator efficiency and enhanced performance. Our Foodservice packaging solutions are designed to be recyclable or compostable. These single use packaging products are critical for consumer safety, and we continue to look for ways to optimize end-of-life outcomes without compromising the consumer experience and protection. We are also exploring ways to meet increasingly demanding restrictions for mitigating the impact of accidental littering of single use packaging and preventing the creation of microplastics.



Consumer experiencing the environmentally friendly KeelClip™

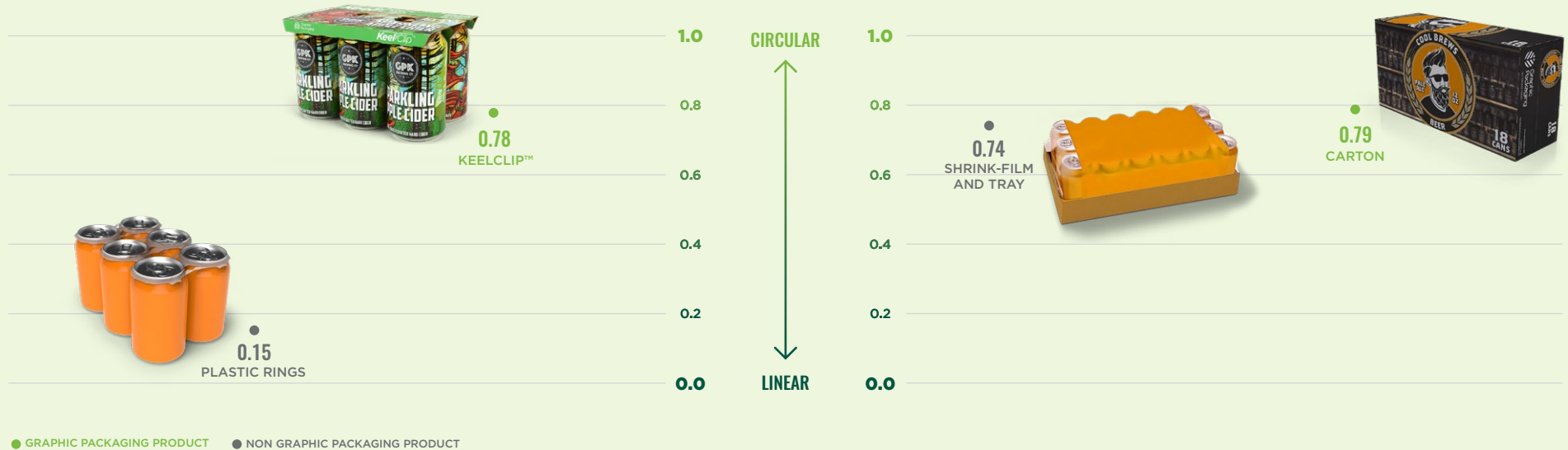
Assessing the Environmental Impact and Circularity of Our Products

A Life Cycle Assessment (LCA) is a valuable analysis that we use to understand the critical environmental impact areas of our packaging products. In order to drive our sustainability innovation forward and increase the circularity of our products, we periodically conduct peer reviewed LCAs. While an LCA provides a view of several impact areas, we find that the Global Warming Potential is of most interest. We recently updated our LCA of several beverage packaging products to gauge our progress toward reducing greenhouse gases and to allow us to compare several beverage packaging products. [The LCA study](#) compared the environmental impact of Graphic Packaging’s paperboard 18 Pack carton and the new paperboard 6 Pack KeelClip™ product against two competing designs: the 18-pack with shrink film and corrugated tray, and the 6-pack with plastic rings in both the U.S. and European markets.

There were two primary results of the LCA study. First, our progress in reducing greenhouse gases in our operations and working with customers, industry associations, and communities to increase recycling of paperboard packaging is generating positive

impacts on the Global Warming Potential. Since 2014, the last year we conducted an LCA, the Global Warming Potential has decreased by nearly 30 percent for an 18-pack carton. Second, if beverage manufacturers were to switch from the shrink film and tray or plastic rings to a paperboard beverage package or KeelClip, they would be able to reduce the potential environmental impacts of their beverage products.

The LCA study, managed by Sphera, was conducted according to the requirements of ISO 14044 (ISO, 2006) and underwent independent critical review by a panel of three independent experts. Drawing from the LCA study we extrapolated the Material Circularity Indicator (MCI) of the aforementioned beverage products/packages and present the results in the graphic below. The MCI methodology developed by the [Ellen MacArthur Foundation](#) provides insight on to what extent different packages are a fit for the circular economy. MCI scores range from 0.1, a linear package, to 1 a perfect circular package. Paperboard packaging is naturally a circular material due to the materials restorative and regenerative characteristics. Thus the MCI of KeelClip and the paperboard carton score more favorably over a plastic alternative. The LCA results and MCI score are incorporated in our DfE philosophy and are invaluable in supporting our goal to move our packaging products along the Sustainability Continuum.



Recent Product Innovations

KeelClip™

KeelClip™ is a paperboard packaging solution for cans that offers sustainability advantages and merchandising benefits compared to other packaging options. Replacing standard plastic rings, films, and other alternatives, the paperboard KeelClip works on a wide range of can styles and sizes, and in multiple product configurations. AB InBev, the world's largest brewer and an innovator in the category, was one of the first to commercialize KeelClip. Budweiser Brewing Group UK&I, part of AB InBev, has introduced brands in the UK market such as Bud Light, packaged with the new KeelClip. With the introduction of both KeelClip and other solutions including paperboard wraps, they estimate a reduction of 850 tons of plastic annually from this change.



Cap-It™

Cap-It™ is our multipack solution for polyethylene terephthalate (PET) bottle packs. As beverage companies work to increase the use of recycled PET, they also seek a more sustainable multipack option. Cap-It emphasizes the primary container and is most commonly used for four to eight count bottlepacks. The machine and carton have been designed to create an economical paperboard multi-pack for a full range of PET bottles.

The unique design provides on-the-shelf differentiation from other multi-packs, by combining both a beautifully printed paperboard billboard with a portion of the bottles still being visible. Our Cap-It design is currently in use with Wilkinson sparkling water in Japan with potential growth around the globe as the push for more sustainable and circular solutions increases.



Z-Flute™ Technology

Our laminated folding cartons are engineered through our **Z-Flute™ process** which involves strategic lamination of paperboard strips to the inside of a folding carton, resulting in performance and integrity similar to a corrugated box.

We partnered with Yuengling in 2019 to develop Z-Flute bottle packs. The strategic lamination of lightweight, uncoated liner material reinforces handle strength while preserving the existing die cut opening feature. The use of Z-flute provides strength just where it is necessary. When compared to a corrugated box, Z-flute uses much less material while providing the performance needed to protect the bottles inside.



IntegraFlex™

IntegraFlex™ incorporates the best features of both a folding carton and flexible package in a cost effective and efficient solution. The knocked down flat configuration creates improved portability versus a rigid round cup, creating an ideal on-the-go experience for consumers. IntegraFlex allows the consumer to enjoy food from a carton/bag, pouch, or wrapper that's quick to prep and easy to fill.

We partnered with The GFB to create their high-protein gluten-free oatmeal in the IntegraFlex Collapsible Cup. The GFB wanted to avoid the traditional plastic cup, label, and lidding film with their new product. Through leveraging IntegraFlex, they were able to eliminate plastic through the combination of paperboard and paper elements, with a functional package that is easily recyclable. The knocked down flat configuration creates improved portability versus a rigid round cup, creating an ideal on the go experience for consumers.



PaperSeal™

PaperSeal™ is a new line of food trays made from renewable fiber that is as durable as plastic. The new PaperSeal tray solution utilizes 80 to 90 percent paperboard and 10 to 20 percent film, depending on tray dimensions. It delivers significant line efficiencies for high-volume packaging, and can be stacked flat for improved logistics and reduced carbon emissions in the supply chain. Available in both modified atmosphere packaging (MAP) and vacuum skin packaging (VSP), PaperSeal is ideal for fresh and processed meats, cheese, fresh and prepared salads, and other snacks and prepared foods. A significant environmental feature is the ability for consumers to easily remove the plastic film from the paperboard when recycling. The tray is placed in the recycling bin and the plastic can be recycled, in the few communities that accept the plastic material. When compared to plastic trays, which are typically not accepted for recycling, most of the PaperSeal package is widely accepted for recycling.



No compromise on product protection, PaperSeal™ is sustainable and recyclable.

Insulated Hot Cups — Hold&Go™

Hold&Go™ insulated hot cups use a Thermashield™ technology that delivers excellent insulating performance, keeping beverages warm while hands stay cool. This double wrapped cup eliminates the need for double-cupping or the use of a hot beverage sleeve.





Plastic/Foam Cups Conversion to Paper Cups

In 2019, we reached an inflection point with our foodservice partners as we successfully transitioned half a billion cups from foam or plastic into paper cups. Our partners are responding to consumer and other stakeholder interest for a more sustainable cup. The renewable aspects of a paper cup meet part of that criteria. Additionally, with the emerging growth of paper cup acceptance at recycled paper mills we are making progress in addressing the recyclability in mill capabilities and with advanced coatings.

In the coffee space, there continues to be a shift from polystyrene foam cups to paper and that momentum has carried into 2020. Switching material types can be a large endeavor for operators but many recognize the value it brings. Paper packaging can help companies meet their sustainability goals while addressing consumer expectations.



Insulated Hot Cups
- Hold&Go™ PCF

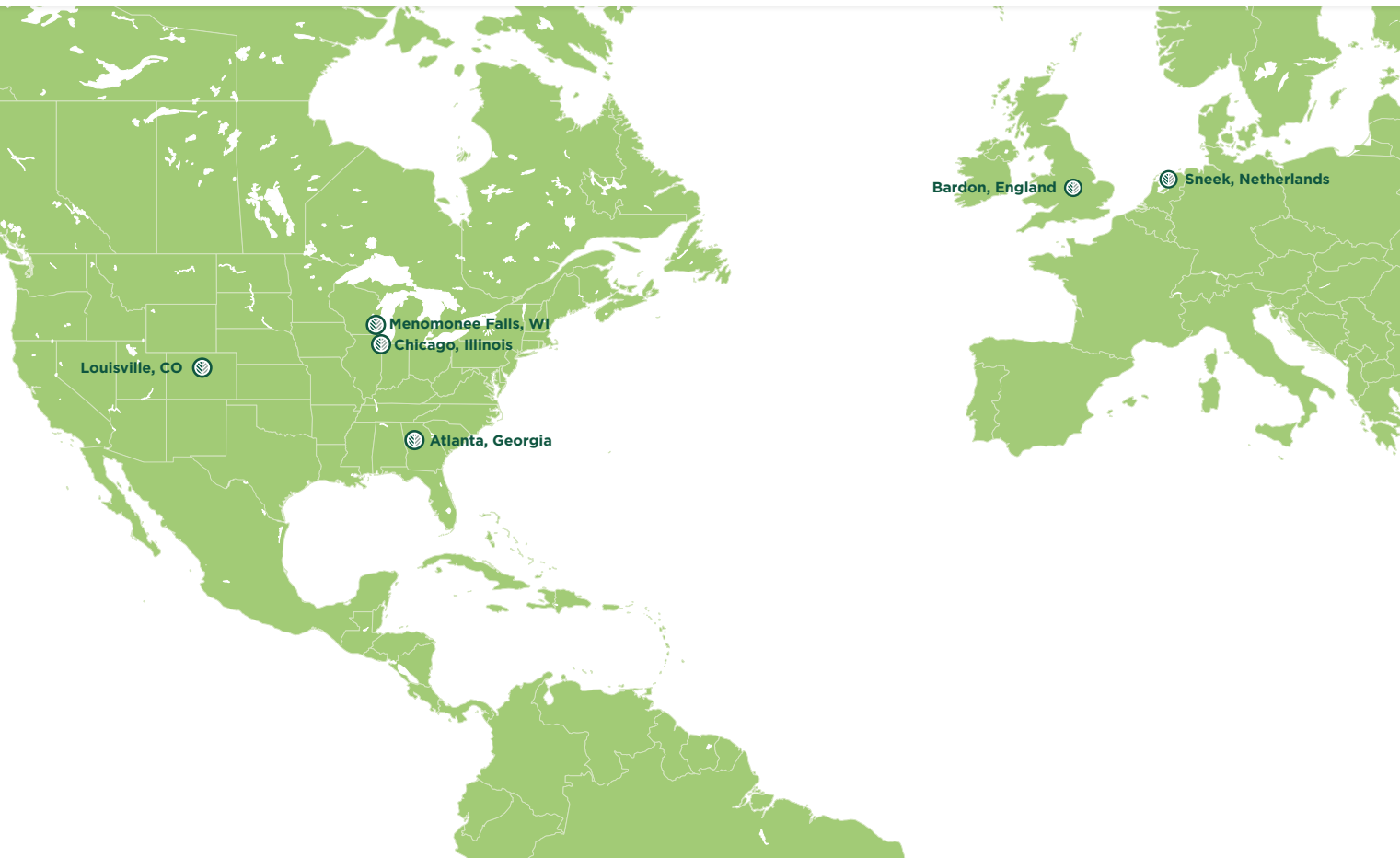
Post-Consumer Fiber
(PCF) Hot Cups

ecotainer™ Hot Cups

Global Innovation Centers that are connected to create breakthrough sustainable packaging solutions

At Graphic Packaging, we have a long history of bringing innovative solutions to our customers and our industry, and new ideas continue to drive our business today. We have six global innovation centers dedicated to facilitating our innovation and design process. They are strategically located in Atlanta, Georgia; Chicago, Illinois; Louisville, CO; Menomonee Falls, WI; Sneek, Netherlands; and Bardon and Bristol, England. This is where creative thinking becomes an inspired design that showcases products and accelerates brand performance.

Each innovation center unites a wealth of packaging know-how with a world of fresh design ideas, leading technologies, and new materials. With packaging samples from around the world and state-of-the-art collaboration tools, our facilities work seamlessly with design, machinery, and manufacturing to ensure new designs are feasible in the marketplace.



“After 40 years with the company, I am energized by the commitment to sustainability and social issues that are expressed by the Graphic Packaging team. The spirit of making a difference and providing responsible packaging solutions to our customers is inspiring.”

– Raymond Spivey, Senior Inventor/Carton Design Specialist



OUR SUSTAINABILITY STRATEGY

“Our vision is to make a world of difference, and we achieve that by meeting our sustainability goals and by providing innovative, circular packaging solutions to our customers.”

– **Roxanne McSpadden**, Director, Marketing & Beverage New Product Development



At Graphic Packaging, sustainability is not an isolated program or initiative, but rather a core business imperative. Our sustainability journey has been thoughtful and intentional as we have divested materials that were not renewable and recyclable and focused on paperboard packaging products. We are executing a sustainability strategy that is fully connected and integral to how we operate our business and thrive as a company. As a paperboard packaging company focused on developing the best renewable and recyclable products for our consumers, customers, and the planet, sustainability is in our DNA. Our ingrained sustainability mindset and approach to how we run our business amplifies our positive impact and our profitability as a company.

As a vertically integrated company, we incorporate a sustainability mindset into all steps of the manufacturing process, from the forest to the paperboard mill to the folding carton manufacturing plants, and at the end of use with the consumer. Our vertical innovation strategy allows us to develop unique solutions that consider each step of the process and how they interact. This sets us apart and allows for breakthrough innovative solutions. At Graphic Packaging, our sustainability strategy outlines how we innovate for a healthier planet, support and develop our people, champion our partners, and operate responsibly.

VISION 2025

We intend to redefine leadership in the paperboard packaging industry with our Vision 2025. Our vision outlines how we will be better stewards of our planet, supporters of our people, allies to our partners, all while generating returns for our shareholders. Vision 2025, which guides our 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

We strive to leverage and build upon our industry-leading sustainability profile to reduce our environmental impact. Our packaging solutions are made primarily from renewable wood fiber, and today most of our paperboard packaging and food service products can be recycled. We are committed to continuous improvement to benefit the communities in which we live and work, and our Vision 2025, challenges our team to achieve significant improvements across our global operations. In the next few years, we intend to reduce greenhouse gas emissions, non-renewable energy usage, mill water effluents and the use of low-density polyethylene. In addition, we have established a 100 percent recyclability goal to be reached in the next few years.



PEOPLE

Our employees are our greatest asset and play a significant role in achieving our vision. It is a strategic priority to engage and support our employees while fostering a high-performance culture. Our talent acquisition, succession, development, and diversity and inclusion strategies are all critical components of the multi-year plan we have for our people. We will continue to invest in capability development areas that serve as a competitive advantage for Graphic Packaging, and continuously improve processes and technology to promote safety and achieve greater efficiencies. The practices being deployed and services provided to employees will drive our culture of growth for employees, their talent progression, and the business.



PARTNERS

We pride ourselves on partnering with the best customers with innovative solutions to support growth and increase end-use consumer safety. At the same time, we are helping customers achieve their own sustainability goals through conversion to paperboard based packaging and operational improvements we are making to limit environmental impact. We continue to expand our leadership positions in both North America and Europe, and we are focused on being the highest quality, integrated supplier of paperboard packaging solutions. Our customers are long-term partners. We work closely together and continuously find opportunities to develop innovative, sustainable solutions to refresh our pipeline and strengthen these partnerships.



PROFIT

Aided by sustainability-supported organic growth and our integrated approach to the marketplace, we are uniquely positioned to generate improving returns for stakeholders. Our pivot to organic growth coupled with targeted acquisitions, and a long track record of productivity-based margin improvement, position Graphic Packaging to achieve continued expansion and profit growth. Our vertically integrated model and push to increase integration rates further yields several benefits. It streamlines the business and provides efficiencies. It enables margin expansion and strengthens our competitive position. We have significant operating leverage to drive achievement of our profitability goals established in our Vision 2025.

