



Graphic
Packaging
INTERNATIONAL



2021

ESG Highlights

Protecting. Expanding. Transforming.

Inspired Packaging. Made Possible.

Graphic Packaging is a global leader providing packaging solutions for the food, beverage, household goods, foodservice, healthcare, and beauty markets. 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 or flavored, sparkling water you may enjoy tonight.



ABOUT THIS REPORT

Graphic Packaging is committed to publicly reporting on sustainability-related topics on an annual basis, discussing the opportunities and challenges that we encounter as we work to enhance performance and conduct business in the most responsible manner possible. For more information on how we prepared this report, see reporting practices within our [full report](#).

Most of the images included in this report are of our employees and facilities from around the world, and we are proud that they can help tell our story.

CEO Message



Dear Stakeholders,

I am once again proud to share our annual sustainability report and invite you to read it and join us on our journey. At Graphic Packaging, progress in the business-critical areas of environmental, social, and governance (ESG) means delivering positive outcomes for our people, our planet, our partners, and ultimately the growth and sustainability of our Company. For this year's report we've chosen a theme that summarizes our point of view on ESG as well as our vision and progress: **Protecting. Expanding. Transforming.**

Graphic Packaging is expanding. In 2021, we completed the strategic acquisitions of AR Packaging and Americraft Carton, and we delivered 2% net organic sales growth for the year. Our growing global presence demands increased sophistication in our ESG programs and that we embed ESG more formally into our practices across our global footprint. This report reflects the steps we have taken in the last year to build a stronger foundation for Graphic Packaging and considers our impact as we transform our Company and move into the future together.

Allow me to highlight a few of the actions I'm especially proud of in 2021:

We expanded our leadership team by adding chief sustainability officer Michelle Fitzpatrick, Ph.D. We recognized that evolving ESG expectations from stakeholders requires an executive-level team member to oversee our ESG strategy. Michelle brings a wealth of industry knowledge and sustainability expertise to us. Her experience and skill sets are helping to advance our climate risk strategy and identify new opportunities in ESG. This report is just one example of the important multi-faceted work she has spearheaded alongside a wide range of cross-functional endeavors.

In November 2021, we became a signatory to the United Nations Global Compact (UNGC), committing to incorporate the 10 principles of the compact into our business. Joining the UNGC means that we are not only considering the expectations for our industry, but for all companies working to advance sustainable development globally.

We committed to developing climate goals in partnership with the Science Based Targets initiative (SBTi). By submitting our formal letter of intent to SBTi, we committed to transforming our climate strategy by setting new Scope 1, 2, and 3 carbon emissions reduction targets that are aligned with climate science. Carbon emissions reductions are the single most important goal any company can set to impact climate change and plan for a lower carbon future.

The entire Graphic Packaging team continued to demonstrate resolve in efforts to keep our operations and supply chain running smoothly amid the ongoing pandemic and global challenges in logistics, materials availability, and workforce management. I am incredibly proud our team was able to not just weather the storm but thrive and grow through adversity. Each individual at Graphic Packaging has contributed to making us a more resilient company.

We truly believe in our ability to make a world of difference through our Vision 2025 goals and the inspired packaging solutions we provide that protect essential consumer goods every day. While we still have more work ahead of us in our ESG journey, I am proud of the advancements we've made building a strong foundation for the future — one that will guide the sustainable expansion and transformation of our business.

Michael P. Doss, President and Chief Executive Officer

Our Company

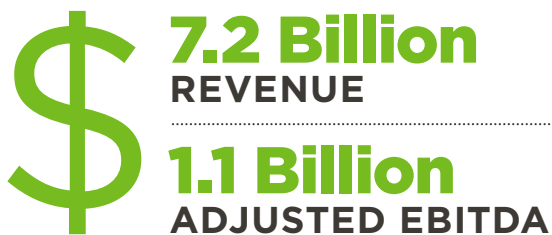


Who we are

Graphic Packaging's history dates back more than 100 years, as numerous legacy companies have joined forces to create an ever-evolving corporation. In 2021, we continued expanding our Company and welcomed new colleagues from Americraft and AR Packaging onto our team. Our growth and transformation over the years reflect our deep-seated dedication to innovation, quality, service, continuous improvement, and sustainability. These priorities remain integral to Graphic Packaging's strategic focus today.

