UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIESEXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIESEXCHANGE ACT OF 1934**

For the transition period from to

COMMISSION FILE NUMBER: 001-33988

Graphic Packaging Holding Company

(Exact name of registrant as specified in its charter)

Delaware	**26-0405422**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
1500 Riveredge Parkway, Suite 100	
Atlanta , Georgia	**30328**
(Address of principal executive offices)	(Zip Code)

(770) 240-7200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value per share	GPK	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑	Accelerated filer ☐	Smaller reporting company ☐
Non-accelerated filer ☐	(Do not check if a smaller reporting company)	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of April 26, 2021, there were284,201,767 shares of the registrant's Common Stock, par value $0.01 per share, outstanding.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements regarding the expectations of Graphic Packaging Holding Company ("GPHC" and, together with its subsidiaries, the "Company"), including, but not limited to, pursuing strategic acquisition opportunities, obtaining adequate wood and fiber supplies, the deductibility of goodwill for tax purposes, the availability of U.S. federal income tax attributes to offset U.S. federal income taxes and the timing related to the Company's future U.S. federal income tax payments, the anticipated reduction of International Paper Company's investment in Graphic Packaging International Partners, LLC, reclassification of loss on derivative instruments, termination of the U.S. pension plan and charges related thereto, charges associated with coated recycled paperboard mill exit activities, capital investment, depreciation and amortization, interest expense, pension plan contributions and post-retirement health care benefit payments in this report constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and its present expectations. These risks and uncertainties include, but are not limited to, the effects of the COVID-19 pandemic on the Company's operations and business, inflation of and volatility in raw material and energy costs, changes in consumer buying habits and product preferences, competition with other paperboard manufacturers and converters, product substitution, the Company's ability to implement its business strategies, including strategic acquisitions, the Company's ability to successfully integrate acquisitions, productivity initiatives and cost reduction plans, the Company's debt level, currency movements and other risks of conducting business internationally, and the impact of regulatory and litigation matters, including those that could impact the Company's ability to utilize its U.S. federal income tax attributes to offset taxable income or U.S. federal income taxes and those that impact the Company's ability to protect and use its intellectual property. Undue reliance should not be placed on such forward-looking statements, as such statements speak only as of the date on which they are made and the Company undertakes no obligation to update such statements, except as may be required by law. Additional information regarding these and other risks is contained in Part I, "Item 1A., Risk Factors" of the Company's 2020 Annual Report on Form 10-K, and in other filings with the Securities and Exchange Commission.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
In millions, except per share amounts	**2021**	**2020**
Net Sales	$ 1,649	$ 1,599
Cost of Sales	1,400	1,278
Selling, General and Administrative	126	136
Other Expense, Net	3	6
Business Combinations, Shutdown and Other Special Charges, and Exit Activities, Net	12	19
Income from Operations	108	160
Nonoperating Pension and Postretirement Benefit Income (Expense)	2	(151)
Interest Expense, Net	(30)	(34)
Income (Loss) before Income Taxes	80	(25)
Income Tax (Expense) Benefit	(18)	5
Net Income (Loss)	62	(20)
Net (Income) Loss Attributable to Noncontrolling Interest	(8)	7
Net Income (Loss) Attributable to Graphic Packaging Holding Company	$ 54	$ (13)
Net Income (Loss) Per Share Attributable to Graphic Packaging Holding Company — Basic	$ 0.20	$ (0.04)
Net Income (Loss) Per Share Attributable to Graphic Packaging Holding Company — Diluted	$ 0.19	$ (0.04)

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

Three Months Ended March 31,

2021

In millions	Graphic Packaging Holding Company	Noncontrolling Interest	Total
Net Income	$ 54	$ 8	$ 62
Other Comprehensive Income (Loss), Net of Tax:			
Derivative Instruments	3	1	4
Pension and Postretirement Benefit Plans	10	—	10
Currency Translation Adjustment	(4)	(1)	(5)
Total Other Comprehensive Income, Net of Tax	9	—	9
Total Comprehensive Income	$ 63	$ 8	$ 71

2020

	Graphic Packaging Holding Company	Noncontrolling Interest	Redeemable Noncontrolling Interest	Total
Net Loss	$ (13)	$ (2)	$ (5)	$ (20)
Other Comprehensive (Loss) Income, Net of Tax:				
Derivative Instruments	(1)	—	—	(1)
Pension and Postretirement Benefit Plans	114	32	9	155
Currency Translation Adjustment	(46)	(10)	(1)	(57)
Total Other Comprehensive Income, Net of Tax	67	22	8	97
Total Comprehensive Income	$ 54	$ 20	$ 3	$ 77

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

In millions, except share and per share amounts	March 31, 2021	December 31, 2020
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 116	$ 179
Receivables, Net	586	654
Inventories, Net	1,125	1,128
Other Current Assets	84	59
Total Current Assets	1,911	2,020
Property, Plant and Equipment, Net	3,631	3,560
Goodwill	1,478	1,478
Intangible Assets, Net	423	437
Other Assets	304	310
Total Assets	$ 7,747	$ 7,805
LIABILITIES		
Current Liabilities:		
Short-Term Debt and Current Portion of Long-Term Debt	$ 52	$ 497
Accounts Payable	781	825
Compensation and Employee Benefits	158	213
Other Accrued Liabilities	327	321
Total Current Liabilities	1,318	1,856
Long-Term Debt	3,787	3,147
Deferred Income Tax Liabilities	489	540
Accrued Pension and Postretirement Benefits	117	130
Other Noncurrent Liabilities	299	292
SHAREHOLDERS' EQUITY		
Preferred Stock, par value $0.01 per share; 100,000,000 shares authorized; no shares issued or outstanding	—	—
Common Stock, par value $0.01 per share; 1,000,000,000 shares authorized; 284,201,767 and 267,726,373 shares issued and outstanding at March 31, 2021 and December 31, 2020, respectively	3	3
Capital in Excess of Par Value	1,782	1,715
Accumulated Deficit	(15)	(48)
Accumulated Other Comprehensive Loss	(237)	(246)
Total Graphic Packaging Holding Company Shareholders' Equity	1,533	1,424
Noncontrolling Interest	204	416
Total Equity	1,737	1,840
Total Liabilities and Shareholders' Equity	$ 7,747	$ 7,805

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY AND REDEEMABLE NONCONTROLLING INTEREST
(Unaudited)

	Common Stock						
In millions, except share amounts	Shares	Amount	Capital in Excess of Par Value	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total Equity
Balances at December 31, 2020	**267,726,373**	**$ 3**	**$ 1,715**	**$ (48)**	**$ (246)**	**$ 416**	**$ 1,840**
Net Income	—	—	—	54	—	8	62
Other Comprehensive Income (Loss), Net of Tax:							
Derivative Instruments	—	—	—	—	3	1	4
Pension and Postretirement Benefit Plans	—	—	—	—	10	—	10
Currency Translation Adjustment	—	—	—	—	(4)	(1)	(5)
Reduction of IP's Ownership Interest	15,307,000	—	70	—	—	(216)	(146)
Dividends Declared	—	—	—	(21)	—	—	(21)
Distribution of Membership Interest	—	—	—	—	—	(4)	(4)
Recognition of Stock-Based Compensation, Net	—	—	(3)	—	—	—	(3)
Issuance of Shares for Stock-Based Awards	1,168,394	—	—	—	—	—	—
Balances at March 31, 2021	**284,201,767**	**$ 3**	**$ 1,782**	**$ (15)**	**$ (237)**	**$ 204**	**$ 1,737**

	Common Stock							
In millions, except share amounts	Shares	Amount	Capital in Excess of Par Value	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interest
Balances at December 31, 2019	**290,246,907**	**$ 3**	**$ 1,877**	**$ 56**	**$ (367)**	**$ 488**	**$ 2,057**	**$ 304**
Net Loss	—	—	—	(13)	—	(2)	(15)	(5)
Other Comprehensive (Loss) Income, Net of Tax:								
Derivative Instruments	—	—	—	—	(1)	—	(1)	—
Pension and Postretirement Benefit Plans	—	—	—	—	114	32	146	9
Currency Translation Adjustment	—	—	—	—	(46)	(10)	(56)	(1)
Repurchase of Common Stock[(a)]	(9,667,034)	—	(53)	(71)	—	—	(124)	—
Dividends Declared	—	—	—	(21)	—	—	(21)	—
Redemption of IP's Ownership Interest	—	—	—	—	—	—	—	(250)
Redeemable Noncontrolling Interest Redemption Value Adjustment	—	—	18	—	—	—	18	(18)
Tax Effect of IP Redemption	—	—	7	—	—	—	7	
Distribution of Membership Interest	—	—	—	—	—	(5)	(5)	(1)
Recognition of Stock-Based Compensation, Net	—	—	4	—	—	—	4	—
Issuance of Shares for Stock-Based Awards	788,561	—	—	—	—	—	—	—
Balances at March 31, 2020	**281,368,434**	**$ 3**	**$ 1,853**	**$ (49)**	**$ (300)**	**$ 503**	**$ 2,010**	**$ 38**

[(a)] Includes 410,400 shares repurchased but not yet settled as of March 31, 2020.

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

In millions	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	$ 62	$ (20)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	117	114
Deferred Income Taxes	7	(19)
Amount of Postretirement Expense (Less) Greater Than Funding	(11)	154
Other, Net	23	29
Changes in Operating Assets and Liabilities	(145)	(337)
Net Cash Provided by (Used in) Operating Activities	53	(79)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital Spending	(137)	(147)
Packaging Machinery Spending	(9)	(7)
Acquisition of Businesses, Net of Cash Acquired	—	(42)
Beneficial Interest on Sold Receivables	33	24
Beneficial Interest Obtained in Exchange for Proceeds	(5)	(3)
Other, Net	(2)	(1)
Net Cash Used in Investing Activities	(120)	(176)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repurchase of Common Stock	—	(119)
Proceeds from Issuance of Debt	1,225	450
Retirement of Long-Term Debt	(1,221)	—
Payments on Debt	(9)	(9)
Redemption of Noncontrolling Interest	(150)	(250)
Borrowings under Revolving Credit Facilities	885	1,179
Payments on Revolving Credit Facilities	(677)	(987)
Repurchase of Common Stock related to Share-Based Payments	(14)	(9)
Debt Issuance Costs	(5)	(7)
Dividends and Distributions Paid to GPIP Partner	(24)	(27)
Other, Net	(5)	(3)
Net Cash Provided by Financing Activities	5	218
Effect of Exchange Rate Changes on Cash	(1)	(6)
Net Decrease in Cash and Cash Equivalents	(63)	(43)
Cash and Cash Equivalents at Beginning of Period	179	153
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 116	$ 110
Non-cash Investing Activities:		
Beneficial Interest Obtained in Exchange for Trade Receivables	$ 30	$ 30
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	$ 22	$ 14
Non-cash Financing Activities:		
Non-cash Exchange of Stock Issuance for Redemption of Noncontrolling Interest	$ (250)	$ —

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 — GENERAL INFORMATION

Nature of Business

Graphic Packaging Holding Company ("GPHC" and, together with its subsidiaries, the "Company") is committed to providing consumer packaging that makes a world of difference. The Company is a leading provider of sustainable, fiber-based packaging solutions for a wide variety of products to food, beverage, foodservice and other consumer products companies. The Company operates on a global basis, is one of the largest producers of folding cartons in the United States ("U.S.") and holds leading market positions in coated-recycled paperboard ("CRB"), coated unbleached kraft paperboard ("CUK") and solid bleached sulfate paperboard ("SBS").

The Company's customers include many of the world's most widely recognized companies and brands with prominent market positions in beverage, food, foodservice, and other consumer products. The Company strives to provide its customers with innovative sustainable packaging solutions designed to deliver marketing and performance benefits at a competitive cost by capitalizing on its low-cost paperboard mills and converting facilities, its proprietary carton and packaging designs, and its commitment to quality and service.
On January 1, 2018, GPHC, a Delaware corporation, International Paper Company, a New York corporation ("IP"), Graphic Packaging International Partners, LLC, a Delaware limited liability company formerly known as Gazelle Newco LLC and a wholly- owned subsidiary of the Company ("GPIP"), and Graphic Packaging International, LLC, a Delaware limited liability company formerly known as Graphic Packaging International, Inc. and a direct subsidiary of GPIP ("GPIL"), completed a series of transactions pursuant to an agreement dated October 23, 2017, among the foregoing parties (the "Transaction Agreement"). Pursuant to the Transaction Agreement (i) a wholly-owned subsidiary of the Company transferred its ownership interest in GPIL to GPIP; (ii) IP transferred its North America Consumer Packaging ("NACP") business to GPIP, which was then subsequently transferred to GPIL; (iii) GPIP issued membership interests to IP, and IP was admitted as a member of GPIP; and (iv) GPIL assumed certain indebtedness of IP (the "NACP Combination").

During 2020, GPIP purchased 32.5 million partnership units from IP for $500 million in cash, fully redeeming the 18.2 million partnership units that were required to be redeemed in cash.

On February 16, 2021, the Company announced that IP had notified the Company of its intent to exchange additional partnership units. Per an agreement between the parties, on February 19, 2021, GPIP purchased 9.3 million partnership units from IP for $150 million in cash, and IP exchanged 15.3 million partnership units for an equivalent number of shares of GPHC common stock. As a result, IP's ownership interest in GPIP decreased to 7.4% as of February 19, 2021.

In connection with the February 19, 2021 exchange, pursuant to elections under Section 754 of the Internal Revenue Code, the Company expects to obtain an increase with respect to the tax basis in the assets of GPIP and certain of its subsidiaries. As a result, a payment pursuant to the Tax Receivable Agreement ("TRA"), executed in connection with the formation of the partnership on January 1, 2018, will be required. The TRA provides for the payment by the Company to IP of 50% of the present value of any tax benefits projected to be realized by the Company upon IP's exchange of its membership interest into GPHC stock. As such, the Company recorded a TRA liability of approximately $43 million, which is included in Other Accrued Liabilities as of March 31, 2021, with the offset to Additional Paid-In Capital.. In accordance with the terms of the TRA, the Company expects the liability to be settled during the third quarter of 2021. Additionally, the Company recorded an adjustment through Additional Paid-in Capital to decrease its net domestic Deferred Tax Liability ("DTL") by $58 million. The decrease in the DTL reflects the change in the outside basis difference associated with the Company's investment in the partnership and includes the impact of the tax basis step up triggered by the exchange pursuant to Section 754 of the Internal Revenue Code in addition to other changes to book and tax basis as a result of the Company's increased ownership interest in the partnership.

Unless otherwise negotiated by the parties, IP's next contractual opportunity to exchange their partnership units begins180 days from the February 19, 2021 purchase date and is limited to the lesser of $250 million or 25% of the units owned immediately following the initial transaction, subject to a minimum. IP will have further opportunities to exchange their partnership units beginning 180 days after each purchase date. The Company may choose to satisfy these exchanges using shares of its common stock, cash, or a combination thereof.

As of March 31, 2021, GPIP had repurchased44.2 million partnership units from GPI Holding, which distributed the proceeds to GPHC. GPHC used the proceeds to repurchase 44.2 million shares of GPHC's common stock. These partnership unit repurchases increased IP's ownership interest in GPIP, which was7.4% at March 31, 2021. There were no repurchases of GPHC's common stock for the three months ended March 31, 2021.

The Company's Condensed Consolidated Financial Statements include all subsidiaries in which the Company has the ability to exercise direct or indirect control over operating and financial policies. Intercompany transactions and balances are eliminated in consolidation. Certain reclassifications have been made to prior year amounts to conform to current year presentation.

In the Company's opinion, the accompanying Condensed Consolidated Financial Statements contain all normal recurring adjustments necessary to state fairly the financial position, results of operations and cash flows for the interim periods. The Company's year-end Condensed Consolidated Balance Sheet data was derived from audited financial statements. The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with instructions to Form 10-Q and Rule 10-01 of Regulation S-X and do not include all the information required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for complete financial statements. Therefore, these Condensed Consolidated Financial Statements should be read in conjunction with GPHC's Form 10-K for the year ended December 31, 2020. In addition, the preparation of the Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Condensed Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates and changes in these estimates are recorded when known.

Revenue Recognition

The Company has two primary activities, manufacturing and converting paperboard, from which it generates revenue from contracts with customers, and revenue is disaggregated primarily by geography and type of activity as further explained in "*Note 10 — Segment Information.*" All reportable segments and the Australia and Pacific Rim operating segments recognize revenue under the same method, allocate transaction price using similar methods, and have similar economic factors impacting the uncertainty of revenue and related cash flows.

