



Graphic
Packaging
INTERNATIONAL

2020

ESG Report



2020 ESG REPORT

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LETTER FROM OUR CEO



MICHAEL P. DOOSS

President and Chief Executive Officer

Dear Stakeholders,

At Graphic Packaging, we are committed to delivering fiber-based sustainable consumer packaging solutions that enable environmentally responsible choices. We deliver on this promise through a high-performance culture that embraces diversity and inclusion (D&I), promotes a growth mindset and values safety and well-being.

REMAINING RESILIENT AS AN ESSENTIAL BUSINESS

The year 2020 was shaped by an uncertain political, societal and economic landscape — and most certainly by the pandemic. Throughout the year, Graphic Packaging remained resilient. At the start of the pandemic, we were classified as an essential business, which amplified the critical nature of the packaging we make. Not only did our packaging solutions need to be environmentally responsible; there was a higher calling: our supply chain needed to be resilient and intact to provide packaging for food, beverages, and household products that are necessary for everyday life. With a strong work ethic, perseverance, and dedication, the Graphic Packaging team delivered and maintained continuity of supply for customers so that grocery store shelves remain stocked.

KEEPING OUR EMPLOYEES SAFE

Our commitment to safety allowed us to quickly adopt new COVID-19 protocols to keep our employees safe and healthy. Our manufacturing plants implemented enhanced safety procedures, and many team members worked remotely. This allowed us to seamlessly meet our customers' expectations and packaging needs while keeping the health and safety of our employees a priority. We adapted in real-time to elevated at-home consumption demand patterns and the resulting higher volumes in food and beverage businesses and expedited timelines.

DELIVERING MEANINGFUL PROGRESS ON OUR ESG COMMITMENTS

While we were meeting our supply chain partners' expectations, we also delivered meaningful progress on our ESG commitments. We developed and commercialized innovative and sustainable fiber-based consumer packaging solutions contributing to the four percent increase in net organic sales growth for 2020. These solutions helped our customers meet their goals with circular economy packaging and removed 500 million non-renewable, difficult-to-recycle plastic packaging products with renewable and easily recyclable packaging. **Keelclip™** and **PaperSeal®** continue to experience exceptional marketplace acceptance. Embracing technology, our global innovation team has connected virtually to develop the next generation of solutions resulting in an even more robust innovation pipeline. Our adoption of technology and the real-time connectivity will allow Graphic Packaging to increase our innovation efforts and reduce development time.

We also took additional steps to address climate change and the associated risks. Our leadership team participated in a **Climate Change Enterprise Risk Assessment**. This assessment was a precursor to our

Materiality Assessment and provided keen insights on potential climate change risks and opportunities for Graphic Packaging. Furthermore, it reinforced our strategic plan's effectiveness in addressing key risks and opportunities.

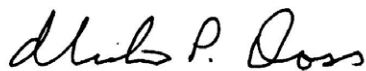
Two years of investments and upgrades to our solid bleached sulfate (SBS) mills have translated into greenhouse gas (GHG) intensity reductions of seven percent when compared to our baseline and as measured against revenue. The events in 2020, along with evolving market demands, were catalysts in our decision to invest \$100 million in our Texarkana mill paper machine #1 to provide flexibility to produce both SBS and coated unbleached kraft (CUK). Demand-related downtime, which puts upward pressure on our GHG metrics, will be minimized after this critical investment is operational. The \$600 million investment to optimize our coated recycled paperboard (CRB) manufacturing platform with a new CRB machine in Kalamazoo, Michigan, is ahead of schedule, and we look forward to producing paperboard on that machine in the fourth quarter of 2021. These investments benefit both our financial and environmental metrics, and we anticipate continuing our successful record of reducing GHG.

DOING MORE TO ADDRESS RACIAL INEQUALITY, DIVERSITY AND INCLUSION

At Graphic Packaging, we know we can do more to address and eliminate racial inequalities. We are on a thoughtful path of learning and adaptation to ensure that our culture is accepting of diverse insights and inclusive to all. To enhance our understanding, we joined the ATL Action for Racial Equity in early 2021. This Atlanta-based initiative will bring helpful insight as to how we can engage with communities to address racial equity. Further, we developed a D&I strategy including a framework, roadmap and key metrics to track our progress for a multi-year D&I advancement program.

We enhanced the charter for our Board Compensation and Management Development Committee to include an annual review of the company's practices related to workforce D&I programs, as well as initiatives to drive equitable treatment of all employees. We know that if our culture encourages diverse thinking, embraces inclusion, and supports a philosophy that all can contribute, we can be a role model for the communities where we operate.

I consider 2020, in many respects, an inflection point on ESG-related matters. Our society and the Graphic Packaging team met an extreme challenge with the pandemic. As I write this letter we are starting to see indications that we will return to a semblance of normalcy, which has been aided by the rollout of vaccines. Much more work, however, remains around climate change, racial inequality, and other ESG priorities that are important to our business and our stakeholders. I know the Graphic Packaging team has the resolve and commitment to continue advancing our ESG program and deliver inspired packaging making a world of difference.



MICHAEL P. DOSS

President and Chief Executive Officer



SUSTAINABILITY STRATEGY



We make sustainable, inspired packaging that meets the needs of consumers and our planet. And we're committed to making a world of difference every step of the way.

Inspired Packaging

At Graphic Packaging, the core of our business and impact is our sustainable, circular products. Inspired by consumers and the ever-evolving world around us, we create innovative, fiber-based solutions designed with the future of the planet in mind. Our sustainability journey has been thoughtful and intentional as we have divested non-renewable, non-recyclable materials and focused on fiber-based products. We design our packaging concepts by considering their full lifecycle and performance. This design approach creates solutions that not only meet our customers' needs, but are made with the right renewable resources, recycled content, and circular properties to sustain our planet. We focus our portfolio on the following:



Fiber-Based

Our products are made from nature, providing sustainable solutions consumers can feel good about.



Renewable

Our primary raw material is continuously replanted, supporting the future of healthy, biodiverse forests.



Circular

Our packaging is designed to be recyclable and circular, supporting a future with less waste.



Climate-Conscious

Our products are made from trees, nature's most reliable resource for sequestering carbon and helping to tackle climate change.



A World of Difference

Beyond our products, we are committed to making a world of difference by empowering people, improving the planet through our operations, growing with our partners, and delivering profit and value for all. We are executing a sustainability strategy that is fully connected and integral to how we operate our business and thrive as a company. Our ingrained sustainability mindset and approach to how we run our business amplifies our positive impact and our growth 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 facilities, and at the end of use with the consumer. Our innovation strategy considers each step of the process and how they interact. This sets us apart and allows us to develop unique solutions.

We understand that our impact on stakeholders — employees, communities, partners, and shareholders — is essential to our sustainability as a company, and we are committed to ensuring they are enriched by a lasting relationship with GPI. As a leading worldwide manufacturer of innovative packaging solutions, Graphic Packaging knows that success can be achieved by engaging in environmentally responsible activities, promoting stewardship of our natural resources, producing products that add value to our lives, and creating positive experiences for the people we interact with along the way.



2020 ESG REPORT

VISION

2025 GOALS

2020 Update



Greenhouse Gas Emissions

Goal

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

Progress

GHG emissions decreased

7%
from 2016



Non-Renewable Energy

Goal

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

Progress

Non-renewable energy use has increased by

0.3%
from 2016



Water Conservation

Goal

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

Progress

Decreased water effluents by

5%
from 2016



Recyclability





Goal

100% of sales are generated from products that are recyclable

Progress

98%
recyclable

2020 UPDATE (CONT.)

 <p>Reducing LDPE usage*</p>	<p>Goal</p> <p>Reduce LDPE use by 40%</p> <p><small>*Low Density Polyethylene (LDPE) is applied to paper products as a water and grease barrier</small></p>	<p>Progress</p> <p>16.5% reduction from 2018</p>
 <p>Forest and Fiber Certification*</p>	<p>Goal</p> <p>All global Graphic Packaging manufacturing facilities compliant with a certification standard</p> <p><small>*Facilities under Graphic Packaging ownership for over one year</small></p>	<p>Progress</p> <p>100% of facilities are compliant</p>
 <p>Social Responsibility*</p>	<p>Goal</p> <p>All global folding carton and foodservice manufacturing plants in compliance with Social Compliance Sedex Member Ethical Trade Audit (SMETA)</p> <p><small>* Facilities under Graphic Packaging ownership for over one year</small></p>	<p>Progress</p> <p>91% under a SMETA Audit</p>
 <p>Waste Diversion</p>	<p>Goal</p> <p>Drive out waste in all our operations</p>	<p>Progress</p> <p>100% of global carton manufacturing plants engaged in a waste diversion program</p>

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

2020 UPDATE (CONT.)



Recovery Rate

Goal

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

Source: American Forest & Paper Association

Progress

65.7%
2020 recovery rate



Safety

Goal

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

Progress







**Recordable
incident rate
1.09
in 2020**



2020 ESG REPORT

2020 ESG HIGHLIGHTS

The significant progress we made in 2020 contributed to our overall success and is aligned with achieving our long-term goals.

 <p>Named one of Newsweek's Most Responsible Companies in the U.S. based on ESG factors</p>	<p>7% reduction in global GHG intensity emissions from base year of 2016</p>	 <p>ESG Risk Rating 17.4 Low Risk</p>	<p>Decreased to Low Risk + and increased to Strong Management</p>
<p>Increased our CDP grades for Climate Change, Water Security, and Forests</p>		<p>5% reduction of effluents since base year (2016)</p>	<p>100% facility forest and fiber certification compliance achieved globally</p>
<p>MSCI ESG RATINGS  Upgraded to BBB from BB</p>		<p>500,000,000 units of foam and plastic cups converted to paper during pandemic when single-use cup use decreased</p>	
<p>31% increase in diverse supplier spend</p>	 <p>Expanded Compensation and Management Development Committee charter with additional D&I oversight and 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</p>		
 <p>Won the Paperboard Packaging Council's Sustainability Award for our PaperSeal® tray, as well as the Innovation and Paperboard Package of the Year awards for our KeelClip™ product</p>		<p>44,000 paperboard-based face shields produced with window film, newly designed by UK employees, to keep frontline workers safe and to donate local hospitals and care facilities</p>	
		<p>16.5% reduction in LDPE resin usage</p>	

40%

of carton manufacturing facilities had zero manufacturing waste going to landfills with 52% sending less than 5%



Conducted a comprehensive Employee Engagement Survey — establishing a baseline from which to measure and build on results in annual surveys to better engage the workforce, enhance our culture, and improve business results



Established a 2020 diversity baseline to provide clear direction on where to improve gender and ethnic diversity in our workforce



Expanded KeelClip™ — an award-winning technology replacing plastic beverage rings and shrink-film — to multiple countries in Europe

\$500,000

donated to community food banks and assistance centers in our global communities to support those affected by COVID-19

Made one-time incentive payments to all hourly and frontline production workers worldwide, totaling \$5 million, to acknowledge their commitment as we ramped up production

Developed initiative focused on preventing serious or life-altering injuries and launched new video training globally reinforcing safety expectations



Mill Construction Progresses



Accelerated the construction of the new CRB machine at our Kalamazoo mill, moving paperboard production date up to Q4 2021. The optimization program and new CRB machine is estimated to reduce annual global GHG emissions by 4% and up to 20% across our CRB platform (as well as reduce water usage by 300 million gallons annually).

Completed Phase 1 of the Augusta Mill 5 R water project and began Phase 2 of the project that is designed to help increase oxygen levels in the Savannah River basin



MATERIALITY ASSESSMENT + STAKEHOLDER ENGAGEMENT

Our Approach

Our process aims to inform and drive how we engage with internal and external stakeholders and invest our resources — as well as how we identify and prioritize the environmental, social, and governance (ESG) topics most impactful to our stakeholders, our communities, and our company. Our materiality assessments and stakeholder engagement complement our risk management strategy, which enables us to take a holistic approach in identifying and prioritizing key topics.

This is our first materiality assessment, and we plan to refresh and update the assessment every two to three years. In addition to conducting an official materiality assessment, we practice ongoing and exhaustive stakeholder engagement in a variety of ways (see below for more).

We use materiality assessments to:

- Strengthen relationships with stakeholders
- Gain insights and understanding about stakeholder priorities and perceived performance
- Ensure our performance meets varied stakeholder expectations on the most material ESG topics
- Inform our reporting and communication of the ESG topics most impactful to stakeholders
- Identify current and future trends

Materiality Assessment and Matrix

In late 2020, we commenced a formal materiality assessment to further engage with our audiences, ask new questions, and listen to a greater number of stakeholders. The results and analysis of the assessment — which was completed in 2021 — further informed our ESG strategy through the identification and prioritization of key topics relevant to our business and stakeholders.

Stakeholder input:

To gather insights, we sent a survey to a pool of individuals from the following groups:

- Employees
- GPI Management
- Customers
- Investors
- Our Board of Directors
- Suppliers
- NGOs

We received a favorable 257 total responses, including 149 internal and 108 external.



We asked stakeholders to share their input on 30 ESG topics that we deemed relevant to our core business and the broader container and packaging industry. We asked our stakeholders questions to help us gauge:

- **Prioritization of topics:** We asked stakeholders to rank each of the 30 topics from a scale of zero (not at all important) to 10 (extremely important).
- **Current and minimal acceptable performance:** For the topics that stakeholders deemed important (at any level), we asked that they rate our performance and share what they think our minimum acceptable performance should be. This highlighted where they see us exceeding expectations and where they see us currently underperforming.
- **Level of confidence:** We not only asked for opinions, but we also gauged how confident respondents were about their thinking.

Topic selection:

In identifying what topics to collect input on, we conducted desk research, which included observing the prominence of topics across external sources, including, among others:

- Global mega trends
- Media scan results
- NGO topic monitoring
- GRI, TCFD, and SASB reporting guidelines
- United Nations Sustainable Development Goals
- CDP

The topics are in five categories: Environmental, Social, Governance, People, and Financial.

Definitions Of Material Topics

Environment	
Air Quality (Air Emissions)	Impact on air quality of operations and supply chain (air pollutants, environmental and health impacts other than greenhouse gases, which are covered in the next question)
Climate (Carbon/GHG)	Reducing carbon and greenhouse gas (GHG) footprint in operations and supply chain
Energy: Net Non-renewable Use	Reduce non-renewable energy use in operations and supply chain
Water: Net Use	Reducing net water use in water-stressed areas; fair, just, and proportional context-based water usage
Water Discharge (Quality, Chemical Concentration)	Ensuring that all water discharge is safe and does no harm to human or environmental health, and whenever possible adds benefit
Waste (Total, Hazardous)	Reducing the total volume of waste and hazardous waste in operations and supply chain; ensuring that all hazardous waste is responsibly and safely handled and does no short- or long-term harm to human or environmental health
Responsible Forestry for Paper and Paperboard (Deforestation, Biodiversity, Certification, etc.)	Responsible stewardship of forests used for virgin paper and paperboard; includes not contributing to deforestation, impacts on wildlife and biodiversity of forestry practices, fiber certification, etc.
Environmental Impact of Supply Chain	The prior seven questions asked about both operational and supply chain impact for each topic. This question is specifically asking about the overall environmental impact of our supply chain (air quality, climate, water, waste, and forestry)
Recycled Content (Circular Inputs)	Circular Inputs: Percent of GPI packaging that is made with recycled content, % post-consumer content, etc.
End-of-Use Recycling Rate (Output Circularity)	Circular Outputs: Does GPI packaging get recycled? At what rate? This is a product of whether GPI packaging solutions are considered recyclable and the rate at which they are actually recycled.
End-of-Use Composting Rate	Does GPI packaging get composted? At what rate? This is a product of whether GPI packaging solutions are considered compostable or biodegradable and the rate at which they are actually composted.
Plastic Displacement (Paper-based Packaging Displacing Plastic-based)	Degree to which GPI products can and are displacing plastics in packaging (e.g., creating paper-based solutions that help customers replace plastic-based packaging)
Innovation for Sustainability (R&D and Pipeline Sustainability Performance)	Prioritizing sustainability in R&D, resulting in increased sustainability performance, to meet shifting consumer preferences and global sustainability expectations

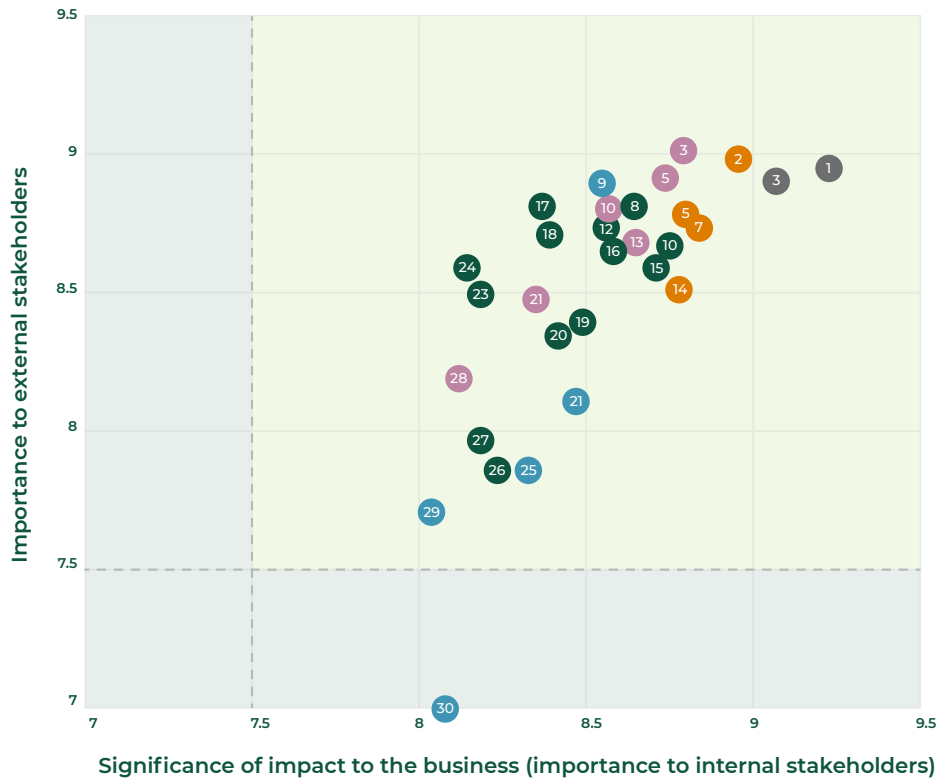
DEFINITIONS OF MATERIAL TOPICS: (CONT.)