Our 130+ facilities across the globe design and produce innovative, fiber-based packaging solutions that enable

us to help customers to reach their sustainability goals, accommodate changing consumer preferences, stand apart from competitors, and achieve brand loyalty. Our product portfolio starts with renewable and recycled raw materials and emphasizes package recyclability after use. Our approach to responsible manufacturing prioritizes caring for the safety and well-being of our more than 24,000 employees and actively working to decrease our environmental footprint — ensuring a positive impact on the communities where we live and work.



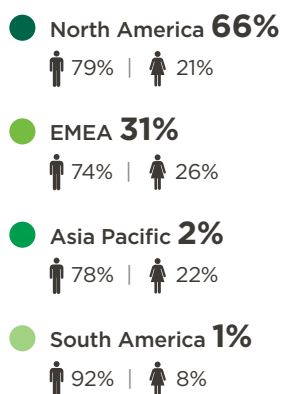
Our global reach

At Graphic Packaging, we produce paperboard at our mills. We then 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 food 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.



Employees by region



EXECUTIVE LEADERSHIP TEAM

20% Women

40% Ethnically diverse

US WORKFORCE

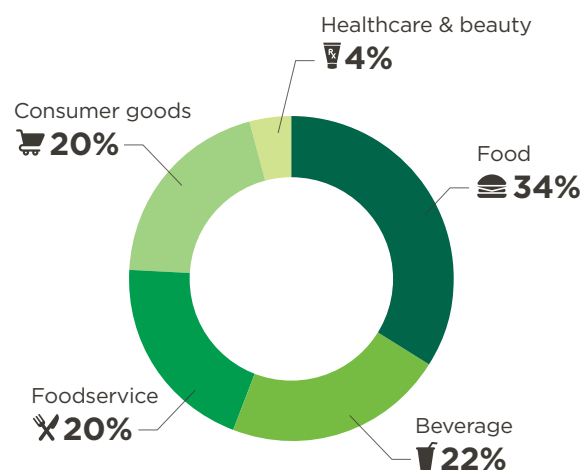
29% Ethnically diverse

2021 BUSINESS HIGHLIGHTS

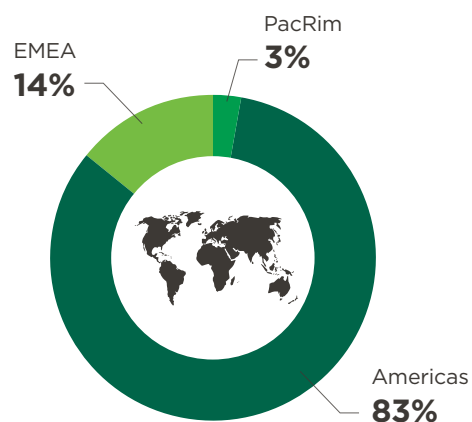
Expanding our business, market reach, and global presence

- Net sales of **\$7.2 billion** are up 9% from 2020, with 2% net organic sales growth.
- During 2020 and 2021, we returned over **\$1 billion** to stockholders through dividends, distributions, redemptions, and share repurchases.
- We completed strategic acquisitions of AR Packaging, one of Europe's largest fiber-based consumer packaging producers, and Americraft Carton, a large independent carton manufacturer in the United States.
- We commissioned our new state-of-the-art coated recycled paperboard (CRB) machine in Kalamazoo, Michigan, the largest and lowest cost machine in North America producing high-quality CRB paperboard.
- We increased our vertical integration rate by 2% and now internally convert 72% of the paperboard produced at our mills.

