

A LETTER FROM OUR

CEO

MICHAEL P. DOSS

President and Chief Executive Officer



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

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

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

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

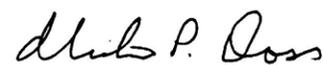
In 2019, we announced a transformational \$600 million investment in Kalamazoo, Michigan that will result in cost, quality and sustainability advantages for years to come. Our new world-class Coated Recycled Board (CRB) machine will have a positive environmental effect by reducing greenhouse gases, water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

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

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

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

We have set ambitious goals to help steer our team towards achieving Vision 2025, and we will continuously monitor, report, and improve as we progress on our journey. This ESG report signifies our commitment to transparency and accountability of our performance across all facets of the business. As you explore this 2019 report, you will see we have expanded our reporting, and further demonstrated sustainability is interwoven across every step of our operations, empowering us to protect our planet, partner with our customers and support our employees.



■ **MICHAEL P. DOSS**
President and Chief Executive Officer