Social	
Product Quality (Safety, Toxicity, Reliability)	Impact of products on customers and consumers
Racial Equity and Environmental Justice (External-focused)	Impact of GPI on BIPOC (Black, Indigenous, and People of Color) and on systemic racism. Internal-focused racial equity is included in Diversity topic below
Skilled Labor Pipeline and Economic Development (In Communities Where GPI Operates)	Development of skilled labor pipeline in communities where GPI operates, to drive sustainable economic development and help mitigate the human impacts of increased automation.
Corporate Giving and Employee Volunteerism	Money and time given to support nonprofits and NGOs focused on topics important to GPI and stakeholders
Community Engagement	Meaningful engagement to address priorities and concerns of communities impacted by GPI (raw materials, manufacturing, distribution, office locations, recycling infrastructure, waste landfill/incineration)
Governance	
Corporate Governance	The system of rules, practices, and processes by which a company is directed and controlled (e.g., board composition, executive compensation, codes of conduct, etc.)
Transparency and Disclosure	Timely and accurate disclosure is made regarding all material matters concerning the corporation, including its financial situation, spending, relationships, environmental and social impacts, and results
Ethics and Compliance (e.g., Global Regulatory & Legal)	Adherence to highest regulatory and legal standards globally and locally
Advocating and Lobbying – Aligning Advocacy with Values	Using advocacy to advance policy and legislation that aligns with social and environmental values (GPI's values) – and not using it to advance efforts that undermine these values
Supply Chain Responsibility: Human Rights, Social, Labor, Procurement, and Supplier Management	Ensuring suppliers are aware of and adhere to company policies; standards and codes of conduct that are designed to promote ethical business practices; uphold human rights; ensure living wage; increase supplier diversity; and advance environmental, health, and safety performance. Partner with and help suppliers (particularly SMBs) improve their responsibility
Demonstrating ESG Leadership (Collaborating to Address Systemic Challenges)	Collaborating with and catalyzing others to solve systemic challenges (e.g., recycling infrastructure, diversity and inclusion, etc.)

DEFINITIONS OF MATERIAL TOPICS: (CONT.)

People	
Diversity, Equity, Inclusion, Justice, and Belonging (Internal at GPI)	Prioritizing an inclusive workplace, reducing inequalities (e.g., pay and promotion gaps), addressing bias (e.g., in hiring and promotion), and fostering a culture of belonging, all across multiple dimensions (race, ethnicity, gender, sexual orientation, gender identity and expression, disability, veteran status, religion, nationality, etc.)
Gender Equity/Equality (Internal at GPI)	Prioritizing gender equity in recruitment, hiring, employment, advancement, management (middle and senior), compensation, etc.
People/Talent Management: Recruitment, Engagement, Development, and Retention	From pipeline development (the next generation of GPI workers) through the advancement of our people
Employee Health and Well-Being	Practices and programs designed to assess and mitigate potential risks that could impact the health, safety, or welfare of workers; promote employee safety, health, and well being
Financial	
Financial and Business Performance	Focus on the economic health and performance of the company (e.g., profitability, revenue, costs, appeal to investors, stock performance)
Business Disruption and Resilience (in face of Cyber, Natural Disaster, etc.)	Resilience and speed of response (e.g., ability to react in real time) in the face of escalating frequency and severity of disruptions (cyber attacks, natural disasters, climate emergency, pandemics, social injustice, etc.) and resulting impacts across the value chain

Results: Materiality Matrix



ENVIRONMENT	
8	End-of-Use Recycling Rate (Output Circularity)
10	Water Discharge (Quality, Chemical Concentration)
12	Responsible Forestry for Paper and Paperboard (Deforestation, Biodiversity, Certification, etc.)
15	Plastic Displacement (Paper-based Packaging Displacing Plastic-based)
16	Waste (Total, Hazardous)
17	Innovation for Sustainability (R&D and Pipeline Sustainability Performance)
18	Recycled Content (Circular Inputs)
19	Water: Net Use
20	Air Quality (Air Emissions)
23	Environmental Impact of Supply Chain
24	Climate (Carbon/GHG)
26	Energy: Net Non-renewable Use
27	End-of-Use Composting Rate

SOCIAL	
9	Product Quality (Safety, Toxicity, Reliability)
21	Skilled Labor Pipeline and Economic Development (In Communities Where GPI Operates)
25	Racial Equity and Environmental Justice (External-focused)
29	Community Engagement
30	Corporate Giving & Employee Volunteerism

PEOPLE	
2	Employee Health and Well-Being
5	Diversity, Equity, Inclusion, Justice, and Belonging (Internal at GPI)
7	People/Talent Management: Recruitment, Engagement, Development, and Retention
14	Gender Equity/Equality (Internal at GPI)

GOVERNANCE	
3	Ethics & Compliance (e.g., Global Regulatory & Legal)
5	Supply Chain Responsibility: Human Rights, Social, Labor, (Procurement & Supplier Management)
10	Transparency & Disclosure
13	Corporate Governance
21	Demonstrating ESG Leadership (Collaborating to Address Systemic Challenges)
28	Advocating and Lobbying - Aligning Advocacy with Values

FINANCIAL	
1	Financial & Business Performance
3	Business Disruption and Resilience (in face of Cyber, Natural Disaster, etc.)

The topics are numbered based on their relative importance, calculated by averaging the level of importance between internal and external stakeholders. Topics with the same number received the same averaged importance rating. See "Analysis" section below for greater detail.

Analysis:

The ranking of topics was calculated by averaging the scores of the different groups (i.e., customers and investors are equally weighted when calculating the average, even though they had different numbers of responses). While the number of responses for each question (topic importance, expectations, performance) vary, we achieved a critical mass (well over 100) for each. The y-axis, importance to external stakeholders, was calculated by averaging the average scoring of all external stakeholders (Customers, Investors, Our Board of Directors, Suppliers, and NGOs), while the x-axis, significance of impact to the business, is derived by averaging the average scores of internal groups (employees and leaders). We analyzed responses based on importance and gaps, as well as looked at similarities, differences, and trends within and between stakeholder groups.

Key Learnings:

- All 30 topics were scored as important (rated higher than 8 out of 10) by internal stakeholders and (higher than 7 out of 10) by external stakeholders.
- There was wide variance in the topics each stakeholder group saw as most important, 16 of the 30 topics were in at least one stakeholder group's Top 5, and 23 were in at least one group's Top 10.
- For the majority of topics, external stakeholders collectively think GPI is currently meeting expectations.

Looking Ahead:

We plan to further analyze the data and findings collected from the materiality survey. This analysis will help to inform our ESG strategy and initiatives, and enable us to better prioritize our focus and resources. The findings will also help guide our ESG communications and disclosure practices, as well as our stakeholder engagement. We also continue to engage with our stakeholders through a variety of channels including strategic partnership meetings and ESG program presentations and updates.

Ongoing Stakeholder Engagement

In addition to conducting a periodic materiality assessment, we continually engage with our stakeholders to gain input around our sustainability strategies, goals, and how we can continue to improve. We believe that 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. Below is a summary of how we engage with key stakeholders throughout the year:

Stakeholder Group	Who They Are	How They 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, 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 ongoing stockholder interactions.

Stakeholder Group	Who They Are	How They Engage
Suppliers	<p>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</p>	<p>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.</p>
Employees	<p>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 help to inform us on our ESG program and initiatives. 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.</p>	<p>Sustainability and responsibility are included in our CEO's quarterly business updates, which are conducted virtually allowing our CEO to engage in live discussions with thousands of employees. These town hall sessions afford employees the opportunity to ask real-time questions of the CEO, resulting in more in-depth engagement on a variety of topics. Recordings of these virtual sessions are also shared with employees who could not attend the live session. 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.</p>



RISK MANAGEMENT

Our Approach

Our comprehensive risk identification and management process provides necessary input to inform our strategic planning and business improvement goals. We utilize a deliberate Risk Management System that:

- Includes formal policies, procedures, and governance that defines and communicates our policy regarding the management and oversight of risk
- Is subject to oversight and execution by various stakeholders
- Assures effective identification, analysis, prioritization, and management of risks

After we identify material risks and opportunities, we evaluate and prioritize them using a scaled and weighted approach. The defined risk criteria are:

- Significance of **impact** — the potential effect of an event
- Occurrence **likelihood** — the possibility a given event will take place
- Speed of impact or **velocity** — the time between the occurrence of an event and its impact

We have a robust internal control environment and seek feedback on the effectiveness of applicable control over material risks.

To communicate transparently, we include key risk factors, including factors related to climate change, in our [Annual Report on Form 10-K](#).

2020 HIGHLIGHTS

- Engaged the auditing/advisory firm KPMG to complete a Climate Change Enterprise Risk Assessment (CCERA), which confirmed we are engaging in and executing the most important strategies to address climate change risks and opportunities. We published the assessment's key findings in our [2019 ESG Report](#)
- Disclosed COVID-19-related risk factors
- Evaluated our risk factors against the new Securities and Exchange Commission guidance under Rule S-K and added human capital disclosures

Risk Management Responsibilities

Under our risk management, these specific groups take on risk management responsibilities:

- Our CEO and Board of Directors oversee our Sustainability office.
- The Board's Audit Committee:
 - Oversees the enterprise strategic risk management function, activities, and reporting;
 - Reviews the enterprise strategic risk assessment annually; and
 - Receives enterprise and climate-change risk reports three times a year based on input from risk owners and senior leadership.
- Our executive leadership team:
 - Reviews priorities and results and
 - Communicates the priorities and results to multiple levels of leadership and sets the tone for the program and ownership expectations.
- GPI management identifies and executes on mitigation of risks across the company.

Risk Identification Measures

We identify risks through a variety of people, process methodologies, and tools. This includes climate-related risks at operational levels, energy use, material supply, production, transportation, human resources, and weather / natural risks.

Our sources for identifying risks include, but are not limited to:

- Professional and trade-related business associations and their publications and journals
- Engagement with our investors, including hosting investor meetings to gain valuable insights from the broader investment community
- Input from numerous sources, including:
 - Our Board of Directors, executive leadership, and other company leadership
 - Business leaders, stakeholders, and professional services firms
 - Changes in market conditions and in financial results
 - Communications from government agencies and employees
 - Media and industry alerts
 - Engagement in insightful industry, ESG-focused and other investor conferences
 - Informal discussions, focused workshops, and scenario analyses
 - Various conferences and round tables
 - Our company ALERTline



2020 ESG REPORT

COVID-19 RESPONSE

Doing Our Part During the COVID-19 Pandemic

Graphic Packaging manufactures paperboard packaging and products that serve the food, beverage, foodservice and household market segments. Our solutions are a critical part of many essential products' supply chains. This was confirmed early in the COVID-19 pandemic by governments worldwide. As an essential business, we demonstrated our agility by adapting in real time to the pandemic-related needs of our employees, our customers, and the communities where we operate.

Protecting Our Employees

Keeping our employees safe and healthy were our top priorities as we quickly mobilized our global workforce to ensure the vital food and beverage supply chain remained uninterrupted. Because our frontline workers were at increased risk to contract COVID-19 due to the nature of their work, we engaged in several measures and activities:

- We implemented increased health and safety protocols immediately at our corporate and manufacturing sites, including enhanced cleaning, temperature monitoring, travel management, and quarantine measures.
- By collaborating with industry associations and local, state, and federal government agencies, we continually adapted our protocols as new coronavirus information became available.
- Facing a shortage of protective face coverings necessary to do frontline work, GPI employees in the UK used their ingenuity to design a paperboard-based face shield with window film to keep workers safe.
- We acknowledged our employees' commitment with a one-time incentive payment to all our hourly and frontline production workers worldwide, which totaled \$5 million.

Our salaried employees immediately began operating remotely by leveraging technology to effectively run our business.

As a team, we were highly successful in minimizing the impact of COVID-19 and experienced minimal operational disruptions.

Supporting Our Communities

- To address the special needs in the communities where we operate and of our industry colleagues, our manufacturing plants in Bardon and Bristol, England teamed up early in the COVID-19 pandemic to produce 44,000 GPI-designed shields and provided them free to local hospitals and care facilities.
- In the U.S., we donated paperboard to a coalition of packaging companies who produced similar face shields for their workers.
- We donated nearly \$500,000 to food banks in each of our global communities and to an assistance center near our Atlanta headquarters in support of efforts to help displaced workers.



Helping Our Customers Meet Demand

As consumption habits changed during the COVID-19 pandemic, we quickly pivoted to address our customers' evolving needs:

- We ramped up production of food and beverage packaging to meet the higher demand of consumers enjoying these items at home.
- We developed easy-to-process packaging through e-commerce fulfillment centers and in mass retailers in response to the growing demand for new convenient distribution channels.

With a can-do attitude throughout 2020 and continuing today, we have delivered consistent service and quality to our customers, while ensuring a safe working environment and community commitment. While our resiliency proved strong as we met the challenges COVID-19 brought, we also took away key learnings that will positively impact our company in the long run.



2020 **ESG** REPORT

LOOKING AHEAD

Our strength lies in proactive thinking. We set ourselves up for further success by allying ourselves with these ESG initiatives and programs in 2021:



Environmental

- **Ellen MacArthur Foundation** — Joined the foundation to do our part in the mission to accelerate the transition to the circular economy
- **Better Buildings, Better Plants** — Partnered with this U.S. Department of Energy program to significantly reduce energy intensity over a 10-year period across all U.S. operations
- **Augusta Mill Project 5R** — On track to complete Phase 2 of this \$54 million capital project designed to help increase oxygen levels in the Savannah River basin

Social

- **ATL Action for Racial Equity** — Joined this Atlanta-based initiative to bring helpful insight on how we can engage with communities to address racial equity
- **Business Resource Groups (BRG)** — Launching our first two BRGs, a women's resource group and a Black employee network resource group; plus, developing a microsite with the goal of learning what other resource groups our employees are interested in forming
- **Diversity and Inclusion (D&I) Program** — Set to formalize and implement our D&I strategy and program with board approval
- **Employee Engagement Survey Outcomes** — Taking action on two key findings in 2020 survey:
 - Cross-team collaboration
 - Open communication

Governance

- **Board of Directors Gender Diversity** — Welcomed new woman director to the Board, which as of early 2021, stands at 30% female
- **Board of Directors** — Enhanced oversight of our D&I program with the Board of Directors and key committees



Who We Are

Graphic Packaging is a global leader in the food, beverage, foodservice, household goods, and other consumer product packaging 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.

We have 90 facilities across the globe producing innovative and sustainable paperboard packaging solutions that enable our customers, some of the world's most recognized brands, to:

- Reach their sustainability goals
- Accommodate changing consumer preferences
- Stand apart from competitors
- Achieve brand loyalty

We are as committed to our customers as we are to:

- Supporting and empowering our 19,000+ employees
- Protecting the environment by developing a product portfolio emphasizing renewable, recycled, and recyclable materials
- Giving back to the communities where we live and work

Our growth and continuous improvement over our more than 100-year history reflect our deep-seated dedication to innovation, quality, sustainability, and service. These priorities, along with our Core Values, remain integral to Graphic Packaging's strategic focus.

Inspired Packaging. A World of Difference.

Inspired by consumers and the ever-evolving world around us, we create innovative, fiber-based packaging solutions designed with the future of the planet in mind. And we're committed to making a world of difference every step of the way. Specifically, we:

- Prioritize environmental, social, and governance (ESG) matters in our operating philosophy
- Strive to maximize the circularity of our packaging to minimize our environmental impact and mitigate climate change
- Utilize natural resources effectively and design insight-based convenient packaging solutions inspired by consumers and the changing world around us
- Remain a trusted partner to leading consumer brands, helping them meet their consumers' needs and succeed in a marketplace that increasingly demands sustainability

Our Core Values

At Graphic Packaging, our core values guide 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.
- 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 unleash the power of our global company by sharing our knowledge locally and around the world. We celebrate success!



What We Do

At Graphic Packaging, we take a global and integrated approach to packaging solutions that:

- Strengthen our worldwide capabilities and supply chains for local and international customers
- Allow us to innovate and commercialize new solutions regionally and globally

Specifically, the commercial capabilities and innovative solutions we provide our customers are to:

- Produce paperboard at our mills
- Convert (print, cut, fold, and glue) the paperboard into folding cartons and other packaging solutions at our converting facilities
- Design and manufacture specialized, proprietary machines that package bottles, cans, and non-beverage consumer products
- Install our packaging machines at customer plants, as well as provide support, service, and advanced performance monitoring of the machines on a global basis

2020 HIGHLIGHTS

Production

- 40% of all folding cartons produced in North America
- 30% of all paper cups produced in the U.S.

Market Share*

- #1 Coated Recycled Board (CRB) producer (49% share of 2.1M ton U.S. market)
- #1 Coated Unbleached Kraft (CUK) producer (60% share of 2.7M ton U.S. market)
- #2 Solid Bleached Sulfate (SBS) producer (22% share of 5.5M ton U.S. market)

*Based on PPC, AF&PA, RISI, and Graphic Packaging estimates

Scale of Operations

19,000+

employees

December 31, 2020

90

facilities worldwide

December 31, 2020

\$6,560

million in net sales

December 31, 2020

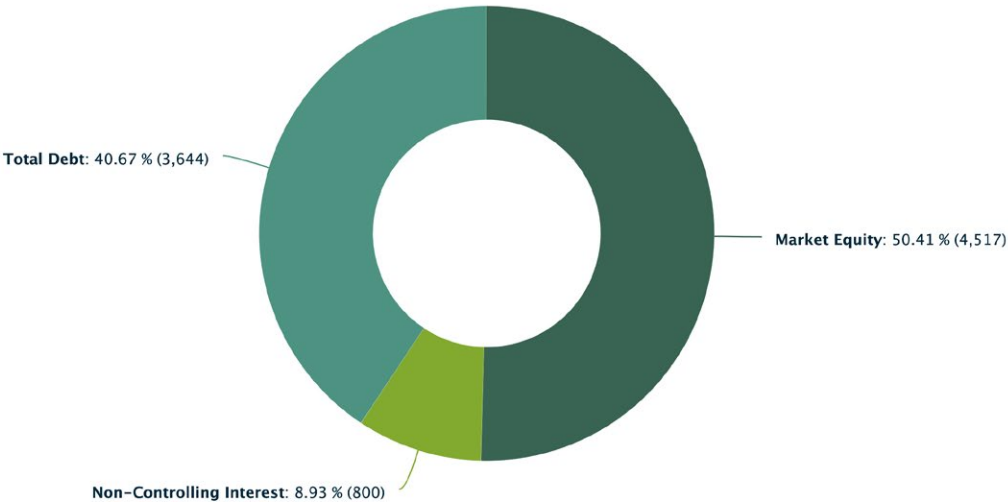
\$7,290

million total assets

December 31, 2020

Total Capitalization

Total Capitalization (2020)



FORM OF CAPITAL	\$M'S	% OF TOTAL
Market Equity	4,517	50%
Non-Controlling Interest	800	9%
Total Debt	3,644	41%
Total Capital	8,961	100%

Beneficial Ownership

The largest stakeholders of Graphic Packaging Holding Company are:

Name	# of Shares	% of Total
The Vanguard Group, Inc	23,675,789	8.3%
Fuller & Thaler Asset Management, Inc	13,820,378	5.0%
Shapiro Capital Management Co, Inc.	13,258,609	4.7%
American Century Investment Management	12,036,106	4.2%

Reported in the 2020 Proxy Statement

Quantity Of Products

Location	Product	# of Machines	2020 Net Tons Produced
West Monroe, LA	CUK	2	911,520
Macon, GA	CUK	2	712,326
Texarkana, TX	SBS	2	623,207
Augusta, GA	SBS	2	596,821
Kalamazoo, MI	CRB	2	511,852
Battle Creek, MI	CRB	2	215,610
Middletown, OH	CRB	1	175,266
East Angus, QC	CRB	1	99,754
White Pigeon, MI*	CRB	1	34,098
West Monroe, LA*	Corrugated Medium	1	60,847

*Indicates net tons produced from January to June. For more information, see Note 20 in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

Location of Operations

We have 90 facilities across 14 countries encompassing four continents.