STAKEHOLDER ENGAGEMENT & RISK ASSESSMENT

Our sustainability vision and strategies are reviewed with customers, and federal, state, and community representatives, government agencies, investors, and employees. These groups provide input on goals, strategies, and how we can continue to improve. Ongoing dialogue and transparency establishes trust, strengthens relationships, and helps us prioritize areas in which we have the greatest impact and are most important to our stakeholders. As we continuously strive to improve our sustainability performance and best meet the needs of our stakeholders, we plan to conduct a materiality assessment and present the findings in our 2021 ESG Report.



Facilitated VOC sessions provide valuable insight and ensure that Graphic Packaging is aligned with customers expectations.

In addition to the below outlined engagement tactics, in 2019, Graphic Packaging conducted a Voice of Customer (VOC) assessment. VOC assessments include ESG topics, specifically Environmental Sustainability, and are conducted by business units or regions to ensure that the survey is relevant to that particular customer segment. As an example, we conducted a VOC for our beverage segment in the U.S. and Europe. Although each region has similarities, there are differences in consumer and other stakeholder expectations. Surveys were facilitated by a third party, and key findings included:

- Our program is overwhelmingly viewed favorably, and we are considered a solid partner that can assist our customers in sustainability matters.
- Customers want to understand the future of packaging beyond the next five years as it relates to sustainability.
- Customers understand innovation may be incremental for some sustainability challenges in packaging. Graphic Packaging and our customers agree that we need to engage in a thoughtful way with a high sense of urgency in regard to sustainability.

ENGAGEMENT TACTICS

STAKEHOLDER GROUP	WHO THEY ARE	HOW WE ENGAGE
Customers	Customers represent one of our largest stakeholder groups, and we embrace an ongoing dialogue related to our sustainability and responsibility program. Our customers vary in size, with regional and global breadth, and provide valuable insight on consumer expectations.	Customer engagement is critical to inform us on consumer expectations and how our customers are working to meet those expectations. With many customers, we conduct presentations to review and update our sustainability and responsibility program. Many of our customers tour our forest wood basket, where we share progress in sustainably managing forest resources, and our process to improve our wood and wood-fiber management program. We participate in many customer surveys to provide details on our progress. We gain valuable insights into important environmental design criteria through innovation partnerships where we jointly develop packaging solutions
Community, State, and Federal	Our representatives and government agencies are critical stakeholders. We play an active role educating and advocating for paper-based products.	Along with communicating our sustainability and responsibility programs, we share the impacts of legislation and regulation on operations and their ability to execute these programs. Engagements with these groups include one-on-one meetings, facility tours, and town hall meetings.
Investors	Investors provide feedback on our vision and strategy, as well as our innovation successes and impact from a climate perspective. They bring a unique perspective with a broad-based view of other like-minded companies. We also receive perspective on our disclosures and transparency.	The CEO, CFO, and Vice President of Investor Relations at Graphic Packaging maintain an open dialogue with our stockholders and prospective stockholders. We communicate with our stockholders through four scheduled earnings calls per year, including a Q&A session. We also proactively schedule meetings with existing and prospective stockholders in their offices, host field trips to our mills and converting plants, and host small groups at our headquarters in Atlanta. We periodically engage with stockholders on specific areas of interest including sustainability and innovation. Our Board of Directors is routinely updated on our past and expected stockholder interactions.
Suppliers	Suppliers are critical stakeholders for Graphic Packaging. Early in our sustainability journey, we would meet with our core suppliers to discuss strategy to reduce our environmental profile and improve environmental metrics of our products. As our program has matured, we now concentrate on innovations that improve our products. Key areas of focus include inks, adhesives, and barrier materials where we consider renewable materials and positive end-of-life outcomes.	We have a team approach with suppliers regarding innovation. Developing the next generation of inks, adhesives, and barrier coatings that meet high expectations for sustainability requires subject matter expertise in chemistry, renewable materials, processing, and recyclability, as well as understanding biodegradability and composting.
Employees	Our employees are an essential stakeholder group, integral to achieving our goals. They help us to understand and appreciate how our operations and products impact the communities in which we operate. Potential employees also provide a unique perspective. In many cases, they validate our program as shown by their eagerness to explore employment opportunities with a company whose belief system aligns with theirs.	Sustainability and responsibility are included in our CEO’s quarterly business update, which is videotaped and made available to all employees. Employees who attend the filming of this town hall-style presentation provide questions and comments, resulting in more in-depth discussions on a variety of topics. Each spring, our employees conduct presentations to school classes through our Trees Into Cartons — Cartons Into Trees (TICCIT) an educational program developed by the Paperboard Packaging Council. These presentations about recycling are an opportunity for our employees to not only educate the children in our communities, but also to respond to their questions that are being asked. The feedback and questions from children provide valuable insight from an enlightened group of stakeholders.

Addressing Climate Change Risks

In 2019, we recognized that a formal review of our Climate Change awareness and readiness would be an informative and essential part of adapting our strategic plan. At the beginning of 2020, we engaged with KPMG to complete a Climate Change Enterprise Risk Assessment (CCERA). Over 36 of our key leaders globally were interviewed and provided insight to the report. We were pleased to find that projects, action plans, and countermeasures were in place and being executed to address risks and opportunities. The assessment helped us prioritize our efforts, and in most cases, confirmed that we are engaging in the most important strategies.

Key findings included:

- **Reputational Risk** — Graphic Packaging has made public disclosures to several platforms and in Sustainability and Corporate Responsibility Reports that provide detailed information about our ESG program, including environmental, diversity and inclusion, safety, community engagement, forestry, and other initiatives. Stakeholder feedback informed us that expectations on disclosures are rapidly increasing and Graphic Packaging is encouraged to provide more transparency and present our data in an easily accessible manner. We understood the implications, and our 2019 ESG report is an important step in meeting stakeholders' expectations. In addition, we expect further progress on ESG matters in our day-to-day operations. While we continue to improve sustainability in our operations and enhance our transparency and communications platform, we must continue to stretch ourselves to achieve higher results in critical ESG matters.
- **Plastic to Paperboard Conversion Opportunities** — Graphic Packaging has been responding rapidly to a marketplace shift from plastic packaging to paperboard. Our response and targeted impacts are detailed in our Vision 2025. The CCERA confirmed the strategic importance of placing a high priority on this initiative.
- **Risks to Our Single Use Packaging (SUP) in Our Foodservice Packaging Portfolio** — We reconfirmed concerns for our Foodservice business about potential regulatory or legislative action at community, state and federal levels impacting SUP. Since the assessment was conducted in 2020, we also included the potential impacts of COVID-19. According to the Foodservice Packaging Institute, 44 states had activity on potential legislative or regulatory actions in 2019. The actions ranged from bans of SUP in favor of reusables, to fees or requirements that the SUP is recyclable or compostable. While we have seen a significant reduction in these actions as a result of the pandemic, we will continue to keep the risk and mitigation solutions on our radar. Through the CCERA, we confirmed that we must continue to innovate to provide advanced solutions that will address recycling and composting expectations for SUP, and that reusables are a sub-optimal solution. Further European single use and other packaging directives have an impact on Graphic Packaging in that region and also influence the U.S.

Material Issues Identified

Through our stakeholder engagement and risk assessment we have identified the following list of issues as material to our business:

Environmental

- [Emissions](#)
- [Energy](#)
- [Forest and Wood Fiber Certification](#)
- [Water Conservation](#)
- [Waste, Recovery, and Circularity](#)

Social

- [Community Engagement](#)
- [Diversity and Inclusion](#)
- [Employee Health and Safety](#)
- [Learning and Development](#)

Governance

- [Corporate Governance](#)
- [Ethics and Compliance](#)
- [Supply Chain Management](#)

ENVIRONMENTAL



“Our mill portfolio is core to our business and central to how we minimize our environmental impact. Graphic Packaging pushes the boundary in what is possible to continuously reduce the carbon footprint of the mills.”

– **Leslie Daniel**, Vice President Finance — Mills



OUR APPROACH

As one of the largest manufacturers of paperboard and paper-based packaging for some of the world's most recognized brands, Graphic Packaging understands the importance of protecting the environment. It is vital for our business, the communities we serve, and future generations.

By sustainably managing our forest resources, reducing our environmental profile, increasing our production efficiencies, and working with our customers, communities, suppliers, and other partners to increase recycling rates, we can continue to reduce the environmental impact of paperboard packaging. This will help make paperboard products a low carbon and circular package of choice.

As we strive to leverage and build upon our leading sustainability profile to reduce our environmental impact, we tirelessly focus on greenhouse gas emissions reduction, sustainable forestry, waste and recovery, water and effluent management, and increasing the circularity of our packaging by improving the recyclability and recovery rates of paperboard products.

In 2019, we recognized that a formal review of our climate change awareness and readiness would be an informative and essential part of adapting our strategic plan. In early 2020, we engaged with KPMG to complete a Climate Change Enterprise Risk Assessment (CCERA). Key conclusions have been discussed earlier in this report.

KEY ISSUES



Emissions



Energy



Forest and Wood Fiber Certification



Water Conservation



Waste, Recovery, and Circularity

2019 ENVIRONMENTAL HIGHLIGHTS

- Conducted **CCERA, GHG Inventory Management Plan, and GHG limited assurances.**
- Converted **half a billion units** of foam and plastic cups to paper.
- **Achieved significant SBS mill transformation milestone**, with both mills completing major upgrades to improve reliability and performance.
- Announced **\$600 million investment** in new CRB machine that will result in drastic environmental profile improvements.
- Continued our **\$115 million** curtain coater investment, the state-of-the-art curtain coaters will result in significant environmental profile improvements.
- **Completed Phase 1** of the Augusta Mill project 5R, a \$54 million project that will help the Savannah River basin increase oxygen levels.
- **100%** of carton manufacturing plants engaged in a waste diversion program well ahead of our Sustainability 2025 Vision Goal.
- **100%** of paperboard mills and carton manufacturing facilities were compliant with a forest/wood fiber certification standard.

Investments Making a Difference

Graphic Packaging's annual capital expenditures are part of a capital allocation strategy that ensures that we put money back into our manufacturing system. Our strategy to reduce emissions focuses on three main initiatives, production efficiency, manufacturing footprint optimization and energy reduction projects.

Kalamazoo Mill New CRB Machine (\$600M)

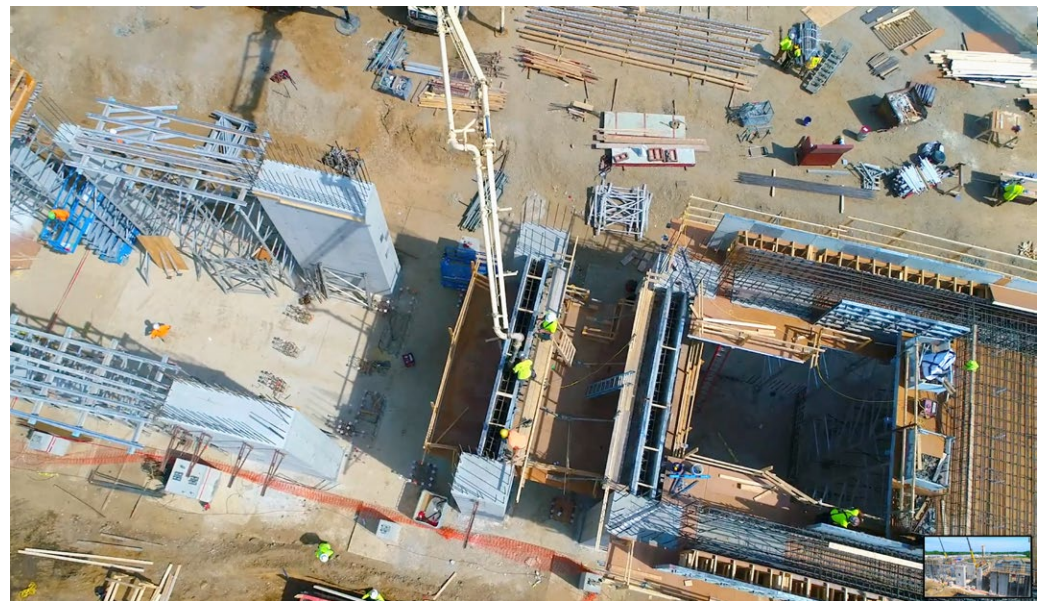
In 2019, we **announced** a transformational \$600 million investment in our Kalamazoo, Michigan paperboard mill that will result in cost and quality advantages for years to come. The new world-class CRB machine is expected to reduce greenhouse gases by 16 to 20 percent, purchased fossil fuel energy by 18 percent, and water effluent by 33 percent in our CRB platform. We expect the investment will be capacity-neutral by eliminating higher cost production at other facilities and will deliver an incremental \$100 million in annualized EBITDA once fully ramped up in 2022.

SBS Mill Capital Investments in 2018 and 2019 Improve Reliability and Performance (\$200M)

Our strategic decisions are made with a long-term view, and in 2018 and 2019 some operational actions had short-term adverse impacts on our environmental goals. Significant capital investments were required to improve these SBS mill's reliability and performance. One investment improved the boiler efficiency and reliability and required an extended shutdown to upgrade the recovery boilers in each SBS mill. As with any mill outage, this shutdown increased our fossil fuel-based energy consumption. These environmental effects were anticipated. In fact, we continued to reduce our environmental metrics at our CRB and CUK mills and fully expect that our capital investments over the next few years will result in continual improvement, and we will achieve or exceed our Sustainability Vision 2025 goals.

Curtain Coaters (\$115M)

The investment in curtain coaters is a multi-year program to upgrade curtain coaters in our CRB and CUK mills which will improve the print surface while reducing coating weight. The curtain coaters will also reduce energy and have an overall greenhouse gas reduction of up to 5 percent.



Top: View of the construction area of the building where the new paper machine will be located. The city of Kalamazoo, Michigan is in the background.

Bottom: Top-down view of the building construction.

EMISSIONS

Graphic Packaging’s Sustainability Vision 2025 has a goal of reducing greenhouse gas emissions intensity of tons of CO₂e to revenue by 15 percent. Absolute Scope 1 and 2 emissions are anticipated to decrease to achieve that goal. Our strategy to reduce emissions focuses on three main initiatives: production efficiency, manufacturing footprint optimization, and energy reduction projects. A significant portion of Graphic Packaging’s roughly \$325 million in annual capital expenditures is dedicated to executing these three initiatives, and will help us reach our goal.

As a leading manufacturer of virgin and recycled paperboard and folding cartons, a significant amount of energy is utilized in our mills, so the mill platform generates virtually all of our emissions. Central to our strategy to reduce emissions is the use of renewable biomass energy in our virgin mills. This renewable energy source represents over 67 percent of our annual global energy. Our virgin mills also self-generate steam and power that is required in manufacturing processes using combined heat and power (CHP) or cogeneration systems. These thermodynamically efficient systems generate electricity and thermal energy.

2019 Emissions Highlights

- Goal 15% reduction in GHG/revenue — **0% reduction** in global GHG emissions. The result was primarily due to extended downtime and reliability at our two SBS mills.
- Announced **\$600 million transformational investment** in new CRB machine. The project will result in a 4% reduction in annual global GHG emissions.
- Continued our **\$115 million** curtain coater investment, the state-of-the-art curtain coaters will result in significant environmental profile improvements.
- **Completed recovery boilers upgrades** in our SBS mills to increase reliability.

Emissions Tracking

Graphic Packaging tracks Direct (Scope 1), Indirect (Scope 2), and Other Indirect (Scope 3) GHG emissions annually. Indirect (Scope 2) emissions can be calculated using a location-based or market-based approach. In the first phase of our sustainability journey, we reported location-based emissions. These emissions are presented in the years 2008 to 2016 and reflect our focus on addressing internal

GHG EMISSIONS	UNIT	2016*	2017*	2018	2019
GHG Scope 1	Metric Tonnes	1,257,469	1,239,304	1,350,965	1,318,747
GHG Scope 2 (Market-Based)	Metric Tonnes	793,037	766,230	747,794	824,155
Y-o-Y Change in (Scope 1 + 2) GHG	Percent	-	-2.2%	4.6%	2.1%
GHG Scope 3**	Metric Tonnes	-	-	1,661,916	1,987,798
GHG (Scope 1 + 2) Intensity	Metric Tonnes CO ₂ e/\$1,000 sales	0.35	0.34	0.35	0.35

¹ Source: [Graphic Packaging CDP Climate Response](#) and [ESG historical data](#)

² GHG emission was reset for years '16, '17 and '18 — change was less than +/- 5% and not material.

³ [GHG verification statement](#)

* 2016 and 2017 includes data for SBS mills and foodservice plants when owned and operated by International Paper.

** Graphic Packaging has estimated Scope 3 emissions, using the GHG Protocol Quantis Scope 3 Evaluator Tool, for the following categories: Purchased Goods & Services, Capital Goods, Fuel-and Energy-related activities, Upstream transportation & distribution, Waste generated in operations, Business travel, Employee commuting, Downstream transportation & distribution, End of life treatment of sold products, Downstream leased assets.

emission sources. Following guidance from the [GHG Protocol](#), in 2016 Graphic Packaging switched to reporting market-based emissions. We used this approach in our normalized calculations in the second phase of our sustainability journey. Graphic Packaging has been calculating Other Indirect (Scope 3) emissions since 2018.