Net sales by market served



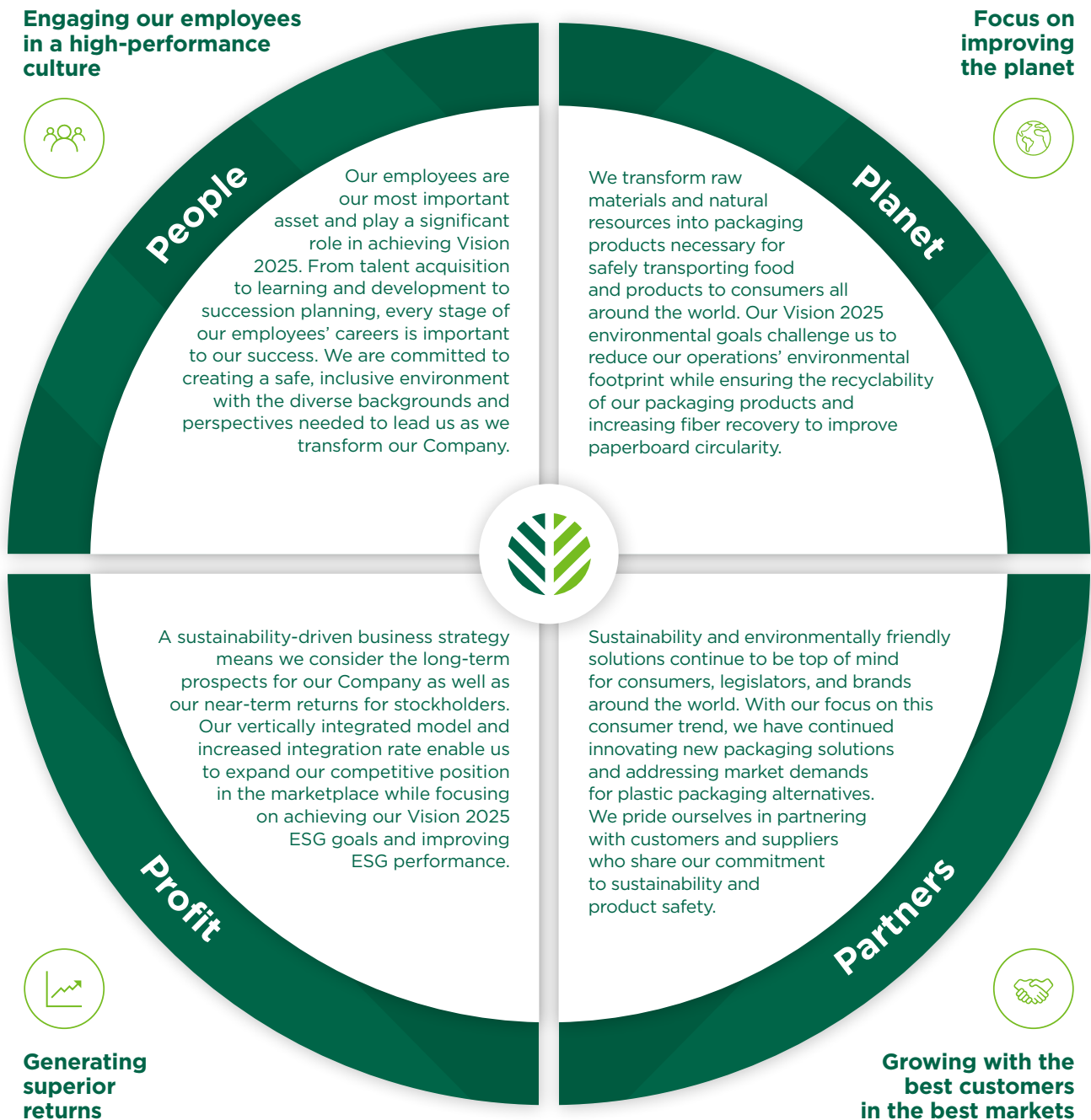
Net sales by region



Vision 2025

Consumers are more conscious now than ever about the products they buy and the packaging that protects those products. Graphic Packaging is investing in the future of sustainable, inspired packaging by making packaging using recycled fibers and renewable fibers from responsible sources — packaging that not only protects food and products so that less goes to waste, but also can be recycled and the fibers used again.