Revenue is recognized on the Company's annual and multi-year supply contracts when the Company satisfies the performance obligation by transferring control over the product or service to a customer, which is generally based on shipping terms and passage of title under the point-in-time method of recognition. For the three months ended March 31, 2021 and 2020, the Company recognized $1,644 million and $1,595 million, respectively, of revenue from contracts with customers.

The transaction price allocated to each performance obligation consists of the stand-alone selling price, estimates of rebates and other sales or contract renewal incentives, and cash discounts and sales returns ("variable consideration") and excludes sales tax. Estimates are made for Variable Consideration based on contract terms and historical experience of actual results and are applied to the performance obligations as they are satisfied. Purchases by the Company's principal customers are manufactured and shipped with minimal lead time, therefore performance obligations are generally satisfied shortly after manufacturing and shipment. The Company uses standard payment terms that are consistent with industry practice.

The Company's contract assets consist primarily of contract renewal incentive payments to customers which are amortized over the period in which performance obligations related to the contract renewal are satisfied. As of March 31, 2021 and December 31, 2020, contract assets were $16 million and $15 million, respectively. The Company's contract liabilities consist principally of rebates, and as of March 31, 2021 and December 31, 2020 were $50 million and $56 million, respectively.

Accounts Receivable and Allowances

The Company has entered into agreements to sell, on a revolving basis, certain trade accounts receivable to third party financial institutions. Transfers under these agreements meet the requirements to be accounted for as sales in accordance with the *Transfers and Servicing* topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification (the "Codification"). The loss on sale is not material and is included in Other Expense, Net line item on the Condensed Consolidated Statement of Operations. The following table summarizes the activity under these programs for the three months ended March 31, 2021 and 2020, respectively:

In millions	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Receivables Sold and Derecognized	$ 758	$ 610
Proceeds Collected on Behalf of Financial Institutions	685	609
Net Proceeds Received From (Paid to) Financial Institutions	62	(5)
Deferred Purchase Price at March 31[(a)]	9	7
Pledged Receivables at March 31	160	264

[(a)] Included in Other Current Assets and represents a beneficial interest in the receivables sold to the financial institutions, which is a Level 3 fair value measure.

The Company has also entered into various factoring and supply chain financing arrangements which also qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the FASB Codification. For the three months ended March 31, 2021 and 2020, the Company sold receivables of $125 million and $72 million, respectively, related to these factoring arrangements.

Receivables sold under all programs subject to continuing involvement, which consists principally of collection services, were $689 million and $621 million as of March 31, 2021 and December 31, 2020, respectively.

Share Repurchases and Dividends

On February 25, 2021, the Company's board of directors declared a regular quarterly dividend of $0.075 per share of common stock payable on April 5, 2021 to shareholders of record as of March 15, 2021.

On January 28, 2019, the Company's board of directors authorized a share repurchase program to allow the Company to purchase up to $500 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans (the "2019 share repurchase program"). During the first three months of 2021, the Company did not repurchase any shares of its common stock under the 2019 share repurchase program. During the three months ended March 31, 2020, the Company repurchased 9,667,034 shares of its common stock at an average price of $12.87 under the 2019 share repurchase program. As of March 31, 2021, the Company has $147 million available for additional repurchases under the 2019 share repurchase program.

Business Combinations, Shutdown and Other Special Charges, and Exit Activities, Net

The following table summarizes the transactions recorded in Business Combinations, Shutdown and Other Special Charges, and Exit Activities, Net in the Condensed Consolidated Statements of Operations:

	Three Months Ended March 31,	
In millions	**2021**	**2020**
Charges Associated with Business Combinations	$ —	$ 2
Shutdown and Other Special Charges	8	4
Exit Activities[(a)]	4	13
Total	$ 12	$ 19

[(a)] Relates to the Company's CRB mills, converting facility closures and the PM1 containerboard machine exit activities (see "*Note 13 — Exit Activities"*).

2021

During 2019, the Company announced its plans to invest $600 million in a new CRB paper machine in Kalamazoo, Michigan. In conjunction with the completion of this project, the Company currently expects to close two of its smaller CRB Mills in 2022 in order to remain capacity neutral. Severance, retention, and other charges associated with this project are included in Exit Activities in the table above in the three months ended March 31, 2021 and 2020. For more information, see *"Note 13 — Exit Activities."* The Company also expects to incur start-up charges of $15 million for the new CRB paper machine in 2021. These start-up charges are included in Shutdown and Other Special Charges in the table above.

During 2019, the Company began a three-year program to dismantle and dispose of idle and abandoned assets primarily at the paperboard mills. Charges related to this program during the three months ended March 31, 2021 and 2020 were $4 million and $2 million, respectively. Expected charges for this program for 2021 are $26 million. Charges associated with this program are included in Shutdown and Other Special Charges in the table above.

2020

On January 31, 2020, the Company acquired a folding carton facility from Quad/Graphics, Inc. ("Quad"), a commercial printing company. The converting facility is located in Omaha, Nebraska and is included in the Americas Paperboard Packaging reportable segment. The Company paid $41 million using existing cash and borrowings under its revolving credit facility. The costs associated with this acquisition are included in Charges Associated with Business Combinations in the table above. During the first quarter of 2021, the acquisition accounting for Quad was finalized.

In March 2020, the Company made the decision to close the White Pigeon, Michigan CRB mill and shut down the PM1 containerboard machine in West Monroe, Louisiana. Charges associated with these projects are included in Exit Activities in the table above. For more information, see "*Note 13 — Exit Activities*."

Adoption of New Accounting Standards

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. This amendment modifies ASC 740 to simplify the accounting for income taxes. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. The Company adopted this new guidance during the three months ended March 31, 2021. The Company’s adoption did not result in any changes in accounting principle upon transition and the impact to the Company’s overall financial statements is immaterial.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Accounting Standards Not Yet Adopted

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* This standard provides temporary optional expedients and exceptions for applying GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from the LIBOR and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate (“SOFR”). The ASU can be adopted after its issuance date through December 31, 2022. The Company is currently evaluating the impact of this new accounting guidance.

NOTE 2 — INVENTORIES, NET

Inventories, Net by major class:

In millions	March 31, 2021	December 31, 2020
Finished Goods	$ 471	$ 471
Work in Progress	138	133
Raw Materials	337	349
Supplies	179	175
Total	$ 1,125	$ 1,128

NOTE 3 — DEBT

On March 8, 2021, GPIL completed a private offering of $400 million aggregate principal amount of its 0.821% Senior Secured Notes due 2024 and $400 million aggregate principal amount of its 1.512% Senior Secured Notes due 2026. The net proceeds were used by the Company to repay a portion of the outstanding borrowings under GPIL's term loan credit facilities, which is under its senior secured credit facility.

On October 15, 2020, GPIL entered into a new $425 million term loan facility under the Third Amended and Restated Credit Agreement with member banks of the Farm Credit System (the "Incremental Term A-2 Facility")(collectively, the "Current Credit Agreement"). The Incremental Term A-2 Facility had a delayed draw feature, and the Company drew the entire facility on January 14, 2021. On January 15, 2021, the Company used the proceeds, together with cash on hand, to redeem its 4.75% Senior Notes due in 2021 at par. The redemption included the outstanding principal amount plus accrued and unpaid interest. The Incremental Term A-2 Facility bears interest at a fixed rate of 2.67% due quarterly, matures January 14, 2028, and does not amortize. As long as the loan is outstanding, GPIL will be eligible to receive an annual patronage credit from the participating banks, which will be paid in cash and stock in the lead member bank. Patronage payable each year is variable and based on the individual financial performance of each of the member banks then participating in the loan.

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Long-Term Debt is comprised of the following:

In millions	March 31, 2021	December 31, 2020
Senior Notes with interest payable semi-annually at 0.821%, effective rate of 0.83%, payable in 2024[a]	$ 400	$ —
Senior Notes with interest payable semi-annually at 1.512%, effective rate of 1.52%, payable in 2026[a]	400	—
Senior Notes with interest payable semi-annually at 3.50%, effective rate of 3.55%, payable in 2029[a]	350	350
Senior Notes with interest payable semi-annually at 3.50%, effective rate of 3.55%, payable in 2028[a]	450	450
Senior Notes with interest payable semi-annually at 4.75%, effective rate of 4.81%, payable in 2027[a]	300	300
Senior Notes with interest payable semi-annually at 4.125%, effective rate of 4.16%, payable in 2024[b]	300	300
Senior Notes with interest payable semi-annually at 4.875%, effective rate of 4.90%, payable in 2022[b]	250	250
Senior Notes with interest payable semi-annually at 4.75%[b]	—	425
Senior Secured Term Loan A-2 Facility with interest payable quarterly at 2.67%, effective rate of 2.68% payable in 2028[a]	425	—
Senior Secured Term Loan Facilities with interest payable at various dates at floating rates (1.59% at March 31, 2021) payable through 2023[a]	555	1,360
Senior Secured Revolving Facilities with interest payable at floating rates (1.56% at March 31, 2021) payable in 2023[a][c]	286	84
Finance Leases and Financing Obligations	138	139
Other	4	5
Total Long-Term Debt	3,858	3,663
Less: Current Portion	45	494
Total Long-Term Debt Excluding Current Portion	3,813	3,169
Less: Unamortized Deferred Debt Issuance Costs	26	22
Total	$ 3,787	$ 3,147

[a] Guaranteed by GPIP and certain domestic subsidiaries.
[b] Guaranteed by GPHC and certain domestic subsidiaries.
[c] The effective interest rates for the Company's Senior Secured Revolving Credit Facilities were 1.57% and 2.06% as of March 31, 2021 and December 31, 2020, respectively.

At March 31, 2021, the Company and its U.S. and international subsidiaries had the following commitments, amounts outstanding and amounts available under revolving credit facilities:

In millions	Total Commitments	Total Outstanding	Total Available
Senior Secured Domestic Revolving Credit Facility[a]	$ 1,450	$ 211	$ 1,218
Senior Secured International Revolving Credit Facility	185	75	110
Other International Facilities	54	11	43
Total	$ 1,689	$ 297	$ 1,371

[a] In accordance with its debt agreements, the Company's availability under its revolving credit facilities has been reduced by the amount of standby letters of credit issued of $21 million as of March 31, 2021. These letters of credit are primarily used as security against the Company's self-insurance obligations and workers' compensation obligations. These letters of credit expire at various dates through 2021 and 2022 unless extended.

The Current Credit Agreement and the indentures governing the 4.875% Senior Notes due 2022, 4.125% Senior Notes due 2024, 0.821% Senior Notes due 2024, 1.512% Senior Notes due 2026, 4.75% Senior Notes due 2027, 3.50% Senior Notes due 2028, and 3.50% Senior Notes due 2029 (the "Indentures"), limit the Company's ability to incur additional indebtedness. Additional covenants contained in the Current Credit Agreement and the Indentures may, among other things, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, repurchase stock, pay dividends and make other restricted payments, create liens, make equity or debt investments, make acquisitions, modify terms of the Indentures, engage in mergers or consolidations, change the business conducted by the Company and its subsidiaries, and engage in certain transactions with affiliates. Such restrictions could limit the Company's ability to respond to changing market conditions, fund its capital spending program, provide for unexpected capital investments or take advantage of business opportunities.

As of March 31, 2021, the Company was in compliance with the covenants in the Credit Agreement and the Indentures.

NOTE 4 — STOCK INCENTIVE PLANS

The Company has one active equity compensation plan from which new grants may be made, the Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan (the "2014 Plan"). The 2014 Plan allows for granting shares of stock options, stock appreciation rights, restricted stock, restricted stock units ("RSUs") and other types of stock-based and cash awards. Awards under the 2014 Plan generally vest and expire in accordance with terms established at the time of grant. Shares issued pursuant to awards under the 2014 Plan are from GPHC's authorized but unissued shares. Compensation costs are recognized on a straight-line basis over the requisite service period of the award and are adjusted for actual performance for performance-based awards. As of March 31, 2021, there were 11.4 million shares remaining available to be granted under the 2014 Plan.

Stock Awards, Restricted Stock and Restricted Stock Units

Under the 2014 Plan, all RSUs generally vest and become payable in three years from date of grant. RSUs granted to employees generally contain some combination of service and performance objectives based on various financial targets and relative total shareholder return that must be met for the RSUs to vest. Stock awards granted to non-employee directors as part of their compensation for service on the Board are unrestricted on the grant date.

Data concerning RSUs granted in the first three months of 2021 is as follows:

	RSUs	Weighted Average Grant Date Fair Value Per Share
RSUs — Employees	1,522,157	$ 15.85

During the three months ended March 31, 2021 and 2020, $11 million and $13 million, respectively, were charged to compensation expense for stock incentive plans and is primarily included in Selling, General and Administrative expenses in the Condensed Consolidated Statements of Operations.

During the three months ended March 31, 2021 and 2020, 1.2 million and 0.8 million shares were issued, respectively. The shares issued were primarily related to RSUs granted during 2018 and 2017, respectively.

NOTE 5 — PENSIONS AND OTHER POSTRETIREMENT BENEFITS

The Company maintains both defined benefit pension plans and postretirement health care plans that provide medical and life insurance coverage to eligible salaried and hourly retired employees in North America and their dependents. The Company maintains international defined benefit pension plans which are either noncontributory or contributory and are funded in accordance with applicable local laws. Pension or termination benefits are based primarily on years of service and the employee's compensation.

In the first quarter of 2020, the Company, using the assets held within the pension trust, purchased a group annuity contract that transferred the remaining pension obligation under its largest U.S. pension plan of $713 million to an insurance company. The Company incurred an additional non-cash settlement charge of $153 million related to this transfer. These non-cash settlement charges relate to Net Actuarial Loss previously recognized in Accumulated Other Comprehensive Loss.

Pension Expense

The pension expenses related to the Company's plans consisted of the following:

In millions	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Components of Net Periodic Cost:		
Service Cost	$ 5	$ 4
Interest Cost	2	3
Expected Return on Plan Assets	(5)	(7)
Net Settlement Loss	—	153
Amortization:		
Actuarial Loss	1	2
Net Periodic Cost	$ 3	$ 155

Employer Contributions

In the first quarter of 2021, the Company made a $14 million contribution to its remaining U.S. defined benefit plan by effectively utilizing a portion of the excess balance related to the terminated U.S. defined benefit plan. At March 31, 2021, $6 million remains related to the terminated U.S. defined benefit plan and it is expected that this remainder will be utilized in the same way in the first quarter of 2022. Excluding this $14 million transfer, the Company expects to make contributions in the range of $10 million to $20 million for the full year 2021. During the first quarter of 2020, the Company made $1 million of contributions to its pension plans.

NOTE 6 — FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

The Company enters into derivative instruments for risk management purposes only, including derivatives designated as hedging instruments under the *Derivatives and Hedging* topic of the FASB Codification and those not designated as hedging instruments under this guidance. The Company uses interest rate swaps, natural gas swap contracts, and forward exchange contracts. These derivative instruments are designated as cash flow hedges and, to the extent they are effective in offsetting the variability of the hedged cash flows, changes in the derivatives' fair value are not included in current earnings but are included in Accumulated Other Comprehensive Loss. These changes in fair value will subsequently be reclassified to earnings, contemporaneously with and offsetting changes in the related hedged exposure and presented in the same line of the income statement expected for the hedged item.

For more information regarding the Company's financial instruments and fair value measurement, see "*Note 10 — Financial Instruments, Derivatives and Hedging Activities*" *and* "*Note 11 — Fair Value Measurement*" of the Notes to the Consolidated Financial Statements of the Company's 2020 Form 10-K.

Interest Rate Risk

The Company uses interest rate swaps to manage interest rate risks on future interest payments caused by interest rate changes on its variable rate term loan facility. Changes in fair value will subsequently be reclassified into earnings as a component of Interest Expense, Net as interest is incurred on amounts outstanding under the term loan facility. The following table summarizes the Company's current interest rate swap positions for each period presented as of March 31, 2021:

Start	End	(In Millions) Notional Amount	Weighted Average Interest Rate
12/03/2018	01/01/2022	$120.0	2.92%
12/03/2018	01/04/2022	$80.0	2.79%

During the first three months of 2021 and 2020, there were no amounts of ineffectiveness related to changes in the fair value of interest rate swap agreements. Additionally, there were no amounts excluded from the measure of effectiveness.

Commodity Risk

To manage risks associated with future variability in cash flows and price risk attributable to purchases of natural gas, the Company enters into natural gas swap contracts to hedge prices for a designated percentage of its expected natural gas usage. Such contracts are designated as cash flow hedges. The contracts are carried at fair value with changes in fair value recognized in Accumulated Other Comprehensive Loss and resulting gain or loss reclassified into Cost of Sales concurrently with the recognition of the commodity consumed. The Company has hedged approximately 35%, and 11% of its expected natural gas usage for the remainder of 2021 and all of 2022, respectively.