In preparing our CDP reporting in early 2020, we developed a Greenhouse Gases Inventory Management Plan in partnership with KPMG and our internal audit team. During that process, we identified discrepancies in data collection that resulted in restating our GHG by less than five percent in a couple of years. This report reflects the updated and verified GHG totals.

Our internal audit team will continue to participate in collecting our ESG data, providing a level of oversight in the process.

CHANGE IN EMISSIONS FROM ACQUISITION OF SBS MILLS

Emissions data presented for the years 2016 to 2019 represent the company after the combination of the International Paper Consumer Packaging Division and Graphic Packaging, which was completed on January 1, 2018. The emissions data from International Paper data was merged with existing data from Graphic Packaging.

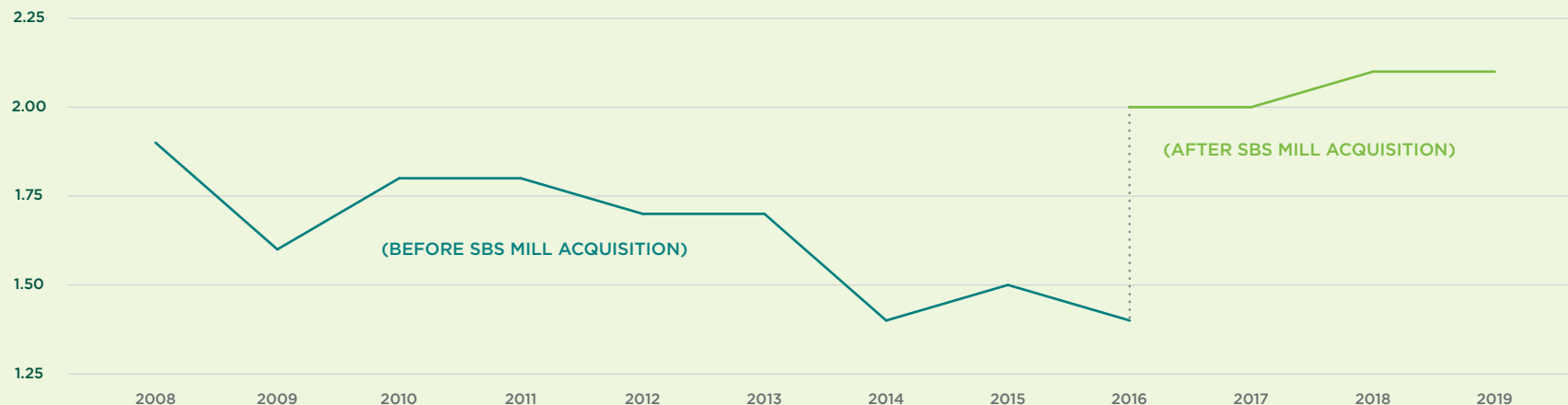
As stated in our [2018 Sustainability Update](#), we anticipated that the 2018 and 2019 GHG emissions for our consolidated operations would be higher than the base year due primarily to planned extended mill downtime at the two SBS mills. Downtime was necessary to perform upgrades to the recovery boilers and address reliability matters. The capital invested supports our GHG reduction goals for these mills and we expect to see significant improvements in future years. During a mill outage, paperboard production is suspended and as a result, renewable fuel is not generated. GHG emissions increased for the consolidated operations as certain mill

machinery and operations continued while mill production was down. The recovery boilers have now been upgraded and major reliability issues resolved. With these upgrades behind us, we expect to see progress specific to the SBS mills.

Graphic Packaging has made tremendous progress in reducing our environmental impact and understanding the environmental profile of the company. In the spirit of full transparency, we deemed it appropriate to discuss our GHG profile. The GHG emissions of the SBS and CUK mills separately represent a significant portion of our GHG emissions, and our investments and operational practices at these mills are critical to achieving our GHG goals. Both of our SBS mills have seen an increase in GHG both in absolute and intensity (GHG tons per saleable ton) of 5 percent. In contrast, our legacy CUK mills have seen a reduction in GHG in both absolute and intensity by 0.28 percent and 9.4 percent, respectively. All mills experienced year-over-year (2018 to 2019) positive trends in GHG reductions. In the chart below we present our yearly absolute GHG emissions.

Graphic Packaging Global Scope 1 & 2 GHG Emissions (Absolute)

METRIC TONNES CO₂E



A review of our historic Absolute Scope 1 and 2 GHG emissions can provide further insight on the results that Graphic Packaging generates in operating the mills the “GPI Way”. In the two graphs we provide a comparison of the yearly changes in Absolute scope 1 and 2 GHG emissions. GHG emissions decreased by 27 percent over the period of 2008 through 2016. The SBS mills were added to our manufacturing platform in 2018 and we back cast the GHG to 2016 which is the base year for our 2025 Sustainability Vision. The SBS mills have had an impact on our GHG profile and with approximately \$100M in capital investment in 2018 and 2019 respectively and integrating these mills into a culture of continuous improvement and high levels of reliability we are confident that our GHG profile will once again trend down. In fact, as of the date of developing this report (3rd quarter 2020) the investments and integration of the SBS mills to the GPI Way of operating a mill are generating the GHG reduction expectations to which we have become accustomed.

CONTINUED STRATEGIC INVESTMENTS AND LOOKING AHEAD

In 2015, we began a significant mill project to install new state-of-the-art curtain coaters on our five major paperboard machines. These coaters apply clay to the outside of the paperboard. New curtain coaters have been installed at our Kalamazoo, Michigan, and Macon, Georgia. Moving forward, two will be installed on the paperboard machines at our West Monroe, Louisiana mill. These upgrades provide structural cost improvements and result in a lower coating application (TiO₂ and latex), which enables shorter drying times and a material reduction in energy usage. We estimate that the curtain coaters will reduce our total global GHG emissions by 4 percent. With the continued significant investments in our mill platform, we are confident in achieving our Vision 2025.

Paper Mill At Macon, GA





Significantly Reducing our Environmental Impact Through Our \$600 Million Investment

In 2019, we announced plans to construct a new CRB machine at our Kalamazoo, Michigan mill. The new machine, dubbed “K2,” is expected to yield approximately 500,000 tons of CRB per year. This investment will enable Graphic Packaging to be the largest and lowest cost producer of CRB in North America.

The project consolidates two recycled paperboard machines into one state-of-the-art machine. K2 will optimize our operations and reduce our global GHG emissions. Specifically within our CRB operations, which account for 25 percent of our paperboard production, the K2 will reduce water usage by 1 percent, cut GHG emissions by 4 percent, and decrease the amount of purchased energy by 4 percent annually on a global basis. The paperboard machine consolidations will improve our broader CRB platform by reducing GHG by 16 to 20 percent, purchased electricity by 18 percent, and water usage by 33 percent. Additionally, the new investment is expected to help avoid 2.2M tons of CO₂e. Not only will the new CRB platform reduce our overall environmental impact, it is expected to cut our fixed and variable costs by \$100 million annually combined annually once we are at full run rate.

Source: Paper Recycling Coalition peer reviewed LCA concluding 3.17 tons CO₂e avoided for every ton of paper diverted from landfill and recycled.

ENERGY

Graphic Packaging’s supply chain team works with our manufacturing facilities to manage energy and fuel costs. The Center for Excellence is a team of energy experts that consults with our mills to identify and implement energy efficiency opportunities. These two groups, in collaboration with the manufacturing facilities, engage to optimize the costs and efficiency of electricity, natural gas, biomass, and other fuel sources. Further, they prioritize fuel reliability and energy efficiency by utilizing a sophisticated energy system management tool across our mill system. Central to our energy management approach is minimizing environmental impacts. Our virgin mills generate most of their own steam and electricity by using combined heat and power systems fueled predominantly by renewable biomass.

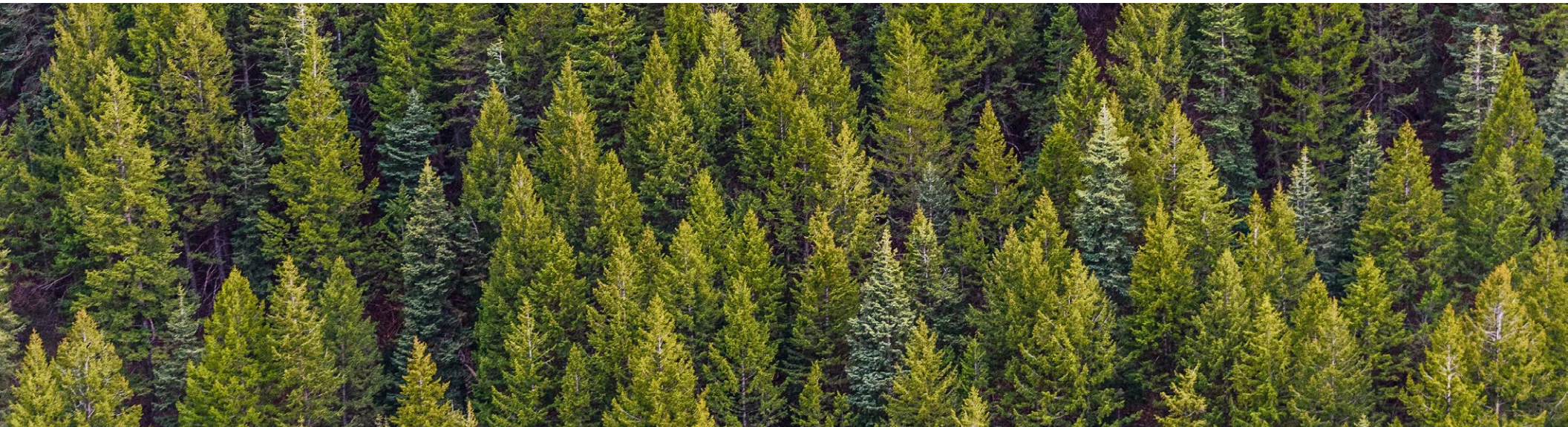
2019 Energy Highlights

- Goal 15% reduction in MMBTU/\$ Sales. **0.1% reduction** in nonrenewable energy use in 2019.
- Renewable energy represents **67%** of our global energy usage.
- Absolute non-renewable energy **reduced 1%** from 2018 to 2019.

Graphic Packaging Global Energy Profile



As of December 31, 2019



FOREST AND WOOD FIBER CERTIFICATION

Graphic Packaging is committed to the goals of [Sustainable Forestry](#) and promoting responsible resource management and use. [Our policy](#) is to implement and achieve the Principles of Sustainable Forestry including environmentally, socially, and economically sustainable practices to meet the needs of the present without compromising the ability of future generations to meet their needs. This policy is accomplished by practicing and promoting a resource and conservation stewardship ethic.

Beginning in 2010, we initiated the industry's most ambitious wood management and wood-fiber sourcing program — the Tri-Certification Chain of Custody (COC). Each year, third party auditors review and compare our procedures and forest/fiber management process to the standards of the Sustainable Forestry Initiative® (SFI), the Forest Stewardship Council® (FSC), and the Program for the Endorsement of Forest Certification Schemes™ (PEFC), and audit our kraft virgin wood-fiber management processes to ensure compliance with their standards. Our COC program assures we can trace wood-fiber through our manufacturing process.

2019 Forest and Wood Fiber Highlights

- Goal 100% of facilities globally are compliant with Forest/Fiber Certification – **achieved**.
- **100%** of CUK and SBS paperboard and paperboard cartons met the SFI sourcing standards — North America.
- **100%** of CRB paperboard and paperboard cartons met the Recycled Paperboard Alliance (RPA-100%) paperboard certification standards — North America.
- **27%** of 2019 wood fiber sourced for our CUK and SBS was certified to one of the forest certification standards. The remaining wood was sourced from **sustainably managed forests**.
- **100%** of our North American CRB paperboard met a Chain of Custody and certification standard.
- Graphic Packaging became a **member of Forest in Focus** and continues to participate in this important initiative that will provide greater visibility on forest management in our wood basket.



Graphic Packaging supports the Georgia-Alabama Land Trust through annual contributions. The Trust protects approximately 400,000 acres across 1,100 distinct properties utilizing conservation easements, fee acquisitions, and conservation partnership agreements.

Wood Procurement

We are 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 and civil rights, harvested where global conservation priorities are threatened, harvested in natural forests undergoing significant conversion to plantations or non-forest uses, or from forests in which genetically modified trees are planted. We support efforts to eliminate deforestation.

Graphic Packaging purchases wood that is local to our mills in Macon and Augusta, Georgia; Texarkana, Texas; and West Monroe, Louisiana. We do not import wood from outside the U.S. The timber purchased for use within our

certified system is from coniferous species, primarily Loblolly pine (*Pinus taeda*), but also some Shortleaf pine (*Pinus echinata*), Longleaf pine (*Pinus palustris*), and Slash pine (*Pinus elliotti*). We also purchase sustainably managed hardwood that includes poplar, oak, ash and other hardwood species. This timber is legally harvested under law and the state where the timber is harvested. We conduct an assessment of compliance with applicable federal and state law annually as part of our forestry certification program third-party audit. In addition, the region where our timber is harvested, the southeastern U.S. including the states of Georgia, Texas and Louisiana, is classified as a low risk region.

To achieve our goals and support our suppliers, we developed and adopted appropriate programs and procedures to guide our wood and wood-fiber procurement, production of certified products, and associated environmental claims and labels. A hallmark of our support is our landowner and logger outreach program, where we provide and facilitate training on forest management practices. We endorse responsible forestry and require that our wood suppliers and loggers be trained in sustainable forestry practices. We also support SFI-approved logger training and share our forest management and stewardship knowledge with our wood suppliers. In addition to the above standards and approach, Graphic Packaging recognizes and promotes certification to the American Tree Farm System (ATFS) Standard and other internationally recognized certification standards.

In an effort to communicate with stakeholders in a transparent manner, Graphic Packaging voluntarily reports to the CDP (formerly, the Carbon Disclosure Project) on data related to forestry. See our latest scores [here](#).

Biodiversity

Along with our forest certification program, we took further steps to enhance our visibility of our wood basket. In 2019, Graphic Packaging became a member of Forest in Focus, a forest risk assessment and analysis tool. As a member, we will support the beta phase of the tool and further develop it to provide valuable insight on the health of our wood basket for our mills. The tool aggregates and analyzes existing, publicly available, credible data related to forest sustainability. That data is compiled to provide a “meta-view” around key sustainability elements with the ability to telescope into specific measures in detail. With the tool, Graphic Packaging will have a better view of the biodiversity considerations in our wood basket.

WATER CONSERVATION

Water is critical to papermaking and our business. We are committed to reducing our water usage and ensuring that the water we borrow from the environment is responsibly returned. We continue to invest in technologies such as water tanks, advanced strainers for water treatment, and clarifying units to allow us to reuse more of our process water and reduce our draw on water resources. We also implemented a structured water monitoring system to identify additional water conservation opportunities. The following information relates to water utilized by our Mill division, representing approximately 97% of the water they are the primary source of water usage use within Graphic Packaging.

2019 Water Conservation Highlights

- Goal 15% Reduction in (gallons/salable ton). **1.3% reduction** in water effluent in 2019.
- **Completed Phase 1** of the Augusta Mill project 5R. This \$54M capital project will help to increase the oxygen levels in the Savannah river basin.

Water Management Approach

Pulp and paper manufacturing is a water-intensive process. Water is utilized for the paperboard making process and for cooling. We recycle and reuse water within the pulping and paperboard making processes many times before transferring to water treatment processes. Non-contact water is used to cool turbines and other manufacturing processes. Our mills borrow water from local sources for manufacturing, then treat it and return virtually all of the water back to the environment. States issue permits for groundwater and surface water based on extraction volumes, and we are required to measure the volume withdrawn. We report to each state where we operate mills as appropriate.

Effluent Approach

Water withdrawn from local sources by our virgin and recycled paperboard mills is recycled and reused many times before it is treated and returned to the environment. Effluent discharges from our mills are generally subject to limitations and controls imposed by government-issued permits. These permits contain restrictions on the nature and characteristics of our wastewater discharges, including limits for biochemical oxygen demand (BOD), total suspended solids (TSS), and a variety of other parameters. Graphic Packaging deploys monitoring and testing to ensure compliance with permit and regulatory requirements to effluent discharges.

Water Withdrawal by Source

The water we use is sourced from several inputs including surface water, groundwater, and municipal greywater. We are also able to collect water extracted from the wood chips used in the paper making process.