Our Vision 2025 outlines how we will make those investments in our products, and how we will be better stewards of our planet, supporters of our people, and allies to our partners, all while generating returns for our stockholders. Vision 2025 guides our business strategy and sets measurable goals under the pillars of **People**, **Planet**, **Partners**, and **Profit**.



Our Values



Graphic Packaging's culture is powered by a steadfast commitment to upholding our five core values as we work together to grow our Company and deliver on our Vision 2025 ESG goals.



Integrity

Integrity means honesty, leading by example, keeping promises, meeting commitments, and taking pride in what we do. Doing what is right — always.



Respect

We actively solicit each other's ideas and honor diverse opinions. Each person's unique skills are valued, contributions are appreciated, and accomplishments are always recognized.



Accountability

Each individual is personally responsible for doing their job to the best of their abilities and delivering results. We never quit in meeting our commitments to customers, employees, stockholders, and other stakeholders.



Relationships

We have an unwavering commitment to listen to and understand the needs of our stakeholders and to work with them to create innovative solutions that result in shared prosperity.



Teamwork

The strongest teams share common goals and work together to achieve them. We encourage everyone's involvement, support each other's ideas, and help others without being asked.

ESG at Graphic Packaging



2021 ESG highlights

“I joined Graphic Packaging because there are endless opportunities here to grow a stronger business based on contributing to a more sustainable world. As a leading packaging company, we have an important role to play in creating a sustainable future for our employees, our customers, and the communities where we operate. Our Vision 2025 goals are the first step in our journey to build a resilient company and ensure that we are taking the necessary actions so Graphic Packaging thrives as the world moves to a more circular economic system.”

Michelle Fitzpatrick,
VP & Chief Sustainability Officer



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Became a signatory of the UN Global Compact



Named to Forbes' list of
World's Best Employers



Named to Forbes' list
of World's Top Female
Friendly Companies



Named one of
Newsweek's Most Responsible
Companies in the US
based on ESG factors



Achieved EcoVadis gold rating



Became a member of the
Ellen MacArthur Foundation's
Network — the world's leading
circular economy network

Global trends — the need for transformation

Strong global driving forces are affecting the packaging industry — more goods need to be packaged, while at the same time packaging needs to be adapted so that the entire value chain generates the lowest possible carbon emissions while minimizing packaging waste. The ability to innovate commercially viable, low-carbon, and circular packaging solutions will be a key enabler for long term prosperity.



Climate change & waste management:

A warming planet and a growing awareness about climate change are driving society to reduce greenhouse gas emissions. A shortage of natural resources and a growing plastic waste problem are increasing the need for a rapid transition to a more circular economy and driving legislation promoting packaging that is recyclable or reusable.

In response, Graphic Packaging has been working to reduce our nonrenewable energy and greenhouse gas intensities and has committed to establishing climate goals in line with the SBTi. Our products are made primarily from renewable and/or recycled materials and most can be recycled after use.



Forest sustainability:

The forest is an important natural resource. We are seeing increased competition for forest materials to produce everything from energy to paperboard, as well as pressures to protect forest ecosystems and biodiversity and for carbon sequestration. Managing the forest responsibly is a prerequisite for the forest to function as a carbon sink while providing the renewable raw materials society needs.

This is precisely why Graphic Packaging is certifying all our global facilities to sustainable fiber sourcing standards and engages our wood fiber suppliers on using forest best management practices for protecting valuable ecosystems and renewing forest resources following harvest.



Urbanization and the growing middle class:

With a growing proportion of the planet's population moving from rural areas into cities, people are increasingly far removed from local food supplies. Further, increased prosperity creates a growing demand for prepackaged food, drinks, and consumer goods. With increased consumption comes the need for safe, recyclable, or reusable packaging, and for infrastructure and systems to support recycling and drive circularity.

Graphic Packaging's primary focus is to provide recyclable packaging solutions that protect products while in transit to consumers and reduce waste. New product offerings like IntegraFlute™ and other strength packaging solutions are ideal for ecommerce applications, enabling products to be shipped "as is" and avoid the need for additional shipping boxes.