CONVERTING

United States

Tuscaloosa, AL
 Fort Smith, AR
 Irvine, CA
 Oroville, CA
 Visalia, CA
 Perry, GA
 Stone Mountain, GA
 Newton, IA
 Carol Stream, IL
 Chicago, IL
 Centralia, IL
 Elgin, IL
 Elk Grove Village, IL
 Shelbyville, IL

Auburn, IN
 Kendallville, IN
 New Albany, IN (2)
 Monroe, LA
 West Monroe, LA (2)
 Grand Rapids, MI
 Kalamazoo, MI
 Crosby, MN
 Hamel, MN
 Pacific, MO
 Charlotte, NC
 Lumberton, NC
 Pineville, NC
 Randleman, NC
 Omaha, NE

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
 Kingston Springs, 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

Mexico

Querétaro, MEX
 Monterrey, MEX
 Tijuana, MEX

Europe / UK

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

MILLS

CRB

Battle Creek, MI
 Kalamazoo, MI
 Middletown, OH
 East Angus, QC

CUK

Macon, GA
 West Monroe, LA

SBS

Augusta, GA
 Prosperity, SC (extrusion)
 Texarkana, TX

HEADQUARTERS

Global

Atlanta, GA

EMEA

Brussels, BEL

Pacific Rim

Tokyo, JPN

OFFICES, INNOVATION AND GRAPHIC CENTERS

Louisville, CO
 Bardonia, ENG

Atlanta, GA
 Carol Stream, IL

Concord, NH
 Clemson, SC

Memphis, TN
 Menomonee Falls, WI



Teaming Up to Create Inspired Packaging

At Graphic Packaging, our collaborative, creative, passionate team members are central to our success. Guided by shared values and growth behaviors, our diverse and talented teams make a real difference in their jobs, communities, and the environment.

To empower and reward our 19,000+ employees worldwide who make the company successful, we provide:

- Opportunities to engage with our leadership, their colleagues around the world, and the communities where we operate
- Compensation and benefits programs that are among the industry's best
- **Learning and development** programs so they can achieve greater professional skills and advancement
- A workplace environment where health and safety are **top priorities**
- A culture in which **diversity, inclusivity, and equitable work practices** are integral to our daily operations.

2020 HIGHLIGHTS

- Went virtual with our CEO's quarterly business updates, livestreaming the updates to more than 2,000 employees. This provides an opportunity to post questions and discuss business details with senior leadership in real time. These meetings are also recorded and sent to all employees globally.
- Began a "Faces of GPI" initiative, in which we highlight employee accomplishments and thought leadership throughout the company. This initiative is a precursor to a more robust Diversity and Inclusion program. "Faces of GPI" examples include:
 - **Video on female leadership at GPI**
 - Series of interviews with Black employees we posted to our company intranet during Black History Month.
- Conducted a company-wide employee engagement survey, establishing a baseline from which to measure and build on results to better engage the workforce, enhance our culture, and improve business results.
- Created blueprint for launching GPI University in 2021, a learning platform that will enable us to provide a more comprehensive and user-friendly educational experience for our employees.



Location	Salaried (% of total)	Hourly (% of total)	Male (% of total)	Female (% of Total)
North America	24%	76%	78%	22%
Europe	23%	77%	79%	21%
Pacific Rim	17%	83%	77%	23%
South America	34%	66%	93%	7%



OUR APPROACH: INSPIRED PACKAGING

Our global portfolio of sustainable, fiber-based packaging solutions are inspired by consumers and the dynamic marketplace. We support the circular economy by providing high-performance, innovative solutions made from renewable and recycled materials — which are designed to be recycled. This approach benefits our customers worldwide who expect solutions that deliver an optimal balance of sustainability, branding, and performance.

2020 HIGHLIGHTS

- Introduced **PaperSeal®** — a new line of food trays that use up to 90% less plastic — in Australia and Europe
- Expanded **KeelClip™** — an award-winning technology replacing plastic beverage rings and shrink-film — in multiple countries throughout Europe courtesy of AB InBev, Coca-Cola Hellenic Bottling Company, and Coca-Cola European Partners
- **Accelerated our European plastic-replacement journey by 250%** since 2019 by bringing to market 375 million paperboard food and beverage multipacks, which helped us:
 - Avoid using 2,776 metric tons of plastic in product packaging
 - Directly palletize the multipacks, avoiding 3,658 metric tons of plastic shrink films and corrugated trays
 - Reduce our environmental impact by not using plastic that would have been discarded in landfills or incinerated after their first lifecycle, as well as potentially have leaked into the environment

Inspired by Consumers

We meet marketplace and consumer demands through our agile innovation process, which anticipates and keeps up with ever-evolving:

- Market trends, such as decreasing food waste and promoting health and wellness
- Convenience needs of our customers' brick-and-mortar and e-commerce retailers
- Consumer must-haves regarding convenience, product integrity, plastic replacement, and circularity



Inspired by the World Around Us

We integrate sustainability into our product innovation process using a Design for the Environment (DfE) approach. With DfE, we consider how to reduce or remove environmental impacts from the beginning to the end of a product's life. Integrating a whole-life-cycle perspective is imperative to ensure that our solutions adhere to our goals of:

- **Increasing Circularity** — designing from renewable and primarily recycled materials that are easily recyclable
- **Using Renewable Materials** — designing with tree fiber, an infinitely renewable material
- **Maximizing Performance** — designing for maximum structural integrity and recyclability while using fewer yet optimized materials

To accomplish our goals, our products are:

Fiber-Based

We find ways to avoid or substantially reduce using plastics while developing packaging that's strong, durable, and preserves beverages and food without damage or spoilage — thus eliminating food waste.

Renewable

We use wood from sustainably managed forests or recycled wood fiber optimized for strength, recyclability, and biodegradability with minimal use of wood fiber.

2020 HIGHLIGHT

We responded to growing e-commerce demand for sustainable Ships-In-Own-Container (SIOC) solutions with **IntegraFlute™** — fiber-based, fully recyclable packaging combining a flexible inner bag with a sturdy fluted outer carton

Circular

Developing solutions to packaging challenges, we consider end-of-life requirements so end-users can easily recycle or compost the product.

HIGHLIGHT

We assess the full circularity of each package and the product by assessing its position on our proprietary Package Sustainability Continuum. Developed to quantify whether packaging designs meet renewable and recyclable expectations and identify areas where an innovative approach will move the package closer to our Vision 2025 goal of making 100% of our products recyclable.

Sustainable Innovation Journey

We believe that inspired packaging is packaging that is sustainable and has a minimal impact on the environment. The journey to achieving this goal can be incremental as new technologies emerge and are available to the marketplace. We created the Sustainability Continuum to provide context on this journey. DfE requires that we consider the full life cycle 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 and identify areas where an innovative approach will move that package closer to our aspirational goal. With a high sense of urgency, the team at Graphic Packaging International is passionate about moving our technologies, our packaging solutions and our customers packaging along this continuum.



Climate-Conscious

Beyond being made from trees, which sequester carbon and help to tackle climate change, we're continuously looking for ways to reduce the carbon impact of our products.

2020 HIGHLIGHT

We periodically conduct a peer-reviewed [Life Cycle Assessment \(LCA\)](#) to assess and improve the footprint of our products

Global Product Business Sectors

Our state-of-the-art solutions for inspired packaging and manufacturing include:

- **Paperboard and paperboard packaging products** that meet today's consumer sustainability expectations, including folding cartons, cups, trays, foodservice and consumer-good packaging, and cookware
- **High-speed cartoning equipment** that transforms the beverage multipack market and provides automation methods to support the introduction of new packaging solutions

We demonstrate our integrated approach to packaging solutions by the strength and scale of our U.S. paperboard production and worldwide packaging converting locations.

PAPERBOARD MILLS

Our eight North American mills produce coated unbleached kraft (CUK), coated recycled board (CRB), and solid bleached sulfate (SBS) paperboard. We then convert the paperboard into our packaging solutions. We also sell paperboard to a wide variety of independent paperboard packaging converters and brokers.

AMERICAS PAPERBOARD PACKAGING

Products include folding cartons, cups, lids, and food containers sold primarily to consumer-packaged goods (CPG) for foodservice and food, beverage, and household product companies in the Americas.

EUROPE PAPERBOARD PACKAGING

Products include folding cartons and convenience packaging sold primarily to CPG companies serving the food, beverage, and consumer product markets in Europe.

PACIFIC RIM PAPERBOARD PACKAGING

Products include folding cartons and convenience packaging sold primarily to CPG companies serving the food and beverage consumer product markets in the Pacific Rim and Australia/New Zealand regions.

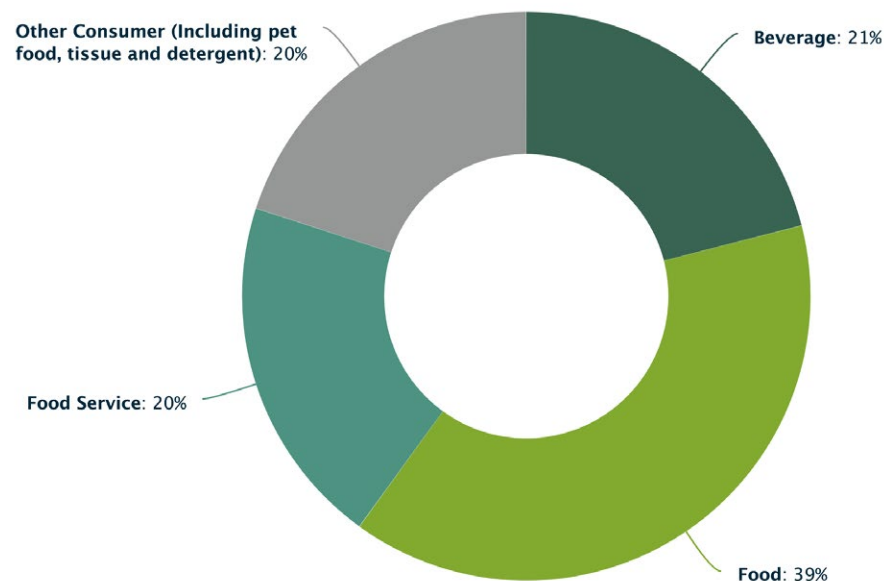
PACKAGING MACHINERY

Systems for beverage and cylindrical containers, carton formers, cartoners, sleeves, pick-and-place machines, wrap-clip-and-basket machines, and custom options for consumer products.

Graphic Packaging Markets Served

The COVID-19 global crisis proved that our end markets are resilient, largely recession-resistant, and part of the essential product supply chain.

Percentage of Revenue (2020)





INDUSTRY-LEADING INNOVATION AND DESIGN

To lead the way in creating and commercializing innovative packaging solutions for our customers, industry, and the marketplace, we:

- Invest significant capital into research and development (R&D)
- Support our talented, knowledgeable, and dedicated R&D teams
- Facilitate creative thinking and inspired design at six innovation centers in the U.S. and the U.K.
- Integrate sustainability into our innovation process through our Design for the Environment (DfE) initiative

Graphic Packaging Global Innovation Centers



Our global innovation centers unite a wealth of packaging know-how with a world of fresh design ideas, leading technologies, and new materials. The result: transformative packaging solutions meeting 21st-century demands and accelerating customer's brand performance.

Our innovation efforts focus on new paper-based packaging solutions that we believe are more sustainable, renewable, and recyclable as compared to alternatives. Year-after-year, our new product innovations continually offer:

- Improved sustainability aspects
- Enhanced performance along the value chain
- Convenience for the consumer and retailers
- Brand-building opportunities for our customers

Other considerations in the design and manufacturing of our products:

- Other environmental factors that drive us toward achieving our Vision 2025 goals, including reduction of energy requirements, water use, and greenhouse gas emissions
- Appropriate materials to enable the most effective “fitness for use” applications
- Structural enhancements to improve the consumer experience
- Optimum use of the selected substrate to not over-engineer a package
- Sustainable inks and coatings to provide the required performance characteristics and recyclability

Innovations to Advance Product Circularity and Our Market Presence

By providing consumers with fiber-based, renewable packaging solutions, we can promote higher rates of recycling. We are at the forefront of innovating unique solutions to:

- Improve manufacturing efficiency
- Optimize material usage
- Exceed performance requirements
- Improve customer experience

We design and manufacture high-speed packaging equipment with machines flexible to adjust to many formats. Our machinery also can be refurbished to ensure an extended lifetime of use — while enabling reduced energy consumption during pack filling vs. plastic counterparts.

The success of our global design process depends on the following factors:

R&D Investment: We invest significant financial resources into our six innovation centers in the U.S. and Europe. In creating DfE packaging solutions, our design teams at our innovation centers seek to find a balance across a broad spectrum of environmental and other considerations crucial to the success of all our products.

Continuous Learning: To educate our design teams on the latest DfE materials, requirements, trends, and other topics, our teams actively engage with:

- Customers, who provide insights into what consumers expect
- Industry associations, which provide broader societal expectations and the latest learning that only a larger, cross-industry group can understand

A deep understanding of consumer trends and market insights influence our platforms by informing us where there are opportunities to develop new products. Our design teams excel in translating these trends and insights quickly into solutions that can be commercialized.

Our designers also have a deep understanding of our supply chain and the way various materials work. That understanding — along with having packaging samples from around the world to provide inspiration during the ideation process — serves our customers well as we continually produce innovative, inspired packaging solutions.



Global Collaboration with a Team Approach: This is the cornerstone of our innovation process. Prior to 2020, in-person brainstorming sessions were the standard in our collaborative process. However, 2020 provided us with more opportunities to be globally connected as we deployed virtual technology and state-of-the-art collaboration tools in a whole new way. By adapting to the pandemic reality, we were able to conduct brainstorming and other collaboration sessions virtually — thus opening up a world of diverse ideas.

With its speed and opportunities for broader participation, virtual sessions are now integral to our product innovation process. We'll enhance our virtual collaborations with in-person sessions when it is safe. Using this hybrid approach, we hope to reduce our Scope 3 carbon emissions from pre-pandemic years.

Local Execution During Incubation Process: After designing a product concept, we activate our incubation abilities to fully test the packaging solution before moving it to large-scale production. This allows us to test the product's manufacturability, durability, ease-of-use, and recyclability.

During the process, designers at our Innovation centers work seamlessly with machinery, manufacturing, and other departments to ensure new designs are feasible in the marketplace. In addition, ongoing input from the sustainability team is crucial to guarantee environmental impacts are minimized.



2020 ESG REPORT PRODUCT INNOVATIONS

Customers utilizing our innovative solutions include many of the world's most widely recognized companies and brands in beverage, food, foodservice, and other consumer products. Benefits we provide all of our customers include:

- Cost-effective solutions
- Innovative solutions designed to meet consumer expectations
- Circular solutions that are better for the environment

We take pride in the fact that billions of consumers rely on our circular packaging solutions to make their daily lives easier and more sustainable. We are committed to constantly innovating to develop new recyclable or compostable, easy-to-use foodservice packaging solutions with enhanced safety and performance.

We also have multiple solutions in our product innovation pipeline that we're developing. The following are some of our most recent innovations:

Plastic-Substitution Packaging Solutions

Our paperboard bowls, trays, cups, and other goods enhance the consumer experience. They replace or reduce the use of plastics, such as polypropylene, polystyrene foam, and crystalline polyethylene terephthalate (CPET). Innovations Include:

PaperSeal® (2020 innovation) — Our new line of food trays uses up to 90% less plastic, yet has protection similar to plastic counterparts. PaperSeal tray solutions include:



PaperSeal®



**PaperSeal
Slice® tray**



PaperSeal Wedge tray



KeelClip™ — Our paperboard packaging **solution for cans replaces standard plastic beverage rings and shrink films**. KeelClip is also a more resource-efficient alternative to fully enclosed cartons for small sets of cans.

PLASTIC-SUBSTITUTION PACKAGING SOLUTIONS (CONT.)



ecotainer™ — Our **commercially compostable foodservice containers and cups** use plant-based biopolymer materials, a fully renewable resource, that's also commercially compostable.



Hold&Go™ — Our **insulated hot paper cups** feature an outer wrap of 100% recycled material and use Thermashield™ technology to deliver excellent insulating performance, keeping beverages warm while hands stay cool.



ProducePack™ — Our sustainable, shelf-ready solution **protects and preserves fresh fruit and vegetables** while providing an alternative to plastic-based packaging.

Strength Packaging Solutions

Our experience manufacturing all three paperboard grades and converting that paperboard into packaging gives us an unparalleled understanding of how to leverage the inherent performance properties of wood fiber. With our experience:

- We engineer our enhanced-strength, reduced-weight packaging solutions to maintain their structural integrity throughout the supply chain. Additionally, these solutions:
 - Use fewer but sturdier materials
 - Can be easily recycled
- We are continually expanding our strength packaging offerings to address marketplace needs in several product sectors and distribution channels. This includes greater participation in e-commerce and mass retailer distribution channels with our packaging solutions accommodating the fulfillment requirements of these growing channels while offering sustainability advantages.



IntegraFlute™ (2020 Innovation) — Our durable, right-sized **hybrid package combines a flexible inner bag with the structural protection** of a fluted outer carton, making it a true omnichannel solution.

STRENGTH PACKAGING SOLUTIONS (CONT.)



Z-Flute™ — Our technology allows us to laminate folding [cartons with the performance, strength, and integrity similar to a corrugated box](#).

Cooking Solutions

We serve up fiber-based food packaging that delivers convenience and quality in the microwave or oven. Our premier sustainable cooking solution is:



DesignerWare™ — a range of [paperboard trays and bowls that replace CPET and polypropylene plastic trays for frozen foods](#) cooked in the microwave or conventional oven. This is also a plastic-substitution solution.

To learn more about all of our packaging solutions, visit [Graphic Packaging Products](#).

Customers utilizing our solutions include many of the world's most widely recognized companies and brands in beverage, food, foodservice, and other consumer products. Benefits we provide all of our customers include:

- Competitive pricing by capitalizing on our efficient paperboard mills
- Conveniently located converting facilities on four continents
- Our proprietary carton and packaging designs
- Our unwavering commitment to quality and service
- Improved environmental profiles of products



Our Approach

Central to our energy management approach is the goal of minimizing environmental impacts. To accomplish this goal takes the expertise and innovative thinking of two critical teams that work collaboratively with our operations and manufacturing teams:

- **Supply Chain Team**, which works with our manufacturing facilities to manage energy and fuel costs
- **Center for Excellence**, a team of energy experts, which consults with our mills to identify and implement energy efficiency opportunities as we work to reduce our energy consumption

Together with the operations and manufacturing teams, the above-mentioned experts strive to:

- Optimize the costs and efficiency of electricity, natural gas, biomass, and other fuel sources
- Prioritize fuel reliability and energy efficiency by utilizing a sophisticated energy system management tool across our mill system, where energy consumption is much more intensive than with our converting operations
- Reduce our non-renewable energy use by a variety of measures

2020 HIGHLIGHTS

- European facilities reduced energy consumed by 6% per ton since 2017
- Made significant progress on the construction of our new CRB machine at Kalamazoo mill and accelerated startup to Q4 2021. The new machine provides an estimated energy reduction of 18% in our CRB platform
- Studied the installation benefits of photovoltaic (solar) panels on the roofs of most of our European plants and factories (installation expected to start in 2021 or 2022)

Reducing Non-Renewable Energy

One of our Vision 2025 goals is to reduce our non-renewable energy use by 15%, using the metric of one million British Thermal Units per \$1,000 in sales (MMBTU/\$1,000 sales). We strive to accomplish this goal in three ways:

- Decrease our total energy consumption through energy efficiency projects
- Convert our energy sources from non-renewable to renewable
- Manage site energy at our mills with energy management systems

Currently, 65% of our energy comes from renewable energy sources. This results primarily from our virgin mills using combined heat and power (CHP) or cogeneration systems fueled mainly by renewable biomass. These thermodynamically efficient systems generate electricity and thermal energy. In fact, our mill in Macon, Georgia, produces enough renewable energy to power nearly all of our mill operations.