Augusta Mill Water Project — 5R

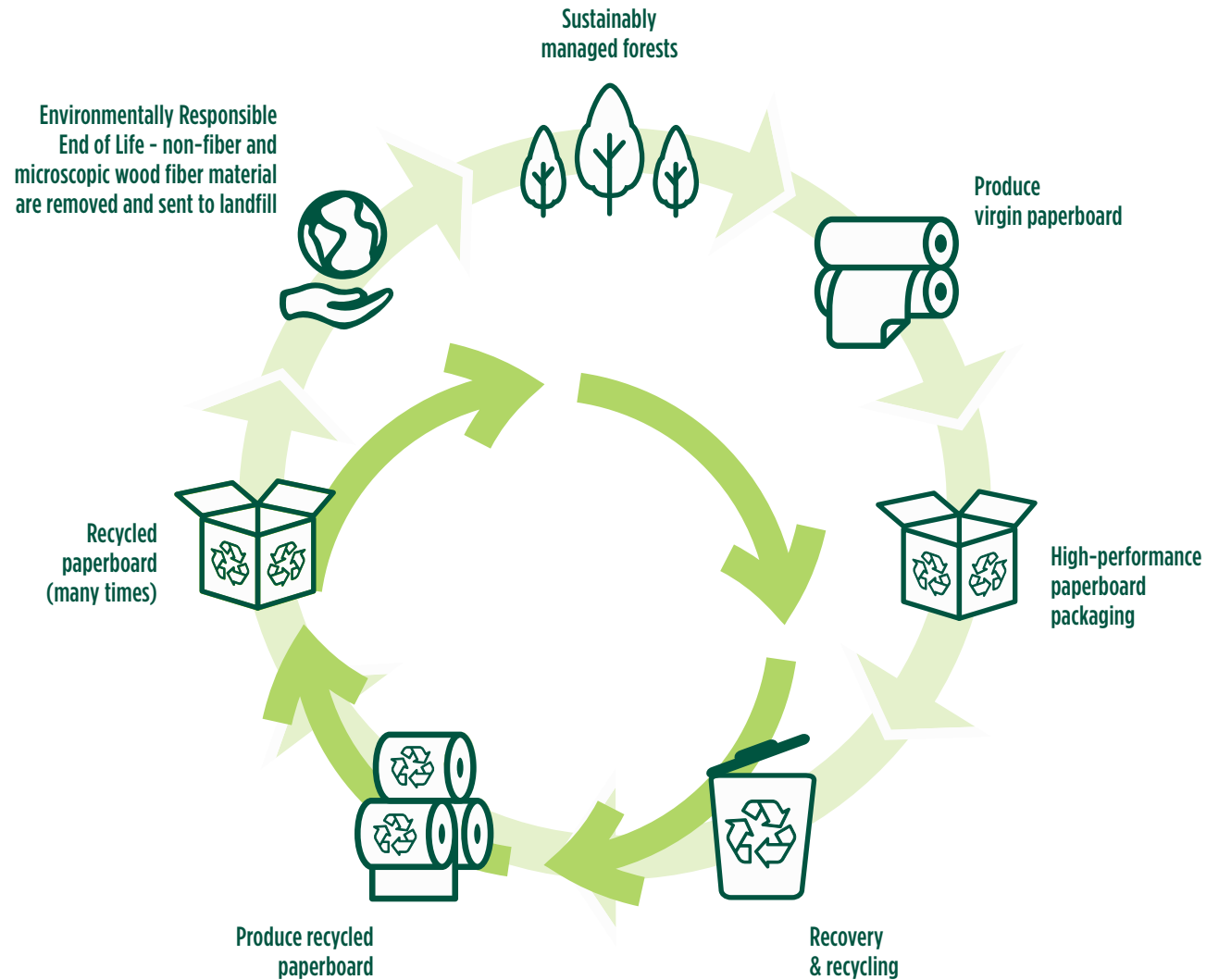
We completed Phase 1 of a \$54M water project to increase oxygen levels in water discharged into the Savannah River. The multi-year project includes installation of additional aerators and mixers and upgrading sludge dewatering system along with other investments to meet new requirements for Biological Oxygen Demand (BOD) and Suspended Solids Effluent. These requirements support increasing oxygen levels in the Savannah River basin.

INFLUENTS	VOLUME (MEGALITERS)	% OF INFLUENTS
Third Party Sources — Grey & Municipal Water	9,987	6.2%
Produced Water	4,358	2.7%
Groundwater — Nonrenewable	12,974	8.0%
Groundwater — Renewable	3,355	2.1%
Fresh Surface Water	131,644	81.1%

EFFLUENTS	VOLUME (MEGALITERS)	% OF EFFLUENTS
Non-contact river water for cooling returned to river	7,305	4.8%
Third Party Waste Water	145,781	95.2%

WASTE, RECOVERY, AND CIRCULARITY

Graphic Packaging understands the value and environmental impact of recycling materials. In addition to developing and manufacturing packaging with our DfE and innovation philosophy, Graphic Packaging has programs that effectively manage our manufacturing waste ([read more about our DfE and innovation here](#)). We recycle virtually all carton waste generated from the manufacturing process and continuously look for reuse opportunities. We are committed to diverting as much waste as possible at our converting plants, and we are encouraged by the progress to date. We capture nearly 100 percent of the usable wood fiber that enters our recycled mills.



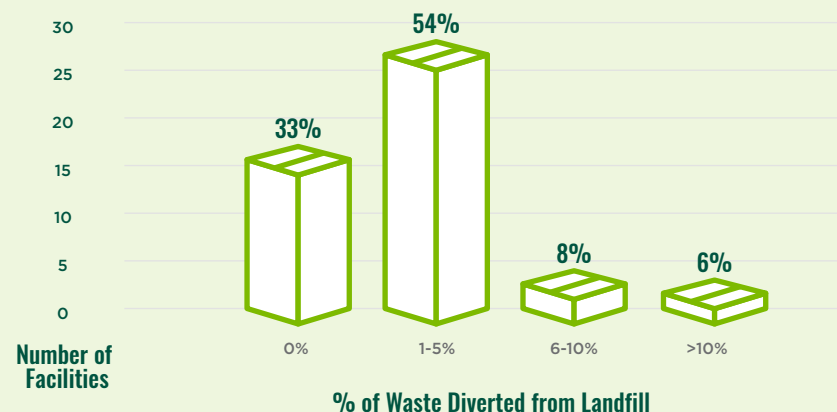
Waste, Recovery, and Circularity Highlights

- Goal: **100%** of carton manufacturing plants engaged in a waste diversion program — Goal achieved, and we will report on the diversion levels.
 - **33%** of carton manufacturing facilities have zero manufacturing waste going to landfill and 54% are less than 5%. With our waste diversion program activated at our carton manufacturing facilities we are continuing to reduce waste to landfill.
- Goal: reduce LDPE by **40%** — reduced LDPE resin purchased by **4.3%**.
- Increase industry recovery of paper and paperboard in the U.S. to 70% in 2020 — **66.2% recovery**. *Source: AF&PA*
- Converted **half a billion** units of foam and plastic cups to paper.

At Graphic Packaging, our process is inherently circular. From sustainability managed forestry practices to end-of-life recycling and composting, the circular nature of our business is core to our success and ability to limit our environmental impact and thus that of our customers' products. The adoption of circular economic practices includes our DfE philosophy, our ability to keep products and materials in use, our responsible waste/recovery strategies, and the regeneration of natural systems.

In our recycled paperboard mills, we have made great strides to utilize virtually all recovered wood-fiber introduced to the mill. The process starts with purchasing clean mill quality wood-fiber, and working with communities, industry associations, and recyclers to incorporate best practices for the collection, separation, and transportation of it. While we strive to purchase clean mill quality wood-fiber, the introduction of non-fiber material such as plastic is a reality. With this non-wood fiber material in commercial control, it will be disposed of appropriately. We will continue to explore opportunities to reuse this non-fiber material.

GRAPHIC PACKAGING GLOBAL CONVERTING FACILITIES WASTE TO LANDFILL



IF VIRGIN FIBER PAPER AND BOARD WERE NO LONGER AVAILABLE, CRB PRODUCTION WOULD STOP IN APPROXIMATELY SIX MONTHS

NCASI 04/2019 STUDY

Paper and Paperboard Recovery

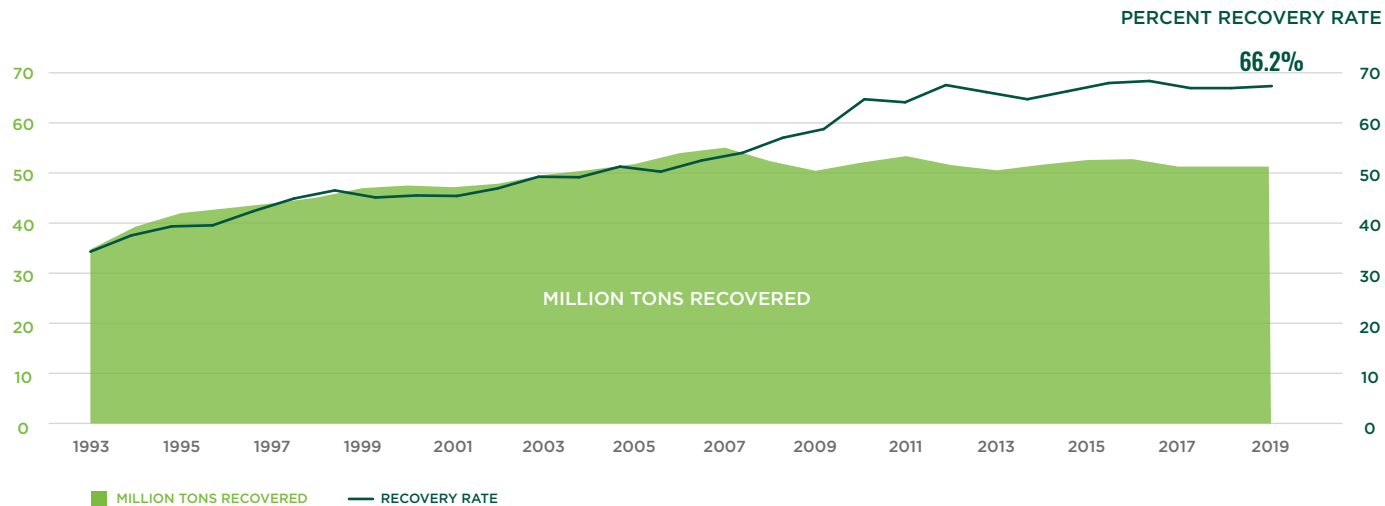
We are a large consumer of recycled paper and provide over 40 percent of the CRB to the North American market. Graphic Packaging is an active member of the American Forest and Paper Association (AF&PA), an industry trade organization representing 75 percent of the U.S. pulp, paper, paper based packaging, and wood building materials.

We have aligned one of our Vision 2025 topics with the ambitious industry goal to further increase paper recovery for recycling to exceed 70 percent in 2020.

In addition to collaborating with the AF&PA we engage with other industry groups and work with customers to expand acceptance of paperboard packaging for recycling. We have also invested in our CRB mills to separate out contaminants, like plastic, so our mills can accept a wider variety of recycled paper.

A vast majority of our carton clippings, the recyclable waste material, are captured in our carton facilities and shipped to our paperboard mills. It is an integral part of our waste diversion program and also supports a high recovery rate.

Carton clippings, the recyclable waste material, are captured in our carton facilities and shipped to our paperboard mill.



PAPER RECYCLING IS A GREAT SUCCESS STORY AND THE MATERIAL IS ONE OF THE HIGHEST RECOVERED.
FOR MORE INFORMATION SEE WWW.PAPERRECYCLES.ORG.

MEMBERSHIP OF ALLIANCES

We are proud to be involved in several associations whose goals are to leverage the broader network to address various impacts to the industry and its environmental metrics. Our involvement is at the Board of Directors and working committees levels of these organizations:



American Forest & Paper Association (AF&PA) — We are a contributor to the AF&PA, serving on the Board of Directors, Sector Committees, Government Affairs, and other working committees.



100% Recycled Paperboard Alliance (RPA-100) — We engage at the Board of Directors and marketing committee levels providing input on strategy and implementation of the RPA-100 strategic plan.



Recycled Paper Technical Association (RPTA) — We engage at the Board of Trustees and technical committee levels providing input on strategy and implementation of the RPTA strategic plans.



Foodservice Packaging Institute (FPI) — We participate in work groups to increase the recycling of foodservice packaging, especially paper cups.



Paperboard Packaging Council (PPC) — We participate on PPC's Board of Directors, leadership teams and committees.



Paper Recycling Coalition (PRC) — We act as a key contributor to the PRC, serving on its Board of Directors and policy committees.



U.S. Composting Council — We are a member and contribute to expanding composting of paperboard packaging.



The Paper and Paperboard Packaging Environmental Council (PPEC) — We participate in the committee that represents over 90% of the Canadian paper packaging industry on environmental issues.



European Carton Makers Association (ECMA) — We are a key contributor to ECMA and serve on the management team of the Executive Committee.



4evergreen — We are a key contributor to the 4evergreen alliance and participate in workgroups.



Confederation of European Paper Industries (Cepi) — We participate on Cepi's leadership teams and committees.



American Forest Foundation (AFF) — We are involved at the committee level.



Paper and Packaging Board (P&PB) — We act as a key contributor to the Board of Directors and on the various committees that serve the program. We contribute over \$1 million annually to the organization.



National Council for Air and Stream Improvement (NCASI) — We participate on various committees.



National Association of Manufacturing (NAM) — We participate on several committees including the Public Policy committee.



How2Recycle (H2R) — We participate as a member of the organization that clearly communicates recycling instructions to the public on several of our packaging products.

SOCIAL



“ At Graphic Packaging our team is the essence of everything we do. We aspire to achieve a safe, inclusive and rewarding work environment.”

– **Dawn Knight**, Global Functions Vice President, Human Resources



OUR APPROACH

As a global company employing over 18,000 people across 90 facilities worldwide, Graphic Packaging acts as a socially responsible corporate citizen. This citizenship takes shape in how we keep our employees safe and healthy, develop and train teammates, foster a diverse and inclusive culture, and support the communities in which we live and work.

Continuous development of our workforce and attention to the well-being of our employees is fundamental to the success of our business. Our employees, and the thriving, inclusive culture they create, are our single greatest asset. Because of this, we are focused on providing an environment where health and safety are top priorities. We are also dedicated to the professional development of our employees and offer opportunities for advancement. Our commitment to fostering a diverse and inclusive culture that celebrates different ideas and backgrounds is unwavering. We understand this is critical in advancing innovation and collaboration, and key to our continued success.

At Graphic Packaging, we believe in advocating for positive change in our world. This requires action and engagement beyond the confines of our facilities and mills. From helping to put food on the table, to preserving the environment, to investing in the education of tomorrow's leaders, we are committed to actively championing the vitality of our communities.

KEY ISSUES



Community Engagement



Diversity and Inclusion



Employee Health and Safety



Learning and Development

2019 SOCIAL HIGHLIGHTS

- Goal — all global folding carton manufacturing plants in compliance with Social Compliance Sedex Member Ethical Trade Audit (SMETA) by the end of 2018 — **89%** under a SMETA Audit (in 2019 we modified this goal to include Foodservice manufacturing plants).
- Aspirational Safety Goal — **Zero RIR** — reduced to 1.05 from 1.09 in 2018.
- Donated **\$750,000** to educational organizations.
- Employees donated **\$419,000** (including **25% match** from Graphic Packaging) to various charitable organizations.
- Since starting the TICCIT program in 2008, we've **contributed 120,000 trees** to nearly 120,000 students all over the world.
- Estimated economic impact to the Kalamazoo community of **\$800M annually** (over \$300M for the state) from the new K2 project (approximately \$2 billion during the construction period).



Graphic Packaging employees in Brazil join forces to raise money for breast cancer awareness.

COMMUNITY ENGAGEMENT

The success of Graphic Packaging is not possible without the vitality of the local communities where we operate. Our employees around the world dedicate their time and talents to improve the communities in which we live and work. Driven by our core values, making a difference for our customers, our consumers, and our community is at the root of our community engagement strategy. At Graphic Packaging, we focus on three pillars that help guide the strategy for our community service activities and philanthropic commitments: putting food on the table, preserving the environment, and investing in education.

Putting Food on the Table

Providing packaging solutions for food and beverage companies is core to our business. Our commitment to fighting hunger is reflected in the community organizations we support and the agencies with whom we partner. Around the world, our teams contribute to local food banks and groups that provide meals to those in need. We regularly conduct food drives and provide meals for families in need.

Preserving the Environment

As a paperboard packaging company, preserving the environment and educating others on how to do so is important for our communities, our business, and future generations. We participate in river cleanups and engage with schools across the globe to introduce the science behind recycling paper to create new packaging. Each year, we host TICCIT (Trees Into Cartons, Cartons Into Trees), a community outreach and educational program founded by the Paperboard Packaging Council. By partnering with local schools, our employee volunteers teach children the importance of renewable, sustainable resources in the paper and paperboard packaging industry. Since we joined the program in 2008, we have planted over 120,000 trees with students in North America, South America, and Europe.

Investing in Education

Educating tomorrow's leaders ensures a pipeline of talent to shape our future workforce. Our Graphic Packaging Scholarship is offered to college-aged students of our employees who are pursuing programs in paper sciences, engineering, supply chain and other curricula that support careers in our industry. We also participate in



Junior Achievement Bahamas visit

PHILANTHROPY

YEAR	CHARITABLE CONTRIBUTIONS	NUMBER OF DONORS
2019	\$771k	1,093
2018	\$587k	793
2017	\$336k	792

Manufacturing Day each year, introducing high school students to the challenging and rewarding potential of a career in manufacturing. We organize school supply drives, helping children in need get the best start possible for each new school year. We mentor youth through organizations such as Boy Scouts of America, and we are a proud supporter of Junior Achievement, a worldwide organization that unites schools and businesses to teach students how to succeed in our ever-evolving global economy.

We are proud to ensure that each manufacturing facility worldwide has a budget equivalent to \$75 per employee that is earmarked for local philanthropy. In 2019, we donated more than \$771,000 (including value of supplies donated) to organizations such as United Way, Junior Achievement, Boy Scouts of America, Community Assistance Center of Atlanta, Chattahoochee Riverkeepers, Western Michigan University’s Paper Technology Foundation, Arbor Day Foundation, Louisiana Forestry Association, Salvation Army, numerous local food banks, veterans’ groups, boys and girls clubs, technical colleges and universities, school supply drives, and holiday food and gift collection.

As a corporate citizen, we partner with the United Way in the communities where we have a presence. Our employees generously contribute to the annual national fund drive and raise additional funds through local events. Graphic Packaging provides an employer match, which over time has grown to 25 percent. The match follows employees’ individual designations (i.e., if an employee chooses Red Cross as a recipient, their donation to Red Cross is supplemented by 25 percent), which makes the match even more impactful.