During the first three months of 2021 and 2020, there wereno amounts of ineffectiveness related to changes in the fair value of natural gas swap contracts. Additionally, there were no amounts excluded from the measure of effectiveness.

Foreign Currency Risk

The Company enters into forward exchange contracts to manage risks associated with foreign currency transactions and future variability of cash flows arising from those transactions that may be adversely affected by changes in exchange rates. The contracts are carried at fair value with changes in fair value recognized in Accumulated Other Comprehensive Loss and gains/losses related to these contracts are recognized in Other Expense, Net or Net Sales, when appropriate.

At March 31, 2021, multiple forward exchange contracts existed that expire on various dates through the remainder of 2021. Those purchased forward exchange contracts outstanding at March 31, 2021 and December 31, 2020, when aggregated and measured in U.S. dollars at contractual rates at March 31, 2021 and December 31, 2020, had notional amounts totaling $73 million and $102 million, respectively.

No amounts were reclassified to earnings during the first three months of 2021 or during 2020 in connection with forecasted transactions that were considered probable of not occurring and there was no amount of ineffectiveness related to changes in the fair value of foreign currency forward contracts. Additionally, there wereno amounts excluded from the measure of effectiveness.

Derivatives not Designated as Hedges

The Company enters into forward exchange contracts to effectively hedge substantially all of its accounts receivables resulting from sales transactions and intercompany loans denominated in foreign currencies in order to manage risks associated with variability in cash flows that may be adversely affected by changes in exchange rates. At March 31, 2021 and December 31, 2020, multiple foreign currency forward exchange contracts existed, with maturities ranging up to three months. Those foreign currency exchange contracts outstanding at March 31, 2021 and December 31, 2020, when aggregated and measured in U.S. dollars at contractual rates at March 31, 2021 and December 31, 2020, had net notional amounts totaling $101 million and $80 million, respectively. Unrealized gains and losses resulting from these contracts are recognized in Other Expense, Net and approximately offset corresponding recognized but unrealized gains and losses on the remeasurement of these accounts receivable.

Fair Value of Financial Instruments

The Company's derivative instruments are carried at fair value. The Company has determined that the inputs to the valuation of these derivative instruments are Level 2 in the fair value hierarchy. Level 2 inputs are defined as quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. The Company uses valuation techniques based on discounted cash flow analyses, which reflect the terms of the derivatives and use observable market-based inputs, including forward rates, and uses market price quotations obtained from independent derivatives brokers, corroborated with information obtained from independent pricing service providers.

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As of March 31, 2021, there has not been any significant impact to the fair value of the Company's derivative liabilities due to its own credit risk. Similarly, there has not been any significant adverse impact to the Company's derivative assets based on evaluation of the Company's counterparties' credit risks. The following table summarizes the fair value of the Company's derivative instruments:

	Derivative Assets[(a)]		Derivative Liabilities[(b)]	
	March 31,	December 31,	March 31,	December 31,
In millions	2021	2020	2021	2020
Derivatives designated as hedging instruments:				
Interest rate contracts	$ —	$ —	$ 5	$ 6
Foreign currency contracts	1	—	1	3
Commodity contracts	2	2	—	—
Total Derivatives	$ 3	$ 2	$ 6	$ 9

(a) Derivative assets of $3 million and $2 million are included in Other Current Assets as of March 31, 2021 and December 31, 2020, respectively.
(b) Derivative liabilities of $6 million and $9 million are included in Other Accrued Liabilities as of March 31, 2021 and December 31, 2020, respectively.

The fair values of the Company's other financial assets and liabilities at March 31, 2021 and December 31, 2020 approximately equal the carrying values reported on the Condensed Consolidated Balance Sheets except for Long-Term Debt. The fair value of the Company's Long-Term Debt (excluding finance leases and deferred financing fees) was $3,770 million and $3,625 million as compared to the carrying amounts of $3,720 million and $3,524 million as of March 31, 2021 and December 31, 2020, respectively. The fair value of the Company's Total Debt, including the Senior Notes, is based on quoted market prices (Level 2 inputs). Level 2 valuation techniques for Long-Term Debt are based on quotations obtained from independent pricing service providers.

Effect of Derivative Instruments

The pre-tax effect of derivative instruments in cash flow hedging relationships on the Company's Condensed Consolidated Statements of Operations is as follows:

	Amount of (Gain) Loss Recognized in Accumulated Other Comprehensive Loss			Amount of Loss Recognized in Statement of Operations	
	Three Months Ended March 31,			Three Months Ended March 31,	
In millions	2021	2020	Location in Statement of Operations	2021	2020
Commodity Contracts	$ (1)	$ 3	Cost of Sales	$ —	$ 3
Foreign Currency Contracts	(2)	(3)	Other Expense, Net	1	—
Interest Rate Swap Agreements	—	6	Interest Expense, Net	1	1
Total	$ (3)	$ 6	Total	$ 2	$ 4

The pre-tax effect of derivative instruments not designated as hedging instruments on the Company's Condensed Consolidated Statements of Operations is as follows:

		Three Months Ended March 31,	
In millions		2021	2020
Foreign Currency Contracts	Other Income, Net	$ (3)	$ (6)

Accumulated Derivative Instruments (Loss) Income

The following is a rollforward of pre-tax Accumulated Derivative Instruments (Loss) Income which is included in the Company's Condensed Consolidated Balance Sheet as of March 31, 2021:

In millions	
Balance at December 31, 2020	$ (7)
Reclassification to Earnings	2
Current Period Change in Fair Value	3
Balance at March 31, 2021	$ (2)

At March 31, 2021, the Company expects to reclassify $2 million of pre-tax losses in the next twelve months from Accumulated Other Comprehensive Loss to earnings, contemporaneously with and offsetting changes in the related hedged exposure. The actual amount that will be reclassified to future earnings may vary from this amount as a result of changes in market conditions.

NOTE 7 — INCOME TAXES

Substantially all of the Company's operations are held through its majority investment in GPIP, a subsidiary that is classified as a partnership for U.S. income tax purposes and is generally not subject to domestic income tax expense. As a result, the consolidated financial statements exclude the domestic tax effect of the earnings attributable to the noncontrolling partner's interest in GPIP.

During the three months ended March 31, 2021, the Company recognized Income Tax Expense of $18 million on Income before Income Taxes of $80 million. During the three months ended March 31, 2020, the Company recognized Income Tax Benefit of $5 million on Loss before Income Taxes of $25 million. The effective tax rate for the three months ended March 31, 2021 and 2020 is lower than the statutory rate primarily due to the tax effect of income attributable to noncontrolling interests as well as the mix and levels of earnings between foreign and domestic tax jurisdictions. In addition, during the three months ended March 31, 2021, the Company recorded discrete benefits of approximately $1 million related to excess tax benefits on restricted stock that vested during the period.

As discussed in Note 1, as a result of the February 19, 2021 IP exchange, the Company recorded an adjustment through Additional Paid-in Capital to decrease its net domestic DTL by $58 million. The decrease in the DTL reflects the change in the outside basis difference associated with the Company's investment in the partnership and includes the impact of the tax basis step up triggered by the exchange, pursuant to Section 754 of the Internal Revenue Code in addition to other changes to book and tax basis as a result of the Company's increased ownership interest in the partnership.

NOTE 8 — ENVIRONMENTAL AND LEGAL MATTERS

Environmental Matters

The Company is subject to a broad range of foreign, federal, state and local environmental, health and safety laws and regulations, including those governing discharges to air, soil and water, the management, treatment and disposal of hazardous substances, solid waste and hazardous wastes, the investigation and remediation of contamination resulting from historical site operations and releases of hazardous substances, the recycling of packaging and the health and safety of employees. Compliance initiatives could result in significant costs, which could negatively impact the Company's consolidated financial position, results of operations or cash flows. Any failure to comply with environmental or health and safety laws and regulations or any permits and authorizations required thereunder could subject the Company to fines, corrective action or other sanctions.

Some of the Company's current and former facilities are the subject of environmental investigations and remediations resulting from historic operations and the release of hazardous substances or other constituents. Some current and former facilities have a history of industrial usage for which investigation and remediation obligations may be imposed in the future or for which indemnification claims may be asserted against the Company. Also, closures or sales of facilities may necessitate investigation and may result in remediation activities at those facilities.

The Company has established reserves for those facilities or issues where a liability is probable and the costs are reasonably estimable. The Company believes that the amounts accrued for its loss contingencies, and the reasonably possible loss beyond the amounts accrued, are not material to the Company's consolidated financial position, results of operations or cash flows. The Company cannot estimate with certainty other future compliance, investigation or remediation costs. Some costs relating to historic usage that the Company considers to be reasonably possible of resulting in liability are not quantifiable at this time. The Company will continue to monitor environmental issues at each of its facilities, as well as regulatory developments, and will revise its accruals, estimates and disclosures relating to past, present and future operations, as additional information is obtained.

Legal Matters

The Company is a party to a number of lawsuits arising in the ordinary conduct of its business. Although the timing and outcome of these lawsuits cannot be predicted with certainty, the Company does not believe that disposition of these lawsuits will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

NOTE 9 — RELATED PARTY TRANSACTIONS

In connection with the NACP Combination, the Company entered into agreements with IP for transition services, fiber procurement fees, and corrugated products and ink supply. Payments to IP for the three months ended March 31, 2021 for fiber procurement fees and corrugated products were $3 million (related to pass through wood purchases of $53 million) and $7 million, respectively. Payments to IP for the three months ended March 31, 2020 for fiber procurement fees and corrugated products were $3 million (related to pass through wood purchases of $59 million) and $8 million, respectively.

NOTE 10 — SEGMENT INFORMATION

The Company has three reportable segments as follows:

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Paperboard Mills includes the eight North American paperboard mills that produce primarily CRB, CUK, and SBS, which is consumed internally to produce paperboard packaging for the Americas and Europe Packaging segments. The remaining paperboard is sold externally to a wide variety of paperboard packaging converters and brokers. The Paperboard Mills segment Net Sales represent the sale of paperboard only to external customers. The effect of intercompany transfers to the paperboard packaging segments has been eliminated from the Paperboard Mills segment to reflect the economics of the integration of these segments.

Americas Paperboard Packaging includes paperboard packaging, primarily folding cartons, sold primarily to Consumer Packaged Goods ("CPG") companies, and cups, lids and food containers sold primarily to foodservice companies and Quick-Service Restaurants ("QSR"), serving the food, beverage, and consumer product markets in the Americas.

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

The Company allocates certain mill and corporate costs to the reportable segments to appropriately represent the economics of these segments. The Corporate and Other caption includes the Pacific Rim and Australia operating segments and unallocated corporate and one-time costs.

These segments are evaluated by the chief operating decision maker based primarily on Income from Operations, as adjusted for depreciation and amortization. The accounting policies of the reportable segments are the same as those described above in "*Note 1 — General Information.*"

Segment information is as follows:

In millions	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
NET SALES:		
Paperboard Mills	$ 237	$ 269
Americas Paperboard Packaging	1,169	1,123
Europe Paperboard Packaging	206	177
Corporate/Other/Eliminations[(a)]	37	30
Total	$ 1,649	$ 1,599
(LOSS) INCOME FROM OPERATIONS:		
Paperboard Mills	$ (27)	$ (23)
Americas Paperboard Packaging	121	195
Europe Paperboard Packaging	20	12
Corporate and Other[(b)]	(6)	(24)
Total	$ 108	$ 160
DEPRECIATION AND AMORTIZATION:		
Paperboard Mills	$ 58	$ 59
Americas Paperboard Packaging	42	39
Europe Paperboard Packaging	11	10
Corporate and Other	6	6
Total	$ 117	$ 114

[(a)] Includes revenue from contracts with customers for the Australia and Pacific Rim operating segments.
[(b)] Includes expenses related to business combinations, shutdown and other special charges, and exit activities.

NOTE 11 — EARNINGS PER SHARE

In millions, except per share data	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Net Income (Loss) Attributable to Graphic Packaging Holding Company	$ 54	$ (13)
Weighted Average Shares:		
Basic	275.8	288.9
Dilutive Effect of RSUs	1.4	—
Diluted	277.2	288.9
Earnings (Loss) Per Share — Basic	$ 0.20	$ (0.04)
Earnings (Loss) Per Share — Diluted	$ 0.19	$ (0.04)

Potentially dilutive Restricted Stock Units of 1,085,683 were excluded from the above calculation for the three months ended March 31, 2020 because the effect would have been anti-dilutive.

NOTE 12 — ACCUMULATED OTHER COMPREHENSIVE LOSS

The following represents changes in Accumulated Other Comprehensive Loss attributable to Graphic Packaging Holding Company by component for the three months ended March 31, 2021:

In millions, net of tax	Derivatives Instruments	Pension and Postretirement Benefit Plans	Currency Translation Adjustments	Total
Balance at December 31, 2020	$ (13)	$ (139)	$ (94)	$ (246)
Other Comprehensive (Loss) Income before Reclassifications	2	9	(5)	6
Amounts Reclassified from Accumulated Other Comprehensive Income [(a)]	2	1	—	3
Net Current-period Other Comprehensive Income (Loss)	4	10	(5)	9
Less:				
Net Current-period Other Comprehensive (Income) Loss Attributable to Noncontrolling Interest	(1)	—	1	—
Balance at March 31, 2021	$ (10)	$ (129)	$ (98)	$ (237)

[(a)] See following table for details about these reclassifications.

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The following represents reclassifications out of Accumulated Other Comprehensive Loss for the three months ended March 31, 2021:

In millions

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss		Affected Line Item in the Statement Where Net Income is Presented
Derivatives Instruments:			
Foreign Currency Contracts	$	1	Other Expense, Net
Interest Rate Swap Agreements		1	Interest Expense, Net
	$	2	Total, Net of Tax
Amortization of Defined Benefit Pension Plans:			
Actuarial Losses	$	1 [(a)]	
	$	1	Total, Net of Tax
Total Reclassifications for the Period	$	3	Total, Net of Tax

[(a)] These accumulated other comprehensive loss components are included in the computation of net periodic pension cost (see "*Note 5 — Pensions and Other Postretirement Benefits*").

NOTE 13 — EXIT ACTIVITIES

During 2019, the Company announced its plans to invest $600 million in a new CRB paper machine in Kalamazoo, Michigan. In conjunction with the completion of this project, the Company currently expects to close two of its smaller CRB Mills in 2022 in order to remain capacity neutral.

In March 2020, the Company made the decision to close the White Pigeon, Michigan CRB mill and shut down the PM1 containerboard machine in West Monroe, Louisiana. During the second quarter of 2020, the Company closed the White Pigeon, Michigan CRB mill and shut down the PM1 containerboard machine.

During the three months ended March 31, 2021 and 2020, the Company recorded $9 million and $18 million of exit costs, respectively. Other costs associated with the start-up of the new CRB paper machine will be recorded in the period in which they are incurred. These costs are included in the Corporate and Other caption in "*Note 10 — Segment Information*."

The following table summarizes the costs incurred during the three months ended March 31, 2021 and 2020 related to these restructurings:

In millions	Location in Statement of Operations	Three Months Ended March 31, 2021		Three Months Ended March 31, 2020	
Severance costs and other[(a)]	Business Combinations, Shutdown and Other Special Charges, and Exit Activities, Net	$	4	$	4
Accelerated depreciation	Cost of Sales		5		5
Inventory and asset write-offs	Business Combinations, Shutdown and Other Special Charges, and Exit Activities, Net		—		9
Total		$	9	$	18

[(a)] Costs incurred include activities for post-employment benefits, retention bonuses, incentives and professional services.

The following table summarizes the balance of accrued expenses related to restructuring:

In millions		Total
Balance at December 31, 2020	$	12
Costs incurred		4
Payments		(4)
Balance at March 31, 2021	$	12

In conjunction with the closure of the two smaller CRB Mills in 2022, the Company currently expects to incur charges associated with these exit activities for post-employment benefits, retention bonuses and incentives in the range of $15 million to $20 million and for accelerated depreciation and inventory and asset write-offs in the range of $50 million to $60 million. Additionally, the Company expects to incur start-up charges of $15 million for the new CRB paper machine in 2021. Through March 31, 2021, the Company has incurred cumulative exit activity charges for post-employment benefits, retention bonuses and incentives of $12 million, accelerated depreciation and inventory and asset write-offs of $32 million, and start-up charges for the new CRB paper machine of $2 million.