We also reduce our energy footprint by:

- Transitioning to LED lighting
- Using more efficient motors and direct drives in identified equipment
- Improving other energy-saving processes like HVAC and compressors

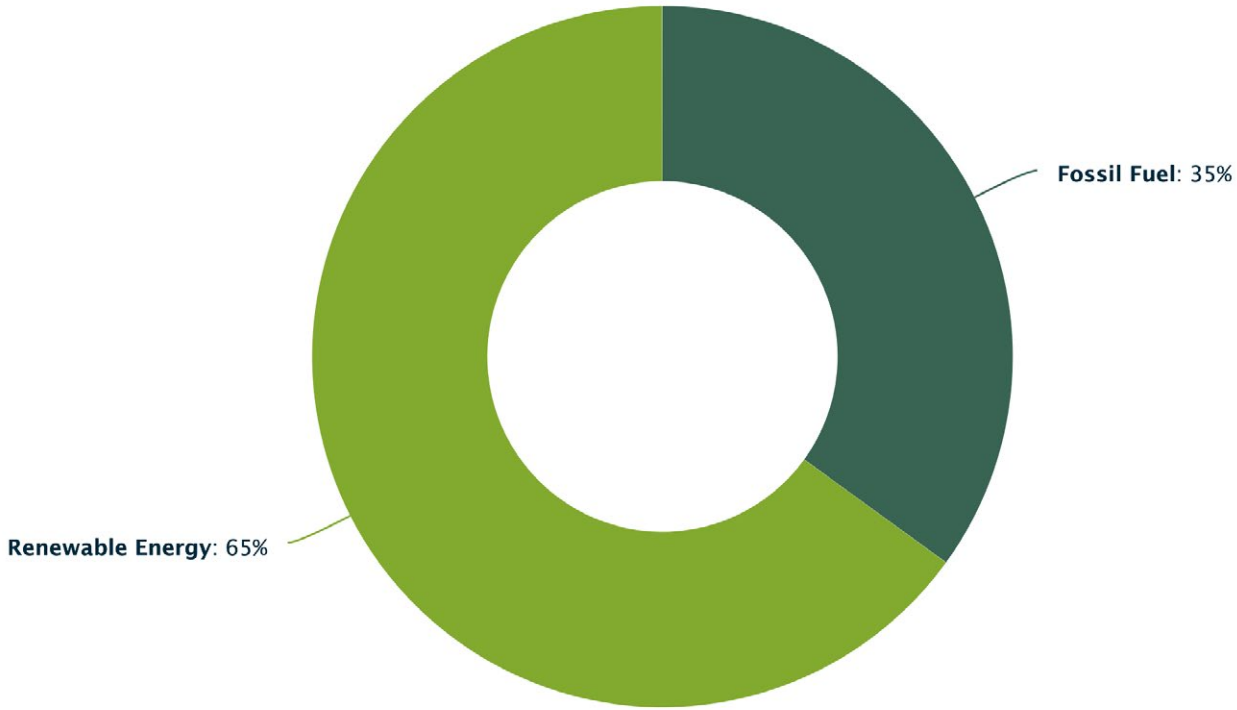
Reducing Energy Consumption

While we strive to increase our renewable energy, we are also working to reduce total energy consumption. By shrinking our energy consumption annually, we are advancing our goals of reducing our environmental impacts and continuing to support our customer strategies to reach their ESG goals.

By optimizing the fiber used in our packaging, we are able to lower our energy usage. To achieve this, we collaborate annually with our customers on fiber-optimization projects. This results in two benefits:

- Reducing fiber in our packaging products by approximately one percent, on average annually
- Decreasing energy consumed per package as less fiber is required

Graphic Packaging Global Energy Profile



Graphic Packaging Energy Consumption

(within and outside the organization)

Source	2020 GJ	% of Total
Biomass	62,147,529	65.16%
Natural Gas	27,470,575	28.80%
Electricity	5,286,535	5.54%
Diesel	214,397	0.22%
Propane	169,877	0.18%
Coal	38,661	0.04%
Number 2 Fuel Oil	18,834	0.02%
Waste Oil	17,881	0.02%
Gasoline	17,182	0.02%
Kerosene	1,001	0.00%



2020 ESG REPORT

EMISSIONS

Our Approach

As a leading manufacturer of virgin and recycled paperboard and folding cartons, our mills use a significant amount of energy. This results in our mill platform generating approximately 84 percent of our Scope 1 and 2 greenhouse gas (GHG) emissions. One of our Vision 2025 goals is to reduce global GHG emissions by 15 percent. Our strategy to meet this goal focuses on three main initiatives:

- Production efficiency
- Manufacturing footprint optimization
- Energy reduction projects

Central to our strategy to reduce emissions is the use of renewable biomass energy in our virgin mills. This renewable energy source, representing over 65 percent of our annual global energy, fuels thermodynamically efficient systems that generate electricity and thermal energy.

We continue to invest in our business to strengthen our leadership and returns in the fiber-based packaging industry, as well as to achieve our Vision 2025 goals. In 2020, our capital spending was \$646 million which included the work on the transformational CRB optimization investment in Kalamazoo, Michigan.

Additionally, we communicate with stakeholders in a transparent manner by [voluntarily reporting to the CDP](#) on our GHG emissions data in the CDP Climate Change report, as well as in this ESG report.

2020 HIGHLIGHTS

- Reduced global GHG emissions (intensity) by 7% from our base year and from 2019
- Made significant progress on our CRB platform optimization project, including the construction of a new coated recycled board (CRB) machine at our Kalamazoo mill, estimated to reduce annual global GHG emissions by 4% and up to 20% across our CRB platform
- Progressed on our curtain coater upgrade project in our CRB and coated unbleached kraft (CUK) mills, estimated to reduce GHG emissions by up to 5%
- Partnered with our ink suppliers in Europe to eliminate the use of IPA (Isopropyl alcohol, typically used to improve print quality); achieved a reduction by 650 kg of volatile organic compound (VOC) emissions per month, projected to save more than 33 metric tons VOCs per month when all EU presses reach target
- Raised our Climate Change CDP score to an A-, up from a B in 2019

Emissions Tracking

Our team collects our GHG data using our new Greenhouse Gases Inventory Management Plan, which assures a greater level of accuracy in reporting.

Our reporting and tracking GHG emissions include:

- **Direct (Scope 1):** From sources GPI owns or controls, such as our mills and converting facilities; we have tracked these emissions since 2007.
- **Indirect (Scope 2):** From electricity, heating, cooling, and steam we purchased, acquired, and used; since 2017 we have reported market-based emissions as guided by the GHG Protocol, and from 2007-2016 we reported location-based emissions.
- **Other Indirect (Scope 3):** From sources outside of GPI; reported since 2018 by estimating emissions for these categories:
 - Purchased goods and services
 - Capital goods
 - Fuel-and energy-related activities
 - Upstream and downstream transportation and distribution
 - Waste generated in operations
 - Business travel
 - Employee commuting
 - End-of-life treatment of sold products
 - Downstream leased assets

Strategic Capital Investments Reducing GHG Emissions

Our capital investments will help us meet our Vision 2025 goals for growth and sustainability, which includes our goal of reducing GHG emissions by 15 percent.

GROUNDBREAKING CRB PLATFORM INVESTMENT IN KALAMAZOO

In 2019, we began one of the largest investments in our history — a substantial project to optimize our CRB mill platform. The project includes a new CRB machine in Kalamazoo, Michigan, supporting infrastructure such as enhanced stock prep, water management, and building upgrades. Dubbed “K2,” the cutting-edge machine is designed to optimize our CRB operations with expectations to:

- Yield approximately 500,000 tons of CRB per year
- Produce high-quality CRB at the lowest cost in the industry
- Strengthen our commitment to the community of Kalamazoo, Michigan
- Significantly reduce emissions, energy, and water usage globally and within our CRB operations, which account for 26 percent of our paperboard production

Annually, our CRB optimization work, including the K2 machine, will:

- Reduce our fixed and variable costs by \$100 million (combined annually) once we are at full production
- On a global basis, reduce GHG emissions by four percent, purchased energy by four percent, and water usage by one percent
- On our CRB platform, decrease GHG by up to 20 percent, purchased electricity by 18 percent, and water usage by 33 percent

At this time, we are ahead of schedule on the construction of the K2 machine and expect to be producing paperboard in the fourth quarter of 2021.

INNOVATIVE CURTAIN COATERS IN FIVE MILLS

We are approaching the conclusion of our \$115 million curtain coater upgrade project. At the end of 2020, we had installed four out of five new state-of-the-art curtain coaters on major paperboard machines in our CRB and CUK mills in Kalamazoo, Macon, and West Monroe. Our final curtain coater, designated for a West Monroe mill, will be installed in 2021.

The upgraded coaters apply clay to the outside of the paperboard, providing:

- A high-quality print surface that is expected in the marketplace
- Structural cost improvements
- Lower coating applications of TiO₂ and latex, enabling shorter drying times and a material reduction in energy usage
- Estimated reduction of four to five percent in our total global GHG emissions once all five have been installed
- Equal or better quality CRB and CUK packaging solutions

GHG Emissions

GHG Emissions	Unit	2016	2017	2018	2019	2020
GHG Scope 1	Metric Tonnes CO ₂ e	1,257,470	1,239,305	1,350,964	1,318,746	1,441,475
GHG Scope 2 (Market-Based)	Metric Tonnes CO ₂ e	793,037	766,230	747,794	824,155	680,468
Y-o-Y Change in (Scope 1+2) GHG	Percent	-	-2.2%	4.6%	2.1%	-1.0%
GHG Scope 3	Metric Tonnes CO ₂ e	-	-	2,840,225	3,504,894	2,292,901
GHG (Scope 1 + 2) Intensity	Metric Tonnes CO ₂ e/\$1,000 sales	.35	.34	.35	.35	.32

Footnotes:

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](#)
4. 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. The company utilized the tool to restate 2018 and 2019 estimates as there was a calculation change in the Evaluator Tool.

Air Quality

Total All Mills	NOx (thousand Metric tonnes/yr)	SO2 (thousand Metric tonnes/yr)
2020	5.2	1.8
2019	5.4	1.4
2018	5.4	1.4
2017	5.2	1.0
2016	5.3	1.0



2020 **ESG** REPORT

SUSTAINABLE FORESTRY

Our Approach

We are committed to the goals of sustaining forests and promoting responsible resource management and use. Our **Sustainable Forest Policy** guides us as we:

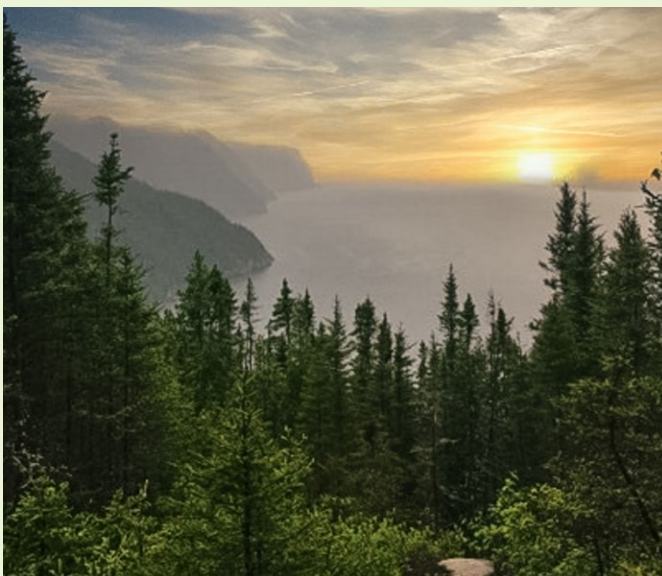
- Employ environmentally, socially, and economically sustainable forestry practices to meet our present needs without compromising future generations' ability to meet their needs
- Implement and achieve our sustainable forestry goals by practicing and promoting a resource and conservation stewardship ethic

Since 2010, we have undertaken the industry's most ambitious wood management and wood-fiber sourcing program — the Tri-Certification Chain of Custody (COC). This program assures we can trace wood fiber through our manufacturing process by calling for annual third-party audits to:

- 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)
- Ensure our forest and fiber management processes are in compliance with SFI, FSC, and PEFC standards — and that they are being executed as required

We are also committed to biodiversity by utilizing the Forest in Focus Landscape Assessment tool (a collaboration of the American Forest Foundation and GreenBlue). The tool, now in the beta stage, will provide greater visibility on forest management in our wood basket and the essential impacts.

Plus, in our effort to communicate with stakeholders in a transparent manner, we **voluntarily report to the CDP** on data related to forestry.



2020 HIGHLIGHTS

- 100% of facilities globally are compliant with Forest/Fiber Certification
- 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 2020 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 paperboard converted by our European operations comes from sustainably managed forests (in line with European timber regulations) and more than half have related certificates, such as FSC or PEFC
- 100% of our North American CRB paperboard met a Chain of Custody and certification standard
- Raised our Forests CDP score to a B, up from a B- in 2019

Wood Procurement

We participate in efforts to eliminate deforestation, as well as promote initiatives driving commitment to sourcing wood and paperboard material from certified chain of custody and non-controversial sources. We do not source wood-fiber that is harvested:

- Illegally or in violation of traditional and civil rights
- Where global conservation priorities are threatened
- In natural forests undergoing significant conversion to plantations or non-forest uses
- From forests where genetically modified trees are planted

In addition to the other forest standards we follow, we recognize and promote certification to the American Tree Farm System (ATFS) Standard and other internationally recognized certification standards.

Our wood procurement standards identify where we make our purchases, our compliance measures, and how we support our suppliers.

U.S. Timber Purchases and Compliance Measures

We purchase wood 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.

All timber purchased is legally harvested under federal and state laws. As part of our forestry certification program third-party audit, we annually conduct an assessment of compliance with applicable federal and state laws. In addition, the southeastern region of the U.S. where we harvest our timber is classified as a low-risk region.

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*)
- Sustainably managed hardwood, including poplar, oak, ash, and other hardwood species

Supplier Support and Training

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
- Associated environmental claims and labels

A hallmark of our support is our landowner and logger outreach program. In the program, we provide and facilitate training on forest management and logging.

We also commit to responsible forestry by:

- Requiring our wood suppliers and loggers be trained in sustainable forestry practices
- Supporting SFI-approved logger training
- Sharing our forest management and stewardship knowledge with our wood suppliers

Biodiversity Management

Through our sourcing of fiber that meets the [SFI Certified Wood Sourcing Standards](#) and the [FSC Controlled Wood Standard](#), our forest operations cause minimal biodiversity impacts. To further commit to biodiversity principles, our membership in Forests in Focus helps us engage landowners on how to reduce risk to biodiverse environments, including long leaf pine and old growth hardwood habitats.

We support the beta phase of Forests in Focus forest risk assessment and analysis tool. By doing so, we help further develop the tool that aggregates and analyzes existing, publicly available, credible data related to forest sustainability.

The quality data collected by the Forests in Focus tool collects allows us a meta-view around key sustainability elements, giving us:

- The ability to telescope into specific biodiversity measures in detail
- Valuable insights on the biodiverse health of our wood basket for our mills

Additional benefits of our Forests in Focus alliance include:

- Educating private landowners of at-risk habitats on their property
- Providing those landowners with tools to help maintain and restore their at-risk habitats

Raw Material Sourcing

WOOD FIBER PROCURED (METRIC TONS)	2020
Virgin Fiber	10,084,450
Recycled Fiber (virgin mills)	179,793
Recycled Fiber (CRB mills)	956,125
Total	11,220,368

FOREST/FIBER CERTIFICATION (METRIC TONS)	2020
Total Greenwood	10,084,450
- SFI/PEFC	1,926,764
- FSC	394,512
Recycled Fiber	179,793
Total	10,264,243

MATERIAL TYPE	VIRGIN FIBERS (SHORT TONS)	RECYCLED FIBERS (SHORT TONS)
CRB	0	956,125
CUK / Corrugated Medium	5,046,774	179,793
SBS	5,037,676	0
Total	10,084,450	1,135,918

RAW MATERIAL SOURCING (CONT.)

Total Production by Substrate (Short Tons)		Percent of Total
CRB	1,036,580	26%
CUK	1,623,846	41%
SBS	1,220,028	31%
Corrugated Medium	60,847	2%
Total Production	3,941,301	



WATER CONSERVATION

Our Approach

Water is crucial to papermaking and our business. Because of this, we are committed to reducing our water usage and ensuring we responsibly return the water we borrow from the environment. Our company:

- Continually invests in technologies — such as water tanks, advanced strainers for water treatment, and clarifying units — that allow us to reuse more of our process water and reduce our draw on water resources
- Implemented a structured water monitoring system to identify additional water conservation opportunities
- Recycles and reuses water many times in our pulping and paperboard-making processes before treatment and release back into the environment as part of our water and effluent management

Additionally, we communicate with stakeholders in a transparent manner by [voluntarily reporting to the CDP](#) on data related to water.

Our Mill division is the primary source of GPI's water usage, representing over 99% of the water our company uses. With that in mind, all water conservation information and data we report comes from that source.

2020 2020 HIGHLIGHTS

- Reduced effluents by 5% from 2016
- Reduced effluents by 11.5% from 2019
- Made significant progress on construction of a new CRB machine at Kalamazoo mill, which is estimated to result in reducing water usage by 300 million gallons annually
- Began Phase 2 of the Augusta Mill project 5R, a \$54 million capital project designed to help increase oxygen levels in the Savannah River basin
- Had zero material incidents of non-compliance associated with water quality permits, standards, and regulations
- Raised our Water Security [CDP score](#) to a B, up from a B- in 2019

Water Management

Pulp and paper manufacturing is a water-intensive process so we employ measures to minimize our water usage. Beyond recycling and reusing water numerous times at our mills, we use non-contact water to cool turbines and for other manufacturing processes.

Our mills borrow water from local sources for manufacturing. The water is then treated and virtually all of the water is returned back to the environment. To receive state permits for groundwater and surface water based on extraction volumes, we measure the volume of water we withdraw.

Effluent Management

We diligently monitor and test our effluent discharges from our mills. By doing so, we decrease our environmental impact and ensure compliance with permit and regulatory requirements.

The limitations and controls imposed by government permits contain restrictions on the nature and characteristics of our wastewater discharges, including:

- Limits for biochemical oxygen demand (BOD)
- Total suspended solids (TSS)
- Various other parameters

There is very low risk associated with our waste treatment and effluent conditions.

2020 IMPACT

Augusta Mill Water Project 5R: We began Phase 2 of a \$54 million water project to increase oxygen levels in water discharged into the Savannah River. The multi-year project includes:

- Installing additional aerators and mixers
- Upgrading a sludge dewatering system
- Making investments to meet new requirements for Biological Oxygen Demand (BOD) and Suspended Solids Effluent, which support increasing oxygen levels in the Savannah River basin

Influent Management: Water Withdrawn by Source

We source the water we use 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.