Supporting Families in Our Communities

Every year, the Community Assistance Center (CAC) in Sandy Springs, Georgia hosts their Food ‘n Fun Challenge. Food collected during the event stocks the center’s pantry year-round to provide for local families and individuals in need. It also assists families during the summer who face additional financial stress when children on summer break aren’t receiving free lunches at school. In 2019, Graphic Packaging once again took first place in the business category of this challenge, donating 12,156 pounds of food and also raising more than \$1,300 through employee events. This equated to more than 20 percent of the CAC’s annual food collection and assisted in supporting about 100 families per month all year.

Responding to Crisis: Helping Our Community and Employees Rebuild After Fire

Late in 2018, the Camp Fire devastated a large area of California, which included homes of some of our Oroville employees. In the aftermath of this tragedy, teammates from around the world rallied together to support their colleagues and the people in surrounding communities who were affected. By early 2019, our global Graphic Packaging family (including colleagues from New Zealand, Europe, and South America) had donated, organized a GoFundMe program and other contribution programs which in total generated over \$50,000. An employee from our Memphis Foodservice headquarters coordinated with our Visalia, California plant to ship a full truckload (approximately 900 cases) of paper cups and bowls to Oroville for the Salvation Army to distribute to the community and our own employees in need. The Oroville plant also invited the local Salvation Army to use empty office space as an operation center during relief efforts.

DIVERSITY AND INCLUSION

At Graphic Packaging, we believe a diverse and inclusive working environment encourages creativity, innovation, and collaboration. A diverse and inclusive culture propels our ability to serve our global customers and communities, and creates a competitive advantage for the company. Diversity and inclusion at Graphic Packaging is integrated into our daily operations. Our commitment to diversity and inclusion is reflected in the definitions of our core values, which dictate behavioral norms. These behavioral expectations are measured as part of our employees' annual performance review.

Employee Diversity

Our goal moving forward is to not only mirror the diversity of the communities where we operate, but also to excel in unlocking the potential that a diverse workforce can generate. There is still work to be done in order to accelerate our progress creating a diverse and equitable working environment and culture. This is why we are deeply committed to listening to our employees, thought leaders, and others to help enhance and push forward our diversity and inclusion efforts. Our employee diversity and inclusion initiatives focus on creating an inclusive environment by:

- Engaging diverse talent
- Influencing recruitment, development, advancement, and retention
- Articulating our progress through proactive communications
- Regulating and managing workplace equality and fairness
- Evaluating, creating, and continuously updating a systematic set of tools and resources

The diverse composition of our executive and senior leadership teams facilitates an environment where inclusion is modeled and cascaded through our organization. Diversity and inclusion metrics are shared with senior leaders on an ongoing basis, highlighting progress and driving accountability. While we are proud of our work and commitment on this front, we believe we can do better and will continue to dedicate resources to further strengthening how we foster and celebrate employee diversity.

Graphic Packaging's Board of Directors recently updated the [Charter of the Compensation and Management Development Committee](#). The update ensures that the Committee will annually review the processes and practices related to workforce diversity and inclusion programs and initiatives to ensure continued equitable treatment of all employees and a culture of inclusion.

Supplier Diversity for Stronger Communities

Supplier diversity is an integral component of our diversity management strategy. We believe that including a robust supplier diversity component to our procurement strategy will help develop stronger local communities while creating long-term growth and a competitive advantage for Graphic Packaging. We contracted approximately \$161 million worth of business with diverse suppliers in 2019.

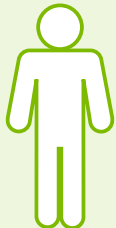
CURRENT SNAPSHOT OF GRAPHIC PACKAGING'S WORKFORCE

GENDER BREAKDOWN

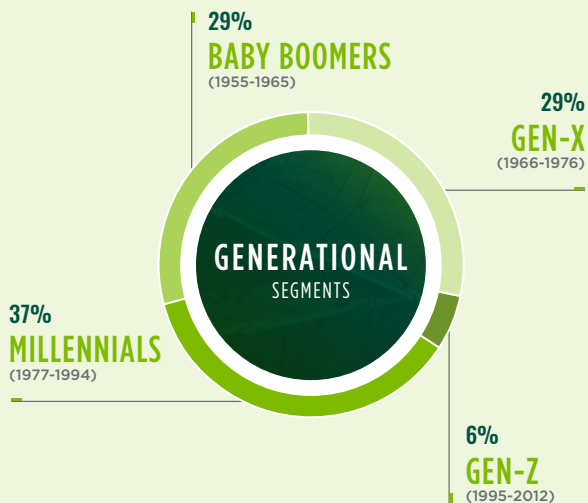
21%
FEMALE



79%
MALE



GENERATIONS BREAKDOWN



WOMEN IN LEADERSHIP (GLOBAL)	REPRESENTATION
Sr. Leadership (Top 100)	21%
Mid-level Leader	30%
Salaried Professional	33%

TURNOVER 2019
 12% VOLUNTARY
 7% INVOLUNTARY



U.S. MULTICULTURAL	HOURLY	SALARIED	TOTAL
African American	18%	8%	15%
Hispanic	8%	2%	6%
Asian	2%	2%	2%

REVENUE PER EMPLOYEE
\$324,000

EBITDA PER EMPLOYEE
\$57,000

As of December 31, 2019

“It is rewarding to work for a company that values diversity and inclusion and acknowledges that it is central to the success of a winning culture. I am also so excited to see the number of women in senior leadership positions and look forward to the progress we will continue to make.”

– Katherine Ketner, Senior Sales Rep.



EMPLOYEE HEALTH AND SAFETY

At Graphic Packaging, maintaining a safe work environment is vital. Our vision of an injury-free workplace goes beyond solely complying with applicable health and safety laws and regulations. While we hold ourselves to high standards of quality and ambitious productivity expectations, we must do so safely. There are no shortcuts.

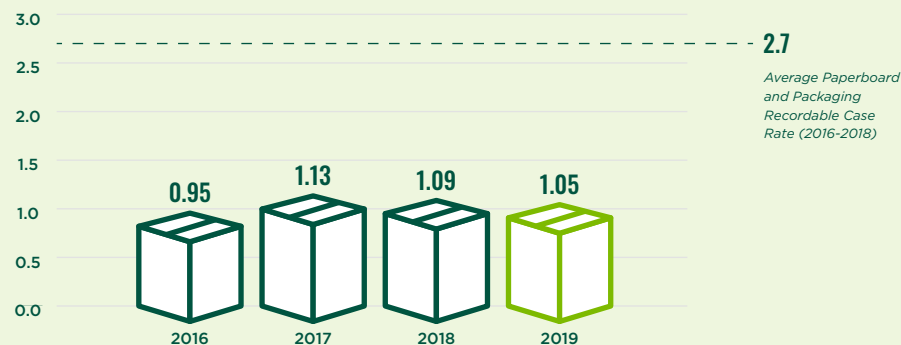
In 2019, Graphic Packaging's worldwide recordable incident rate was 1.05 cases per 100 employees. Our progress in reducing the rate of workplace injuries demonstrates our employees' commitment to working safely and watching out for their coworkers. We also report "near miss" incidents so we can appropriately evaluate those situations and implement appropriate countermeasures to prevent similar incidents resulting in a workplace injury.

Our Code of Conduct and Health, Safety and Environmental (HS&E) policies set forth our principles and expectations for how we approach and prioritize the health and safety of our employees. If employees observe an unsafe condition, potential hazard, or dangerous practice, they are expected to address it with their coworker or supervisor. Alternatively, employees may report it to the local HS&E representative or our ALERTline. This includes safety issues concerning our suppliers, customers, and business partners.

LEARNING AND DEVELOPMENT

One of the most influential and important resources at Graphic Packaging is the inspiration, creativity, and ingenuity of our people. Solving our ongoing business challenges requires attracting and developing individuals with different talents, ideas, and experiences. To attract and retain top talent for our workforce, we provide teammates with the on-the-job training they need to build and grow their careers. Providing a broad range of opportunities for on-the-job development also ensures that our teammates are more engaged at work, resulting in greater job satisfaction and better results for the company and our stakeholders.

SAFETY PERFORMANCE COMPARED TO MANUFACTURING SECTOR (RECORDABLE CASE RATE)



Source: Company data as of December 31, 2019 and Bureau of Labor Statistics

TABLE 1. Incidence rates of nonfatal occupational injuries and illnesses by industry and case types. https://www.bls.gov/iif/oshwc/osh/os/summ1_00_2018.htm

Graphic Packaging utilizes the 70/20/10 approach to learning and career development: 70 percent through experiences (on-the-job), 20 percent through relationships (coaching, mentoring, and social learning such as volunteer activities, networks, or professional groups), and 10 percent through classroom or online training. Through our university and military recruitment and our Leadership Development Program, we offer internships and full time opportunities to college graduates throughout the Company's various divisions and business functions.

The work environment at Graphic Packaging continually evolves to maximize the employee experience and drive high performance. In 2020, we are piloting a new approach to engaging employees in improving performance. We will also conduct a companywide employee engagement survey to measure and respond to employee input to better engage the workforce, enhance our culture and improve business results.

GOVERNANCE



“Responsible business practices are integral to Graphic Packaging’s culture. We believe the interests of the company and the individual are closely connected. It is the responsibility of all of us to operate ethically and legally while maintaining respect for all individuals.”

– **Lauren Tashma**, Executive Vice President, General Counsel and Secretary



OUR APPROACH

At Graphic Packaging, we believe acting ethically and responsibly is not only the right thing to do, but also strengthens our business. We consider risks and opportunities related to our economic, social, and environmental impacts on an ongoing basis as part of our strategic planning, risk management, and governance approach.

Graphic Packaging utilizes a deliberate Risk Management System (RMS), which includes formal policies, procedures, and governance that defines and communicates our policy regarding the management and oversight of risk. The RMS assures the effective identification, analysis, prioritization, and management of risks. Stakeholders including the Board, Audit Committee, Management, and staff have oversight and execution of the RMS, and Management is responsible for identifying, mitigating, and managing risks across the organization. The CEO and Board oversees the Sustainability office and the Audit Committee oversees the enterprise strategic risk management function, activities, and reporting.

KEY ISSUES



Corporate Governance



Ethics and Compliance



Supply Chain Management

2019 GOVERNANCE HIGHLIGHTS

- **\$161 million** purchased goods and services from diverse suppliers, a 40 percent increase from 2015.
- **Over 500** diverse suppliers provided us with quality goods and services.
- **100%** of governance bodies educated on anti-corruption policy.
- Global Supplier Code of Conduct updated and incorporated in all contract renewals and in our supplier on-boarding process resulting in **an acknowledgment of a Code of Conduct framework.**
- **Charter of the Nominating and Corporate Governance Committee** amended to formally assign principal oversight of our **sustainability policy and practices** to that committee.
- **Charter of the Compensation and Management Development Committee** amended to ensure that the Committee will annually review the Company's diversity and inclusion practices and initiatives to drive **equitable** treatment of employees and a culture of **inclusion.**

CORPORATE GOVERNANCE

Board Oversight of Economic, Environmental, and Social Topics

Our [Board of Directors](#) sets expectations in terms of demonstrating our culture and guiding our values and strategy. As set forth in our [Corporate Governance Guidelines](#), our Board is responsible for reviewing, approving, and monitoring business strategies and financial performance. The Board is also responsible for ensuring processes are in place for maintaining the integrity of our financial reporting, legal and ethical compliance matters, and in our relationships with customers, suppliers, employees, the community, and stockholders. The Board fulfills these responsibilities through a number of different practices, including:

- The approval of each annual operating plan and strategic long-range plan
- The review of actual results against such plans at each regular Board meeting
- Specific review and approval of significant corporate actions such as acquisitions and divestitures, plant rationalizations and major projects involving significant capital spending

The Board currently has three standing committees: the Audit Committee, the Compensation and Management Development Committee, and the Nominating and Corporate Governance Committee. Each of these committees provides a report to the full Board of Directors who oversee areas of particular risk. The Audit Committee also periodically reviews and evaluates our policies with respect to risk assessment and management, including discussion of our major financial risk exposures and the steps management has taken to monitor and control such exposures.

Notably in 2019, the Board amended the [Charter of the Nominating and Corporate Governance Committee](#) to formally assign principal oversight of our sustainability policy and practices to that committee. The Committee now considers current and emerging social and environmental trends as well as major global legislative and regulatory developments, or other public policy issues that may affect the business operations or its stakeholders. Additionally, the Committee reviews the Company's policy and practices for consistency with its sustainability commitment, including sustainability targets and public reporting, and makes recommendations to the Board and management as it may deem advisable.

The Board recently updated the [Charter of the Compensation and Management Development Committee](#) to ensure that the Committee will annually review the Company's diversity and inclusion practices and initiatives to drive equitable treatment of employees and a culture of inclusion.

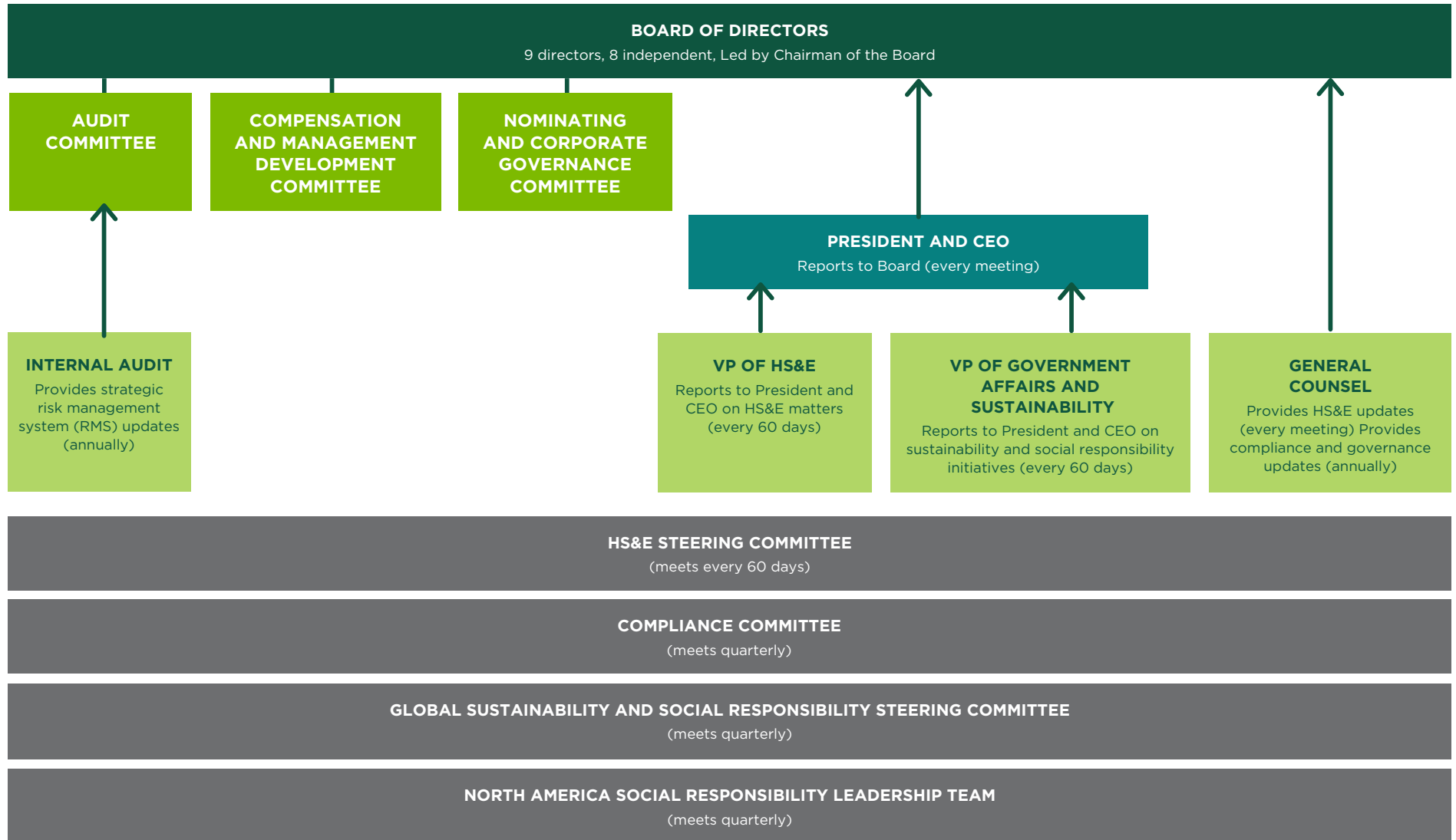
Overseeing ESG Risk

Environmental and climate change risk and opportunities, along with macroeconomic trends, are incorporated into our long-range plan as appropriate. The long-range plan is presented to the Board of Directors for its consideration, and has a five year forward view with financial modeling over the first three years. Included in the long-range plan are:

- **Market Trends Related to Climate** — Primary market-related concerns include a focus on raw material sources, marketplace packaging needs, and product end-of-life concerns.
- **Raw Material Sources and Availability** — Wood and recovered wood-fiber are the two primary ingredients for paperboard packaging. We assess the short, medium, and long-term access to these raw material sources. In addition, we complement our management strategy with compliance to the major forest/wood-fiber certification programs. We leverage these programs to ensure responsible wood/wood-fiber purchasing and management practices. We also engage with consultants to provide insight on demand and supply changes that may be anticipated over the business planning cycle.
- **Investment** — We assess environmental impacts of capital and product R&D investments against short, medium, and long-term trends. These impacts include improving our environmental profile and impact for operations, raw material sourcing, products manufactured, and logistics.