For the closures of the White Pigeon, Michigan CRB mill and the shutdown of the PM1 containerboard machine in West Monroe, Louisiana, the Company has incurred cumulative exit activity charges for post-employment benefits of $2 million and accelerated depreciation and inventory and asset write-offs of $17 million through March 31, 2021. The Company does not expect to incur any additional significant charges related to these closures.

NOTE 14 — SUBSEQUENT EVENTS

Amended and Extended Credit Agreement

On April 1, 2021, the Company entered into a Fourth Amended and Restated Credit Agreement to extend the maturity date of certain of its Senior Secured Term Loan Facilities and Senior Secured Revolving Credit Facilities and to amend certain other terms of the agreement including revised debt covenants and collateral requirements. Under the terms of the agreement, $975 million of the Company's Senior Secured Term Loan Facilities remains outstanding. The Company added approximately $400 million to its Senior Secured Revolving Credit Facilities. $550 million of the Senior Secured Term Loan Facilities and all of the Senior Secured Revolving Credit Facility loans continue to bear interest at a floating rate per annum ranging from LIBOR plus 1.25% to LIBOR plus 2.00%, determined using a pricing grid based upon the Company's consolidated total leverage ratio from time to time, and the maturity for these loans were extended from January 1, 2023 to April 1, 2026. $425 million of the Senior Secured Term Loan Facilities continue to bear interest at a fixed rate per annum equal to 2.67% and mature on their originally scheduled maturity date of January 14, 2028.

Acquisition

On April 27, 2021, the Company announced that it has entered into an agreement to acquire Americraft Carton, Inc. ("Americraft"), a leader in paperboard folding cartons in North America for approximately $280 million plus approximately $8 million for recently purchased equipment subject to customary working capital true-up. The proposed acquisition includes seven converting facilities across the United States and represents a significant opportunity for continued paperboard integration. Americraft will add approximately $200 million in sales and is expected to be reported within the Americas Paperboard Packaging reportable segment. The proposed transaction is expected to close in the second or third quarter of 2021.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INTRODUCTION

This management's discussion and analysis of financial conditions and results of operations is intended to provide investors with an understanding of the Company's past performance, financial condition and prospects. The following will be discussed and analyzed:

- Overview of Business
- Overview of 2021 Results
- Results of Operations
- Financial Condition, Liquidity and Capital Resources
- Critical Accounting Policies
- New Accounting Standards
- Business Outlook

OVERVIEW OF BUSINESS

The Company's objective is to strengthen its position as a leading provider of sustainable fiber-based packaging solutions. To achieve this objective, the Company offers customers its paperboard, cartons, cups, lids, foodservice containers and packaging machines, either as an integrated solution or separately. Cartons, carriers and containers are designed to protect and hold products. Product offerings include a variety of laminated, coated and printed packaging structures that are produced from the Company's CRB, CUK and SBS paperboard. Innovative designs and combinations of paperboard, films, foils, metallization, holographics and embossing are customized to the individual needs of the customers.

The Company is implementing strategies (i) to expand market share in its current markets and to identify and penetrate new markets; (ii) to capitalize on the Company's customer relationships, business competencies, and mills and folding carton assets; (iii) to develop and market innovative, sustainable products and applications that benefit from consumer-led sustainability trends; and (iv) to continue to reduce costs by focusing on operational improvements. The Company's ability to fully implement its strategies and achieve its objectives may be influenced by a variety of factors, many of which are beyond its control, such as inflation of raw material and other costs, and the effect of overcapacity in the worldwide paperboard packaging industry.

Significant Factors That Impact the Company's Business and Results of Operations

COVID-19 Pandemic. Many uncertainties remain regarding the current novel coronavirus ("COVID-19") pandemic, including the anticipated duration of the pandemic, and the extent of local and worldwide social, political, and economic disruption it may cause. While the COVID-19 pandemic has not materially impacted the Company's overall business, operations, or financial results to date, it may have far-reaching impacts on many aspects of the Company's operations, including impacts on customer and consumer behaviors, business and manufacturing operations, inventory, accounts receivable, the Company's employees, and the market generally. The Company will continue to assess the evolving impact of the COVID-19 pandemic and intends to make adjustments to its business accordingly, such as to match the Company's supply with demand by adjusting mill maintenance outages and taking market downtime where appropriate.

Impact of Inflation/Deflation. The Company's cost of sales consists primarily of energy (including natural gas, fuel oil and electricity), pine and hardwood fiber, chemicals, secondary fibers, purchased paperboard, aluminum foil, ink, plastic films and resins, depreciation expense and labor. Costs increased in the first three months of 2021 by $47 million, compared to the first three months of 2020. The higher costs in the three months ended March 31, 2021 were due to higher labor and benefit costs ($11 million), freight ($10 million), secondary fiber cost ($9 million), chemicals ($9 million), energy ($5 million), external board ($3 million) and other costs, net ($4 million), partially offset by decreases in wood ($4 million).
Because the price of natural gas experiences significant volatility, the Company has entered into contracts designed to manage risks associated with future variability in cash flows caused by changes in the price of natural gas. The Company has entered into natural gas swap contracts to hedge prices for a portion of its expected usage for 2021 and all of 2022. Since negotiated sales contracts and the market largely determine the pricing for its products, the Company is at times limited in its ability to raise prices and pass through to its customers any inflationary or other cost increases that the Company may incur.

Commitment to Cost Reduction. In light of continuing margin pressure throughout the packaging industry, the Company has programs in place that are designed to reduce costs, improve productivity and increase profitability. The Company utilizes a global continuous improvement initiative that uses statistical process control to help design and manage many types of activities, including production and maintenance. This includes a Six Sigma process focused on reducing variable and fixed manufacturing and administrative costs and the use of Lean Sigma principles in manufacturing and supply chain processes.

The Company's ability to continue to successfully implement its business strategies and to realize anticipated savings and operating efficiencies is subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control. If the Company cannot successfully implement the strategic cost reductions or other cost savings plans, it may not be able to continue to compete successfully against other manufacturers. In addition, any failure to generate the anticipated efficiencies and savings could adversely affect the Company's financial results.

Competition and Market Factors. As some products can be packaged in different types of materials, the Company's sales are affected by competition from other manufacturers' CRB, CUK, SBS, folding box board, and recycled clay-coated news. Additional substitute products also include plastic, shrink film and corrugated containers. In addition, while the Company has long-term relationships with many of its customers, the underlying contracts may be re-bid or renegotiated from time to time, and the Company may not be successful in renewing on favorable terms or at all. The Company works to maintain market share through efficiency, product innovation, service and strategic sourcing to its customers; however, pricing and other competitive pressures may occasionally result in the loss of a customer relationship.

In addition, the Company's sales are driven by consumer buying habits in the markets its customers serve, and recently we have seen net organic sales growth driven by the consumers desire for sustainable packaging solutions and increased at home consumption. Changes in consumer dietary habits and preferences, increases in the costs of living, unemployment rates, access to credit markets, as well as other macroeconomic factors, may negatively affect consumer spending behavior. New product introductions and promotional activity by the Company's customers and the Company's introduction of new packaging products also impact its sales.

Debt Obligations. The Company had an aggregate principal amount of $3,865 million of outstanding debt obligations as of March 31, 2021. This debt has consequences for the Company, as it requires a portion of cash flow from operations to be used for the payment of principal and interest, exposes the Company to the risk of increased interest rates and may restrict the Company's ability to obtain additional financing. Covenants in the Company's Third Amended and Restated Credit Agreement (as amended by the Incremental Facility Amendment) and the Amended and Restated Credit Agreement (collectively, the "Current Credit Agreement") and the indentures governing the 4.875% Senior Notes due 2022, 4.125% Senior Notes due 2024, 0.821% Senior Notes due 2024, 1.512% Senior Notes due 2026, 4.75% Senior Notes due 2027, 3.50% Senior Notes due 2028 and 3.50% Senior Notes due 2029 (the "Indentures") may, among other things, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, repurchase stock, pay dividends, make other restricted payments and make acquisitions or other investments. The Amended and Restated Credit Agreement and the Term Loan Credit Agreement also require compliance with a maximum consolidated leverage ratio and a minimum consolidated interest coverage ratio. The Company's ability to comply in future periods with the financial covenants will depend on its ongoing financial and operating performance, which in turn will be subject to many other factors, many of which are beyond the Company's control. See "Covenant Restrictions" in "Financial Condition, Liquidity and Capital Resources" for additional information regarding the Company's debt obligations.

The debt and the restrictions under the Current Credit Agreement and the Indentures could limit the Company's flexibility to respond to changing market conditions and competitive pressures. The outstanding debt obligations and the restrictions may also leave the Company more vulnerable to a downturn in general economic conditions or its business, or unable to carry out capital expenditures that are necessary or important to its growth strategy and productivity improvement programs.

OVERVIEW OF FIRST QUARTER 2021 RESULTS

This management's discussion and analysis contains an analysis of Net Sales, Income from Operations and other information relevant to an understanding of the Company's results of operations on a Consolidated basis:

- Net Sales for the three months ended March 31, 2021, increased $50 million or 3% to $1,649 million from $1,599 million for the three months ended March 31, 2020, due to improved volume related to the acquisitions of Quad and Greif in 2020, organic sales growth including from conversions to fiber-based packaging solutions and new product introductions, and favorable foreign exchange partially offset by lower open market volume of our paperboard, one fewer selling day due to leap year, and lower selling prices.

- Income from Operations for the three months ended March 31, 2021 decreased $52 million or 33% to $108 million from $160 million for the three months ended March 31, 2020 due to unfavorable commodity and other inflation (primarily labor and benefits), downtime and mitigation costs related to Winter Storm Uri, lower open market volume of our paperboard, one fewer selling day due to leap year, mix, higher levels of maintenance and downtime costs, and lower pricing, offset by cost savings from continuous improvement and other programs, organic sales growth and acquisitions, and favorable foreign exchange.

Acquisitions, Closures, and Dispositions

- On January 31, 2020, the Company acquired a folding carton facility from Quad/Graphics, Inc. ("Quad"), a commercial printing company. The converting facility is located in Omaha, Nebraska and is included in the Americas Paperboard Packaging reportable segment.

- On April 1, 2020, the Company acquired the Consumer Packaging Group business from Greif, Inc. ("Greif"), a leader in industrial packaging products and services. The acquisition included seven converting facilities across the United States, which are included in the Americas Paperboard Packaging reportable segment.

Share Repurchases and Dividends

- On February 25, 2021, the Company's board of directors declared a regular quarterly dividend of $0.075 per share of common stock payable on April 5, 2021 to shareholders of record as of March 15, 2021.

- On January 28, 2019, the Company's board of directors authorized an additional share repurchase program to allow the Company to purchase up to $500 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans (the "2019 share repurchase program"). During the first three months of 2021, the Company did not repurchase any shares of its common stock under the 2019 share repurchase program. During the three months ended March 31, 2020, the Company repurchased 9,667,034 shares of its common stock at an average price of $12.87 under the 2019 share repurchase program. As of March 31, 2021, the Company has $147 million available for additional repurchases under the 2019 share repurchase program.

RESULTS OF OPERATIONS

In millions	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Net Sales	$ 1,649	$ 1,599
Income from Operations	108	160
Nonoperating Pension and Postretirement Benefit Income (Expense)	2	(151)
Interest Expense, Net	(30)	(34)
Income (Loss) before Income Taxes	80	(25)
Income Tax (Expense) Benefit	(18)	5
Net Income (Loss)	$ 62	$ (20)

FIRST QUARTER 2021 COMPARED WITH FIRST QUARTER 2020

Net Sales

In millions	2021	2020	Increase	Percent Change
	Three Months Ended March 31,			
Consolidated	$ 1,649	$ 1,599	$ 50	3 %

The components of the change in Net Sales are as follows:

In millions	2020	Variances: Price	Volume/Mix	Exchange	Total	2021
	Three Months Ended March 31,					
Consolidated	$ 1,599	$ (3)	$ 33	$ 20	$ 50	$ 1,649

The Company’s Net Sales for the three months ended March 31, 2021 increased by $50 million or 3% to $1,649 million from $1,599 million for the three months ended March 31, 2020 due to Net Sales of $60 million from the acquisitions of Quad and Greif in 2020, organic sales growth including from conversions to fiber-based packaging solutions and new product introductions, and favorable foreign exchange, primarily the Euro, British Pound, Australian Dollar, and Canadian Dollar, partially offset by lower open market volume of our paperboard, one fewer selling day due to leap year, and lower selling prices. Core converting volumes were up, primarily in global beverage, dry foods, frozen foods, pet care and dairy, offset by declines in foodservice packaging including cups, and tissue. The COVID-19 pandemic had a positive impact on volumes in the first quarter of 2021 for food and beverage packaging offset by a reduction in demand for some foodservice products.

Income from Operations

	Three Months Ended March 31,			
In millions	2021	2020	Decrease	Percent Change
Consolidated	$ 108	$ 160	$ (52)	(33)%

The components of the change in Income from Operations are as follows:

	Three Months Ended March 31,							
		Variances						
In millions	2020	Price	Volume/Mix	Inflation	Exchange	Other [a]	Total	2021
Consolidated	$ 160	$ (3)	$ (3)	$ (47)	$ 4	$ (3)	$ (52)	$ 108

[a] Includes the Company's cost reduction initiatives, planned mill maintenance costs, mill market downtime costs, expenses related to acquisitions and integration activities, exit activities and shutdown and other special charges.

Income from Operations for the three months ended March 31, 2021 decreased $52 million or 33% to $108 million from $160 million for the three months ended March 31, 2020. The first quarter of 2021 was negatively impacted by $29 million of Winter Storm Uri related downtime and mitigation costs, unfavorable commodity and other inflation (primarily labor and benefits), lower open market volume of our paperboard, one fewer selling day due to leap year, mix, higher levels of maintenance and downtime costs, and lower pricing. Income from Operations was positively impacted by cost savings from continuous improvement and other programs, organic sales growth and acquisitions, and favorable foreign exchange.

Inflation increased for the three months ended March 31, 2021 by $47 million due to higher labor and benefit costs ($11 million), freight ($10 million), secondary fiber cost ($9 million), chemicals ($9 million), energy ($5 million), external board ($3 million) and other costs, net ($4 million), partially offset by decreases in wood ($4 million).

Nonoperating Pension and Postretirement Benefit

Nonoperating Pension and Postretirement Benefit was income of $2 million for the three months ended March 31, 2021 versus an expense of $151 million for the three months ended March 31, 2020. The decrease in expense was due to a settlement charge of $153 million associated with the Company's purchase of a group annuity contract that transferred the remaining pension obligation under the largest U.S. Plan of approximately $713 million to an insurance company in the three months ended March 31, 2020.

Interest Expense, Net

Interest Expense, Net was $30 million and $34 million for the three months ended March 31, 2021 and 2020, respectively. Interest Expense, Net decreased due to lower interest rates, partially offset by higher debt balances as compared to the same period in the prior year. As of March 31, 2021, approximately 18% of the Company's total debt was subject to floating interest rates.

Income Tax Expense

During the three months ended March 31, 2021, the Company recognized Income Tax Expense of $18 million on Income before Income Taxes of $80 million. During the three months ended March 31, 2020, the Company recognized Income Tax Benefit of $5 million on Loss before Income Taxes of $25 million. The effective tax rate for the three months ended March 31, 2021 and 2020 is different than the statutory rate primarily due to the tax effect of income attributable to noncontrolling interests as well as the mix and levels of earnings between foreign and domestic tax jurisdictions. In addition, during the three months ended March 31, 2021, the Company recorded discrete benefits of $1 million related to excess tax benefits on restricted stock that vested during the period.

The Company utilized its remaining U.S. federal net operating losses during 2020. However, based on tax benefits associated with planned capital projects, the continued reduction of International Paper's investment in GPIP and the resulting deductions associated with the increase in tax basis in the assets of GPIP, as well as tax credit carryforwards which are available to offset future U.S. federal income tax, the Company does not expect to be a meaningful U.S. federal cash taxpayer until 2024.

Segment Reporting

The Company has three reportable segments as follows:

Paperboard Mills includes the eight North American paperboard mills that produce primarily CRB, CUK, and SBS, which is consumed internally to produce paperboard packaging for the Americas and Europe Packaging segments. The remaining paperboard is sold externally to a wide variety of paperboard packaging converters and brokers. The Paperboard Mills segment Net Sales represent the sale of paperboard only to external customers. The effect of intercompany transfers to the paperboard packaging segments has been eliminated from the Paperboard Mills segment to reflect the economics of the integration of these segments.

Americas Paperboard Packaging includes paperboard packaging, primarily folding cartons, sold primarily to Consumer Packaged Goods ("CPG") companies, and cups, lids and food containers sold primarily to foodservice companies and Quick-Service Restaurants ("QSR") serving the food, beverage, and consumer product markets in the Americas.

