



MODERN SLAVERY ACT TRANSPARENCY STATEMENT FOR THE FINANCIAL YEAR ENDING 2017

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015. It provides an update on the steps undertaken by Graphic Packaging International Europe UK Limited, a subsidiary of Graphic Packaging International, LLC, and other relevant GPI group companies¹ (“GPI”, the “Group”, the “Company”, “we” or “our”) during year ending 2017 to mitigate the risks of slavery, servitude, forced or compulsory labour and human trafficking (“Modern Slavery”) across our business and supply chain.

Introduction

In June 2017 we published our first Modern Slavery Act Transparency Statement outlining our zero-tolerance approach to Modern Slavery and commitment to fair labour practices ([click here to read our 2016 statement](#)). We are committed to acting ethically in all our business dealings and in the past year we have continued to increase our focus on and to raise awareness of the important issue of Modern Slavery. In this second statement GPI will report on several matters related to policies, due diligence processes, training, raising awareness in order to drive transparency and to promote ethical practices for combatting Modern Slavery.

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

Our Business

Graphic Packaging International is one of the largest manufacturers of paperboard and paper-based packaging for some of the world's most recognized brands of food, beverage, foodservice, household, personal care and pet care products. It has more than 70 locations worldwide of which 14 converting facilities in Europe, employing more than 17,000 people in 15 countries globally.

In Europe GPI has a rich and dynamic history. We are a leader in packaging design and innovation, serving hundreds of the world's most recognized brands. We offer a broad range of packaging of food products and work closely with retailers in the food industry to bring food packaging design concepts to life. Our team is focused on maintaining efficient, safe and ethical working practices in a changing environment with constantly evolving products.

Our Supply Chain

GPI works with long-term suppliers for our main raw material sourcing of key commodities which include carton board, printing inks, overprint varnishes, decorative materials and packaging materials. We also work with long-term customers, many of whom have well-known brands in the markets we serve.

Graphic Packaging International's European Supply Chain is responsible for the ethical sourcing of the materials we require to manufacture our products in Europe. We source the majority of our carton board from suppliers in the UK, continental Europe and from our own mills in North America and ensure that the products supplied meet all applicable legislation. Our inks and coatings are sourced from European suppliers and, again, we ensure that the products supplied meet all applicable legislation.

Our Policies

In GPI we live by the following **five core values** which are the cornerstone of our culture and guide us as we work together in achieving success:



Our **Code of Business Conduct and Ethics** is based on Group's core values and guides employees on how to put these values into practice in their daily working activities and on making the right decisions. The Code demonstrates GPI's commitment to human rights and fair labor practices, as well as our expectation that our contractors, suppliers and business partners would uphold our high standards as well.

As reported in our previous Modern Slavery Act statement we also have a number of other policies in place which underpin the Code and underline our commitment to act ethically and with integrity in all of our business dealings and relationships. These include our Human Rights Policy, Policy Statement on Conflict Minerals, Equal Employment Opportunity Policy, Anti-Harassment Policy, California Transparency in Supply Chains Act Declaration, Workplace Violence Policy .

In addition to that, as announced in our previous statement, in June 2017 we have implemented across the Group our **Anti-Slavery and Human Trafficking Policy**. This policy has been designed to provide transparency in our business and highlight our commitment to ensuring that Modern Slavery does not occur in our operations and throughout our supply chain. It applies to all persons working for GPI in any capacity, as well as to all persons acting on GPI's behalf, such as suppliers, business partners, external consultants and contractors. It identifies the responsibilities of the management in relation to the policy and outlines the actions for raising any questions or for reporting suspected cases of Modern Slavery by employees and external to the Group people. GPI employees have been informed of the content and received a copy of the policy and are expected to comply with it and to demand others to follow it as well. This policy has also been incorporated into our induction program for new employees at GPI and is being included in tender documentation prepared by GPI. We also reserve our right to terminate our relationship with individuals or organizations in our supply chain if they breach our Anti-Slavery and Human Trafficking Policy.

In order to encourage and maintain an open environment, in 2017 we promoted a non-retaliation approach towards anyone who reports in good faith their genuine concerns that Modern Slavery may be taking place in any part of our business or supply chain. With the implementation of the **Anti-Slavery and Human Trafficking Policy** across the Company we undertook actions to raise awareness of the multiple channels we offer to employees to raise any questions, concerns or suspicion of Modern Slavery. In 2017 we did not have any reports or investigations that were indicative of Modern Slavery. Our intention is to refresh this message on a regular basis to remind employees of the communication channels open to them to report concerns.

Due diligence

Supplier Questionnaires and on-site audits

GPI expects its suppliers to respect human rights, including maintaining policies and procedures to prevent Modern Slavery in their business and supply chain. As reported in our previous statement suppliers are subject to due diligence checks in the form of **Supplier Questionnaire** ("SQ") they are required to fill in and return to GPI. This SQ is part of GPI's supplier approval process and is used to help us evaluate the capability of both existing and prospective suppliers in meeting GPI's requirements in relation to quality, security, health and safety, environment and ethical trading. We have now added more tailored questions in relation to Modern Slavery and plan to further review and expand the scope of the SQ in 2018. All filled in and returned Supplier Questionnaires are analyzed and if a supplier receives a higher risk rating or if there is missing information such supplier might not be approved or further information will be requested to further evaluate its status.