Reporting ESG Risks and Opportunities to the Board

The Board receives updates on sustainability and social responsibility initiatives, as well as health, safety, and environmental compliance matters, on a continuing basis as set forth in the communications framework detailed below.



Executive Level Responsibility

Our executive leadership team maintains overall ownership for our sustainability and social responsibility strategy. The Vice President of Government Affairs and Sustainability provides the strategic direction. This individual is a member of the extended executive leadership team and reports regularly on key programs to the President and CEO, as well as our Board of Directors. Our Vice President of Health, Safety, and Environmental reports to our President and CEO on significant projects and compliance matters. The General Counsel also regularly provides Health, Safety and Environmental (HS&E) and sustainability highlights to the Board, and presents an annual report detailing our overall compliance program and any significant developments, as well as compliance objectives and goals for the coming year.

Health, Safety, & Environmental Steering Committee

The HS&E Steering Committee — which includes representatives from Sustainability and Social Responsibility, HS&E, Operations, Legal, Human Resources, and Risk Management — receives and reviews reports from the Vice President of Government Affairs and Sustainability, as well as the Vice President of Health, Safety, and Environmental. This committee also reviews risk policies and insurance.

Global Sustainability and Social Responsibility Steering Committee

The Global Sustainability and Social Steering Committee is a cross-functional group that includes leaders of Sustainability, Legal, and Human Resources, as well as site and facility managers from three key regions: North America, Australia, and Europe. The Committee was established to promote responsibility across all levels of leadership and business units.

North America Social Responsibility Leadership Committee

The North America Social Responsibility Leadership team includes representatives from Sustainability and Social Responsibility, Human Resources, Operations, Sales, and Legal.

ETHICS AND COMPLIANCE

Our [Code of Business Conduct and Ethics](#) outlines the principles, policies, and laws that guide our actions while working. Our Code applies to every employee, officer, and director. As a representation of our values, it shows us how to be responsible for ourselves and for each other. This makes us a stronger Company and better able to deliver on our promises.

The Code also protects our personal integrity at all times because it gives us a way to respond to unethical actions. All employees are encouraged to report any activity or behavior that is illegal, unethical, or does not comply with the code of conduct to their manager, Human Resources Representative, an Executive Vice President, the General Counsel, or third party alert line. Graphic Packaging conducts annual Code of Conduct training for each of our 18,000 employees where they are reminded of our Core Values, Human Rights policy, and our policies prohibiting discrimination and harassment. We distribute these policies to employees or otherwise make them available via the online training tool.

We maintain a Human Trafficking/Anti-Slavery policy statement that is reviewed annually, and include prohibitions against slavery and trafficking in our Supplier Code of Conduct, and each of our procurement agreements. We also provide annual training on how to identify and address trafficking in our Supply Chain to approximately 5,000 salaried employees, including those in Supply Chain and Human Resources. In addition, we adhere to the requirements of the California Transparency Act.

We further weave respect and human rights into the fiber of our business by providing annual anti-harassment and respectful workplace training to each of our managers across the globe and to the 14,000 hourly and salaried employees who work in the United States. We maintain a global toll-free alertline for all of our employees, and each complaint is investigated and addressed in less than 30 days. We conduct regular Human Resources audits of our facilities to ensure they are compliant with all federal and state requirements as well as Graphic Packaging policies.



Supplier Highlight: Ongweoweh Corp.

For more than a decade, Ongweoweh Corp, a Native American-owned company, has supplied pallet management for a majority of Graphic Packaging's locations. The relationship is especially beneficial as Ongweoweh Corp shares Graphic Packaging's outlook and strategy around responsible and sustainable business practices. For example, they employ a Seven Generations philosophy, which describes the consideration of how their decisions and actions will impact seven generations in the future. Ongweoweh Corp is one of the more than 500 minority-owned suppliers that Graphic Packaging partnered with in 2019.

Ongweoweh Corp. displays their Native American heritage.

Through the Sedex® global online platform, 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, and business practices and have been audited by a third party under the Sedex® Member Ethical Trade Audit (SMETA) within the past three years.

See our [Disclosures & Company Policies](#) for policies addressing Human Rights, Anti-Bribery, Anti-Harassment, UK Modern Anti-Slavery Act, Anti-Harassment, Equal Employment Opportunity Statement.

Human Rights

At Graphic Packaging, we are committed to fair labor practices and upholding human rights as part of our company culture. As outlined in our [Code of Business Conduct and Ethics](#), we employ a labor force with a minimum age of 16 and expect the same of our contractors, suppliers, and business partners. We do not support work performed by forced labor, convicted criminals, or prisoners, except those on parole, supervised release, or probation.

In addition, as described in our [Policy Statement on Conflict Minerals](#), our goal is to use only those products and materials that do not finance or benefit armed groups in the Democratic Republic of Congo and nine adjoining countries. We expect our suppliers to cooperate in providing information to confirm that the conflict minerals

in our supply chain are conflict-free. We fully support the efforts of human rights organizations to end the violence and atrocities fueled by the sale of conflict minerals. Prior to authorizing any significant investment agreement (SIA), we follow a strict due diligence process to understand the full extent of the assets and organization in which we are investing. This due diligence includes an assessment of the target company's labor practices, tours of the target facilities, interviews with key management and operational personnel, and a review of corporate documentation and financials. We are very mindful of our human rights policy and our due diligence is designed to surface any such issues. As such, 100 percent of our significant investment agreements include a human rights screening.

Anti-Corruption

Graphic Packaging has a strict zero-tolerance policy for bribery. Our [Code of Business Conduct and Ethics](#), which relevant employees receive when joining the Company, outlines clear bribery and corruption prohibitions. Our governance bodies, including our Board of Directors, the Nominating and Corporate Governance Committee, the Executive team, the EU leadership team, and the Compliance Committee were all educated on our anti-corruption policy in 2019. In addition to all new employees receiving our Code of Business Conduct and Ethics, our anti-corruption policy was sent to hourly and salary workers globally, which amounted to 3,680 employees in 2019.

Graphic Packaging’s Compliance Committee facilitates the development, implementation, and operation of an effective compliance and ethics program, and promotes an organizational culture that encourages law abiding and ethical conduct. The Committee consists of the EVP, General Counsel, EVP, Human Resources, SVP, Information Technology, VP, Internal Audit, Assistant General Counsel, Chief Employment Counsel, and VP, HS&E. The Committee meets quarterly or more frequently as appropriate. The Committee regularly apprises the CEO of its activities and creates an annual report for the Board of Directors that details the Company’s compliance program. The responsibilities of the Compliance Committee include:

Risk Assessment — Assess the risks of non-compliance with applicable laws or regulations and of unethical conduct by employees and third parties, including independent agents, subcontractors, and suppliers.

Policies and Procedures — Develop appropriate compliance policies and procedures for the program, including responsibility for any recommendations to amendments to the Code of Conduct.

Training and Communication — Increase employee awareness of compliance and ethics-related policies and procedures through training, updating, and distributing of codes of conduct, notifications regarding reporting methods available, and other compliance communications.

Auditing and Monitoring — Coordinate with Internal Audit to audit and monitor adherence to the Company compliance and ethics-related policies and procedures.

Evaluation of Program Effectiveness — Monitor developments in applicable legal and regulatory standards, industry practice, and general best practices relating to compliance and ethics programs. Review the effectiveness of the compliance and ethics program. Evaluate the sufficiency of reporting channels and of investigations of any ethics violations.

COMPLIANCE TRAINING

COURSE	2018	2019	
Code of Conduct (total work force)	Salaried Employees	4,074	3,697
	Salaried Training Participation	2,037	1,849
	Hourly Employees	12,023	13,509
	Hourly Training Participation	6,012	6,755
	Total Training Participation	8,049 (90%)	8,603 (89%)
Anti Harassment (U.S. Only)	Salaried Employees	2,811	3,155
	Salaried Training Participation	1,406	1,578
	Hourly Employees	9,542	3,087
	Hourly Training Participation	4,771	1,544
	Total Training Participation	6,177 (83%)	3,121 (96%)
Anti Bribery (relevant corporate and operational employees)	Salaried Employees	478	153
	Salaried Training Participation	239	77
	Total Training Participation	239 (100%)	77 (92%)



Government Relations

Public Policy

Government actions can impact Graphic Packaging, our industry, our employees, and stakeholders. We believe that it is a fundamental right and obligation of all citizens to engage in responsible dialogue about the laws, regulations, and government policies that affect them. We also believe that active engagement in the political and regulatory processes is an important means of protecting our commercial, employee, and stakeholder interests. When it is in the best interest of our Company, we engage with public officials through several platforms, including industry associations, professional lobbyists, and grassroots lobbying communications. We require compliance with all U.S. and international laws and the Graphic Packaging Code of Conduct with all forms of political engagement undertaken by or on behalf of Graphic Packaging, including but not limited to lobbying, trade association participation, and political contributions.

Political Contributions

Graphic Packaging believes that transparency and accountability with respect to political expenditures and lobbying are critical to the integrity of the efforts. The Vice President of Government Affairs and Sustainability oversees Graphic Packaging's political activity and spending. This individual is accountable to the Graphic Packaging International Political Action Committee (GPI-PAC), which is a voluntary, non-partisan political action committee that is registered with the U.S. Federal Election Commission. The GPI-PAC allows employees to pool personal, voluntary financial contributions to candidates seeking federal and state elective office who support issues important to our business, our employees, and other stakeholders.

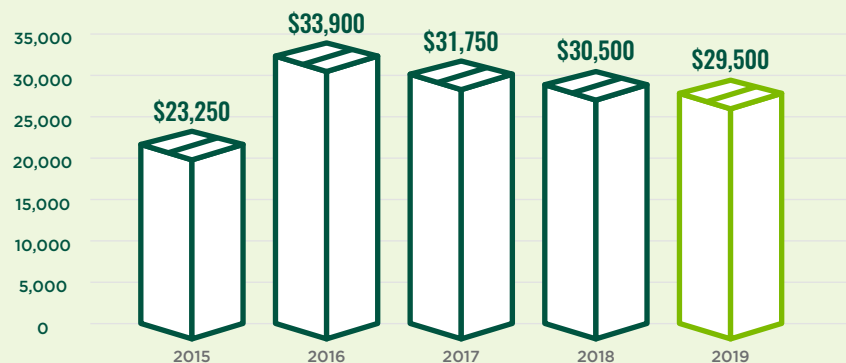
The GPI-PAC is governed by a Board of Directors made up of key Executives at Graphic Packaging. Political contributions to candidates are reviewed and approved by this Board. The GPI-PAC follows a structured process when making contributions with considerations on candidates that have integrity and have demonstrated a commitment to ethical political conduct. We also consider legislative leadership positions, committee leadership and assignments, the geographical area of the candidate's representation, and the candidate's position or voting record on key issues affecting our industry and our Company. Contributions are presented to the GPI-PAC Board and are subject to comprehensive regulation by federal and state governments, including detailed disclosure requirements. The GPI-PAC's political spending includes contributions to candidates for elected office, as well as payments

to trade associations' PACs. We conduct an annual enrollment program to Graphic Packaging employees that are eligible to participate in the GPI-PAC. In addition, there are periodic audits to ensure that all GPI-PAC and corporate political contributions are made in accordance with the law and Company policies.

The GPI-PAC's political contributions reflect our interests as a Company and not those of any individual director, officer, or employee's personal political preferences. No political spending is given in anticipation of, in recognition of, or in return for any official act. GPI-PAC files monthly reports of receipts and disbursements with the Federal Election Commission (FEC), as well as pre-election and post-election FEC reports.

Graphic Packaging uses, on rare occasions, corporate resources to support our position on important public policy issues. Individual state and local laws govern these corporate contributions to candidates running for election to state and local offices. Corporate contributions follow the same rigorous process as the GPI-PAC. The Government Affairs department, with oversight from the GPI-PAC Board, has a structured process for the justification, approval, and reporting of any corporate political contributions made in the U.S., where such contributions are permissible by law. Graphic Packaging does not make "independent expenditures" nor does it contribute to so-called "Super PACs," 527 groups, 501(c)4s, or for any election ballot measure.

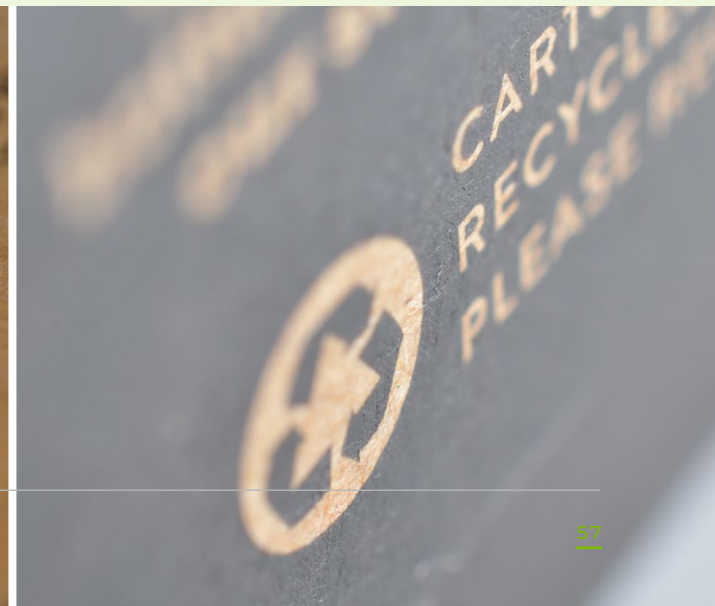
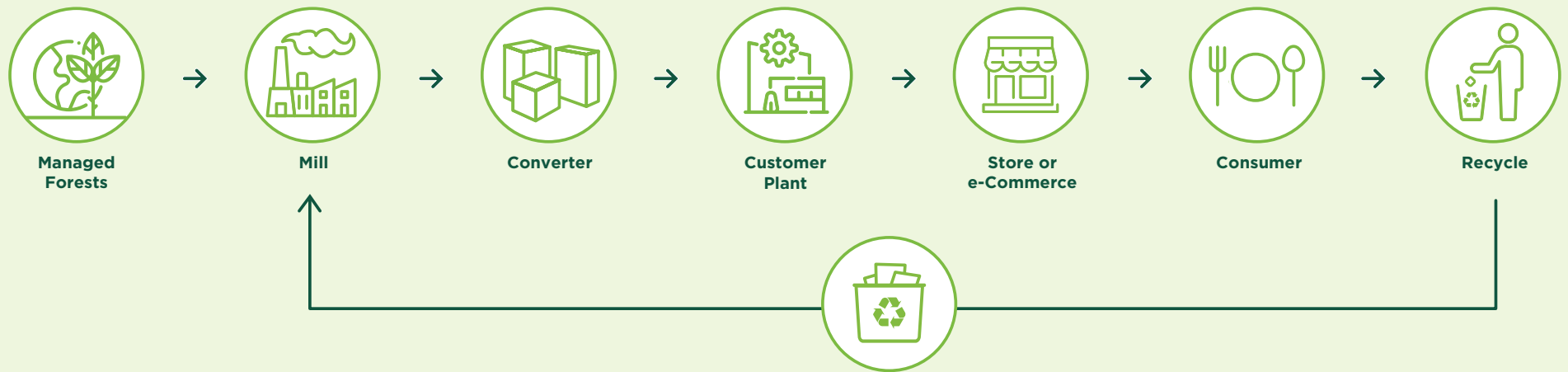
PAC CONTRIBUTIONS



SUPPLY CHAIN MANAGEMENT

Graphic Packaging believes our suppliers are vital to our success, and accordingly, we endeavor to choose suppliers who are committed to strong ethics and business conduct standards. Our procurement principles are to source for the best value, and we expect our suppliers to meet these needs legally and ethically while providing equal opportunity.

Our Product Lifecycle



Supplier Sustainability Guidelines

We are supported by approximately 10,000 suppliers. We expect our suppliers to comply with all applicable laws and commit to conducting business in a manner that aligns with our Supplier Sustainability Guidelines and [Global Supplier Code of Conduct](#). These policies require suppliers to:

- Protect human rights and treat all employees with dignity and respect as understood by the international community.
- Prevent and not participate in human trafficking, involuntary labor, or under age labor.
- Protect confidential information.
- Not make or accept improper payments to influence an act or decision.
- Avoid conflicts of interest or appearance of conflicts of interest.
- Certify that their products do not contain conflict minerals or, if they do contain these minerals, that they are conflict-free.
- Seek our approval of subcontractors.
- Operate with financial integrity.

If suppliers fail to comply with the law and our Supplier Sustainability Guidelines, and do not address contractual non-compliance in a timely manner, we reserve our right to terminate the relationship. In 2019, we incorporated more structure to ensure compliance to our Supplier Sustainability Guidelines. As new suppliers are established, we require compliance with our Supplier Sustainability Guidelines. Existing suppliers are reviewed as they come up for contract renegotiations or as new RFPs are released. Contracts cannot be finalized without an agreement to our guidelines. As we look to 2025, we will be incorporating audits to ensure performance to our expectations.

Changes to Our Supply Chain

The primary change from our 2017 Sustainability and Social Responsibility Report is the growth of our wood purchasing. With the combination of Graphic Packaging and International Paper’s Consumer Products division, two SBS mills were added to our virgin mill platform.

Supplier Diversity Program

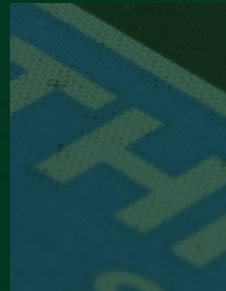
At Graphic Packaging, supplier diversity is a proactive business process to source products from diverse minority-owned enterprises such as Woman-, Veteran- and Native American-Owned. As a result, we strive to ensure our supply chain reflects the demographics of the communities in which we operate. Our North American spend represents a significant amount of our procurement activity and we monitor that region. We have increased our total spend with diverse suppliers from \$115 million in 2015 to approximately \$161 million in 2019, a 40 percent increase in five years in that region. We credit our entire supply chain organization and leadership team with this accomplishment.