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

The Company allocates certain mill and corporate costs to the reportable segments to appropriately represent the economics of these segments. The Corporate and Other caption includes the Pacific Rim and Australia operating segments and unallocated corporate and one-time costs.

These segments are evaluated by the chief operating decision maker based primarily on Income from Operations, as adjusted for depreciation and amortization. The accounting policies of the reportable segments are the same as those described above in "*Note 1 — General Information.*"

	Three Months Ended March 31,	
In millions	**2021**	**2020**
NET SALES:		
Paperboard Mills	$ 237	$ 269
Americas Paperboard Packaging	1,169	1,123
Europe Paperboard Packaging	206	177
Corporate/Other/Eliminations[a]	37	30
Total	$ 1,649	$ 1,599
(LOSS) INCOME FROM OPERATIONS:		
Paperboard Mills	$ (27)	$ (23)
Americas Paperboard Packaging	121	195
Europe Paperboard Packaging	20	12
Corporate and Other[b]	(6)	(24)
Total	$ 108	$ 160

[a] Includes revenue from contracts with customers for the Australia and Pacific Rim operating segments.
[b] Includes expenses related to business combinations, exit activities, and shutdown and other special charges.

2021 COMPARED WITH 2020

First Quarter 2021 Compared to First Quarter 2020

Paperboard Mills

Net Sales decreased from prior year due to lower open market volume and mix. Lower open market volume was primarily due to the closure of the White Pigeon, Michigan CRB mill and the shut down the PM1 containerboard machine in West Monroe, Louisiana and fewer production and one fewer selling day due to leap year. The Company also internalized more paperboard tons.

Loss from Operations increased due to downtime and mitigation costs related to Winter Storm Uri, commodity inflation, lower open market volume, higher levels of maintenance and downtime costs, higher labor and benefits costs, and mix of open market volume partially offset by productivity improvements, including benefits from capital projects. The commodity inflation was primarily due to higher prices for freight, secondary fiber, energy, and chemicals offset by lower prices for wood.

Americas Paperboard Packaging

Net Sales increased due to the Greif and Quad acquisitions, organic sales growth including conversions to our fiber-based packaging solutions, new product introductions, and favorable foreign currency exchange rates offset by lower volume due to fewer shipping days and lower selling prices. Higher volumes in global beverage, frozen foods, pet care, dry foods and dairy were offset by declines in tissue and foodservice packaging including cups. In beverage, volumes increased in most categories including soft drink, craft and specialty, and big beer. The COVID-19 pandemic had a positive impact on volumes in the first quarter of 2021 for food and beverage packaging offset by a reduction in demand for some foodservice products.

Income from Operations decreased due to downtime and mitigation costs related to Winter Storm Uri, commodity inflation, other inflation (primarily labor and benefits), higher levels of maintenance and downtime costs, one fewer selling day due to leap year, and lower selling prices offset by higher volumes including from organic sales growth and acquisitions and cost savings through continuous improvement and other programs. The commodity inflation was primarily due to higher prices for freight, secondary fiber, energy, chemicals and external board offset by lower prices for wood.

Europe Paperboard Packaging

Net Sales increased due to increased volumes led by beverage and convenience, favorable foreign currency exchange rates, and mix.

Income from Operations increased due to increased volumes, mix, and cost savings through continuous improvement and other programs offset by commodity inflation and higher labor and benefits costs.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company broadly defines liquidity as its ability to generate sufficient funds from both internal and external sources to meet its obligations and commitments. In addition, liquidity includes the ability to obtain appropriate debt and equity financing and to convert into cash those assets that are no longer required to meet existing strategic and financial objectives. Therefore, liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service commitments.

Cash Flows

	Three Months Ended March 31,	
In millions	**2021**	**2020**
Net Cash Provided by (Used in) Operating Activities	$ 53	$ (79)
Net Cash Used in Investing Activities	$ (120)	$ (176)
Net Cash Provided by Financing Activities	$ 5	$ 218

Net cash provided by operating activities for the first three months of 2021 totaled $53 million compared to $79 million used in operating activities for the same period in 2020. The favorable increase was mainly due to improved working capital compared to the prior year period driven by the Company’s increased utilization of its accounts receivable sale and securitization programs during Q1 2021. Pension contributions for the first three months of 2021 and 2020 were $14 million and $1 million, respectively.

Net cash used in investing activities for the first three months of 2021 totaled $120 million, compared to $176 million for the same period in 2020. Capital spending was $146 million and $154 million in 2021 and 2020, respectively. In 2020, the Company paid $41 million for the Quad acquisition. Net cash receipts related to the accounts receivable securitization and sale programs were $28 million and $21 million in 2021 and 2020, respectively.

Net cash provided by financing activities for the first three months of 2021 totaled $5 million, compared to $218 million for the same period in 2020. Current year activities include a debt drawing of $425 million Incremental Term A-2 Facility and used the proceeds, together with cash on hand, to redeem its 4.75% Senior Notes due in 2021. Other current year activities includes an offering of $400 million aggregate principal amount of 0.821% Senior Notes due 2024, and a debt offering of $400 million aggregate principal amount of 1.512% Senior Notes due 2026. The net proceeds of $796 million were used by the Company to repay a portion of the outstanding borrowings under GPIL's term loan credit facilities, which is under its senior secured credit facility. The Company also paid $150 million toward the redemption of IP's ownership interest in GPIP. Additionally, the Company made borrowings under revolving credit facilities primarily for capital spending, redemption of IP's ownership interest, and payments on debt of $9 million. The Company also paid dividends and distributions of $24 million and withheld $14 million of restricted stock units to satisfy tax withholding obligations related to the payout of restricted stock units. In the prior year period, the Company had a debt offering of $450 million aggregate principal amount of 3.50% Senior Notes due 2028. The Company also paid $250 million toward the redemption of IP's ownership interest in GPIP. In the prior year period, the Company also made borrowings under revolving credit facilities primarily for capital spending, repurchase of common stock and payments on debt of $9 million. The Company also paid dividends and distributions of $27 million and withheld $9 million of restricted stock units to satisfy tax withholding payments related to the payout of restricted stock units.

Liquidity and Capital Resources

The Company's liquidity needs arise primarily from the funding of its capital expenditures, debt service on its indebtedness, ongoing operating costs, working capital, share repurchases and dividend payments. Principal and interest payments under the term loan facilities and the revolving credit facilities, together with principal and interest payments on the Company's 4.875% Senior Notes due 2022, 4.125% Senior Notes due 2024, 0.821% Senior Notes due 2024, 1.512% Senior Notes due 2026, 4.75% Senior Notes due 2027, 3.50% Senior Notes due 2028, and 3.50% Senior Notes due 2029 (the "Notes"), represent liquidity requirements for the Company. Based upon current levels of operations, anticipated cost savings and expectations as to future growth, the Company believes that cash generated from operations, together with amounts available under its revolving credit facilities and other available financing sources, will be adequate to permit the Company to meet its debt service obligations, necessary capital expenditure program requirements and ongoing operating costs and working capital needs, although no assurance can be given in this regard. The Company's future financial and operating performance, ability to service or refinance its debt and ability to comply with the covenants and restrictions contained in its debt agreements (see “Covenant Restrictions” below) will be subject to future economic conditions, including conditions in the credit markets, and to financial, business and other factors, many of which are beyond the Company's control, and will be substantially dependent on the selling prices and demand for the Company's products, raw material and energy costs, and the Company's ability to successfully implement its overall business and profitability strategies.

The Company has entered into agreements to sell, on a revolving basis, certain trade accounts receivable to third party financial institutions. Transfers under these agreements meet the requirements to be accounted for as sales in accordance with the *Transfers and Servicing* topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification (the "Codification"). The loss on sale is not material and is included in Other Expense, Net line item on the Condensed Consolidated Statement of Operations. The following table summarizes the activity under these programs for the three months ended March 31, 2021 and 2020, respectively:

	Three Months Ended March 31,	
In millions	**2021**	**2020**
Receivables Sold and Derecognized	$ 758	$ 610
Proceeds Collected on Behalf of Financial Institutions	685	609
Net Proceeds Received From (Paid to) Financial Institutions	62	(5)
Deferred Purchase Price at March 31	9	7
Pledged Receivables at March 31	160	264

The Company participates in supply chain financing arrangements offered by certain customers and has entered into various factoring arrangements that also qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the FASB Codification. For the three months ended March 31, 2021 and 2020, the Company sold receivables of $125 million and $72 million, respectively, related to these factoring arrangements.

Receivables sold under all programs subject to continuing involvement, which consists principally of collection services, were $689 million and $621 million as of March 31, 2021 and December 31, 2020, respectively.

Covenant Restrictions

Covenants contained in the Current Credit Agreement and the Indentures may, among other things, limit the ability to incur additional indebtedness, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, repurchase shares, pay dividends and make other restricted payments, create liens, make equity or debt investments, make acquisitions, modify terms of the indentures under which the Notes are issued, engage in mergers or consolidations, change the business conducted by the Company and its subsidiaries, and engage in certain transactions with affiliates. Such restrictions, together with disruptions in the credit markets, could limit the Company's ability to respond to changing market conditions, fund its capital spending program, provide for unexpected capital investments or take advantage of business opportunities.

Under the terms of the Current Credit Agreement, the Company must comply with a maximum Consolidated Total Leverage Ratio covenant and a minimum Consolidated Interest Expense Ratio covenant. The Third Amended and Restated Credit Agreement, which contains the definitions of these covenants, was filed as an exhibit to the Company's Form 8-K filed on January 2, 2018.

The Current Credit Agreement requires that the Company maintain a maximum Consolidated Total Leverage Ratio of less than 4.25 to 1.00. At March 31, 2021, the Company was in compliance with such covenant and the ratio was 3.43 to 1.00.

The Company must also comply with a minimum Consolidated Interest Expense Ratio of 3.00 to 1.00. At March 31, 2021, the Company was in compliance with such covenant and the ratio was 8.83 to 1.00.

As of March 31, 2021, the Company's credit was rated BB+ by Standard & Poor's and Ba1 by Moody's Investor Services. Standard & Poor's and Moody's Investor Services' ratings on the Company included a stable outlook.

Capital Investment

The Company's capital investment in the first three months of 2021 was $146 million compared to $154 million in the first three months of 2020. The capital investments were primarily due to planned asset upgrades at the U.S.-based mills, including the new CRB paper machine in Kalamazoo, MI discussed in "*Note 13 — Exit Activities,"* and continued investments made as part of the integration of acquisitions.

Environmental Matters

Some of the Company's current and former facilities are the subject of environmental investigations and remediations resulting from historical operations and the release of hazardous substances or other constituents. Some current and former facilities have a history of industrial usage for which investigation and remediation obligations may be imposed in the future or for which indemnification claims may be asserted against the Company. Also, closures or sales of facilities may necessitate further investigation and may result in remediation at those facilities. The Company has established reserves for those facilities or issues where liability is probable and the costs are reasonably estimable.

For further discussion of the Company's environmental matters, see *"Note 8 — Environmental and Legal Matters"* in the Notes to Condensed Consolidated Financial Statements.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. Actual results could differ from these estimates, and changes in these estimates are recorded when known. The critical accounting policies used by management in the preparation of the Company's condensed consolidated financial statements are those that are important both to the presentation of the Company's financial condition and results of operations and require significant judgments by management with regard to estimates used.

The Company's most critical accounting policies, which require significant judgment or involve complex estimations, are described in GPHC's Form 10-K for the year ended December 31, 2020.

The Company performed its annual goodwill impairment tests as of October 1, 2020. The Company concluded that all reporting units with goodwill have a fair value that exceeds their carrying value, and thus goodwill was not impaired. The Foodservice and Australia reporting units had fair values that exceed their respective carrying values by 17% and 37%, respectively, whereas all other reporting units exceeded by more than 45%. The Foodservice and Australia reporting units had goodwill totaling $43 million and $16 million, respectively at March 31, 2021. While the Company does not believe that the impact on the business to date of the COVID-19 pandemic has triggered the need to perform an impairment test on goodwill, the Company will continue to assess the impact on its business and will perform its annual goodwill impairment tests as of October 1, 2021.

NEW ACCOUNTING STANDARDS

For a discussion of recent accounting pronouncements impacting the Company, see "*Note 1 — General Information*" in the Notes to Condensed Consolidated Financial Statements.

BUSINESS OUTLOOK

Total capital investment for 2021 is expected to be approximately $700 million.

The Company also expects the following in 2021:

- Depreciation and amortization expense of approximately $460 million, excluding $5 million of pension amortization and $24 million of accelerated depreciation related to exit activities.

- Pension plan contributions between $10 million and $20 million, excluding $14 million reflected as a contribution to the remaining U.S defined benefit plan that effectively utilized a portion of the excess balance related to the terminated U.S. defined benefit plan.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

For a discussion of certain market risks related to the Company, see Part II, "*Item 7A, Quantitative and Qualitative Disclosure about Market Risk*", in GPHC's Form 10-K for the year ended December 31, 2020. There have been no significant developments with respect to derivatives or exposure to market risk during the first three months of 2021. For a discussion of the Company's Financial Instruments, Derivatives and Hedging Activities, see GPHC's Form 10-K for the year ended December 31, 2020 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition, Liquidity and Capital Resources*."

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management has carried out an evaluation, with the participation of its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15 of the Securities Exchange Act of 1934, as amended. Based upon such evaluation, management has concluded that the Company's disclosure controls and procedures were effective as of March 31, 2021.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting that occurred during the fiscal quarter ended March 31, 2021 that has materially affected, or is likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is a party to a number of lawsuits arising in the ordinary conduct of its business. Although the timing and outcome of these lawsuits cannot be predicted with certainty, the Company does not believe that disposition of these lawsuits will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. For more information see "*Note 8 — Environmental and Legal Matters*" in the Notes to Condensed Consolidated Financial Statements.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in GPHC's Form 10-K for the year ended December 31, 2020.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The Company purchases shares of its common stock from time to time pursuant to the 2019 share repurchase program announced on January 28, 2019. Management is authorized to purchase up to $500 million of the Company's issued and outstanding common stock per the 2019 share repurchase program. During the first quarter of 2021, the Company did not repurchase any shares of its common stock. As of March 31, 2021, 66.5 million shares had been repurchased as part of a publicly announced program. The maximum number of shares that may be purchased under the 2019 share repurchase program in the future is 8.1 million based on the closing price of the Company's common stock as of March 31, 2021.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
10.1	Directors’ Non-Qualified Deferred Compensation Plan effective January 1, 2021.
14.1	Code of Business Conduct and Ethics effective as of January1, 2021.
31.1	Certification required by Rule 13a-14(a).
31.2	Certification required by Rule 13a-14(a).
32.1	Certification required by Section 1350 of Chapter 63 of Title 18 of the United States Code.
32.2	Certification required by Section 1350 of Chapter 63 of Title 18 of the United States Code.
101.INS	Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document (included in Exhibit 101).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GRAPHIC PACKAGING HOLDING COMPANY
(Registrant)

/s/ STEPHEN R. SCHERGER Stephen R. Scherger	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	April 27, 2021
/s/ CHARLES D. LISCHER Charles D. Lischer	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	April 27, 2021

Exhibit 10.1

Graphic Packaging HOLDING COMPANY

DIRECTORS' Non-Qualified Deferred Compensation Plan

Effective January 1, 2021

Graphic Packaging HOLDING COMPANY
DIRECTORS' NON-QUALIFIED DEFERRED COMPENSATION PLAN

Effective as of the 1st day of January, 2021, the Board of Directors of Graphic Packaging Holding Company (the "Company") hereby adopts the Graphic Packaging Holding Company Directors' Non-Qualified Deferred Compensation Plan (the "Plan").

BACKGROUND AND PURPOSE

A. Goal. The Board of Directors desires to provide its Non-Employee Directors with an opportunity to defer the receipt and income taxation of (i) all or a portion of their annual cash retainers, fees and any other cash compensation, and (ii) all or a portion of their annual stock compensation.

B. Purpose. The purpose of the Plan document is to set forth the terms and conditions pursuant to which these deferrals may be made and to describe the nature and extent of the Non-Employee Directors' rights to such amounts.

C . Type of Plan. The Plan constitutes an unfunded, nonqualified deferred compensation plan for the benefit of Non-Employee Directors. The Plan is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended.

STATEMENT OF AGREEMENT

To adopt the Plan with the purposes and goals as hereinabove described, the Board of Directors hereby sets forth the terms and provisions of the Plan as follows:

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ARTICLE I.