In some cases we might also undertake an on-site audit of a supplier which covers ethical trading alongside health and safety, quality processes and environment. If issues are identified, appropriate investigation and remedial actions are undertaken.

Approved suppliers are subject to a regular review to determine their continued suitability for "approved supplier" status.

Ethical Sourcing Policy

As reported in our previous statement we have now updated our **Ethical Sourcing Policy** which outlines our minimum requirements expected of the suppliers we work with in terms of, among others, sustainability, health and safety, labour and human rights, prevention of involuntary and under age labour, social responsibility and ethical dealings. We have updated this policy with the request for suppliers to confirm their compliance with the requirements of the Modern Slavery Act 2015 and to ensure that the standards required by GPI are applied equally to our suppliers' own supply chain. This Ethical Sourcing Policy, together with our new Anti-Slavery and Human Trafficking Policy are also referenced in tender documentation prepared by GPI and new or existing suppliers participating in such tenders launched by GPI are required to confirm they will adhere to them and that they comply with applicable local laws.

SEDEX

As reported in our previous statement in pursuit of our goals to act in a responsible and ethical manner in Company's dealings, we are also members of the Supplier Ethical Data

Exchange (SEDEX) platform. In 2017 we continued to expand our connections on the platform with customers and suppliers and to use its system and tools to identify, verify and manage risks within our supply chain. Part of our sites has also been audited using the Sedex Members Ethical Trading Audit (SMETA) and the rest of the sites will be audited in 2018 and 2019.

Contract clauses

In 2018 as part of our forward looking strategy we will be also developing and integrating tailor made clauses specifically addressing Modern Slavery into new, amended or renewed contracts.

Assessing the risk

The manifestations of Modern Slavery are complex and hidden and activities need to be prioritized and streamlined. To this end during 2016-2017, we created a working group with expertise from the legal, human resources, supply chain and continuous improvement functions in our European group. Meetings focused on developing, directing and overseeing our approach to assessing and addressing Modern Slavery risks within our organisation. This working group played a central role in the preparation of this statement and will continue to make an on-going assessment of GPI's potential exposure and addressing of Modern Slavery risks across our operations and supply chain.

Risk assessments of the ongoing Modern Slavery risks in our supply chain are based on the commodities and services we source, supplier size and performance, on the perceived risk from the geographic locations from which we source commodities, country information metrics and the suppliers' own supply chains alongside with other relevant criteria. GPI recognizes that there is a risk of Modern Slavery where contract, agency and temporary labour is used. Recruitment agencies for interim labour create an additional layer between employers and workers which might leave workers exposed to deceptive or forceful recruitment practices. Therefore in 2018 we plan to further analyze and work on our relationship with the recruitment agencies for temporary labour we use.

Assessment of Effectiveness in Preventing Modern Slavery

We are aware of the complex nature of Modern Slavery, which is often difficult to uncover and address effectively. The risk of Modern Slavery is also not static and we will continue our proactive approach to mitigating this risk in the following year. Our employees are expected to report any concerns about Modern Slavery and management is expected to act upon them and remediate if any instances are identified. Increasing supply chain transparency and sharing of information within our industry and beyond, is also a fundamental aspect of our approach in making strong paces towards detecting and

addressing any incidents of Modern Slavery. Indicators for assessing the effectiveness of the measures undertaken by GPI will include:

- Confirmation of completion of employee trainings
- Actions undertaken to strengthen supply chain due diligence
- Records from the completed Supplier Questionnaires and audit procedures
- Investigation results and mitigation responses for any reports of Modern Slavery incidents

Trainings and Awareness

We recognize the importance of awareness building and training in the fight against Modern Slavery. In 2017 we have delivered to new employees of the Group our mandatory training on Company's Code of Business Conduct and Ethics which included more detailed information on our commitment to human rights and labour rights. The Code is designed to help our workforce to put GPI's values into practice in their daily working lives and manage ethical dilemmas they may encounter. In order to further raise our employees' awareness of the indicators of Modern Slavery and how to report any concerns we have also published information notices in the shared spaces in GPI's facilities. In the next year we plan to roll out a targeted training programme on the issue of Modern Slavery targeted at different levels and groups within our business.

Looking Ahead

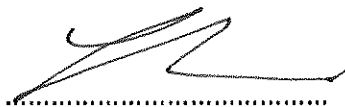
In line with our commitment to uphold human rights as part of our corporate culture, we will continue to reflect on, develop and extend our approach to Modern Slavery by focusing on the following initiatives:

- Continue to build internal and external awareness on our commitment to ensuring that our business and supply chain are free of Modern Slavery
- Work with a third party provider to develop and deliver targeted training on Modern Slavery to key frontline personnel
- Expand the scope of our Supplier Questionnaire in relation to ethical trading and Modern Slavery

- Develop and integrate a Modern Slavery act clauses into new, renewed or amended contracts with our suppliers
- Continue monitoring the number and nature of the concerns reported following our whistleblowing procedures

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

Signed

A handwritten signature in black ink, appearing to be 'L. Tashma', written over a horizontal dotted line.

Lauren Tashma

Executive Vice President, General Counsel and Secretary