The risk of loss of influent water is extremely low since most of the influent water supply is surface water from ample tributaries. Additionally, there is low-risk due to regulation changes that sometimes require capital for improvements.

Water Conservation Data

W1.2h

Source	Relevance	Volume (megaliter/year)
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	124,798
Groundwater – renewable	Not Relevant	3,477
Groundwater – non-renewable	Relevant	11,644
Produced/Entrained water	Relevant	3,793
Third party sources	Relevant	9,308

W1.2i

Source	Relevance	Volume (megaliter/year)
Fresh surface water	Relevant	5,690
Third-party destinations	Relevant	129,690

Note: Potable water treated at the Texarkana Mill and distributed to local municipalities of 1,339 Megaliters not included in the Effluents



WASTE, RECOVERY, AND CIRCULARITY

Our Approach

We understand the value and environmental impact of recycling materials. As we strive to make paperboard products a circular package of choice, we:

- Adhere to our Designing for the Environment (DfE) process, allowing us to develop and manufacture packaging in innovative and sustainable ways — and with optimal recyclability in mind
- Recycle nearly all carton and cup waste generated in our manufacturing process and continuously look for new reuse opportunities
- Reduce landfill waste with our waste diversion program, capturing nearly 100 percent of usable wood fiber entering our recycled paperboard mills

Our circulatory practices and paper/paperboard recovery are the cornerstone of our efforts to reduce waste.

2020 HIGHLIGHTS

- 100% of carton manufacturing plants engaged in a waste diversion program
- 40% of carton manufacturing facilities had zero manufacturing waste going to landfills, and 94% had less than 10%
- Reduced LDPE resin purchased by 16.5% since 2018
- Converted 500,000 units of foam and plastic cups to paper during pandemic when single-use cup use decreased
- Participated with the American Forest & Paper Association to help the industry achieve 66% recovery of paper and paperboard in the U.S.
- Joined Europe's 4evergreen cross-industry alliance, dedicated to achieving a climate-neutral society by optimizing fiber-based packaging's circularity — specifically aiming to boost Europe's recycling rate to 90% by 2030

Circulatory Practices

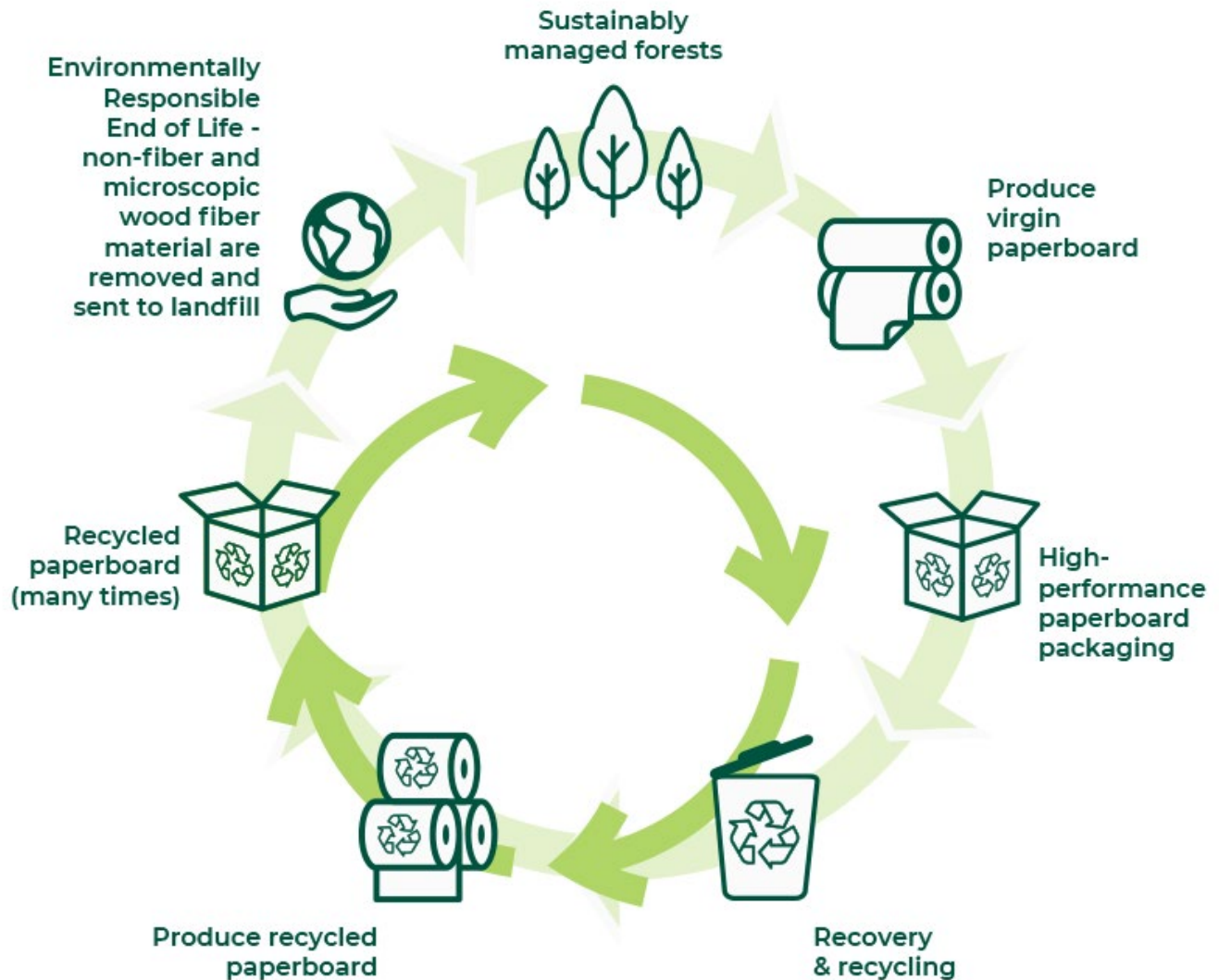
From sustainably managed forestry practices to end-of-life recycling and composting, the circular nature of our business is core to our success. Our adoption of circular economic practices includes our:

- DfE philosophy
- Ability to keep products and materials in use, which limits our environmental impact as well as our customers
- Responsible waste/recovery strategies
- Commitment to regenerating natural systems

In our recycled paperboard mills, we utilize nearly all recovered wood fiber introduced to the mills. The process starts with purchasing clean, mill-quality wood fiber. We then work with communities, industry associations, and recyclers to incorporate best practices for the collection, separation, and transportation of the wood fiber.

At times, non-fiber material such as plastic finds its way into the wood fiber we purchase. When that happens, we separate out the plastic and dispose of it appropriately or reuse it in ways that increase our circularity.

Graphic Packaging Paperboard Circularity



Paper and Paperboard Recovery

Our commitment to paper/paperboard recovery aligns with one of our ambitious Vision 2025 goals — to increase industry recovery of paper and paperboard in the U.S. to 70%.

Our paper/paperboard recovery work involves:

- Collaborating with the American Forest and Paper Association (AF&PA) since we are a large consumer of recycled paper and provide over 40% of CRB to the North American market (The AF&PA is an industry trade organization representing 75% of the U.S. pulp, paper, paper-based packaging, and wood building materials.)
- Engaging with other industry groups and working with customers to expand acceptance of paperboard packaging for recycling
- Investing in our CRB mills to separate out contaminants like plastic, so our mills can accept a wider variety of recycled paper

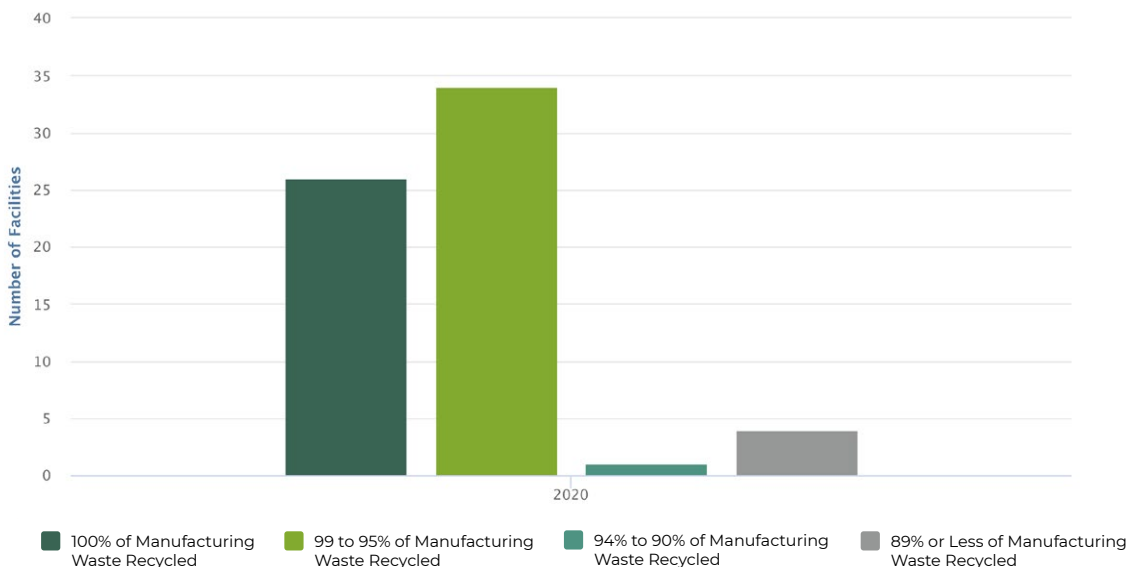
A vast majority of our carton clippings, the recyclable waste material, are captured in our carton facilities and shipped to our paperboard mills. It is an integral part of our waste diversion program and also supports our high recovery rate.

2020 IMPACT

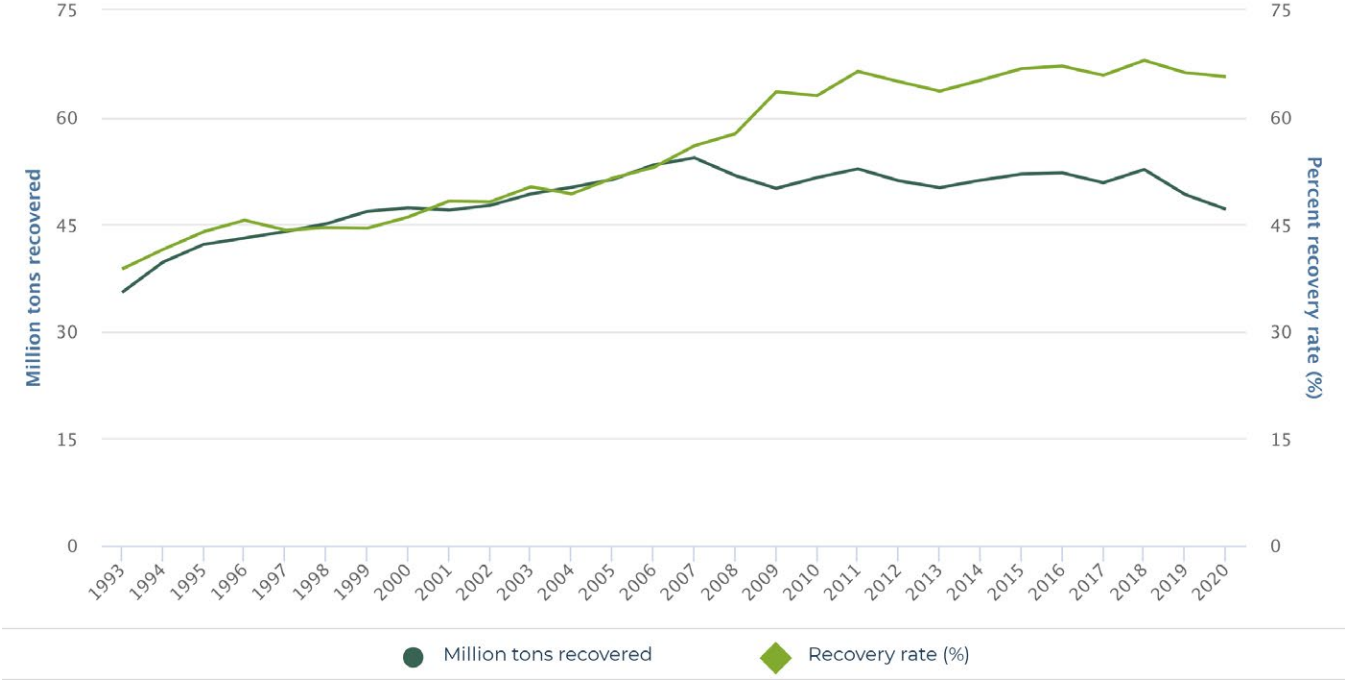
84%

of our revenue is from converted packaging. (Non-integrated paperboard sales are excluded and reflected in mill revenue.)

Graphic Packaging Global Converting Facilities Diverting Waste from Landfill



Graphic Packaging U.S. Paper and Paperboard Recovery Rate





SUSTAINABILITY ALLIANCES

We are proud to be involved in several associations that address various impacts to our industry and its environmental metrics. Our participation ranges from serving on the Board of Directors and working committees to providing various means of support. Our partners in sustainability include these organizations:



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.



4evergreen — We are a key contributor to the 4evergreen Alliance and participate in several workstreams, including co-leading the workstream dedicated to innovation.



American Forest & Paper Association (AF&PA) — We are a contributor to the AF&PA, serving on the Board of Directors, sector committees, government affairs committee, and other working committees.



American Forest Foundation

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



Better Buildings, Better Plants — We partnered with this U.S. Department of Energy program in 2021 to significantly reduce energy intensity over a 10-year period across all U.S. operations.



Ellen MacArthur Foundation — We joined the Ellen MacArthur Foundation in early 2021 to support its mission to accelerate the transition to a circular economy. We participate in select initiatives to help realize the foundation's mission.



National Association of Manufacturing (NAM) — We participate on several NAM committees, including the public policy committee.



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



European Carton Makers Association (ECMA) — We are a key ECMA contributor, serving on the management team of the executive committee.



Foodservice Packaging Institute (FPI) — We participate in FPI workgroups to increase the recycling of foodservice packaging. We are collaborating to expand paper cup recycling as part of the FPI-sponsored **Paper Cup Alliance (PCA)**, which brings together manufacturers of paper cups to advance recycling efforts.



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



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



Packaging Association of Canada (PAC) — We participate on the Board of Directors of this industry association that facilitates collaboration across the value chain to innovate and educate.



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



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



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



Paper Cup Recovery and Recycling Group (PCRRG) — We work with this UK initiative to make our cup business more circular.



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.



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



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



COMMUNITY ENGAGEMENT

Our Approach

Our success is not possible without the vitality of the local communities where we operate. Driven by our core values, our duty as a responsible corporate citizen, and our purpose of “Inspired Packaging. A World of Difference”:

- Our global employees dedicate their time and talents to improve the communities where they live and work.
- We commit to effectively using natural resources for the benefit of our consumers, customers, and communities where these resources reside.
- We focus on three pillars that guide our community service activities and philanthropic commitments.

During 2020, we reinforced these pillars as the COVID-19 pandemic swept across our global communities.

2020 HIGHLIGHTS

- Donated approximately \$864,000 in employee and company philanthropic contributions
- Reinforced our commitment to our three pillars during the pandemic (see below)

Our Community Engagement Focus Areas

I. Putting Food on the Table

As providing packaging solutions for food and beverage companies is core to our business, we commit to fighting hunger in our communities.

Food insecurity affected many of our friends and neighbors during the COVID-19 pandemic. One example of our employees giving back to their community took place in Lawrenceburg, Tennessee. Holding a non-perishable food drive contest, our employees collected two tons of food items and donated it all to charities of their choosing — which included local churches, school food pantries, and blessing boxes.

2020 IMPACT

We provided nearly \$500,000 in much-needed relief during the year. In 2020, our efforts included:

- **Cash Donations to Community Food Banks** – We donated \$5,000 to food banks in each of almost 90 communities where we operate across the globe.
- **Special Donation to the Community Assistance Center (CAC)** – To help address the shortfall caused by the cancellation of the CAC’s annual Food ‘n Fun Challenge benefitting its food pantry and summer-meal program, we donated \$25,000 to the center located near our Atlanta headquarters.

II. Preserving the Environment

As a leading paperboard manufacturer, we commit to being stewards of our planet.

2020 IMPACT

Our community stewardship efforts included the **environmental education of future generations**. Our annual work with Trees Into Cartons, Cartons Into Trees (TICCIT) — a community outreach and educational program founded by the Paperboard Packaging Council — went virtual. We provided at-home tools for our employees to engage in activities with their families to teach the importance of recycling and encourage tree-planting. As soon as it is safe, we will return to in-person presentations.

III. Investing in Education

As a company operating in 90 locations globally, we believe that the education of tomorrow’s leaders in our communities helps us build a pipeline of talent to shape our future workforce.

2020 IMPACT

Our 2020 education commitments included:

- **GPI Scholarship** – We granted \$35,000 in scholarships to employees’ college-aged students pursuing programs in paper sciences, engineering, supply chain, and other curricula supporting careers in our industry.
- **Mentoring** – Via organizations such as Boy Scouts of America, TechBridge Jobs for America’s Graduates, and Junior Achievement, our employee volunteers donated hundreds of hours to mentoring students how to succeed in our ever-evolving global economy.
- **Community Philanthropy** – Through our corporate and manufacturing facilities, we donated more than \$420,000 to community organizations, veterans’ groups, and educational activities and institutions such as boys’ and girls’ clubs, technical colleges and universities, and school supply drives.

In addition, our employees with a Graphic Packaging match donated \$400,000 to the United Way nationally in 2020.

Philanthropy

YEAR	Charitable Donations (USD)
2020	\$864k
2019	\$771k
2018	\$587k
2017	\$336k



DIVERSITY AND INCLUSION

Our Approach

Our commitment to fostering a diverse and inclusive culture celebrating wide-ranging ideas, experiences, and backgrounds is unwavering. As such, we:

- Respect cultural differences
- Treat everyone with dignity
- Believe a thriving diverse, inclusive, and equitable working environment is integral to our daily operations
- Strive to achieve a diverse and inclusive workforce by committing to equal employment opportunity and non-discriminatory practices in hiring, training, and compensating our employees

The results of our actions and beliefs benefit our company and our culture by:

- Encouraging creativity, innovation, and collaboration
- Propelling our ability to serve our global customers and communities
- Creating a competitive advantage for the company, making the ideals a cornerstone of our success



2020 HIGHLIGHTS

- Established 2020 diversity baseline to provide clear direction on where to improve gender and ethnic diversity in our workforce
- Instituted more comprehensive oversight by the Board of Directors that includes an annual review process of the company's progress against our 2020-2025 Diversity and Inclusion plan
- Showcased the valued contributions and talents of our employees, featuring our women leaders in our company communication feature "Faces of GPI"
- Our commitment to supplier diversity resulted in a 10% increase in business with diverse suppliers in 2020 vs. 2019, accounting for \$177 million in business.
- Made plans to initiate these actions, which we accomplished in 2021:
 - Joined the Atlanta-based ATL Action for Racial Equity initiative to garner helpful insight on how we can engage with communities to address racial equity
 - Partnered with the Society of Women Engineers, the National Society of Black Engineers, and the National Minority Supplier Development Council to call upon their resources in our employee and supplier diversity efforts
 - Launched our first two Business Resource Groups (BRG): a women's resource group and a Black employee network resource group
 - Formalized and implemented our Diversity and Inclusion Strategy and Program with Board approval

Employee Diversity and Inclusion

In our quest to create a diverse and inclusive workforce – as well as an equitable working environment and culture – we strive to mirror the diversity of the communities where we operate. As we progress in meeting this goal, we've committed to listening to our employees, thought leaders, and others to help enhance and accelerate our diversity and inclusion efforts.