Increased focus on health and safety:

Packaging needs to be durable to prevent food waste and plays an important role in meeting requirements for product safety and hygiene for food and drink and product traceability. Full traceability from raw material to food production to packaging materials is now widely expected.

Today Graphic Packaging meets this need through solutions like ProducePack™ — a line of paperboard produce packaging that protects and preserves fresh fruit and vegetables by reducing damage (e.g., bruising) during shipping and storage. Traceability and smart packaging is a current innovation focus area for future package transformation.

Vision 2025 ESG goals

Vision 2025 outlines how we will make investments in our products and be better allies to our partners, supporters of our people, and stewards of our planet, all while generating profits for our stockholders. Our ESG goals are aligned in four pillars — **People, Planet, Products, and Partners** — and map to the United Nations Sustainable Development Goals (UN SDGs). Our efforts are most closely connected with four of the goals — SDG 8 decent work and economic growth, SDG 12 responsible consumption and production, SDG 13 climate change, and SDG 15 life on land.

	VISION 2025 ESG GOALS	2021 PROGRESS	UN SDGs
People	 ENGAGED EMPLOYEES GOAL Achieve top quartile employee engagement Provide 30 hours of training per employee per year	On track Progressing	3 4 5 8 10 16
	 SAFETY GOAL Continue progress toward aspirational target of zero incidents	No progress	8
	 SOCIAL RESPONSIBILITY GOAL 100% global converting plants in compliance with a social responsibility audit	Progressing	4 5 8 10 16
Planet	 GREENHOUSE GAS EMISSIONS GOAL Reduce greenhouse gas emissions intensity by 15% (metric tons CO ₂ e/\$1,000 sales)	On track	8 12 13
	 NONRENEWABLE ENERGY GOAL Reduce nonrenewable energy intensity by 15% (MWh/\$1,000 sales)	On track	7 8 12 13
	 WATER CONSERVATION GOAL Reduce mill water effluent intensity by 15% (megaliters/metric ton board)	Progressing	6 8 12
	 WASTE DIVERSION GOAL Drive out waste in all our operations	Progressing	8 12
Products	 PRODUCT INNOVATION GOAL \$400M-\$700M net new product sales 2020-2025 included in organic growth	On track	12 13 15
	 RECYCLABILITY GOAL 100% of sales are generated from products that are recyclable	On track	12 13 15
	 REDUCING LDPE USAGE GOAL Reduce LDPE use by 40%	On track	12 13 15
Partners	 SUPPLY CHAIN SUSTAINABILITY GOAL All global facilities will be compliant with a fiber certification standard	On track	5 6 8 10 12 13 15 16



OUR PRODUCTS

Protecting What Matters Most



A vision for innovation

At Graphic Packaging, we create innovative, fiber-based packaging solutions that make a world of difference. Our packaging safely transports food, beverages, and other essential consumer goods from our customers to consumers around the world, all while supporting a circular economy. More than 95% of our product revenues comes from fiber-based products, made from responsibly sourced, renewable virgin tree fibers or recycled fibers, that are recyclable at end of life. By working closely with our customers to understand their needs and consumers' expectations, we continue to offer the value and quality that our customers expect and packaging that helps solve the growing waste challenge.

Vision 2025 Product Innovation Goals

Goals:



\$400M-\$700M net new product sales 2020-2025 included in organic growth

Goal Progress:



On track, with **-\$300M** in cumulative revenue



100% of sales are generated from products that are recyclable



On track, with **95%** of sales

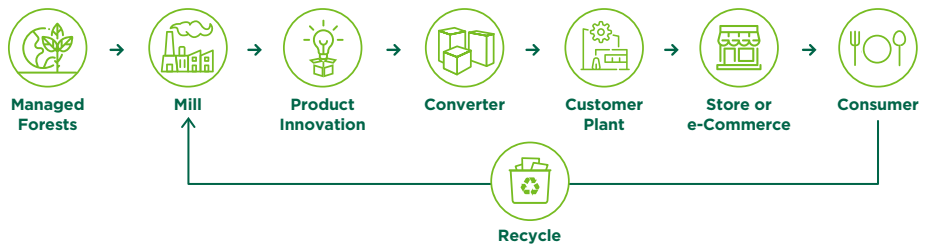


Reduce our use of low-density polyethylene (LDPE) by 40%



On track, with **19%** reduction

Our Product Lifecycle:



2021 Highlights

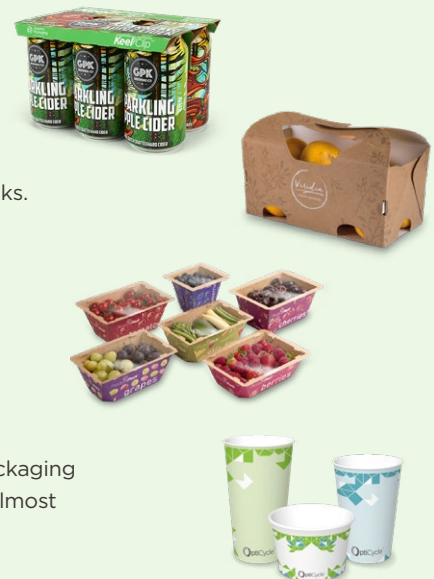
Recyclable products that help reduce waste

KeelClip™, EnviroClip™, and Cap-It™ provide sustainable, fiber-based options for brands looking to replace plastic rings and shrink film in beverage and food multipacks.

ProducePack™ and ProducePack Punnet are fiber-based solutions for brands looking to replace flexible and rigid plastic produce packaging with a fiber-based alternative. They also offer a potential added protection benefit that can help decrease produce damage and waste during transportation and storage.

Reducing LDPE in foodservice packaging

OptiCycle™ is a new, innovative line of non-polyethylene (PE) coated foodservice packaging that when repulped, approximately 98% of the fiber is recovered which means that almost the entire cup can be recycled to make new paper products.



OUR PARTNERS

Expanding Our Influence



Sustainable forest management

Forests and trees are central to life on earth. They provide clean air and water, habitats for unique plant and animal species, food, and raw materials for many of the products we rely on every day.

Because of the incredible value forests provide and because many global initiatives have not proven successful in protecting the most at-risk forest ecosystems, there is increasing concern over loss of forests and the biodiversity that they support. Graphic Packaging shares these concerns. Most every product we make begins in the forest.

Our Sustainable Forest Policy is the foundation of our commitment to protect and maintain healthy forests. Our approach begins with responsible fiber sourcing, including performing due diligence, validating origin, and engaging our wood suppliers on sustainable management practices. We work directly with landowners to promote responsible forestry practices

and collaborate with conservation organizations to enhance ecologically important areas and restore forests worldwide. We also use third-party certification systems to verify our wood fiber is sourced from sustainably managed forests. We recognize that promoting sustainable forest stewardship practices will help maintain healthy, diverse forest ecosystems for generations to come.

Vision 2025 Supply Chain Sustainability Goal

Goal:



Facilities compliant with one or more fiber certification standard

Goal Progress:



On track, with **93%** facilities certified

2021 Highlights

- **100%** of Graphic Packaging's produced coated unbleached kraft (CUK) paperboard and solid bleached sulfate (SBS) paperboard met the SFI Certified Sourcing, FSC Controlled Wood standards, and Program for the Endorsement of Forest Certification (PEFC) controlled sources requirements and 25% met chain of custody standard requirements.
- More than **1.2 million** metric tons of reclaimed pre- and post-consumer recycled paper materials were used to make new paperboard products at our mills.
- **100%** of new wood suppliers were screened using the Company's due diligence process.
- **\$182 million** spent with diverse suppliers — a 3% increase from 2020.
- Eliminated **24,600** truck shipments (and corresponding GHG emissions) in 2021 using data analytics to improve logistics footprint.
- Supported work with the American Forest Foundation and Georgia-Alabama Land Trust to restore and protect native forest and woodlands ecosystems.