DEFINITIONS

For purposes of the Plan, the following terms, when used with an initial capital letter, will have the meaning set forth below unless a different meaning plainly is required by the context.

i.Account

means one or more of a Participant's Directed Investment Account(s) or Stock Unit Account(s), as the context requires.

ii.Beneficiary

means, with respect to a Participant, the person(s) designated or identified in accordance with Section 10.1 to receive any death benefits that may be payable under the Plan upon the death of the Participant.

iii.Board

means the Board of Directors of the Company.

iv.Business Day

means each day on which the New York Stock Exchange operates and is open to the public for trading.

v.Cash Compensation

means the total of a Non-Employee Director's annual retainers, committee retainers and any other fees (but not reimbursement of expenses) that would be payable to a Non-Employee Director in cash during a Plan Year absent a Deferral Election under this Plan.

vi.Cash Deferral Contributions

means, for each Plan Year, that portion of a Participant's Cash Compensation deferred under the Plan pursuant to Section 3.2(a).

vii.Change in Control

means any of the events specified in subsections (a), (b), or (c) below, subject to the rules described in subsection (d) below:

(1) Change in the Ownership of the Company

means a situation where any one person, or more than one person acting as a group (as described in Treasury Regulations), acquires ownership of stock of the Company that, together with stock held by such person or group constitutes more than 50 percent of the total fair market value or total voting power of the stock of the Company. However, if any one person, or more than one person acting as a group, is considered to own more than 50 percent of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons is not considered to cause a Change in Control. An increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this subsection. This subsection applies only when there is a transfer of stock of the Company (or issuance of stock of the Company) and stock of the Company remains outstanding after the transaction.

(2) Change in the Effective Control of the Company

means that a majority of members of the Board of the Company is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such Board before the date of the appointment or election.

(3) Change in the Ownership of a Substantial Portion of the Company's Assets

means any one person or more than one person acting as a group, that is not affiliated with the Company, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 80 percent of the consolidated total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. There is no Change in Control under this subsection (c) when there is a transfer to an entity that is controlled by the shareholders of the Company immediately after the transfer, as provided in Treasury Regulations. For purposes of this subsection (c) and except as otherwise provided in Treasury Regulations, a person's status is determined immediately after the transfer of the assets. For example, a transfer to a company in which the Company has no ownership interest before the transaction, but that is a majority-owned subsidiary of the Company after the transaction, is not treated as a Change in Control.

(4) Compliance with Section 409A

. The definition of "Change in Control" as described in this Section is intended to satisfy all requirements under Treasury Regulations Section 1.409A-3(i)(5), and shall be construed accordingly. In no event will any payment of "nonqualified deferred compensation" (as such term is defined for purposes of Code Section 409A) be triggered hereunder upon a Change in Control unless the Change in Control event satisfies all applicable requirements of such regulation.

viii.Code

means the Internal Revenue Code of 1986, as amended.

ix.Common Stock

means the common stock, par value $0.01 per share, of the Company.

x. **<u>Company</u>**

means Graphic Packaging Holding Company.

xi. **<u>Deferral Election</u>**

means a written or electronic election form provided by the Plan Administrator on which a Participant may elect to defer under the Plan all or a portion of such individual's Cash Compensation and/or Stock Compensation for a Plan Year.

xii. **<u>Directed Investment Account</u>**

means a bookkeeping account established and maintained on behalf of a Participant pursuant to Article III of the Plan.

xiii. **<u>Effective Date</u>**

means January 1, 2021, the date that the Plan will be effective.

xiv. **<u>Election Deadline</u>**

means, with respect to a Plan Year:

(1) For a Non-Employee Director who is then a member of the Board, the December 20 (or if December 20 is not a Business Day, the last Business Day immediately preceding December 20) immediately preceding the first day of such Plan Year.

(2) For a Non-Employee Director who is first elected by shareholders to be a member of the Board after (or within thirty (30) days before) the Election Deadline described in Section 1.14(a) above with respect to a Plan Year, the date which is thirty (30) days after the date the Director first becomes eligible to participate in the Plan.

xv. **<u>Fair Market Value</u>**

means, on any date, the closing sales price of the Common Stock on any national securities exchange on which the Common Stock may from time to time be listed or traded or, in the absence of reported sales on such date, the closing sales price on the immediately preceding date on which sales were reported.

xvi. **<u>Financial Hardship</u>**

means a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant, the Participant's spouse, the Participant's Beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to subsections (b)(1), (b)(2), and (d) (1)(B) thereof), loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Financial Hardship will be determined by the Plan Administrator on the basis of the facts of each case, including information supplied by the Participant in accordance with uniform guidelines prescribed from time to time by the Plan Administrator; provided, the

Participant will be deemed not to have a Financial Hardship to the extent that such hardship is or may be relieved:

(1) Through reimbursement or compensation by insurance or otherwise;

(2) By liquidation of the Participant's assets, to the extent the liquidation of assets would not itself cause severe financial hardship; or

(3) By cessation of deferrals under the Plan.

Examples of what are not considered to be unforeseeable emergencies include the need to send a Participant's child to college or the desire to purchase a home.

xvii.<u>Investment Election</u>

means an election, made in such form as the Plan Administrator may direct, pursuant to which a Participant may elect to have amounts in such Participant's Directed Investment Account(s) deemed invested to the extent permitted under the terms of the Plan.

xviii.<u>Investment Funds</u>

means the investment funds selected from time to time by the Plan Administrator for purposes of determining the rate of return on amounts deemed invested with respect to Participants' Directed Investment Account(s).

xix.<u>Non-Employee Director</u>

means a member of the Board who is not an employee of the Company.

xx.<u>Participant</u>

means any person who has been admitted to, and has not been removed from, participation in the Plan pursuant to the provisions of Article II.

xxi.<u>Plan</u>

means the Graphic Packaging Holding Company Directors' Non-Qualified Deferred Compensation Plan, as contained herein and all amendments hereto.

xxii.<u>Plan Administrator</u>

means the Nominating and Corporate Governance Committee of the Board and any individual or committee the Board designates to act on the Nominating and Corporate Governance Committee's behalf with respect to any or all of the Nominating and Corporate Governance Committee's responsibilities hereunder.

xxiii.<u>Plan Year</u>

means the 12-consecutive-month period ending on December 31 of each year.

xxiv.__**Recordkeeper**__

means the third-party company or organization appointed by the Board to carry out certain administrative responsibilities under the Plan. To the extent that a company is not appointed as the Recordkeeper, the Board or such individual employee or employees of the Company as the Board may appoint will serve as Recordkeeper.

xxv.__**Separate from Service or Separation from Service**__

means, with respect to a Participant, that such Participant has separated from service, as defined under Code Section 409A and the guidance issued thereunder. Generally, a Participant separates from service if the Participant retires or otherwise has a termination of service from the Board (other than due to his death).

xxvi.__**Stock Compensation**__

means the total of a Non-Employee Director's annual compensation that would be payable to a Non-Employee Director in shares of Common Stock during a Plan Year absent a Deferral Election under this Plan.

xxvii.__**Stock Deferral Contributions**__

means, for each Plan Year, that portion of a Participant's Stock Compensation deferred under the Plan pursuant to Section 3.2(b).

xxviii.__**Stock Unit**__

means a unit credited to a Participant's Stock Unit Account representing the right to receive a share of Common Stock pursuant to the terms of the Plan.

xxix.__**Stock Unit Account**__

means a bookkeeping account established and maintained on behalf of a Participant which is denominated in Stock Units pursuant to Article III of the Plan.

xxx.__**Surviving Spouse**__

means, with respect to a Participant, the person who is treated as legally married to such Participant under the laws of the state in which the Participant resides. The determination of a Participant's Surviving Spouse will be made as of the date of such Participant's death.

xxxi.__**Trust or Trust Agreement**__

means the separate agreement or agreements between the Company and the Trustee governing the Trust Fund, and all amendments thereto.

xxxii.__**Trustee**__

means the party or parties so designated from time to time pursuant to the terms of the Trust Agreement.

xxxiii.Trust Fund

means the total amount of cash and other property held by the Trustee (or any nominee thereof) at any time under the Trust Agreement.

xxxiv.Valuation Date

means each business day of the Plan Year that the New York Stock Exchange is open.

ARTICLE II.

ELIGIBILITY AND PARTICIPATION

i.Annual Participation

. Each individual who is a Non-Employee Director as of the first day of a Plan Year and is a member of the Board before the beginning of such Plan Year shall be eligible to defer all or a portion of such individual's Cash Compensation and/or Stock Compensation and thereby to actively participate in the Plan for such Plan Year. Such individual's participation shall become effective as of the first day of such Plan Year, assuming such individual properly and timely completes the election procedures described below.

ii.Interim Plan Year Participation

. Each individual who becomes a Non-Employee Director during a Plan Year (and who has not been eligible to participate in the Plan during the immediately preceding 24 months) shall be immediately eligible to make a Deferral Election and thereby to participate actively in the Plan for the remainder of such Plan Year.

iii.Procedure for Admission

. Each Non-Employee Director shall elect to defer all or a portion of such individual's Cash Compensation and/or Stock Compensation and thereby become an active Participant for a Plan Year by delivering a completed Deferral Election by the Election Deadline. The Plan Administrator also may require the Director to complete other forms and provide other data, as a condition of participation in the Plan. Such forms and data may include, without limitation, the Eligible Director's acceptance of the terms and conditions of the Plan, an Investment Election, and the designation of a Beneficiary to receive any death benefits payable hereunder.

iv.Cessation of Eligibility

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(1) Cessation of Eligible Status

. An individual's active participation in the Plan shall terminate, and such individual shall not be eligible to make any additional Cash Deferral Contributions or Stock Deferral Contributions (i) for any portion of a Plan Year following the date such individual's service as a Non-Employee Director with the Company ceases, and (ii) for any subsequent Plan Year for which the individual does not complete the election procedures.

(2) Inactive Participant Status

. An individual whose active participation in the Plan ends will remain an inactive Participant in the Plan until the earlier of (i) the date the full amount of his Account(s) (if any) is distributed from the Plan, or (ii) the date he again becomes a Non-Employee Director and recommences active participation in the Plan. During the period of time that a Participant is an inactive Participant in the Plan, his Directed Investment Account(s) will continue to be credited with earnings and/or losses as provided for in Section 3.5.

ARTICLE III.

PARTICIPANTS' ACCOUNTS; DEFERRALS AND CREDITING

i.Participants' Accounts

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(1) Establishment of Accounts

. The Recordkeeper will establish and maintain (i) a Directed Investment Account and/or a Stock Unit Account on behalf of each Participant for each year for which the Participant makes Cash Deferral Contributions, and (ii) a Stock Unit Account on behalf of each Participant for each year for which the Participant makes Stock Deferral Contributions. The Recordkeeper shall credit each Participant's Account(s) with the Participant's Cash Deferral Contributions and/or Stock Deferral Contributions for such Plan Year (and any earnings attributable thereto, in the case of a Directed Investment Account) and will be debit the Participant's Account(s) by the amount of any distributions. Each Account of a Participant will be maintained until the value thereof has been distributed to or on behalf of such Participant or his Beneficiary. Accounts may be subdivided into separate subaccounts for each Plan Year.

(2) No Transfers Between Directed Investment Accounts and Stock Unit Accounts

. A Participant may not transfer any amount from a Directed Investment Account to a Stock Unit Account or from a Stock Unit Account to a Directed Investment Account.

(3) Nature of Contributions and Accounts

. The amounts credited to a Participant's Account(s) will be represented solely by bookkeeping entries. Except as provided in Article VII, no monies, shares or other assets will actually be set aside for such Participant, and all payments to a Participant or Beneficiary under the Plan will be made from the general assets of the Company.

(4) General Creditors

. Any assets which may be acquired by the Company in anticipation of its obligations under the Plan will be part of the general assets of the Company. The Company's obligation to pay benefits under the Plan constitutes a mere promise of the Company to pay such benefits, and a Participant or Beneficiary will be and remain no more than an unsecured, general creditor of the Company.

ii.Deferral Elections

. Each Non-Employee Director may irrevocably elect to have Cash Deferral Contributions and/or Stock Deferral Contributions made for a Plan Year by completing in a timely manner a Deferral Election (and an Investment Election, if applicable) and following other election procedures as provided in Section 2.3. Subject to any modifications, additions or exceptions that the Plan Administrator, in its sole discretion, deems necessary, appropriate or helpful, the following terms shall apply to such Deferral Elections:

(1) **Cash Compensation**

. A Participant may irrevocably elect to have Cash Deferral Contributions made for a Plan Year, and may direct that such Cash Deferral Contributions be credited to either the Participant's Directed Investment Account or to the Participant's Stock Unit Account. A Participant's Deferral Election shall specify the percentage of Cash Compensation for the Plan Year to be deferred, and the percentage so elected shall be withheld from each payment of Cash Compensation otherwise payable to the Participant during the Plan Year.

(2) **Stock Compensation**

. A Participant may irrevocably elect to have Stock Deferral Contributions made for a Plan Year, and such Stock Deferral Contributions shall be credited to the Participant's Stock Unit Account. A Participant's Deferral Election shall specify the percentage of Stock Compensation for the Plan Year to be deferred, and the percentage so elected shall be withheld from each payment of Stock Compensation otherwise payable to the Participant during the Plan Year. If a Participant elects to have Stock Deferral Contributions made for a Plan Year, the number of Stock Units to be credited to the Participant's Stock Unit Account shall be equal to the number of shares of Common Stock that would otherwise be payable to the Participant.

(3) **Effective Date of Deferral Elections**

. A Participant's Deferral Election for all or a portion of a Plan Year shall be effective beginning with the first Cash Compensation or Stock Compensation, as applicable, (i) in such Plan Year with respect to a Participant participating for the entire Plan Year, and (ii) with respect to compensation paid for services performed after the Deferral Election is made with respect to a Participant participating for a portion of a Plan Year. To be effective, a Participant's Deferral Election must be made by the Election Deadline. Any Participant who fails to deliver a Deferral Election, or to complete any of the other requisite election procedures, in a timely manner, shall be deemed to have elected not to participate in the Plan for that Plan Year.

(4) **Term**

. Each Participant's Deferral Election for a Plan Year shall remain in effect with respect to all Cash Compensation and/or Stock Compensation, as applicable, paid or payable during such Plan Year, but shall not apply to any subsequent Plan Year.

(5) **Irrevocability of Deferral Elections**

. Once made for a Plan Year, a Participant may not revoke a Deferral Election for such Plan Year. Notwithstanding the foregoing, the Plan Administrator shall cancel a Participant's Deferral Elections for the remainder of the Plan Year upon a withdrawal due to Financial Hardship under Section 5.8.

iii. **Crediting of Deferred Compensation**

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(1) <u>Cash Compensation Deferred into Directed Investment Account</u>

. The Recordkeeper shall credit to a Participant's Directed Investment Account for a Plan Year the amount of Cash Deferral Contributions designated on the Participant's Deferral Election that the Participant has elected to defer into his or her Directed Investment Account at approximately the same time the Cash Compensation would have been paid to the Participant if not subject to the Participant's Deferral Election.

(2) <u>Cash Compensation Deferred into Stock Unit Account</u>

. The Recordkeeper shall credit to a Participant's Stock Unit Account for a Plan Year a number of Stock Units having a value equal to the amount of Cash Deferral Contributions designated on the Participant's Deferral Election that the Participant has elected to defer into his or her Stock Unit Account at approximately the same time the Cash Compensation would have been paid to the Participant if not subject to the Participant's Deferral Election. The number of Stock Units to be credited to the Participant's Stock Unit Account shall be determined by dividing the dollar value of the Cash Deferral Contributions by the Fair Market Value of one share of Common Stock at approximately the same time the Cash Compensation would have been paid to the Participant if not subject to the Participant's Deferral Election (and rounding up or down to the nearest whole share in the discretion of the Plan Administrator).