We focus on creating a diverse, inclusive, and equitable 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
- Educating leaders and employees on role modeling the D&I strategy every day

To honor our commitment to foster and celebrate employee diversity, we continually strive to do better and dedicate resources to further strengthen our work on this front.

Leadership's Role

The diverse composition of our executive and senior leadership teams facilitates an environment where inclusion is modeled and cascaded through our organization. Additionally, we share diversity and inclusion metrics with senior leaders on an ongoing basis to highlight our progress and drive accountability.

Board Responsibility

As part of our company's mission to drive equitable treatment of employees and a culture of inclusion, our Board of Directors' [Charter of the Compensation and Management Development Committee ensures the Committee](#) annually reviews our company's:

- Inclusion and diversity processes, practices, programs, and initiatives
- Integrated talent management processes and programs

Supplier Diversity

Supplier diversity is integral to our diversity management strategy. We believe having a robust supplier diversity component of our procurement strategy helps:

- Develop stronger local communities
- Create long-term growth and a competitive advantage for our company

Equal Opportunity

We're proud to be an equal opportunity employer. As such, we do not make employment decisions based on race, color, religion, age, gender or sex (including pregnancy), national origin, ancestry, marital status, sexual orientation, gender identity, disability, veteran/ military status, genetic information, or any characteristic protected by law.

In addition, our Equal Employment Opportunity policy includes special provisions for:

- **Pay Transparency Nondiscrimination**, protecting employees or applicants who've inquired about, discussed, or disclosed pay information
- **Individuals with Disabilities**, taking into specific account hiring, promoting, accommodating, and educating all employees
- **Requests for Accommodations**, applying to employee disabilities and religious beliefs and observances

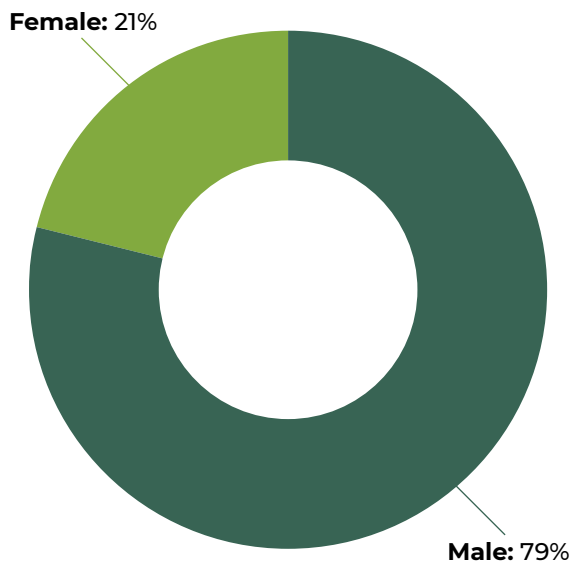
Employee Support and Resources

We do our best to make our employees feel supported, protected, and part of an inclusive environment. If an topic or concern arises, Our Core Values in Action lets employees:

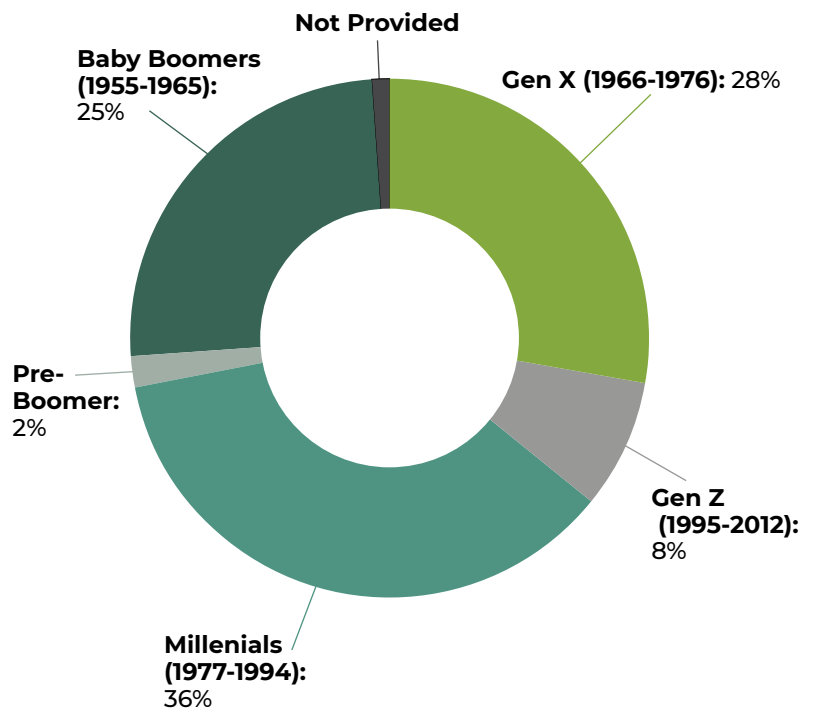
1. **Know** about our Code of Business Conduct and Ethics
2. **Decide** if an activity or situation in which they find themselves violates our Code or GPI policies, such as our Anti-Harassment and Equal Employment Opportunity policies
3. **Act** on their decision by speaking up about their concerns to:
 - Their manager or Human Resources Representative
 - GPI's Law Department
 - ALERTline, our confidential hotline

Current Snapshot Of Graphic Packaging's Workforce

Gender Breakdown (Global)



Generations Breakdown (Global)



Source: 2020 Employee Engagement data

Women in Leadership (Global)	2020 REPRESENTATION
Sr. Leadership (Top 100)	25%
Mid-level Leader	20%
Salaried Professional	41%

CURRENT SNAPSHOT OF GRAPHIC PACKAGING'S WORKFORCE (CONT.)

U.S. MULTICULTURAL	% HOURLY EMPLOYEES	% SALARIED EMPLOYEES	TOTAL
African American	18%	8%	16%
Hispanic	8%	3%	7%
Asian	2%	2%	2%

Source: 2020 SAP Data

TURNOVER	2019	2020
Voluntary	12%	13%
Involuntary	7%	8%

	2019	2020
Revenue per employee (USD)	\$324,000	\$345,000
EBITDA per employee (USD)	\$57,000	\$56,000



EMPLOYEE HEALTH AND SAFETY

Our Approach

We focus on providing a work environment where health and safety are top priorities. The physical and mental well-being of our employees is fundamental to the success of our business. When it comes to safety at Graphic Packaging, there are no shortcuts. Our goal of attaining injury-free workplaces while maintaining high standards of quality and ambitious productivity expectations involves:

- Complying with applicable health and safety laws and regulations
- Reporting “near miss” incidents, evaluating those situations, and implementing appropriate countermeasures to prevent similar incidents
- Adhering to our Code of Conduct and Health, Safety, and Environmental (HS&E) policies, which set forth our principles and expectations for how we approach and prioritize the health and safety of our employees

2020 HIGHLIGHTS

- Developed initiative focused on preventing serious or life-altering injuries
- Launched global safety video training to reinforce safety expectations
- Responded to COVID-19 need for safety with UK employees designing paperboard-based face shields with window film to keep frontline workers in Europe safe during a shortage of essential protective face coverings

Safety Performance

Our efforts to keep our workplaces safe for our employees consistently result in worldwide recordable incident rates about half or more of rates reported by the U.S. Bureau of Labor for a comparable business.

Additionally, our efforts to minimize COVID-19 impacts were successful due to enhanced health and safety protocols implemented for our global workforce.

2020 IMPACT

Our worldwide recordable incident rate was 1.09 cases per 100 employees. Well below the Average Paperboard and Packaging Recordable Case Rate (2016-2018) as reported by the Bureau of Labor Statistics.

Employee Input Helping Us Play It Safe

Our HS&E policies ensure our employees have a voice and can take action so they feel protected and safe in our workplace. If employees observe an unsafe condition, potential hazard, or dangerous practice, they:

- Are expected to address the topic with their coworker or supervisor
- Can report the topic to their local HS&E representative or to our confidential ALERTline

ALERTline is set up to also report safety topics concerning our suppliers, customers, and business partners.

Workplace Safety and Security Policies

In addition to our Health, Safety and Environmental (HS&E) Policy, we protect our employees by establishing other policies so they can feel safe and secure in the workplace.

- **Workplace Violence Policy:** Prohibits violence, threats, and other behaviors that disrupt the workplace or put employees at risk
- **Anti-Harassment Policy:** Establishes zero tolerance for bullying, intimidation, or any conduct that may be considered harassment or lead to harassment, or creates a hostile environment for anyone
- **Drugs and Alcohol Policy:** Guards against the misuse and abuse of drugs and alcohol that can impair judgment, create health risks, and endanger all employees
- **Weapons Policy:** Prohibits firearms, ammunition, explosives, weapons, and dangerous instrumentalities of any kind

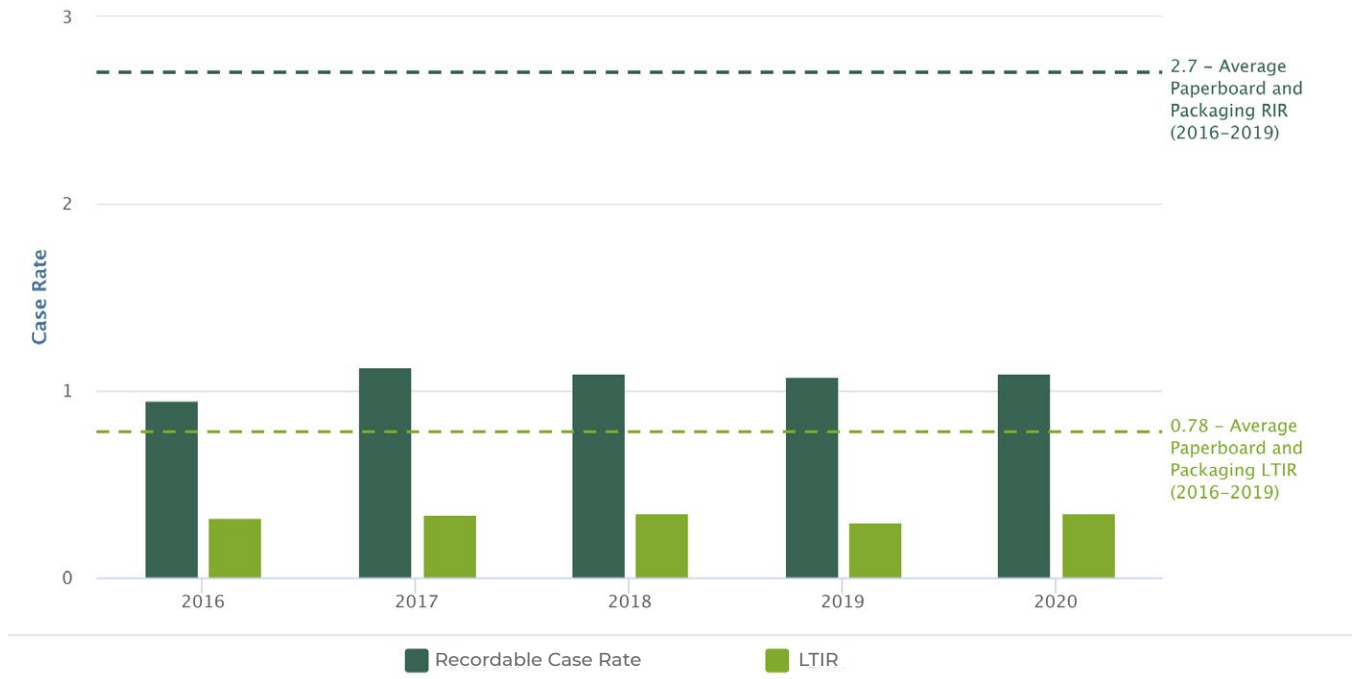
Healthcare and Wellness Benefits

We offer benefit and compensation programs that are among the best in the industry to reward the talented people who make our company successful. Benefits that give our employees and their families peace of mind as well as contribute to their overall well-being include:

- Comprehensive medical plan options with built-in prescription drug benefits
- Dental and vision coverage options
- Healthcare and dependent care spending accounts (HSAs, FSAs)
- Supplemental life insurance
- Short-term and long-term disability coverage
- Paid vacation time and company holidays
- Employee Assistance Program available to employees and their family members for company-paid help such as counselor visits, or drug and alcohol treatment

In addition, our GPI Fit wellness program enables our employees and their enrolled spouses to earn funds for their HSA based on the completion of wellness activities.

Safety Performance Compared To Manufacturing Sector (Recordable Case Rate and Lost Time Incident Rate)



Source: Company data as of December 31, 2020 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

Note: Due to acquisitions the rate is updated with the prior year to the reported year. Rates early than that are not updated with the impact of the acquisition.



LEARNING AND DEVELOPMENT

Our Approach

We strive to provide an environment that brings out the best in our people. Whether hourly or salaried, we believe that each and every one of our employees deserves the opportunity to grow and thrive at Graphic Packaging.

Our commitment to developing our talent isn't merely altruistic. It's both the right thing to do and the smartest way to run our company. When we grow from within, we all stand to prosper.

When our employees pursue their curiosity, our teams get wiser. When we ask each other questions, our processes become more defined. And when we acquire new skills, we stay on the cutting edge.

One of the most influential and important drivers at Graphic Packaging are our employees, who bring their inspiration, creativity, and ingenuity to the company every day. This belief in our employees drives our dedication of resources to provide a broad range of opportunities for on-the-job learning and development initiatives that help:

- Ensure we engage our employees at work, resulting in greater job satisfaction and performance
- Solve our ongoing business challenges by attracting and developing individuals with different talents, ideas, and experiences
- Attract and retain top talent for our workforce by providing on-the-job training needed to build and grow rewarding careers
- Provide continual opportunities for advancement to motivate high performance

2020 HIGHLIGHTS

- Implemented our Xcelerated Performance (XP) pilot that moves performance and career development from a twice-a-year discussion to a natural ongoing dialogue
- Conducted a company-wide employee engagement survey, establishing a baseline from which to measure and build on results to better engage the workforce, enhance our culture, and improve business results
- Launched "GPI LEADS", a monthly resource for leaders to build their skills and knowledge around top-performing diverse and high-performing teams
- Achieved 94% participation in Code of Conduct training
- Achieved over 90% participation in Anti-Harassment training Global managers and non-managers

Our Learning Approach

At Graphic Packaging, learning and development isn't just about courses and workshops. Here, learning happens constantly, and the best lessons happen on-the-job, moment-to-moment, and person-to-person. And while it may seem like an optional activity or even a distraction, it's actually an essential component to how our company stays sharp and profitable.

While we invest in formal training opportunities, we believe that learning is a mindset. We want each and every employee to feel encouraged to pursue their curiosity, tackle challenges, and expand their toolbox whenever possible. To that end, we take a 70/20/10 approach to learning:

- 70 percent through on-the-job experiences
- 20 percent through relationships, such as coaching, mentoring, and social learning (volunteer activities, networks, professional groups)
- 10 percent through classroom or online training

Learning and Development Experiences

Our developmental experiences range from on-the-job frontline development to developing the next generation of leaders, and include:

- Through our **university and military recruitment** and our **Leadership Development Program**, we offer internships and full-time opportunities to college graduates throughout our company's various divisions and business functions.
- **Key Pipeline Talent Experience** Talent planning helps us ensure that our employees can rise to the level of their ambitions, matching our people's aspirations with the most appropriate opportunities. It helps us get our best people into our most critical roles by objectively assessing individual performance and potential, proactively planning the movement of talent, and keeping our pipelines healthy. In 2019, we established the Key Pipeline Talent Experience. The Key Pipeline Talent Experience is a 6-month experience that invests in 15 to 20 high-potential employees who are in succession for critical roles within the organization. The developmental experience includes 1:1 sessions with our executive leaders, formal classroom training on business acumen, emotional intelligence, strategic thinking, and leadership assessments. This holistic developmental experience results in a robust personal development plan.
- Leadership inside Graphic Packaging is a never-ending pursuit to understand better and **lead yourself**, **lead our people** with compelling communication and alignment, and **lead our business** to find the best solutions for our complex problems.
- Our **frontline leadership development experience** equips frontline leaders with the skills and knowledge to manage/lead people while delivering business results inclusive of our growth culture with excellence. Participants improve their:
 - Personal leadership skills by understanding their role as a leader and how to get things done
 - People leadership skills through communications, coaching, and feedback



CORPORATE GOVERNANCE

Our Approach

We believe establishing a framework to meet our company's goals as well as our stakeholders' involves:

- Acting ethically and responsibly, which is not only the right thing to do but strengthens our business and sets us up for future success
- Considering 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

2020 HIGHLIGHTS

- Expanded the Compensation and Management Development Committee charter with additional diversity and inclusion oversight
- Refined oversight outcomes of the Compensation and Management Development Committee to include an annual review of Graphic Packaging's processes and practices related to:
 - Workforce diversity and inclusion programs
 - Initiatives to drive equitable treatment of employees and a culture of inclusion
- Elected an additional female board member January 2021

Board Oversight of ESG Topics

Our Board of Directors set expectations to demonstrate our culture and guide 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
- Ensuring processes are in place for maintaining the integrity of our:
 - Financial reporting
 - Legal and ethical compliance matters
 - Relationships with customers, suppliers, employees, the community, and stockholders

Our Board fulfills its responsibilities through such practices as:

- Approving each annual operating plan and strategic long-range plan
- Reviewing actual results against the plans at Board meetings
- Reviewing and approving significant corporate actions, such as acquisitions and divestitures, plant rationalizations, and major projects involving significant capital spending
- Reviewing shareholder composition and feedback to better understand our investors' ESG priorities
- Engaging with management to define and assess our company culture through surveys and involvement with employee development — including engaging with high-potential employees in critical succession paths at every Board meeting

The Board currently has three standing committees: Audit, Nominating and Corporate Governance, and Compensation and Management Development. Each committee reports to the full Board on its particular area of ESG risk.

Audit Committee and ESG

The Audit Committee periodically reviews and evaluates our policies with respect to risk assessment and management. This includes discussions of our major financial risk exposures, as well as the steps management has taken to monitor and control such exposures. The committee also:

- Oversees human capital management and disclosures in our financial filings
- Reviews ESG audit and assurance activities

Nominating and Corporate Governance Committee and ESG

The Nominating and Corporate Governance Committee provides principal oversight of our sustainability policy and practices, which includes:

- Considering topics that may affect our business operations and stakeholders, such as:
 - Current and emerging social and environmental trends
 - Major global legislative and regulatory developments
 - Various other public policy topics
- Reviewing our policies and practices for consistency with our company's sustainability commitment, including sustainability targets and public reporting
- Reviewing and approving our annual ESG report (Global Citizenship Report)
- Reviewing our internal and external ESG goals as well as benchmarking our ESG program against other programs
- Conducting all Board director searches and recommending candidates after evaluating the ability of a potential director to contribute to the Board by leveraging a broad range of experiences — as well as the potential director's ethnic, gender, generational, and racial diversity
- Making recommendations to the Board and management as needed

Compensation and Management Development Committee and ESG

The Compensation and Management Development Committee annually reviews our company's diversity and inclusion practices and initiatives. The committee ensures these practices and initiatives are set up to drive equitable treatment of employees and a culture of inclusion.