In 2019, more than 500 diverse suppliers provided us with quality goods and services. Diverse suppliers span the entire spectrum of supply chain categories, from marketing to transportation, to maintenance and packaging services, and they support multiple sites across the company. Looking to 2020, we aim to exceed our goal of \$135 million and achieve year over year improvements from the already high levels in 2019 through several current initiatives. This is an aggressive expectation and a challenge that is welcomed and supported by our leadership team. In 2021 we also will be updating our supplier diversity goals based on the progress that we have made.

YEAR	CERTIFIED DIVERSITY SPEND	OVERALL DIVERSITY SPEND
2015	\$94M	\$116M
2016	\$83M	\$108M
2017	\$100M	\$121M
2018	\$108M	\$142M
2019	\$118M	\$161M

CONTENT

INDEXES



SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

This marks the first year Graphic Packaging is reporting our environmental, social and governance performance with reference to the Sustainability Accounting Standards Board (SASB) framework. This report outlines how our existing disclosures align with the recommended metrics for the SASB Containers and Packaging standard. All data is for the year ended December 31, 2019, unless otherwise noted.



TOPIC	SASB CODE	METRIC	DATA/RESPONSE															
Greenhouse Gas Emissions	RT-CP-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	1,318,747 metric tons CO ₂ e Scope 1; 100% of Graphic Packaging's emissions are covered under emissions-limiting regulations. Emissions															
	RT-CP-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Investments Making a Difference Emissions															
Air Quality	RT-CP-120a.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM)	<table border="1"> <thead> <tr> <th>TOTAL ALL MILLS</th> <th>NO_x (THOUSAND METRIC TONNES/YR)</th> <th>SO₂ (THOUSAND METRIC TONNES/YR)</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>5.4</td> <td>1.4</td> </tr> <tr> <td>2018</td> <td>5.4</td> <td>1.4</td> </tr> <tr> <td>2017</td> <td>5.2</td> <td>1.0</td> </tr> <tr> <td>2016</td> <td>5.3</td> <td>1.0</td> </tr> </tbody> </table>	TOTAL ALL MILLS	NO _x (THOUSAND METRIC TONNES/YR)	SO ₂ (THOUSAND METRIC TONNES/YR)	2019	5.4	1.4	2018	5.4	1.4	2017	5.2	1.0	2016	5.3	1.0
TOTAL ALL MILLS	NO _x (THOUSAND METRIC TONNES/YR)	SO ₂ (THOUSAND METRIC TONNES/YR)																
2019	5.4	1.4																
2018	5.4	1.4																
2017	5.2	1.0																
2016	5.3	1.0																
Energy Management	RT-CP-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	(1) 5,612,374.93 GJ electric power consumed (2) 100% of purchased electricity is sourced from the grid, GJ do not include self-generated electricity (3) 0% renewable, none of the purchased electricity has EACs (4) 6,891,595.07 GJ self-generated electric power, note not all of this electricity is consumed by Graphic Packaging Energy															

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

TOPIC	SASB CODE	METRIC	DATA/RESPONSE
Water Management	RT-CP-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	(1) 162,317,368.19 m ³ water withdrawn (2) 9,231,152.35 m ³ water consumed, water consumed = withdrawals less discharges <1% water withdrawal at sites with high or extremely high baseline water stress per Aqueduct Tool water risk assessment.
	RT-CP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	The risk of loss of influent water is extremely low since most of the influent water supply is surface water from ample tributaries. There is very low risk associated with waste treatment and effluent condition. Low risk example would be regulations changes that sometimes requires capital for improvements. Water Conservation
	RT-CP-140a.3	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	No incidents in 2019.
Waste Management	RT-CP-150a.1	Amount of hazardous waste generated, percentage recycled	Currently the data is tracked by location and is provided as required by local and state regulation. The company is exploring strategies to collect detailed waste data centrally. The company is tracking waste diversion at a summary level as presented in the ESG report. Waste, Recovery, and Circularity
Product Safety	RT-CP-250a.1	Number of recalls issued, total units recalled	Zero
	RT-CP-250a.2	Discussion of process to identify and manage emerging materials and chemicals of concern	Graphic Packaging has processes in place to review, and approve, raw materials being incorporated into our manufacturing operations. Our packaging products are traceable ensuring quick and accurate investigations. We are active participants in industry groups, engaged with knowledge leaders and have a solid relationship with regulators to ensure that we are aware of emerging trends regarding safety of materials. Our customers also play an important role in identifying emerging trends and the implications to them and consumers. Graphic Packaging engages with various stakeholders to understand implications of emerging materials and chemicals of concern.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

TOPIC	SASB CODE	METRIC	DATA/RESPONSE																				
Product Lifecycle Management	RT-CP-410a.1	Percentage of raw materials from: (1) recycled content, (2) renewable resources, and (3) renewable and recycled content <i>(in percentage (%) by weight)</i>	(1) 7.2% (2) 92.3% (3) 100% <table border="1"> <thead> <tr> <th>MATERIAL TYPE</th> <th>VIRGIN</th> <th>VIRGIN MILL</th> <th>RECYCLED</th> </tr> </thead> <tbody> <tr> <td>SBS</td> <td>5,459,794</td> <td>-</td> <td>-</td> </tr> <tr> <td>CUK</td> <td>5,423,433</td> <td>-</td> <td>-</td> </tr> <tr> <td>CRB</td> <td>-</td> <td>169,502</td> <td>923,418</td> </tr> <tr> <td>Total</td> <td>10,883,227</td> <td>169,502</td> <td>923,418</td> </tr> </tbody> </table> <i>Amounts are in raw material short tons</i>	MATERIAL TYPE	VIRGIN	VIRGIN MILL	RECYCLED	SBS	5,459,794	-	-	CUK	5,423,433	-	-	CRB	-	169,502	923,418	Total	10,883,227	169,502	923,418
	MATERIAL TYPE	VIRGIN	VIRGIN MILL	RECYCLED																			
	SBS	5,459,794	-	-																			
CUK	5,423,433	-	-																				
CRB	-	169,502	923,418																				
Total	10,883,227	169,502	923,418																				
RT-CP-410a.2	Revenue from products that are reusable, recyclable, and/or compostable	97% of revenue of converted packaging. Paperboard sales not included.																					
RT-CP-410a.3	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Our Products Assessing the Environmental Impact and Circularity of Our Products Waste, Recovery, and Circularity Supply Chain Management																					
Supply Chain Management	RT-CP-430a.1	Total wood fiber procured, percentage from certified sources	10.9 M short tons, 17% of wood from certified sources. Supply Chain Management																				
	RT-CP-430a.2	Total aluminum purchased, percentage from certified sources	184.5 metric tons; 0% certified.																				

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

ACTIVITY METRICS	SASB CODE	METRIC	DATA/RESPONSE																		
	RT-CP-000.A	Amount of production, by substrate	<table border="1"> <thead> <tr> <th>TOTAL PRODUCTION BY SUBSTRATE (SHORT TONS)</th> <th>PERCENT OF TOTAL</th> </tr> </thead> <tbody> <tr> <td>CRB</td> <td>999,224</td> <td>25.42%</td> </tr> <tr> <td>CUK</td> <td>1,619,255</td> <td>41.19%</td> </tr> <tr> <td>SBS</td> <td>1,190,477</td> <td>30.29%</td> </tr> <tr> <td>Corrugated Medium</td> <td>121,929</td> <td>3.10%</td> </tr> <tr> <td>Total Production</td> <td>3,930,885</td> <td></td> </tr> </tbody> </table>		TOTAL PRODUCTION BY SUBSTRATE (SHORT TONS)	PERCENT OF TOTAL	CRB	999,224	25.42%	CUK	1,619,255	41.19%	SBS	1,190,477	30.29%	Corrugated Medium	121,929	3.10%	Total Production	3,930,885	
			TOTAL PRODUCTION BY SUBSTRATE (SHORT TONS)	PERCENT OF TOTAL																	
			CRB	999,224	25.42%																
CUK			1,619,255	41.19%																	
SBS			1,190,477	30.29%																	
Corrugated Medium	121,929	3.10%																			
Total Production	3,930,885																				
RT-CP-000.B	Percentage of production as: (1) paper/wood, (2) glass, (3) metal, and (4) plastic	(1) Paper/wood — 97% (2) Glass — 0% (3) Metal — 0% (4) Plastic — 3% converted packaging and as a percentage of revenue.																			
RT-CP-000.C	Number of employees	18,000																			

GLOBAL REPORTING INITIATIVE (GRI)

This report has been prepared in accordance with the GRI Standards: Core option.
All data is for the year ended December 31, 2019, unless otherwise noted.



GENERAL DISCLOSURES		DATA/RESPONSE
102-1	Name of the organization	Graphic Packaging Holding Company
102-2	Activities, brands, products, and services	Our Company
102-3	Location of headquarters	1500 Riveredge Parkway, Suite 100, Atlanta, GA 30328
102-4	Location of operations	Our Operations
102-5	Ownership and legal form	Our Company
102-6	Markets served	Our Operations
102-7	Scale of the organization	Our Company
102-8	Information on employees and other workers	Our Workforce
102-9	Supply chain	Supply Chain Management
102-10	Significant changes to the organization and its supply chain	The primary change from our 2017 Sustainability and Social Responsibility Report is the growth of our wood purchasing. With the combination of Graphic Packaging and International Paper's Consumer products division two SBS mills were added to our virgin mill platform.
102-11	Precautionary Principle or approach	Addressing Climate Change Risks

GLOBAL REPORTING INITIATIVE (GRI)

GENERAL DISCLOSURES		DATA/RESPONSE
102-12	External initiatives	Community Engagement CDP Sedex ecovadis
102-13	Membership of associations	Membership of Alliances
102-14	Statement from senior decision-maker	Letter from our CEO and Sustainability Update
102-15	Key impacts, risks, and opportunities	See our annual report on Form 10-K for the year ending December 31, 2019, Risk Factors — pages 14-17. Stakeholder Engagement & Risk Assessment
102-16	Values, principles, standards, and norms of behavior	Our Vision and Code of Conduct
102-17	Mechanisms for advice and concerns about ethics	Ethics and Compliance and Code of Conduct
102-18	Governance structure	Corporate Governance
102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate Governance
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement & Risk Assessment
102-22	Composition of the highest governance body and its committees	Corporate Governance
102-23	Chair of the highest governance body	Corporate Governance

GLOBAL REPORTING INITIATIVE (GRI)

GENERAL DISCLOSURES		DATA/RESPONSE
102-24	Nominating and selecting the highest governance body	Corporate Governance
102-25	Conflicts of interest	Conflicts of Interest statement (encompassed by it's related party transaction policy) can be found on pages 8-9 and 39-44 of the Graphic Packaging 2019 proxy statement .
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance
102-29	Identifying and managing economic, environmental, and social impacts	Graphic Packaging utilizes several feedback programs to inform us on our impacts. We voluntarily engage with platforms like CDP, SEDEX and Ecovadis to benchmark our programs with peers. We conduct Voice of Customer surveys and conduct formal learning programs like our Carton College to generate feedback from our customers. We host investor days to gain valuable insight from the investment community. We also conduct employee surveys.
102-30	Effectiveness of risk management processes	<p>Graphic Packaging has developed a Risk Management System (RMS) with includes formal policies, procedures, and governance and defines and communicates the Company's policy regarding the management and oversight of risk. The RMS system assures the effective identification, analysis, prioritization and management of risks. Stakeholders including the Board, Audit Committee, Management and staff have oversight and execution of the RMS. Management is responsible for identifying, mitigating, and managing risks across the organization. The CEO and Board oversee the Sustainability office and the Audit Committee oversees the enterprise strategic risk management function, activities, and reporting. Key risks related to climate change are included in the Annual Report on Form 10-K.</p> <p>The Executive Leadership Team reviews priorities and results in workshops, staff meetings, and communicates these electronically to multiple levels of leadership. The Audit Committee reviews the enterprise strategic risk assessment annually. This includes climate-related risks at operational levels, energy use, material supply, production, transportation, human resources, and weather/natural risks. Risk changes are also reported 3 times per year to the Audit Committee based on input from the risk owners and senior leadership.</p> <p>The opportunities and risks are evaluated and prioritized based on formal defined risk ranking criteria for significance of impact and likelihood of occurrence. Impact represents the potential effect of an event, and likelihood represents the possibility that a given event will occur, and both are measured on a scaled and weighted approach with clear definitions and ranking criteria. Risks are identified through a variety of people and process methodologies and tools including but not limited to professional and trade related business associations and their publications and journals, input from the board of directors, C-Suite leadership, business leaders, other Company leadership, stakeholders, professional services firms, industry alerts, changes in market conditions, government agencies communications, employee communication, media, informal discussions, changes in financial results, focused workshops or scenario analysis, the Company Alert line and various conferences or round tables. We also regularly engage with our investors and also host investor days to gain valuable insight from the broader investment community.</p> <p>This comprehensive process provides input and informs for our strategic planning.</p>

GLOBAL REPORTING INITIATIVE (GRI)

GENERAL DISCLOSURES		DATA/RESPONSE
102-31	Review of economic, environmental, and social topics	Graphic Packaging utilizes several feedback programs to inform us on our impacts. We voluntarily engage with platforms like CDP, SEDEX and Ecovadis to benchmark our programs with peers. We conduct Voice of Customer surveys and conduct formal learning program like our Carton College to generate feedback from our customers. We host investor days to gain valuable insight from the investment community. We also conduct employee surveys.
102-38	Annual total compensation ratio	Annual total compensation ratio is presented in 2019 CEO Pay Ratio Information on page 32 of the Proxy Statement for the 2020 Annual Meeting of Stockholders .
102-40	List of stakeholder groups	Stakeholder Engagement & Risk Assessment
102-41	Collective bargaining agreements	41.30%
102-42	Identifying and selecting stakeholders	Engaging our stakeholders is essential to how we do business. We identify and engage with stakeholders that can inform us and/or are impacted by our actions. By listening to their ideas and needs, we better understand their expectations and we can identify emerging opportunities and challenges in our markets. In turn, stakeholders can learn more about Graphic Packaging. Stakeholder Engagement & Risk Assessment
102-43	Approach to stakeholder engagement	Stakeholder Engagement & Risk Assessment
102-44	Key topics and concerns raised	Engagement with key stakeholders is an ongoing process and each year we engage in a thoughtful process of listening formally or informally. These stakeholder groups want to understand Graphic Packaging’s sustainability goals and performance against those goals. Insights that have helped us refine our goals include a higher focus on circular economy metrics, including measuring and increasing the recyclability and recovery rates of our packaging products. Communicating the circular nature of our packaging products which are comprised of tree fiber, a renewable material that has been sustainably managed. Enhancing the amount of data we disclose in certain areas, such as diversity, which has been expanded in this report. Stakeholder Engagement & Risk Assessment
102-45	Entities included in the consolidated financial statements	Reference the 2019 10-K – page 50.
102-46	Defining report content and topic Boundaries	The 2019 ESG report contains information that is most material to our global sustainability and responsibility strategy. We utilized feedback from several key stakeholders including customers and investors to inform us and determine where we may need to elaborate and expand disclosure of our strategy and progress. Data in the ESG report is for the year 2019 unless otherwise noted. It is also for our operations as of December 31, 2019 as defined in our annual report, unless otherwise noted.
102-47	List of material topics	Material Issues

GLOBAL REPORTING INITIATIVE (GRI)

GENERAL DISCLOSURES		DATA/RESPONSE
102-48	Restatements of information	Internal and external audits of our Greenhouse Gas collection and reporting identified collection and methodology differences in our mill system. The differences had a non-material impact on our reporting for the period of 2016 to 2019. Greenhouse Gas emissions have been updated for the impacted years. Read more here.
102-49	Changes in reporting	Not applicable.
102-50	Reporting period	All information in this report is as of December 31, 2019, unless otherwise stated.
102-51	Date of most recent report	<p>Full referenced GRI report 12/1/2018. Update report 12/1/2019. This is Graphic Packaging’s second Sustainability and Social Responsibility Report and follows the most current Global Reporting Initiative (GRI Core) and Sustainable Accounting Standards Board (SASB) standards. It is informed by the Task-Force for Climate Related Disclosures (TCFD).</p> <p>We have updated all material topics and disclosures from our base year of 2016 to reflect the inclusion of the combination with International Paper’s North America Consumer Packaging business which was completed on January 1, 2018. International Paper’s North American Consumer Packaging business.</p>
102-52	Reporting cycle	We are committed to reporting on our sustainability progress annually. In this report we have considered and incorporated as appropriate the Global Reporting Initiative (GRI) core and Sustainable Accounting Standards Board (SASB) reporting principles. We are committed to continuing to update stakeholders on our Vision 2025 progress on an annual basis. This report, and other updates will be published on our website at: http://investors.graphicpkg.com/esg/default.aspx
102-53	Contact point for questions regarding the report	<p>Andrew Johnson Vice President, Government Affairs & Sustainability 1500 Riveredge Pkwy NW, Suite 100 Atlanta GA 30328</p> <p>Andrew.johnson@graphicpkg.com</p>
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option. And The SASB Standards. It has been informed by the TCFD.
102-55	GRI content index	GRI
102-56	External assurance	Graphic Packaging engaged with Lloyd’s Registry LLC, an independent third party, to provide limited assurance on our 2019 greenhouse gas emissions.