(3) <u>Stock Compensation Deferred into Stock Unit Account</u>

. The Recordkeeper shall credit to a Participant's Stock Unit Account for a Plan Year a number of Stock Units reflecting the amount of Stock Deferral Contributions designated on the Participant's Deferral Election at approximately the same time the Stock Compensation would have been paid to the Participant if not subject to the Participant's Deferral Election. The number of Stock Units to be credited to the Participant's Stock Unit Account shall be equal to the number of shares of Common Stock that would have been paid to the Participant if not subject to the Participant's Deferral Election.

iv.<u>Debiting of Distributions</u>

. As of each Valuation Date, the Recordkeeper will debit each Participant's Account for any amount distributed from such Account since the immediately preceding Valuation Date.

v.<u>Crediting of Earning on Directed Investment Accounts</u>

. As of each Valuation Date, the Recordkeeper will credit or debit each Participant's Directed Investment Account with the amount of earnings and/or losses applicable thereto for the period since the immediately preceding Valuation Date. Such crediting or debiting of earnings and/or losses will be effected as of each Valuation Date, as follows:

(1) <u>Rate of Return</u>

. The Recordkeeper first will determine a rate of return for the period since the immediately preceding Valuation Date for each of the Investment Funds;

(2) Amount Invested

. The Recordkeeper next will determine the amount of (i) each Participant's Account that was deemed invested in each Investment Fund as of the immediately preceding Valuation Date; minus (ii) the amount of any distributions debited from the amount determined in clause (i) since the immediately preceding Valuation Date; and

(3) Determination of Amount

. The Recordkeeper will then apply the rate of return for each Investment Fund for such Valuation Date (as determined in subsection (a) hereof) to the amount of the Participant's Account deemed invested in such Investment Fund for such Valuation Date (as determined in subsection (b) hereof), and the total amount of earnings and/or losses resulting therefrom will be credited to such Participant's Account as of the applicable Valuation Date.

vi. Dividend Credits on Stock Units

. In the event dividends or other distributions are paid with respect to the Common Stock, the Recordkeeper will credit each Participant's Directed Investment Account with an amount equal to the dollar amount or fair market value that the Participant would have received had he or she been the owner on the record date for the payment of such dividends or distributions of a number of shares of Common Stock equal to the number of Stock Units then credited to the Participant's Stock Unit Account, and such amount will be deemed invested in and among the Investment Funds pursuant to the Participant's Investment Election.

vii. Equitable Adjustments to Stock Unit Accounts

. In the event of (i) a corporate event or transaction involving the Company that results in a change in the Common Stock, or an exchange of Common Stock for cash, securities other than Common Stock, or other property (including, without limitation, any merger, reorganization, recapitalization, combination or exchange of shares), or (ii) any transaction between the Company and the holders of Common Stock that causes the per-share value of the Common Stock to change (including, without limitation, any conversion of shares, share dividend, share split, spin-off, rights offering, or large non-ordinary cash dividend), the Board shall make such equitable adjustments to the Deferred Stock Units as it deems necessary, in its sole discretion, to prevent dilution or enlargement of rights immediately resulting from such transaction. Notwithstanding the preceding sentence and in any event, any adjustment shall comply with the requirements of Section 409A of the Code.

viii. Vesting

. A Participant will at all times be fully vested in his or her Accounts.

ix. Good Faith Valuation Binding

. In determining the value of the Accounts, the Recordkeeper will exercise its best judgment, and all such determinations of value (in the absence of bad faith) will be binding upon all Participants and their Beneficiaries.

x.<u>Errors and Omissions in Accounts</u>

. If an error or omission is discovered in the Account of a Participant or in the amount of a Participant's deferrals, the Plan Administrator, in its sole discretion, will cause the Recordkeeper to make appropriate, equitable adjustments as soon as administratively practicable following the discovery of such error or omission.

ARTICLE IV.

INVESTMENT FUNDS FOR DIRECTED INVESTMENT ACCOUNTS

i.**Available Investment Funds**

. Unless otherwise determined by the Plan Administrator, the Investment Funds used for purposes of determining the rate of return on amounts in Directed Investment Accounts deemed invested in accordance with the terms of the Plan shall be those investment funds then offered under the [GPI Savings Plan], excluding any employer stock fund and substituting commercially available funds for any common or collective trust fund. The Plan Administrator may change, add or remove Investment Funds on a prospective basis at any time(s) and in any manner it deems appropriate.

ii.**Participant Direction of Deemed Investments**

. Each Participant generally may direct the manner in which his Directed Investment Account(s) will be deemed invested in and among the Investment Funds; provided, such investment directions will be made in accordance with the following terms:

(1) Nature of Participant Direction

. The selection of Investment Funds by a Participant will be for the sole purpose of determining the rate of return to be credited to his Directed Investment Account(s), and will not be treated or interpreted in any manner whatsoever as a requirement or direction to actually invest assets in any Investment Fund or any other investment media. The Plan, as an unfunded, nonqualified deferred compensation plan, at no time will have any actual investment of assets relative to the benefits or Accounts hereunder.

(2) Investment of Contributions

. Each Participant may make an Investment Election prescribing the percentage of the future contributions that will be deemed invested in each Investment Fund. An initial Investment Election of a Participant will be made as of the date the Participant commences participation in the Plan and will apply to all contributions credited to such Participant's Directed Investment Account(s) after such date. Such Participant may make subsequent Investment Elections as of any Valuation Date, and each such election will apply to all such specified contributions credited to such Participant's Directed Investment Account(s) after the Recordkeeper has a reasonable opportunity to process such election pursuant to such procedures as the Plan Administrator and the Recordkeeper may determine from time to time. Any Investment Election made pursuant to this subsection (b) with respect to future contributions will remain effective until changed by the Participant.

(3) Investment of Existing Account Balances

. Each Participant may make an Investment Election prescribing the percentage of his existing Directed Investment Account(s) balance that will be deemed invested in each Investment Fund. Such Participant may make such Investment Elections as of any Valuation Date, and each such election will be effective after the Recordkeeper has a reasonable opportunity to process such election. Each such election will remain in effect until changed by such Participant.

(4) <u>Plan Administrator Discretion</u>

. The Plan Administrator will have complete discretion to adopt and revise procedures to be followed in making such Investment Elections. Such procedures may include, but are not limited to, the process of making elections, the permitted frequency of making elections, the incremental size of elections, the deadline for making elections, the effective date of such elections and whether and the extent to which to charge any Participant's Directed Investment Account(s) an administrative fee for making such Investment Elections. Any procedures adopted by the Plan Administrator that are inconsistent with the deadlines or procedures specified in this Section will supersede such provisions of this Section without the necessity of a Plan amendment.

(5) <u>Failure to Make Investment Fund Selection</u>

. To the extent that a Participant fails to make a proper, complete or timely Investment Fund selection, he will be deemed to have selected the money market fund option or such other default Investment Fund that the Plan Administrator may select from time to time.

ARTICLE V.

PAYMENT OF BENEFITS

i.Amount of Distribution

. Except as otherwise provided in this Article V, each Participant (or his Beneficiary, if he dies before distribution of his Account) will be entitled to receive at the time set forth in Section 5.3 and in the form set forth in Section 5.4 a distribution of his vested Account, as adjusted as set forth in Sections 3.3, 3.4, 3.5, 3.6 and 3.7, determined as of the Valuation Date on which such distribution is processed. For purposes of this Section, the "Valuation Date on which such distribution is processed" refers to the Valuation Date established for such purpose by administrative practice, even if actual payment is made or commenced at a later date due to delays in valuation, administration or any other procedure. Neither the Company nor any other person will be liable to a Participant or Beneficiary for interest or investment losses due to an administrative delay in the processing of any payment under the Plan.

ii.Methods of Distribution

. The benefit payable to a Participant under Section 5.1 with respect to a Directed Investment Account shall be distributed solely in the form of cash. The benefit payable to a Participant under Section 5.1 with respect to a Stock Unit Account shall be distributed solely in the form of shares of Common Stock issuable pursuant to the Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan or any successor equity compensation plan.

iii.Timing of Distribution

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(1) Default Timing

. Except as provided in subsection (b) hereof, and subject to the other terms of this Article V, the benefit payable to a Participant under Section 5.1 will be distributed within 60 days of the date of such Participant's Separation from Service.

(2) Election of Distribution Timing

. A Participant may elect, as described in this subsection (b), to have Plan benefits paid upon the earliest of the default payment timing provided in subsection (a) and one or more the following events:

(a) Specified Date. A Participant may elect, at the time he makes each Deferral Election, to have his benefit payable with respect to that election paid in any month and year specified in such election that is at least 3 years after the first day of the Plan Year with respect to which to the Deferral Election relates.

(b) **Change in Control**. A Participant may elect, at the time he makes each Deferral Election, to have his benefit payable with respect to that election paid as of the date that a Change in Control occurs.

iv.Form of Distribution

.

(1) **Single-Sum Payment**

. Except as provided in Section 5.5 or 5.6 or subsection (b) hereof, the benefit payable to a Participant under Section 5.1 will be distributed in the form of a single-sum payment in cash.

(2) **Annual Installments**

. At the time he makes an election under Section 5.3(b)(1) or 5.3(b)(2), a Participant may make an election in writing (or in any other format permitted by the Plan Administrator) to have his benefit payable with respect to that election paid in the form of 2 to 10 annual installment payments. Each annual installment shall be equal to the value of the Participant's Directed Investment Account(s) and/or a number of shares of Common Stock equal to the number of Stock Units held in the Participant's Stock Unit Account(s), in each case multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the number of installments remaining to be paid. For purposes of Section 409A of the Code, annual installment payments under this subsection shall be treated as a single payment and not as a series of separate payments.

v.Changing Time and/or Form of Distribution

. With respect to any scheduled payment under Section 5.3 or in accordance with this Section, a Participant may make an election to delay the payment from the originally scheduled payment date (the "Original Payment Date") to a later date (the "New Payment Date"); provided, any such election to delay payment will be effective only if (i) the Participant makes the election to delay payment at least 12 months before the Original Payment Date, and (ii) the Participant's New Payment Date is at least 5 years after the Original Payment Date. A Participant who makes an election to delay a payment pursuant to the preceding sentence may, at the time such election is made, also elect to have the benefit paid on the New Payment Date in a single-sum payment or 2 to 10 annual installment payments, without regard to the form in which the benefit was scheduled to be paid on the Original Payment Date. Subject to the requirements of this Section 5.4 and Code Section 409A, a Participant may make an election to delay a single payment date no more than twice.

vi.Death

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(1) **Before Scheduled Payment Date**

. Notwithstanding Sections 5.3, 5.4 and 5.5, if, with respect to any benefit payable to a Participant under Section 5.1, a Participant dies prior to date on which such payment is scheduled to be made or commence, such benefit will be paid to the Participant's Beneficiary in a single-sum payment in cash at any time through the last day of the year following the year in which the Participant's death occurs.

(2) **While Receiving Installment Payments**

. Notwithstanding Sections 5.3, 5.4 and 5.5, if a Participant has begun receiving annual installment payments and dies before all scheduled annual installment payments have been made, any remaining installment payments will be paid to the Participant's Beneficiary in a single-sum payment in cash at any time through the last day of the year following the year in which the Participant's death occurs.

vii.Cash-Out

. Notwithstanding anything in this Article V or a Participant's election to the contrary, if a Participant's total vested Account balance is less than $10,000 on the date of the Participant's Separation from Service, such Participant's Account will be distributed in a single lump-sum payment upon the date of Separation from Service.

viii.Hardship Distributions

. Upon receipt of an application for a hardship distribution and the Plan Administrator's decision, made in its sole discretion, that a Participant has suffered a Financial Hardship, such Participant will be entitled to receive a hardship distribution. Such distribution will be paid in a single-sum payment (provided that such Financial Hardship continues to exist on the date of the Plan Administrator's determination). The amount of such single-sum payment will be limited to the amount of the Participant's Account that the Plan Administrator determines is reasonably necessary to meet the Participant's requirements resulting from the Financial Hardship (which may include amounts necessary to pay any Federal, state, local, or foreign income taxes or penalties reasonably anticipated to result from the payment) taking into account any additional compensation that is available to the Participant pursuant to a cancellation of his existing Deferral Elections pursuant to Section 3.5.

ix.Permissible Acceleration or Delay of Payments

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(1) **Acceleration of Payments**

. Except as otherwise provided in this Section, no payment scheduled to be made under this Article V may be accelerated. Notwithstanding the foregoing, the Plan Administrator, in its sole discretion, may accelerate any payment scheduled to be made under this Article V in accordance with Code Section 409A (for example, upon certain terminations of the Plan (including, but not limited to, a termination of the Plan in connection with a Change in Control pursuant to Section 5.10), limited cash outs or to avoid certain conflicts of interest); provided, a Participant may not elect whether his scheduled payment will be accelerated pursuant to this sentence. All payments scheduled to be made under this Article V shall be made no later than the date required under Code Section 409A.

(2) **Delay of Payments**

. Except as otherwise provided in this Section, no payment scheduled to be made under this Article V may be delayed. Notwithstanding the foregoing, the Plan Administrator, in its sole discretion, may delay any payment scheduled to be made under this Article V in accordance with Code Section 409A in any of the following circumstances as long as the Plan Administrator treats all payments to similarly situated Participants on a reasonably consistent basis.

(a) The Plan Administrator may delay payment if it reasonably anticipates that the making of the payment will violate federal securities laws or other applicable laws provided payment is made at the earliest date on which the Plan Administrator reasonably anticipates that the making of the payment will not cause such violation.

(b) The Compensation and Benefits Committee reserves the right to amend the Plan to provide for a delay in payment upon such other events and conditions as the Secretary of the Treasury may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

x.Change in Control

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(1) **Discretionary Termination and Liquidation upon a Change in Control**

. The Compensation and Benefits Committee, in its sole discretion, may terminate and liquidate the Plan within the 30 days preceding or the 12 months following a Change in Control such that all Participants and Beneficiaries affected by the Change in Control shall receive all amounts deferred under the Plan within 12 months of the date of such termination; provided, such acceleration of payments will be made only if all agreements, methods, programs, and other arrangements sponsored by the Company immediately after the Change in Control with respect to which deferrals of compensation are treated as having been deferred under a single plan with the Plan under Treasury Regulation Section 1.409A-1(c)(2) are terminated and liquidated with respect to each participant that experienced the Change in Control, so that under the terms of the termination and liquidation all such participants are required to receive all amounts of compensation deferred under the terminated agreements, methods, programs, and other arrangements within 12 months of the date all necessary action to terminate and liquidate the agreements, methods, programs, and other arrangements are taken.

(2) **Other Accelerations Upon a Change in Control**

. Except as otherwise provided under a Participant's election under Section 5.3(b)(2) or upon the termination and liquidation of the Plan in the Compensation and Benefits Committee's sole discretion pursuant to subsection (a) hereof, distributions from a Participant's Account will not be made upon a Change in Control.

ARTICLE VI.

CLAIMS

i.Participant Rights

. If a Participant has any grievance, complaint or claim concerning any aspect of the operation or administration of the Plan, including but not limited to claims for benefits, (referred to herein as “claim” or “claims”) the Participant will submit the claim in accordance with the procedures set forth in this Article VI. All such claims must be submitted within the “applicable limitations period.” The “applicable limitations period” will be 1 year, beginning on (i) in the case of any payment, the date on which the payment was made, or (ii) for all other claims, the date on which the action complained of occurred. Additionally, upon denial of an appeal pursuant to Section 6.3 hereof, a Participant will have 1 year within which to bring suit for any grievance complaint or claim related to such denied appeal; any such suit initiated after such 1-year period will be precluded.

ii.Initial Claim

. Claims for benefits under the Plan may be filed with the Plan Administrator on forms or in such other written documents, as the Plan Administrator may prescribe. The Plan Administrator will furnish to the claimant written notice of the disposition of a claim within 90 days after the application therefor is filed; provided, if special circumstances require an extension of time for processing the claim, the Plan Administrator will furnish written notice of the extension to the claimant prior to the end of the initial 90-day period, and such extension will not exceed one additional, consecutive 90-day period, provided, if matters beyond the control of the Plan Administrator require an additional extension of time for processing the claim, the Plan Administrator will furnish written notice of the second extension to the claimant prior to the end of the initial 30-day extension period, and such extension will not exceed an additional, consecutive 30-day period). In the event the claim is denied, the notice of the disposition of the claim will provide the specific reasons for the denial, citations of the pertinent provisions of the Plan, and, where appropriate, an explanation as to how the claimant can perfect the claim and/or submit the claim for review.

iii.Appeal

. Any Participant or Beneficiary who has been denied a benefit will be entitled, upon request to the Plan Administrator, to appeal the denial of his claim. The claimant (or his duly authorized representative) may review pertinent documents related to the Plan in the Plan Administrator’s possession in order to prepare the appeal. The request for review, together with a written statement of the claimant’s position, must be filed with the Plan Administrator no later than 60 days after receipt of the written notification of denial of a claim provided for in Section 6.2. The Plan Administrator’s decision will be made within 60 days following the filing of the request for review and will be communicated in writing to the claimant; provided, if special circumstances require an extension of time for processing the appeal, the Plan Administrator will furnish written notice to the claimant prior to the end of the initial 60-day period, and such an extension will not exceed one additional 60-day period. If unfavorable, the notice of the decision will explain the reasons for denial and indicate the provisions of the Plan or other documents used to arrive at the decision.

iv.<u>**Satisfaction of Claims**</u>

. Any payment to a Participant or Beneficiary will to the extent thereof be in full satisfaction of all claims hereunder against the Plan Administrator, the Compensation and Benefits Committee, and the Company, any of whom may require such Participant or Beneficiary, as a condition to such payment, to execute a receipt and release therefor in such form as determined by the Plan Administrator, Compensation and Benefits Committee, or the Company. If receipt and release is required but the Participant or Beneficiary (as applicable) does not provide such receipt and release in a timely enough manner to permit a timely distribution in accordance with the general timing of distribution provisions in the Plan, such payment will be forfeited.