Overseeing ESG Risk

As appropriate, our long-range plan incorporates environmental and climate change risks and opportunities, along with macroeconomic trends. Approved by our Board of Directors, the plan contains 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 Change** — 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** — We assess short-, medium-, and long-term access to sources of wood and recovered wood-fiber, our two primary ingredients for paperboard packaging. In addition, we:
 - Comply with major forest/wood-fiber certification programs
 - Leverage the certification programs to ensure responsible wood/wood-fiber purchasing and management practices
 - Engage with consultants to provide insight on anticipated demand and supply changes 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 for Sustainability

Our executive leadership team maintains overall ownership for our sustainability and social responsibility strategy, with special responsibilities undertaken by our:

- **Vice President of Government Affairs and Sustainability**, who provides the strategic direction and reports regularly on key programs to the President and CEO, as well as to our Board of Directors
- **Vice President of Health, Safety, and Environmental**, who reports to our President and CEO on significant projects and compliance matters
- **EVP, General Counsel and Secretary**, who 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

Executive Committees with ESG Responsibilities

Three committees comprising multiple departments help guide GPI in its ESG responsibilities:

Health, Safety, & Environmental (HS&E) Steering Committee

The HS&E Steering Committee — which includes representatives from Sustainability and Social Responsibility, HS&E, Operations, Legal, Human Resources, and Financial 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 HS&E, regulatory, and insurance matters.

Compliance Committee

The Compliance Committee is a cross-functional group that includes leaders from Legal, Human Resources, Internal Audit, IT, and HS&E. The committee:

- Meets regularly to discuss and assess emerging compliance topics in our company as well as to implement compliance initiatives company-wide
- Provides input and direction to the Board of Directors regarding the Annual Compliance Report, which details the prior year's compliance initiatives and the compliance plan for the coming year

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.



ETHICS AND COMPLIANCE

Our Approach

Our **Code of Business Conduct and Ethics** outlines the principles, policies, and laws that guide our actions while working. Our Code applies to everyone at Graphic Packaging and our subsidiaries worldwide. As a representation of our Core Values, the Code:

- Shows us how to be responsible for ourselves and for each other
- Makes us a stronger company and better able to deliver on our promises
- Protects our personal integrity at all times by giving us a way to respond to unethical actions

Our Code works in conjunction with our other key policies:

- Anti-Corruption Policy
- Supplier Sustainability Guidelines
- IT Acceptable Use Policy
- Policy on Trading Securities
- Employee Handbook
- Human Rights Policy

We also expand on certain topics important to our business in our specific **Disclosures & Company Policies**, which address these topics and more:

- Anti-Bribery
- Anti-Harassment
- Anti-Slavery and Human Trafficking
- Antitrust
- Equal Employment Opportunity
- Human Rights
- Privacy, which covers cybersecurity

These policies hold each of us at Graphic Packaging and our suppliers accountable to:

- Maintain work environments that protect the human dignity of all
- Ensure all business and working relationships are never exploitive or corrupt
- Provide means to deal with situations in conflict with our policies

Measures by which we help ensure compliance regarding our Code and policies include:

- Annually or periodically reviewing and updating them
- Distributing them to employees or making them available via the online training tool
- Requiring acknowledgement of receipt of and compliance with them

- Conducting training on them
- Requiring each of our procurement agreements to include our Supplier Code of Conduct prohibiting slavery and trafficking
- Conducting regular audits of our facilities to check on compliance
- Adhering to the California Transparency Act requirements

2020 HIGHLIGHTS

- Revised our Business Code of Conduct and Ethics, increasing focus on topics commonly reported on ALERTline and on key company initiatives like sustainability
- Completed global General Data Protection Regulation (GDPR) compliance audit via internal audit and auditing/advisory firm Grant Thornton
- Addressed moderate- to low-risk improvement opportunities identified in GDPR audit
- Updated our Anti-Corruption Policy to better align with global requirements and distributed it company-wide for review and training purposes
- Enhanced cybersecurity policies and completed Phase 1 of cybersecurity awareness training
- Developed a more robust security profile on the process control network in mills
- Customized training to address risks identified in Enterprise Risk Assessment
- Confirmed Graphic Packaging alignment with 2020 guidance from the U.S. Department of Justice, specifically:
 - Demonstrating a renewed emphasis on iterative risk management
 - Targeted training with a demonstrated impact
 - Documenting that the reporting and investigation processes are rooted in transparency and efficacy

Actions to Increase Accountability and Compliance

We've put in place various ways we can help ensure full acknowledgement of and compliance with our Code of Business Conduct and Ethics and our company policies.

SPEAKING UP

We encourage all employees to report any activity or behavior that is illegal, unethical, or does not comply with our Code of Business Conduct and Ethics. Employees can report any infractions to:

- Their manager
- A human resources representative

- An Executive Vice President
- The General Counsel
- Our third-party and confidential ALERTline, which investigates the activity or behavior and addresses it in less than 30 days

TRAINING

We weave respect and human rights into the fiber of our business by conducting annual training on:

- Our Code of Conduct for each of our 19,000+ employees, reminding them of our Core Values, Human Rights policy, and our policies prohibiting discrimination and harassment
- Identifying and addressing trafficking in our Supply Chain by educating salaried employees, including those in our Supply Chain and Human Resources departments
- Anti-harassment and respectful workplace practices for each of our managers across the globe and for the 14,000 hourly and salaried employees who work in the U.S.

AUDITING

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.

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.

We conduct audits on all high-risk regulatory and key ESG data and reporting.

Human Rights

As part of our company culture, we are committed to upholding human rights, as shown in our fair labor practices, conflict minerals' practices, and due diligence before signing any significant investment agreement.

LABOR PRACTICES

Per our [Human Rights Policy](#), we:

- Employ a labor force with a minimum age of 16 and expect the same of our contractors, suppliers, and business partners
- Do not support work performed by forced labor, convicted criminals, or prisoners, except those on parole, supervised release, or probation

CONFLICT MINERALS

We fully support human rights organizations' efforts to end the violence and atrocities fueled by the sale of conflict minerals. As such, per 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 fully expect our suppliers to cooperate in providing information to confirm that the minerals in our supply chain are conflict-free.

SIGNIFICANT INVESTMENT AGREEMENT DUE DILIGENCE

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.

With our Human Rights Policy in mind, our due diligence includes the following actions and is designed to identify (and remedy) any topics that come to light when we:

- Assess the target company's labor practices
- Tour the target facilities
- Interview key management and operational personnel
- Review corporate documentation and financials
- Screen for human rights, which we do for 100 percent of our SIAs

Anti-Corruption

We have a strict zero-tolerance policy for bribery. Our Code of Business Conduct and Ethics and our Anti-Corruption Policy outline clear bribery and corruption prohibitions. Educating everyone at Graphic Packaging about our Code and our policy is imperative, so the following groups received both documents in 2020:

- New employees globally
- Hourly and salaried workers globally
- Our governance bodies, which include our Board of Directors, the Nominating and Corporate Governance Committee, the Executive team, the EU leadership team, and the Compliance Committee

Compliance Committee

Our Executive Compliance Committee helps keep GPI on the right track as it:

- Facilitates the development, implementation, and operation of an effective compliance and ethics program
- Promotes an organizational culture that encourages law-abiding and ethical conduct
- Apprises our CEO of its activities
- Creates an annual report for the Board of Directors that details GPI's compliance program
- Consists of our Executive Vice President (EVP), General Counsel; EVP, Human Resources; Senior Vice President (SVP), Information Technology; VP, Internal Audit; Assistant General Counsel; Chief Employment Counsel; VP, Health, Safety and Environment; and VP, Talent, Learning, Diversity & Inclusion
- Meets quarterly or more frequently as appropriate

The Compliance Committee's responsibilities 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 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 investigations of any ethics violations

Compliance Training

Course	2018 % Complete	2019 % Complete	2020 % Complete
Code of Conduct (Global Salaried Employees)	90	89	94
Anti-Harassment (Global Managers)	Global participation rate not collected	Global participation rate not collected	99
Anti-Harassment (Global Non- Managers)	Global participation rate not collected	Global participation rate not collected	93
Anti-Bribery (relevant corporate and operational employees)	100	92	87

Government Relations: Public Policy and Political Contributions

Government actions can impact our company, employees, industry, and stakeholders. That is why we believe:

- 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.
- Active engagement in the political and regulatory processes is an important means of protecting our commercial, employee, and stakeholder interests.

Our beliefs inform our public policy engagement and political action committee (PAC) efforts.

PUBLIC POLICY

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 our Code of Business Conduct and Ethics 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

We believe transparency and accountability with respect to political expenditures and lobbying are critical to the integrity of the efforts. Our Vice President of Government Affairs and Sustainability oversees political activity and spending via Graphic Packaging International Political Action Committee (GPI-PAC) and our

corporate political contributions. Each entity undergoes periodic audits to ensure that all contributions are made in accordance with the law and company policies.

Graphic Packaging International Political Action Committee (GPI-PAC): This is a voluntary, non-partisan political action committee registered with the U.S. Federal Election Commission. The GPI-PAC and contributions made to it:

- Allow employees to pool personal, voluntary financial contributions to federal and state candidates who support topics important to our business, our employees, and other stakeholders
- Are governed by a board of directors made up of GPI executives, who review and approve political contributions and other payments
- Are subject to comprehensive regulation by federal and state governments, including detailed disclosure requirements

The GPI-PAC's political spending includes:

- Contributions to federal and state candidates of integrity with a demonstrable commitment to ethical political conduct and other qualifications relevant to our industry and our company
- Payments to industry trade associations' PACs

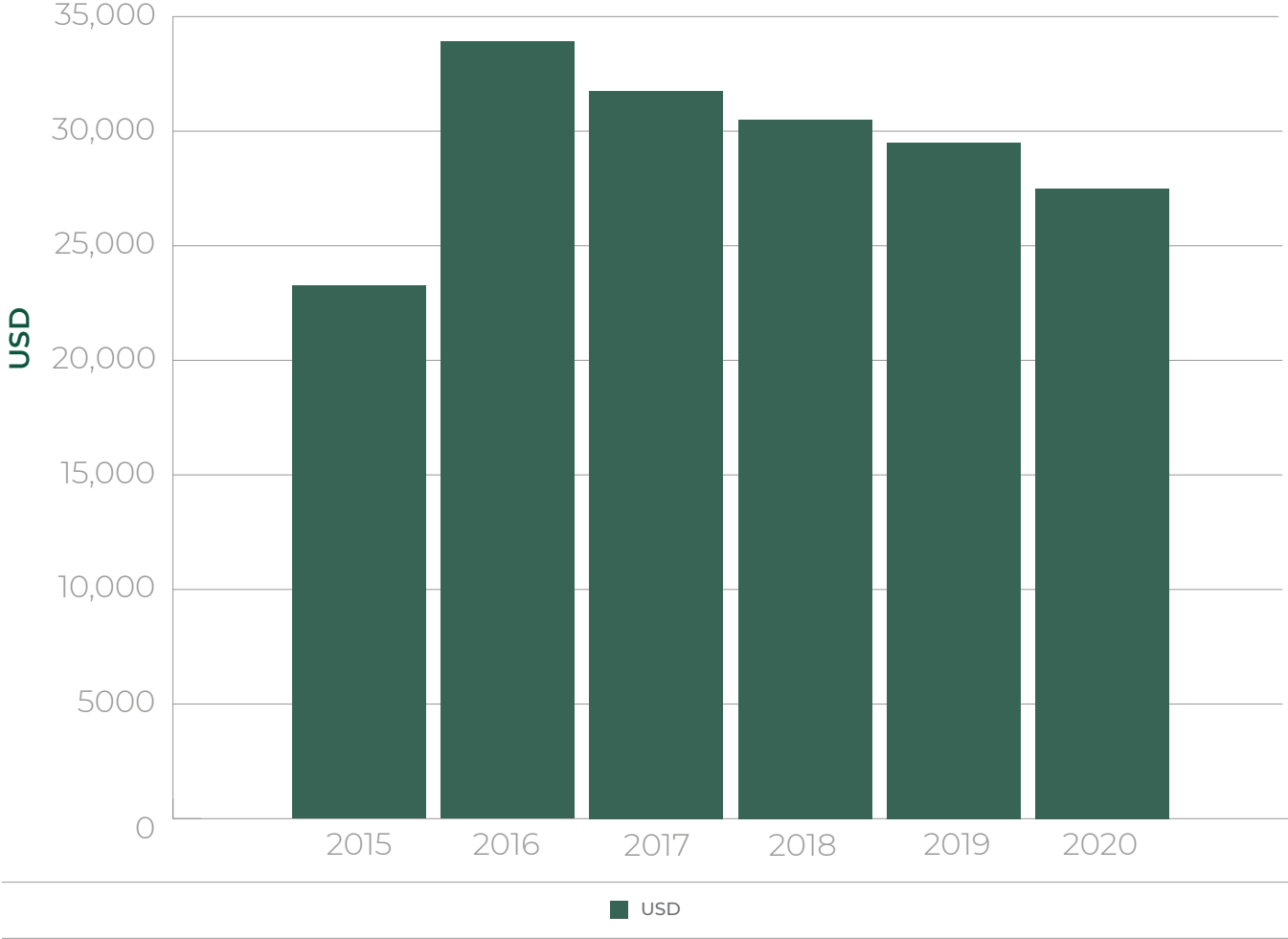
GPI-PAC files monthly reports of receipts and disbursements with the [Federal Election Commission \(FEC\)](#), as well as pre-election and post-election FEC reports.

Corporate Political Contributions: On rare occasions, we use corporate financial resources to support our position on important public policy topics. Corporate contributions follow the same rigorous process as the GPI-PAC.

Our 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. Additionally, individual state and local laws govern these corporate contributions to candidates running for election to state and local offices.

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.

GPI-PAC Contributions





SUPPLY CHAIN MANAGEMENT

Our Approach

Since our suppliers are vital to our success, we constantly strive to choose suppliers committed to strong ethics and business conduct standards similar to our own. These standards include a commitment to preserving the environment and complying with all applicable environmental laws and regulations.

Our procurement principles, which revolve around high standards and our stakeholder commitments, are to:

- Source for the best value
- Obtain business requirements legally and ethically
- Provide equal opportunity

We expect our suppliers to consider potential environmental impacts of daily business decision-making processes as well as opportunities to ensure cleaner air and water and to reduce waste by:

- Conserving natural resources
- Recycling and reducing
- Implementing pollution controls

When procuring raw materials, we take into consideration their environmental impact. By conducting a periodic peer-reviewed Life Cycle Assessment (LCA) of our packaging products, we can:

- Better understand our products' environmental impact
- Make better supply procurement decisions that increase our products' circularity and reduce their impact on the environment

We also continually work to improve supply chain efficiency resulting in reduced fuel consumption. When feasible, we utilize rail rather than truck transportation as trains burn less fuel per ton mile than over-the-road vehicles. We strive to improve our railcar load factor, resulting in fewer railcars used and further reduced greenhouse gas emissions.

2020 HIGHLIGHTS

- Purchased \$177 million goods and services from diverse suppliers, a nearly 10% increase from 2019 and 54% increase from 2015
- Exceeded our 2020 diverse supplier spend goal of \$135 million by 31%
- Expanded our business operations with diverse suppliers, including opening a new location with Gilmer Warehouse & Logistics (woman-owned) in West Monroe
- Doubled rail utilization on key traffic lanes since 2018, resulting in 5,500 less trucks on the highway annually and a reduction of 2.3 million truck miles (equal to almost 100 trips around the earth)
- Improved our railcar load factor by 14% since 2018, resulting in 2,000 less railcars used annually
- Integrated our **Global Supplier Code of Conduct** into our supplier onboarding process as well as our contract update and renewal process
- 100% of suppliers onboarded or had contracts updated aligned with our Supplier Code of Conduct

Our Product Lifecycle



Supplier Expectations and Screening

To establish and maintain supplier relationships based on our core values and beliefs, we require compliance with our [Global Supplier Code of Conduct](#). As such, we:

- Screen new suppliers to ensure compliance
- Review existing suppliers for compliance as they come up for contract renegotiations or as we release new RFPs

Regardless if a supplier is new or existing, we expect our approximately 10,000 suppliers to comply with all applicable laws and commit to conducting business in a manner that is aligned with our guidelines and code of conduct.

Our goal is to incorporate a supplier audit process by 2025 to ensure performance to our expectations.

Our Supplier Policies

We believe acting ethically, responsibly, and in an environmentally sustainable manner is not only the right thing to do, but also the right thing to do for our business. We expect no less from our suppliers. The policies in our Global Supplier Code of Conduct 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, that they are conflict-free
- Seek our approval of subcontractors
- Operate with financial integrity and sustainable business practices

We also have a [Sustainable Forest Policy](#) to guide us in sourcing wood and paperboard material from sustainably managed sources. This policy helps us determine the suppliers with whom we do business.

Global Supplier Code of Conduct

We developed our [Global Supplier Code of Conduct](#) to set out our global minimum expectations in the areas of:

- Business integrity and ethical practices
- Anti-corruption
- Labor practices
- Associate health and safety
- Environmental management and sustainable business practices

Our Global Supplier Code of Conduct applies to a collective group we consider our Suppliers: vendors, contractors, agents, suppliers, and other providers of goods and services who do business with our entities worldwide.

We require all of our suppliers to comply with the Code as well as applicable laws and regulations. Non-compliance can lead to terminating our relationship with a supplier. Contracts for new suppliers and existing suppliers undergoing contract negotiations cannot be finalized without the supplier agreeing to our Code of Conduct framework.

Additionally, we expect suppliers to communicate and apply our Global Supplier Code of Conduct and relevant policies throughout their supply chains.

Supplier Diversity Program

We proactively work to source products from diverse minority-owned enterprises including those owned by African, Hispanic, Asian, and Native American, as well as Veteran and LGBTQ+. Our goal is to ensure our supply chain reflects the demographics of the communities where we operate.

In 2020, more than 250 diverse suppliers provided us with quality goods and services that:

- Spanned the entire spectrum of supply chain categories, from marketing to transportation to maintenance and packaging services
- Supported multiple sites across the company

We particularly monitor our U.S. and Canada spend, which represents a significant amount of our procurement activity. We credit our year-over-year increases in diverse supplier spend to our entire supply chain organization and leadership team.