GLOBAL REPORTING INITIATIVE (GRI)

GENERAL DISCLOSURES		DATA/RESPONSE		
103-1	Explanation of the material topic and its Boundary	Environmental Emissions Energy Forest and Wood Fiber Certification Water Conservation Waste, Recovery, and Circularity	Social Community Engagement Diversity and Inclusion Employee Health and Safety Learning and Development	Governance Corporate Governance Ethics and Compliance Supply Chain Management
103-2	The management approach and its components			
103-3	Evaluation of the management approach			
ECONOMIC				
ECONOMIC PERFORMANCE				
201	Economic Performance Management Approach	See our Annual Report for the year ending December 31, 2019, pages 1-3.		
201-1	Direct economic value generated and distributed	See our Annual Report on Form 10-K for the year ending December 31, 2019, pages 22-24.		
ANTI-CORRUPTION				
205	Anti-corruption Management Approach	100% of the members of our governance bodies were educated on our anti-corruption policy in 2018 and 2019. We also sent our anti-corruption policy (as well as our trade restriction policy) to sales, finance, HR, supply chain, legal and executive teams on a global basis. On a global basis, this amounted to 3,680 employees in 2019 which was an expansion from 2018 due to the expanded job codes which were eligible to receive and acknowledge the policy. Anti-Corruption		
205-2	Communication and Training on Anti-corruption Policies and Procedures	Graphic Packaging conducts annual Code of Conduct training for each of our 18,000 employees during which they are reminded of our Core Values and anti-corruption policy. We distribute these policies to the employees or otherwise make them available via the online training tool or on the Company Internet. Anti-Corruption		

GLOBAL REPORTING INITIATIVE (GRI)

GENERAL DISCLOSURES		DATA/RESPONSE
---------------------	--	---------------

ENVIRONMENT

MATERIALS

301	Materials Management Approach	<u>Forest and Wood Fiber Certification</u>
------------	--------------------------------------	---

301-1	Materials used by weight or volume						
301-2	Recycled input materials used						
301-3	Reclaimed products and their packaging materials						
		WOOD FIBER PROCURED (METRIC TONS)*	2015	2016	2017	2018	2019
		Virgin Fiber	4,521,812	4,864,491	9,103,828	8,934,928	9,873,101
		Recycled Fiber (virgin mills)	139,641	134,295	140,639	144,620	153,770
		Recycled Fiber (CRB mills)	831,889	861,826	858,197	842,775	854,568
		Total	5,493,342	5,860,612	10,102,664	9,922,322	10,881,439
		FOREST/FIBER CERTIFICATION (METRIC TONS)*	2015	2016	2017	2018	2019
		Total Green Wood	4,521,812	4,864,491	9,103,828	8,934,928	9,873,101
		- SFI/PEFC	1,600,465	1,640,106	1,881,023	1,692,007	2,112,814
		- FSC	52,329	256,917	739,598	715,973	389,487
		Recycled Fiber	139,641	134,295	140,639	144,620	153,770
		Total	4,661,453	4,998,786	9,244,467	9,079,547	10,026,871

* 2015 and 2016 CUK mills only; 2017 - 2019 CUK and SBS mills.

ENERGY

302	Energy Management Approach	<u>Energy</u>
<p>Graphic Packaging’s Supply Chain works with our manufacturing facilities to manage energy and fuel costs. The Center for Excellence is a team of energy experts that consult with our mills to identify and implement energy efficiency opportunities. These two groups in collaboration with the manufacturing facilities engage to optimize the costs and efficiency of electricity, natural gas, biomass and other fuel sources. Further, they engage in a strategy to prioritize fuel reliability and energy efficiency by utilizing a sophisticated energy system management tool across our mill system. Central to our energy management approach is minimizing environmental impacts. Our virgin mills generate most of their own steam and electricity by using combined heat and power systems fueled predominantly with renewable biomass.</p>		

GLOBAL REPORTING INITIATIVE (GRI)

GENERAL DISCLOSURES	DATA/RESPONSE
<p>302-1 Energy consumption within the organization</p>	<p>Natural Gas — 24,900,382 GJ — 28.02%</p> <p>Coal — 74,600 GJ — 0.08%</p> <p>Diesel — 209,269 GJ — 0.24%</p> <p>Gasoline — 15,606 GJ — 0.02%</p> <p>Kerosene — 1,459 GJ — 0.00%</p> <p>Number 2 Fuel Oil — 18,255 GJ — 0.02%</p> <p>Propane — 166,192 GJ — 0.19%</p> <p>Waste Oil — 93,424 GJ — 0.11%</p> <p>Biomass — 63,382,223 GJ — 71.33%</p> <p>Biomass includes Bark, Black Liquor Solids, Railroad Crossties, and Sludge. With the exception of Biomass, all fuels are non-renewable.</p>
<p>302-2 Energy consumption outside of the organization</p>	<p>This information is being calculated and we intend to include in subsequent reports.</p>
<p>302-3 Energy intensity</p>	<p>The energy intensity ratio for 2019 was 4.78 (MMBTUs/\$1,000 Sales). This includes all non-renewable energy sources identified in 302-1.</p>
<p>302-4 Reduction of energy consumption</p>	<p>From 2018 to 2019, Graphic Packaging International has seen a reduction in total energy consumption of 346,069 GJ. This represents a 1.31% decrease in total energy consumption from 2018 to 2019. As Sludge has been reported in MMBtu, this comparison excludes Sludge.</p>
<p>302-5 Reductions in energy requirements of products and services</p>	<p>Reduction in energy is an indirect requirement with customers. Each year Graphic Packaging collaborates on projects to reduce the fiber in our packaging, through optimization programs or resizing programs. Some of these programs support our customer strategies to reduce materials and others are contractual. On average we reduce fiber in the packaging products sold to customers by approximately 1%. This results in energy reductions per package as less fiber is required.</p>

GLOBAL REPORTING INITIATIVE (GRI)

GENERAL DISCLOSURES		DATA/RESPONSE
WATER		
303	Water Management Approach	<p>Pulp and paper manufacturing is a water intensive process. Water is utilized for the paperboard making process and for cooling. We recycle and reuse water within the pulping and paperboard making processes many times before transferring to wastewater treatment. “Non-contact” water is used to cool turbines and other manufacturing processes. Our mills temporarily borrow water from local sources for manufacturing, treat it and return virtually all the water back to the environment. States issue permits for groundwater and surface water based on extraction volumes and we are required to measure the volume withdrawn. We report to each state where we operate mills as appropriate.</p> <p>Water Conservation</p>
303-1	Water withdrawal by source	Water Conservation
303-2	Water sources significantly affected by withdrawal of water	A portion of the water withdrawn for use at the West Monroe mill is withdrawn from the Sparta Aquifer. As this aquifer has been overdrawn in the past, we classify this as a nonrenewable groundwater source. In 2019, 12,974.92 megaliters of water was withdrawn from this source.
303-3	Water recycled and reused	Produced water is the water that is extracted from the wood chips and put back into the manufacturing process. This represents 2.68% of total water influents.
BIODIVERSITY		
304	Biodiversity Management Approach	Biodiversity
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None — Graphic Packaging owns approximately 6K acres where the Texarkana Mill is located; there are no known sensitive areas.
304-2	Significant impacts of activities, products, and services on biodiversity	Through our sourcing of fiber that meets the SFI Certified Wood Sourcing Standards and FSC Controlled Wood, we have minimal impact caused by our forest operations. Graphic Packaging has teamed up with American Forest Foundation’s Forests in Focus to engage landowners on reducing risk to biodiverse environments including long leaf pine and old growth hardwood habitats. Protection of Biological Diversity is a key SFI Principle. Note: Objective 5 in the SFI Sourcing Standards .
304-3	Habitats protected or restored	Graphic Packaging’s alliance with Forests in Focus is educating private landowners of at-risk habitats and providing them with the tools to help maintain and restore those habitats.

GLOBAL REPORTING INITIATIVE (GRI)

GENERAL DISCLOSURES		DATA/RESPONSE
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Managed through SFI certified wood sourcing standards.
EMISSIONS		
305	Emissions Management Approach	Emissions
305-1	Direct (Scope 1) GHG emissions	<p>1,318,746.71 metric tons CO₂e</p> <p>Gases included in the calculation: CO₂, CH₄, N₂O</p> <p>Biogenic Emissions: 5,652,244.90 metric tons CO₂e</p> <p>GWP Reference — IPCC Fifth Assessment Report (AR5-100 Year)</p> <p>Emissions</p>
305-2	Energy indirect (Scope 2) GHG emissions	<p>Location-based: 757,538.15 metric tons CO₂e</p> <p>Market-based: 824,154.87 metric tons CO₂e</p> <p>Emissions</p>
305-3	Other indirect (Scope 3) GHG emissions	<p>1,987,798 metric tons CO₂e</p> <p>Graphic Packaging has estimated Scope 3 emissions for the following categories: Purchased Goods & Services, Capital Goods, Fuel-and Energy-related activities, Upstream transportation & distribution, Waste generated in operations, Business travel, Employee commuting, Downstream transportation & distribution, End of life treatment of sold products, and Downstream leased assets.</p> <p>Emissions</p>
305-4	GHG emissions intensity	<p>Scope 1+2 GHG intensity per \$1000 of sales is 0.337 using a location-based approach and 0.348 using a market-based approach.</p> <p>Emissions</p>

GLOBAL REPORTING INITIATIVE (GRI)

GENERAL DISCLOSURES	DATA/RESPONSE
---------------------	---------------

305-5 Reduction of GHG emissions

Change in Emissions by metric tons CO₂e and Scope:

Scope 1: 32,219 metric tons CO₂e decrease, -2.38%

Scope 2 (LB): 13,535 metric tons CO₂e increase, 1.82%

Scope 2 (MB): 76,361 metric tons CO₂e increase, 10.21%

Scope 1+2 (LB): 18,684 metric tons CO₂e decrease, -0.89%

Scope 1+2 (MB): 44,142 metric tons CO₂e increase, 2.10%

[Emissions](#)

305-6 Emissions of ozone-depleting substances (ODS)

Our use of ODS containing materials are limited to fire suppression systems (covering some electrical and/or computer rooms) and air conditioning systems. In both cases we are maintaining the systems to prevent releases and also in the process of converting those to non-ODS containing materials due to the phase out of ODS.

305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emission

TOTAL ALL MILLS	NO _x (THOUSAND METRIC TONNES/YR)	SO ₂ (THOUSAND METRIC TONNES/YR)
2019	5.4	1.4
2018	5.4	1.4
2017	5.2	1.0
2016	5.3	1.0

EFFLUENTS AND WASTE

306 Effluents Management Approach

Water withdrawn from local sources by our virgin and recycled paperboard mills is recycled and reused many times before it is treated and returned to the environment. Effluent discharges from our mills are generally subject to limitations and controls imposed by government-issued permits. These permits contain restrictions on the nature and characteristics of our wastewater discharges, including limits for biochemical oxygen demand (BOD), total suspended solids (TSS) and a variety of other parameters. Graphic Packaging deploys monitoring and testing to ensure compliance with permit and regulatory requirements to effluent discharges.

[Water Conservation](#) and [Waste, Recovery, and Circularity](#)

GLOBAL REPORTING INITIATIVE (GRI)

GENERAL DISCLOSURES		DATA/RESPONSE
306-1	Water discharge by quality and destination	Non-contact river water for cooling returned to river, 7,305.39 megaliters, 4.77% Third Party Waste Water, 145,781.33 megaliters, 95.23%
306-3	Significant spills	None to report in 2019.
306-4	Transport of hazardous waste	None to report in 2019.
306-5	Water bodies affected by water discharges and/or runoff	Graphic Packaging has a multi-year project, 5R, to address oxygen levels in the Savannah river basin. Water Conservation
ENVIRONMENTAL COMPLIANCE		
307	Environmental Compliance Management Approach	Graphic Packaging is firmly committed to environmental stewardship and that commitment is reflected in our Sustainability Vision 2025 and with our disclosures. We have a corporate Health, Safety and Environmental (HS&E) management team that supports local HS&E experts. Our environmental management structure and activities work to ensure full compliance with national, state, local and all other applicable regulations. The corporate HS&E team provides resources and expertise for local personnel including best management practices on environmental matters including, but not limited to, storm water, spill response, hazardous and other waste, and other relevant environmental matters. Graphic Packaging's corporate HS&E team also maintains our environmental policy regarding environmental stewardship.
307-1	Non-compliance with environmental laws and regulations	As documented in our company HS&E policy, it is an expectation that each operating location complies with all applicable environmental laws and regulations. Graphic Packaging maintains a centralized monthly reporting and review process to identify any instances of non-compliance to ensure appropriate and timely actions are taken to bring the location back into compliance. The company did not have any material violation of environmental law in 2019.

GLOBAL REPORTING INITIATIVE (GRI)

GENERAL DISCLOSURES		DATA/RESPONSE
SUPPLIER ENVIRONMENTAL ASSESSMENT		
308	Supplier Environmental Assessment Management Approach	<p>At Graphic Packaging, we believe acting ethically and responsibly is not only the right thing to do, but also the right thing to do for our business. Graphic Packaging has developed a Global Supplier Code of Conduct to set out our global minimum expectations in the areas of business integrity, anti-corruption, labor practices, associate health and safety, and environmental management. Graphic Packaging’s Global Supplier Code of Conduct is intended to complement Graphic Packaging International’s Global Code of Conduct and the company’s other policies and standards. All Suppliers, vendors, contractors, consultants, agents and other providers of goods and services, collectively Suppliers, who do business with Graphic Packaging entities worldwide are expected to follow this Global Supplier Code of Conduct or any and all relevant laws and policies that may apply to the specific services provided by Suppliers to Graphic Packaging. Suppliers are also expected to communicate and apply this Global Supplier Code of Conduct and relevant policies throughout their supply chain. A Supplier’s acceptance of a purchase order or supply of goods or services constitutes that Supplier’s acceptance of the terms set forth in the Global Supplier Code of Conduct. In regard to Environmental matters, Suppliers must demonstrate a commitment to preserving the environment and complying with all applicable environmental laws and regulations. The potential environmental impacts of daily business decision-making processes should be considered along with opportunities for conservation of natural resources, recycling, source reduction and pollution control to ensure cleaner air and water and to reduce landfill wastes.</p> <p>Supply Chain Management</p>
308-1	New suppliers that were screened using environmental criteria	As new suppliers are established, we require compliance with our Supplier Sustainability Guidelines and Global Supplier Code of Conduct. Existing suppliers are reviewed as they come up for contract renegotiations or as new RFPs are released. All wood suppliers are trained through SFI with state logger training.
308-2	Negative environmental impacts in the supply chain and actions taken	None to report.
SOCIAL		
EMPLOYMENT		
401	Employment Management Approach	Our Social Approach
401-1	New Employee Hires and Employee Turnover	<p>New hires 3,027.</p> <p>Turnover — 12% Voluntary and 7% Involuntary.</p>

GLOBAL REPORTING INITIATIVE (GRI)

GENERAL DISCLOSURES		DATA/RESPONSE
401-2	Benefits provided to full-time employees	<p>Graphic Packaging offers compensation and benefit programs that are among the best in the industry to reward the talented people who make our company successful.</p> <p>We offer comprehensive medical plan options which automatically include prescription drug benefits. We also offer dental and vision coverage options, healthcare and dependent care spending accounts, supplemental life insurance, short-term and long-term disability coverage and paid vacation time and company holidays. The GPI Fit wellness program enables employees to earn funds for their HSA based on the completion of wellness activities — for both the employees and their enrolled spouses. All employees and their family members are eligible for up to eight company-paid visits with a counselor as part of our Employee Assistance Plan.</p> <p>We also help our workforce focus on their financial health by making significant contributions towards retirement savings. Graphic Packaging contributes a 100 percent match on the first four percent of contributions and a 50 percent match on the next three percent of contributions, for a total match of five and a half percent if the employee contributes at least seven percent. These matching contributions are immediately vested.</p>
OCCUPATIONAL HEALTH AND SAFETY		
403	Occupational Health and Safety Management Approach	Employee Health and Safety
403-2	Types of Injury and Rates of Injury, Occupational Diseases, Lost Days	Employee Health and Safety
TRAINING AND EDUCATION		
404	Training and Education Management Approach	Learning and Development
404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	Learning and Development
404-3	Percentage of employees receiving regular performance and career development reviews	100% of our salaried workforce (4,400 employees) receive regular performance and career development reviews. In 2019, we began a trial of XP (Xccelerated Performance), a program that moves performance and career development from a twice-a-year discussion to a natural on-going dialogue.
DIVERSITY AND EQUAL OPPORTUNITY		
405	Diversity and Equal Opportunity Management Approach	Diversity and Inclusion

GLOBAL REPORTING INITIATIVE (GRI)

GENERAL DISCLOSURES		DATA/RESPONSE
405-1	Diversity of Governance Bodies and Employees	Diversity and Inclusion
HUMAN RIGHTS ASSESSMENT		
412	Human Rights Assessment Management Approach	Human Rights
412-3	Significant Investment Agreements and Contracts that Include Human Rights Clauses or that Underwent Human Rights Screening	Human Rights
LOCAL COMMUNITIES		
413	Local Communities Management Approach	Community Engagement
413-1	Operations with Local Community Engagement, Impact Assessments and Development Programs	Community Engagement
SUPPLIER SOCIAL ASSESSMENT		
414	Supplier Social Assessment	Supply Chain Management
PUBLIC POLICY		
415	Public Policy Management Approach	Government Relations
415-1	Political Contributions	Government Relations



Headquarters
1500 Riveredge Parkway NW
Atlanta, Georgia 30328

graphicpkg.com