OUR PEOPLE

Expanding Our Impact



A team that makes A World of Difference

Graphic Packaging's collaborative, creative, and passionate team members are central to our success and to creating a culture where every employee is engaged and feels they "play on a winning team." We foster inclusion through the Company's four employee-led business resource groups (BRGs). Our BRGs honor the unique cultural experiences of groups within our employee population. By offering a venue for conversation and connection, these groups build communities within our Company, allowing members to share experiences and resources and pursue personal and professional development. Each group sponsors events and initiatives to build awareness and value for our unique talents and cultural backgrounds, supports community engagement, and celebrates our diversity.



WOMEN@GPI



AAPI+
Asian American,
Pacific Islander



ALIANZA
LATINX+



BEGN+
Black Employee
Global Network

Vision 2025 People Goals

Goals:

Achieve top quartile employee engagement

Provide 30 hours of training per employee per year



Goal Progress:

On track, with **70%** employees responding to the engagement survey

Progressing, with **6** hours average training per salaried employee



Continue progress toward aspirational target of zero incidents

No progress with **10** LIFE injuries

No progress with LTIR of **0.41**



100% global converting plants will be in compliance with a social compliance Sedex Member Ethical Trade Audit (SMETA)

Progressing, with **71%** of facilities audited

2021 Highlights

- Established an Inclusion Council, made up of diverse leaders from across the Company, and an Inclusion Index to measure employee sentiments on belonging and their belief in our commitment to diversity.
- 24%** of frontline and mid-level leaders participated in leadership development training programs.
- Launched our women in leadership development experience with **25** participants in our inaugural program.
- The Macon, Georgia mill received the Pulp and Paper Safety Association Award of Safety Excellence.
- 30** Graphic Packaging operations locations had **0** recordable injuries in 2021.
- Launched global safety leadership training program and deployed at **90** locations.
- Graphic Packaging with our employees donated more than **\$724,000** to community organizations, veterans' groups, and educational activities.

OUR PLANET

Transforming the Future



Focus on fiber recovery

Our Vision 2025 planet goals challenge us to reduce our use of natural resources, greenhouse gas emissions, and operations environmental footprint while increasing fiber recovery and paperboard circularity. As demand for recycled fiber packaging increases, there is a need to further close the fiber loop by increasing paper recovery rates. This means sources of paper-based materials, like foodservice packaging and paper cups, will need to be increasingly accepted and recovered to supply the growing demand for recycled fiber feedstocks. Graphic Packaging is actively working with the Paper Cup Alliance and other alliances in the US and Europe to help address this need by increasing community acceptance for recycling paper cups and other food packaging items. We are engaged at both ends of the recovered material value stream — improving fiber circularity by promoting paper recycling and then using recovered materials to reduce dependence on virgin fiber in our products.

Vision 2025 Planet Goals

Goals:

Goal Progress:



Reduce operations GHG emissions intensity by 15%

On track, with **14%** reduction in intensity



Reduce nonrenewable energy intensity by 15%

On track, with **9%** reduction in intensity



Reduce mill effluent intensity by 15%

Progressing, with **5%** reduction in intensity



Drive out waste in operations

Target 1: Percent converting plants engaged in a waste diversion program

Progressing, with **89%** converting plants participating

Target 2: Percent global waste paperboard recovery

On track, with **95%** paper waste recovery

2021 Highlights

- Renewable fuels represented **~70%** of the fuel mix consumed in our mills and converting operations and **66%** of our global energy needs was supplied by renewable energy.
- Began installing advanced energy management automatic process control system modules at our five largest mills to reduce operation variability and improve power generation equipment efficiency.
- Achieved an **“A-”** rating for the second year in a row from CDP on our climate management approach.
- Completed the installation of third-party solar panels at the Sneek site in the Netherlands. The installation will supply approximately 10% of the site's power needs with renewable electricity.
- 91%** of converting plant waste was successfully diverted to recycling/beneficial reuse and away from disposal via landfill, incineration, or other disposal method.
- 95%** of reported paper waste generated by Graphic Packaging facilities was recovered and recycled.

Read our comprehensive
[2021 ESG Report](#) to learn more
about how Graphic Packaging
is protecting what matters,
expanding our impact,
and transforming the future.



Graphic Packaging
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