Supplier Diversity Spend

YEAR	Certified Diversity Spend	Overall Diversity Spend
2020	\$119M	\$177M
2019	\$118M	\$161M
2018	\$108M	\$142M
2017	\$100M	\$121M
2016	\$83M	\$108M
2015	\$94M	\$116M



2020 ESG REPORT

GRI INDEX

General Disclosures	Data/Response
102-1 Name of the organization	Graphic Packaging Holding Company
102-2 Activities, brands, products, and services	Our Company Our Operations
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 Operations
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	None
102-11 Precautionary Principle or approach	Our Products Our Approach Innovation and Design Product Innovations
102-12 External initiatives	Ellen McCarthur Foundation, UN SDGs, Ellen McCarthur Foundation Sustainability Alliances
102-13 Membership of associations	Sustainability Alliances
102-14 Statement from senior decision-maker	CEO Letter
102-15 Key impacts, risks, and opportunities	2020 10-K (Pg. 15) Risk Management
102-16 Values, principles, standards, and norms of behavior	Our Company Code of Conduct
102-17 Mechanisms for advice and concerns about ethics	Ethics & Compliance 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	Materiality + Stakeholder Engagement Risk Management
102-22 Composition of the highest governance body and its committees	Corporate Governance
102-23 Chair of the highest governance body	Corporate Governance
102-24 Nominating and selecting the highest governance body	Corporate Governance
102-25 Conflicts of interest	Graphic Packaging 2021 proxy statement (Pg. 10)
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	Materiality + Stakeholder Engagement Risk Management
102-30 Effectiveness of risk management processes	Risk Management
102-31 Review of economic, environmental, and social topics	Materiality + Stakeholder Engagement Risk Management
102-38 Annual total compensation ratio	Graphic Packaging 2021 proxy statement (Pg. 19)
102-40 List of stakeholder groups	Materiality + Stakeholder Engagement
102-41 Collective bargaining agreements	41.3% of hourly employees in North America, South America and Australia / New Zealand under a collective bargaining agreement
102-42 Identifying and selecting stakeholders	Materiality + Stakeholder Engagement
102-43 Approach to stakeholder engagement	Materiality + Stakeholder Engagement
102-44 Key topics and concerns raised	Materiality + Stakeholder Engagement Risk Management
102-45 Entities included in the consolidated financial statements	2020 10-K (Pg. 5)

102-46 Defining report content and topic Boundaries	About this Report
102-47 List of material topics	Materiality + Stakeholder Engagement
102-48 Restatements of information	Not Applicable
102-49 Changes in reporting	Not Applicable
102-50 Reporting period	All information in this report is as of December 31, 2020, unless otherwise stated
102-51 Date of most recent report	August, 2019
102-52 Reporting cycle	Annual About this Report
102-53 Contact point for questions regarding the report	Andrew Johnson Vice President, Government Affairs & Sustainability 1500 Riveredge Pkwy NW, Suite 100 Atlanta GA 30328 Andrew.johnson@graphicpkg.com
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option. About this Report
102-55 GRI content index	GRI Index
102-56 External assurance	Assurance Statement
103-1 Explanation of the material topic and its Boundary	Sustainable Forestry Emissions Energy Use
103-2 The management approach and its components	Water Conservation Waste, Recovery, and Circularity Employee Health & Safety Diversity & Inclusion Learning and Development Community Engagement Corporate Governance Supply Chain Management Ethics and Compliance
103-3 Evaluation of the management approach	
ECONOMIC	
Economic Performance	
201 Economic Performance Management Approach	2020 Annual Report
201-1 Direct economic value generated and distributed	2020 Annual Report

Anti-corruption	
205 Anti-corruption Management Approach	Ethics and Compliance
205-2 Communication and Training on Anti-corruption Policies and Procedures	Ethics and Compliance
ENVIRONMENT	
Materials	
301 Materials Management Approach	Sustainable Forestry
301-1 Materials used by weight or volume	Sustainable Forestry
301-2 Recycled input materials used	Sustainable Forestry
301-3 Reclaimed products and their packaging materials	Sustainable Forestry
Sustainable Forestry	
302 Energy Management Approach	Energy
302-1 Energy consumption within the organization	Energy
302-2 Energy consumption outside of the organization	This information is being calculated and we intend to include in subsequent reports
302-3 Energy intensity	Energy
302-4 Reduction of energy consumption	Energy
302-5 Reductions in energy requirements of products and services	Energy
Water	
303 Water Management Approach	Water Conservation
303-1 Water withdrawal by source	Water Conservation
303-2 Water sources significantly affected by withdrawal of water	"In 2020, 11,644 megaliters. Produced water is the water that is extracted from the wood chips and put back into the manufacturing process. This represents 2.47% of total water influents in 2020. Water Conservation

303-3 Water recycled and reused	<p>Produced water is the water that is extracted from the wood chips and put back into the manufacturing process. This represents 2.47% of total water influents in 2020.</p> <p>Water Conservation</p>
Biodiversity	
304 Biodiversity Management Approach	Sustainable Forestry
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None – GPI 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	<p>Through our sourcing of fiber through the SFI Certified Wood Sourcing Standards and FSC Controlled Wood, we have minimal impact caused by our forest operations. GPI 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.</p> <p>Sustainable Forestry</p>
304-3 Habitats protected or restored	<p>GPI's alliance with Forests in Focus is educating private landowners landowners of at-risk habitats and providing them with the tools to help maintain and restore those habitats.</p> <p>Sustainable Forestry</p>
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>1,441,475 metric tons CO₂e Gases included in the calculation: CO₂, CH₄, N₂O Biogenic Emissions: 5,543,564 metric tons CO₂e GWP Reference — IPCC Fifth Assessment Report (AR5-100 Year) Emissions</p>
305-2 Energy indirect (Scope 2) GHG emissions	<p>Location-based: 652,277 metric tons CO₂e Market-based: 680,468 metric tons CO₂e Emissions</p>
305-3 Other indirect (Scope 3) GHG emissions	<p>2,292,901 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	Emissions
305-5 Reduction of GHG emissions	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 (NOX), sulfur oxides (SOX), and other significant air emission	Emissions
Effluents and Waste	
306 Effluents Management Approach	Water Conservation
306-1 Water discharge by quality and destination	Water Conservation
306-3 Significant spills	None to report in 2020
306-4 Transport of hazardous waste	None to report in 2020
306-5 Water bodies affected by water discharges and/or runoff	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 environmental, health and safety (EHS) management team that supports local EHS experts. Our environmental management structure and activities work to ensure full compliance with national, state, local and all other applicable regulations. The corporate ESHS 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 EHS team also maintains our environmental policy regarding environmental stewardship.
307-1 Non-compliance with environmental laws and regulations	<p>As documented in our company HSE policy, it is an expectation 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 2020.</p> <p>Significant water-related and other environmental notice of violations (NOVs), in which GPI paid a penalty of over \$10,000: 2020 – None 2019 – 1</p> <p>On October 24, 2019, GPI paid an administrative penalty of \$7,914 to the Quebec Ministry of Environment for a Compliance Order received on October 31, 2018 for a former mill in Jonquiere, Quebec Canada. 2018 – None 2017 – None</p>

Supplier Environmental Assessment

308 Supplier Environmental Assessment Management Approach	Supply Chain Management
308-1 New suppliers that were screened using environmental criteria	Supply Chain Management
308-2 Negative environmental impacts in the supply chain and actions taken	None to Report

SOCIAL

Employment

401 Employment Management Approach	Employee Health and Safety Learning and Development Diversity and Inclusion
401-1 New Employee Hires and Employee Turnover	New Hires - 4,554 Diversity and Inclusion
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. GPI 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. Learning and Development
Diversity and Equal Opportunity	
405 Diversity and Equal Opportunity Management Approach	Diversity & Inclusion
405-1 Diversity of Governance Bodies and Employees	Diversity & Inclusion
Human Rights Assessment	
412 Human Rights Assessment Management Approach	Ethics and Compliance
412-3 Significant Investment Agreements and Contracts that Include Human Rights Clauses or that Underwent Human Rights Screening	Ethics and Compliance
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	Ethics and Compliance
415-1 Political Contributions	Ethics and Compliance



SUSTAINABLE DEVELOPMENT GOALS

UN SDGs

As a member of the UN Global Compact, Graphic Packaging supports the United Nations Sustainable Development Goals (SDGs) and works to advance these goals within our sphere of influence. We are inspired by the global vision that the SDGs represent—and we are committed to doing our part to contribute.

Our Targeted Impact

Based on the material issues of our business, the scope of our operations, and the interest of our stakeholder, of the 17 SDGs outlined by the United Nations, we believe we have the greatest level of influence in addressing and advancing action on five goals:



ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

We strive to ensure our employees feel protected, safe, and engaged. To that end, we implement stringent workplace health and safety protocols; provide resources and benefits to cover all medical and health needs; and offer professional growth opportunities. Plus, we are dedicated to treating everyone with dignity while respecting cultural differences.

Learn more: Employee Health and Safety, Learning and Development, Diversity and inclusion



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

We integrate sustainability into all aspects of our products, from design to its end-of-life use. Integrating a whole-life-cycle perspective is imperative to us as we strive to make products that are fiber-based, renewable, circular to ensure recyclability and reuse, and climate-conscious.

Learn more: Our Products



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

We take intentional steps to reduce our energy consumption and global greenhouse gas (GHG) emissions via production efficiencies, manufacturing footprint optimization, energy reduction projects, and using renewable energy sources. Our Greenhouse Gases Inventory Management Plan keeps us on track in our reduction efforts.

Learn more: Energy, Emissions



CONSERVE AND SUSTAINABLY USE THE OCEANS, SEAS AND MARINE RESOURCES FOR SUSTAINABLE DEVELOPMENT

We commit to reducing our water usage and ensuring responsible water and effluent management by investing in technologies and construction projects designed to help us meet our goals. We have also Implemented a structured water-monitoring system to identify additional water conservation opportunities.

Learn more: Water Conservation



PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS

Guided by our Sustainable Forest Policy, we employ environmentally, socially, and economically sustainable forestry practices to meet our present needs without compromising future generations' ability to meet their needs. We also implement and achieve our sustainable forestry goals by practicing and promoting a resource and conservation stewardship ethic.

Learn more: Sustainable Forestry

Additionally, our ESG strategy aligns with several other SDGs that we have a lesser though important impact on. We are committed to doing our part to also contribute to addressing the following:



Explore Our Impact:
Community Impact



Explore Our Impact:
Community Impact



Explore Our Impact:
Diversity and Inclusion,
Our Workforce



Explore Our Impact:
Water



Explore Our Impact:
Our Company,
Our Workforce,
Our Operations



Explore Our Impact:
Ethics and Compliance,
Corporate Governance,
Supply Chain
Management



Explore Our Impact:
Sustainability Alliances



SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

SASB code	Metric	Data/Response
Greenhouse gas emissions		
RT-CP-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Emissions 100% of Graphic Packaging's emissions are covered under emissions-limiting regulations.
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	Emissions
Air Quality		
RT-CP-120a.1	"Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM)	Emissions
Energy Management		
RT-CP-130a.1	"(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	(1) 5,287,378 GJ electric power consumed (2) 100% of purchased electricity is sourced from the grid, GJ does not include self-generated electricity (3) 0% renewable, none of the purchased electricity has EACs (4) 6,990,829 GJ self-generated electric power, note not all of this electricity is consumed by Graphic Packaging Energy
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) 153,020,000 m3 water withdrawn (2) 17,641,000 m3 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 2020
Product Lifecycle Management		
RT-CP-410a.1	Percentage of raw materials from: (1) recycled content, (2) renewable resources, and (3) renewable and recycled content (in Percentage (%) by weight)	Sustainable Forestry
RT-CP-410a.2	Revenue from products that are reusable, recyclable, and/or compostable	98% 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 Approach: Inspired Packaging Industry-Leading Innovation and Design Sustainable Forestry Waste, Recovery, and Circularity Supply Chain Management
Waste Management		
RT-CP-150a.1	Amount of hazardous waste generated, percentage recycled	Data tracked by location it is not collected centrally at this time. Data provided to local and state regulation. The company is exploring strategies to collect centrally. Waste, Recovery, and Circularity
Supply Chain Management		
RT-CP-430a.1	Total wood fiber procured, percentage from certified sources	Sustainable Forestry
RT-CP-430a.2	Total aluminum purchased, percentage from certified sources	254.4 Metric Tons; 0 certified
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, engages 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.
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Activity Metrics

RT-CP-000.A	Amount of production, by substrate	Sustainable Forestry																		
RT-CP-000.B	Percentage of production as: (1) paper/wood, (2) glass, (3) metal, and (4) plastic	<table border="1"> <thead> <tr> <th data-bbox="917 787 1230 892">Percentage of Production by Material Type - RT-CP-000.B</th> <th data-bbox="1230 787 1365 892">Revenue (M)</th> <th data-bbox="1365 787 1481 892">%</th> </tr> </thead> <tbody> <tr> <td data-bbox="917 892 1230 934">Glass</td> <td data-bbox="1230 892 1365 934">\$0.00</td> <td data-bbox="1365 892 1481 934">0.00%</td> </tr> <tr> <td data-bbox="917 934 1230 976">Metal</td> <td data-bbox="1230 934 1365 976">\$0.00</td> <td data-bbox="1365 934 1481 976">0.00%</td> </tr> <tr> <td data-bbox="917 976 1230 1018">Paper/Wood</td> <td data-bbox="1230 976 1365 1018">\$5,469.70</td> <td data-bbox="1365 976 1481 1018">97.60%</td> </tr> <tr> <td data-bbox="917 1018 1230 1060">Plastic</td> <td data-bbox="1230 1018 1365 1060">\$137.00</td> <td data-bbox="1365 1018 1481 1060">2.40%</td> </tr> <tr> <td data-bbox="917 1060 1230 1102">TOTAL</td> <td data-bbox="1230 1060 1365 1102">\$5,606.70</td> <td data-bbox="1365 1060 1481 1102"></td> </tr> </tbody> </table>	Percentage of Production by Material Type - RT-CP-000.B	Revenue (M)	%	Glass	\$0.00	0.00%	Metal	\$0.00	0.00%	Paper/Wood	\$5,469.70	97.60%	Plastic	\$137.00	2.40%	TOTAL	\$5,606.70	
Percentage of Production by Material Type - RT-CP-000.B	Revenue (M)	%																		
Glass	\$0.00	0.00%																		
Metal	\$0.00	0.00%																		
Paper/Wood	\$5,469.70	97.60%																		
Plastic	\$137.00	2.40%																		
TOTAL	\$5,606.70																			
RT-CP-000.C	Number of employees	Our Workforce																		



2020 Task Force On Climate-Related Financial Disclosures Index

Given the immense affect climate change poses for business, now and in the future, the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) was established to help identify the information needed by investors, lenders, and insurance underwriters to appropriately assess and price climate-related risks and opportunities. In alignment with the TCFD recommendations, the following index provides links to GPI's key disclosures on climate change, including our CDP climate change response and this 2020 ESG report.

General Disclosures	Data/Response
Governance	
Describe the board's oversight of climate-related risks and opportunities	2020 CDP Climate Change Submission: C1.1, C1.1a, C1.1b Emissions Corporate Governance
Describe management's role in assessing and managing climate-related risks and opportunities.	2020 CDP Climate Change Submission: C1.2, C1.2a, C1.3 Emissions Corporate Governance
Strategy	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2020 CDP Climate Change Submission: C2.1, C2.1a, C2.1b, C2.2, C2.2a, C2.3, C2.3a, C2.4, C2.4a Sustainability Strategy Risk Management Materiality Assessment + Stakeholder Engagement
Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	2020 CDP Climate Change Submission: C2.3a, C2.4a, C3.1, C3.1d, C3.1e Sustainability Strategy Risk Management Materiality Assessment + Stakeholder Engagement
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	2020 CDP Climate Change Submission: C3.1a, C3.1d Sustainability Strategy Risk Management Materiality Assessment + Stakeholder Engagement The Company has committed to establish and develop Science-Based Targets (SBTs) by the end of 2022.

Risk Management

Describe the organization's processes for identifying and assessing climate-related risks	<p>2020 CDP Climate Change Submission: C2.1, C2.2, C2.2a</p> <p>Sustainability Strategy Risk Management Materiality Assessment + Stakeholder Engagement</p>
Describe the organization's processes for managing climate-related risks.	<p>2020 CDP Climate Change Submission: C2.1, C2.2, C2.2a</p> <p>Sustainability Strategy Risk Management Materiality Assessment + Stakeholder Engagement</p>
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<p>2020 CDP Climate Change Submission: C2.1, C2.2, C2.2a</p> <p>Sustainability Strategy Risk Management Materiality Assessment + Stakeholder Engagement</p>

Metrics and Targets

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>2020 CDP Climate Change Submission: C2.1, C2.2, C2.2a</p> <p>Emissions Energy</p>
Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>2020 CDP Climate Change Submission: C2.1, C2.2, C2.2a</p> <p>Emissions Energy</p>
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>2020 CDP Climate Change Submission: C2.1, C2.2, C2.2a</p> <p>Emissions Energy</p>



1. Statement of continued support by the Chief Executive Officer

CEO Letter

2. Description of actions

Human rights

Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights; and	Ethics and Compliance Community Engagement Human Rights Policy Code of conduct Supplier Code of Conduct
Principle 2:	Make sure that they are not complicit in human rights abuses.	

Labor

Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Employee Health and Safety Diversity and Inclusion Learning and Development Ethics and Compliance Corporate Governance
Principle 4:	The elimination of all forms of forced and compulsory labor;	
Principle 5:	The effective abolition of child labor; and	
Principle 6:	The elimination of discrimination in respect of employment and occupation.	

Environment

Principle 7:	Businesses should support a precautionary approach to environmental challenges;	Our Approach: Inspired Packaging Energy Emissions Sustainable Forestry Water Conservation Waste, Recovery and Circularity Sustainability Alliances Supply Chain Management Corporate Governance 2020 CDP Climate, Water, and Forests Responses
Principle 8:	Undertake initiatives to promote greater environmental responsibility; and	
Principle 9:	Encourage the development and diffusion of environmentally friendly technologies.	

Anti-corruption

Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate Governance Ethics and Compliance Supply Chain Management Code of Conduct Supplier Code of Conduct
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3. Measurement of outcomes

		GRI Index SASB Index 2020 CDP Climate, Water, and Forests Responses
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ABOUT THIS REPORT

Our goal is to provide transparent, comprehensive, and succinct information about Graphic Packaging's sustainability efforts. This report reflects our performance in sustainability and progress on initiatives in 2020 and early 2021. Data and other updates contained in this digital report are focused on the 2020 calendar year and include our global operations, unless otherwise noted. This report is intended to engage stakeholders as critical participants in a continuous dialogue about our ESG progress and performance.

- **Digital-First Approach** — We've chosen a digital-first approach to report our 2020 ESG progress and performance. We believe this improves our ability to present comprehensive and succinct information to stakeholders in an engaging way, while also allowing for more continuous communication and updates.
- **ESG Data** — We are committed to upholding the quality and accuracy of our data. The majority of the graphical data presented in this report is sourced directly from our internal ESG data management systems. This allows for more accurate and timely data.
- **Assurance** — Through the leadership of our internal audit team, KPMG and Lloyd's Register, we conducted independent audits of the data included in this report. Our greenhouse gas (GHG) inventory and electricity data collection process and results were reviewed, and Lloyd's Register has provided a [certificate of limited assurance](#). The results included an Inventory Management Plan and limited assurance statement.

Report Organization and Alignment

We have organized the report to better reflect the scope of our disclosures and our commitment to a broad set of environmental, social, and governance initiatives. This report has been prepared in accordance with the GRI Standards: Core option, aligns with the Sustainability Accounting Standards Board (SASB) standards, and is informed by the Task Force on Climate-related Financial Disclosures (TCFD). For convenience we have provided alignment to the TCFD framework. Additionally, we have utilized the United Nations Sustainable Development Goals (SDGs) as a guiding framework in the development of our ESG initiatives and mapped disclosures in this report to the SDGs.

Looking Ahead

The outcomes of our materiality assessment conducted in 2021 will inform and guide future reports' structure and content. Additionally, to further demonstrate and measure our commitments, we aim to set and adopt Science-Based Targets (SBTs). Our goal is to have an SBT commitment formalized by the end of 2022. To maintain transparency to our stakeholders, we plan to publish our ESG report annually.