ARTICLE VII.

SOURCE OF FUNDS; TRUST

i.Source of Funds

. Except as provided in this Section and Section 7.2 (relating to the Trust), the Company will provide the benefits described in the Plan from its general assets. However, to the extent that funds in such Trust allocable to the benefits payable under the Plan are sufficient, the Trust assets may be used to pay benefits under the Plan. If such Trust assets are not sufficient to pay all benefits due under the Plan, then the Company will have the obligation, and the Participant or Beneficiary, who is due such benefits, will look to the Company to provide such benefits.

ii.Trust

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(1) Establishment

. To the extent determined by the Company, the Company will transfer to the Trustee the funds necessary to fund benefits accrued hereunder to the Trustee to be held and administered by the Trustee pursuant to the terms of the Trust Agreement. Except as otherwise provided in the Trust Agreement, each transfer into the Trust Fund will be irrevocable as long as the Company has any liability or obligations under the Plan to pay benefits, such that the Trust property is in no way subject to use by the Company; provided, it is the intent of the Company that the assets held by the Trust are and will remain at all times subject to the claims of the general creditors of the Company.

(2) Distributions

. Pursuant to the Trust Agreement, the Trustee will make payments to Plan Participants and Beneficiaries in accordance with a payment schedule provided by the Company. The Company will make provisions for the reporting and withholding of any federal, state or local taxes that may be required to be withheld with respect to the payment of benefits pursuant to the terms of the Plan and will pay amounts withheld to the appropriate taxing authorities or determine that such amounts have been reported, withheld and paid by the Company.

(3) Status of the Trust

. No Participant or Beneficiary will have any interest in the assets held by the Trust or in the general assets of the Company other than as a general, unsecured creditor. Accordingly, the Company will not grant a security interest in the assets held by the Trust in favor of the Participants, Beneficiaries or any creditor.

iii.Funding Prohibition under Certain Circumstances

. Notwithstanding anything in this Article VII to the contrary, no assets will be set aside to fund benefits under the Plan if such setting aside would be treated as a transfer of property under Code Section 83 pursuant to Code Section 409A(b).

ARTICLE VIII.

PLAN ADMINISTRATION

i.Rights and Duties of the Plan Administrator

. The Plan Administrator will administer the Plan and will have all powers necessary to enable it to properly to carry out its duties as set forth in the Plan, including (but not limited to) the following:

(1) To construe, interpret and administer the Plan;

(2) To the extent not delegated to the Recordkeeper, to make determinations required by the Plan, including, but not limited to, determinations of whether an individual is in a class of persons designated (either by the terms of the Plan or by the Compensation and Benefits Committee) as eligible to participate in the Plan, and to maintain records regarding Participants' and Beneficiaries' benefits hereunder;

(3) To the extent not delegated to the Recordkeeper, to compute and certify to the Company the amount and kinds of benefits payable to Participants and Beneficiaries, and to determine the time and manner in which such benefits are to be paid;

(4) To authorize all disbursements by the Company pursuant to the Plan or the Trust Agreement;

(5) To the extent not delegated to the Recordkeeper, to maintain all the necessary records of the administration of the Plan;

(6) To make and publish such rules for the regulation of the Plan as are not inconsistent with the terms hereof;

(7) To delegate to other individuals or entities, including, but not limited to, the Recordkeeper, from time to time the performance of any of its duties or responsibilities hereunder; and

(8) To hire agents, accountants, actuaries, consultants and legal counsel to assist in operating and administering the Plan.

The Plan Administrator will have the exclusive right to construe and interpret the Plan, to decide all questions of eligibility for benefits and to determine the amount of such benefits, and its decisions on such matters will be final and conclusive on all parties.

ii.Compensation, Indemnity and Liability

. The Plan Administrator and its members will serve as such without bond and without compensation for services hereunder. All expenses of the Plan Administrator will be paid by the Company. No member of the Plan Administrator will be liable for any act or omission of any other member of the Plan Administrator, or for any act or omission on his own part, excepting his own willful misconduct. The Company will indemnify and hold harmless the

Plan Administrator and each member thereof against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his membership on the committee, excepting only expenses and liabilities arising out of his own willful misconduct.

ARTICLE IX.

AMENDMENT AND TERMINATION

i. **Amendments**

. The provisions of the Plan may be amended at any time and from time to time by the Compensation and Benefits Committee or its authorized delegate (including, to the extent provided in the Charter, the Plan Administrator). An amendment to the Plan may modify its terms in any respect whatsoever; provided, no such action may reduce the amount already credited to a Participant's Account without the affected Participant's written consent. All Participants and Beneficiaries will be bound by such amendment.

ii. **Plan Freeze or Termination**

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(1) **Freezing Plan Benefits**

. The Compensation and Benefits Committee will have the right, in its sole discretion, to impose a permanent or temporary freezing of the Plan as of the end of any Plan Year, such that the Plan will remain in effect with respect to existing Account balances without permitting any new contributions in subsequent Plan Years.

(2) **Plan Termination**

. The Compensation and Benefits Committee expects to continue the Plan but reserves the right to discontinue and terminate the Plan at any time, for any reason, subject to the restrictions provided under Code Section 409A. Any action to terminate the Plan will be taken by the Compensation and Benefits Committee or its authorized delegate in the form of a written Plan amendment executed by a duly authorized officer of the Company. If the Plan is terminated, each Participant's Account will be distributed in a single-sum payment in cash as soon as practicable after the date the Plan is terminated. The amount of any such distribution will be determined as of the Valuation Date such termination distribution is to be processed. Such termination will be binding on all Participants and Beneficiaries. Notwithstanding the foregoing, the cancellations of Participants' Deferral Elections and distributions of Accounts will be made upon termination of the Plan (including any partial termination relating to a specified group of Participants) only to the extent permitted under Code Section 409A.

ARTICLE X.

MISCELLANEOUS

i.Beneficiary Designation

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(1) **General**

. Participants will designate and from time to time may re-designate their Beneficiaries in such form and manner as the Plan Administrator may determine.

(2) **No Designation or Designee Dead or Missing**

. In the event that:

(a) a Participant dies without designating a Beneficiary;

(b) the Beneficiary designated by a Participant is not surviving when a payment is to be made to such person under the Plan, and no contingent Beneficiary has been designated; or

(c) the Beneficiary designated by a Participant cannot be located by the Plan Administrator within a reasonable time before the latest date for payment to such Beneficiary pursuant to Article V;

then, in any of such events, the Beneficiary of such Participant with respect to any benefits that remain payable under the Plan will be the Participant's Surviving Spouse, if any, and if not, the estate of the Participant.

(3) **Forfeiture of Benefits by Certain Individuals**

. Notwithstanding anything to the contrary in the Plan, no payment of benefits will be made under any provision of the Plan to any individual with respect to whom such amount would otherwise be payable if, by virtue of such individual's involvement in the death of the Participant or Beneficiary, such individual's entitlement to any interest in assets of the deceased could be denied (whether or not there is in fact any such entitlement) under any applicable law, state or federal, including without limitation laws governing intestate succession, wills, jointly-owned property, bonds, and life insurance. For purposes of the Plan, any such individual will be deemed to have predeceased the Participant or Beneficiary, as applicable. To the extent consistent with Code Section 409A and the guidance issued thereunder, the Plan Administrator may withhold distribution of benefits otherwise payable under the Plan for such period of time as is necessary or appropriate under the circumstances to make a determination with regard to the application of this Section.

ii.Distribution pursuant to a Domestic Relations Order

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(1) Distribution Due to Domestic Relations Order

. Upon receipt of a valid domestic relations order requiring the distribution of all or a portion of a Participant's Account to an alternate payee, the Plan Administrator will cause the Company to pay a distribution to such alternate payee. The distribution will be completed as soon as administratively practicable after the Plan Administrator determines that the order meets the elements of a valid domestic relations order, as set forth in subsection (b) hereof, or if later, when the terms of the order have been modified to meet such elements. No distribution will be completed unless and until the order constitutes a valid domestic relations order.

(2) Requirements of a Domestic Relations Order

. For purposes of this Section, a court order will be considered a valid domestic relations order if it relates to the provision of child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent of a Participant, and is made pursuant to the domestic relations law of a state. The order should clearly identify the name of the Participant and the alternate payee, the Plan, and the amount or percentage of the Participant's Account to be paid to the alternate payee, or the manner in which such amount or percentage is to be determined. The order may not require payment of a type or form of benefit other than as provided in subsection (a) hereof, payment of increased benefits or benefits to which the Participant does not have a vested right, or payment of benefits required to be paid to another alternate payee under another order previously determined to be a valid domestic relations order.

(3) Domestic Relations Order Review Authority

. The Plan Administrator will have authority to review and determine whether a court order meets the conditions of this Section, and to issue and adopt procedures that may be helpful in administering this Section.

iii.Headings

. The headings of the various articles and sections in the Plan are solely for convenience and will not be relied upon in construing any provisions hereof. Any reference to a section refers to a section of the Plan unless specified otherwise.

iv.Gender and Number

. Use of any gender in the Plan will be deemed to include all genders when appropriate, and use of the singular number will be deemed to include the plural when appropriate, and vice versa in each instance.

v.Assignment of Benefits

. Except as provided in Section 10.2, the right of a Participant or his Beneficiary to receive payments under the Plan may not be anticipated, alienated, sold, assigned, transferred, pledged, encumbered, attached or garnished by creditors of such Participant or Beneficiary, except by will or by the laws of descent and distribution and then only to the extent permitted under the terms of the Plan.

vi.<u>Legally Incompetent</u>

. The Plan Administrator, in its sole discretion, may direct that payment to be made directly to an incompetent or disabled person, whether incompetent or disabled because of minority or mental or physical disability, or to the guardian of such person or to the person having legal custody of such person or to such other person as the Plan Administrator may otherwise determine, without further liability with respect to or in the amount of such payment either on the part of the Company or the Plan Administrator.

vii.<u>Governing Law</u>

. The Plan will be construed, administered and governed in all respects in accordance with applicable federal law (including the Employee Retirement Income Security Act of 1974, as amended) and, to the extent not preempted by federal law, in accordance with the laws of the State of Delaware. If any provisions of this instrument are held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof will continue to be fully effective.

viii.<u>Tax Effects</u>

. The Plan is intended to comply with Code Section 409A and the regulations and other guidance issued thereunder such that no Participant shall be subject to early taxation or penalties thereunder. The Plan will be interpreted consistent with this intent. However, notwithstanding anything in the Plan or any summary or information regarding the Plan to the contrary, each Participant shall be solely responsible for all taxes due with respect to his benefits under the Plan, including, but not limited to, any federal, state or local income tax, any employment tax and any tax penalties, specifically including, but not limited to, tax penalties imposed under Code Section 409A. The Company retains the full discretion to apply the tax laws as it deems appropriate from time to time and makes no representation or guaranty that benefits under the Plan will have any specific tax effect or receive any specific tax treatment.

The foregoing is hereby acknowledged as being the Graphic Packaging Holding Company Directors' Non-Qualified Deferred Compensation Plan, as adopted by the Board of Directors on ________, 2020, to be effective as of January 1, 2021.

GRAPHIC PACKAGING HOLDING COMPANY

By:______________

Name:____________

Title:____________

The Core of Our Success
Graphic Packaging Code of Conduct

CEO's Message

The greatest asset any company has is its people. Whether you work in a paper mill, converting plant, corporate or virtual office, warehouse, distribution facility, or sales office, you are the face of Graphic Packaging. Every decision you make and every action you take defines who we are as an organization. This Code of Conduct is designed to guide you to make the right decisions. The Code is your individual responsibility, and we also expect our business partners to uphold Graphic Packaging's high standards.

The Code defines acceptable and unacceptable behavior, along with the actions you should take to uphold it. Since the Code is based on our Core Values, which should be familiar to you as a Graphic Packaging employee, you are likely already following it in your daily routines.

The Code cannot cover every ethical situation that arises. We count on you to use good judgment and to proceed based on the information you have. You may think your everyday actions do not mean that much, but they do. Getting to your job on time, reporting misbehavior or conflicts of interest, telling a coworker the right thing to do, giving your best every day – all of these actions express commitment to our Core Values.

In doubt? Find out! Know the Code, and if you face an uncertain situation, reach out to the appropriate people in the Company to help you make the best decision. Let's do this together. It's the key to long-term success for each of us.

Thank you for your cooperation and for everything you do to make Graphic Packaging an admirable place to work.

Michael P. Doss
President and Chief Executive Officer
Graphic Packaging Holding Company

Our Core Values

Core Values are the cornerstone of our culture and guide us as we work together in achieving success.

INTEGRITY

Integrity means honesty, leading by example. Keeping promises, meeting commitments, and taking pride in what we do.

RESPECT

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

ACCOUNTABILITY

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

RELATIONSHIPS

We have an unwavering commitment to listen to and meet the needs of our customers and create innovative solutions that result in shared prosperity.

TEAMWORK

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

INTRODUCTION
Welcome to the Graphic Packaging Code of Conduct. It reflects our Core Values and is our guide to ethical conduct and behavior consistent with our culture, wherever we do business.

Purpose of Our Code
Our Code of Conduct outlines the principles, policies, and laws that guide our actions on the job. The Code applies to every employee, officer, and director of the Company and its subsidiaries. It shows us how to be responsible for ourselves and for each other. This makes us a stronger company and better able to deliver on our promises.

The Code also protects our personal integrity and safety at all times, because it gives us a way to respond to unethical actions. Report any activity or behavior that is illegal, unethical, or does not comply with our Code to your manager, Human Resources Representative, a Senior or Executive Vice President, Internal Audit, or the General Counsel. You may also report any concerns to the ***ALERTline***. To report a concern online, you may visit the following website, *gpibusinessconductALERTline.ethicspoint.com* or dial the toll-free number for your country listed on the Resources page in the back of this booklet **.** We expect your adherence to the Code.

Together We Follow the Code
Our Code of Conduct applies to every employee, officer, and director of Graphic Packaging and our subsidiaries worldwide. We expect you to follow it and to insist others follow it as well. In this way, the Code helps us work as a team. Our Code clarifies how you should:

- Act in accordance with the law and our policies
- Behave in a way that reflects positively on the Company
- Avoid any circumstance that may create a conflict, or appear to be a conflict, between your personal interests and those of the Company
- Speak up about ethical concerns with a manager, Human Resources Representative, our *Law Department*, or through the ***ALERTline***, without fear of retaliation or negative consequences

The Code cannot cover every situation that might arise. If you need help interpreting a policy or applying our Code, ask your manager, Human Resources Representative, a Senior or Executive Vice President, Internal Audit, or our *Law Department*.

We Follow the Law
We comply with all applicable laws. In some instances, the Company's policies may be stricter than the applicable law. In such cases, the Company's policies shall prevail. Any time laws, local business practices, or customs conflict with our Code, seek guidance from your supervisor or our *Law Department*.

Speaking Up About Misconduct
If you see, know, or hear about any potential violations of our Code, inappropriate or unsafe conduct, or behavior that is illegal, let us know. Even if you only suspect unethical behavior, we count on you to speak up. Talk to your manager, or Human Resources Representative, our *Law Department*, or Internal Audit, or our ***ALERTline***.

Investigations
We have procedures in place to promptly investigate every report, including those made anonymously. As we gather information, you are expected to cooperate in any investigations. We will keep any information you share as confidential as possible. Our Code is not meant to lay blame or unfairly accuse people. It is here to ensure we maintain our corporate integrity at all times. We expect all employees, managers, supervisors, and senior executives who know of illegal or unethical conduct or the appearance of illegal or unethical conduct to take corrective action and report it.

Anyone found in violation of our Code or who is dishonest during an investigation is subject to disciplinary action up to and including termination and/or legal action. We fully cooperate with law enforcement in cases involving theft, fraud, or other illegal activity.

Non-retaliation Policy

We do not tolerate retaliation against anyone who makes a good faith report. Good faith means that you are being truthful and fair. No one will prevent you from making a report, and you will not be disciplined or penalized in any way just for making a report. We honor you for standing up for what is right.

If you are the target of retaliation, report it to your manager, Human Resources Representative, or the ***ALERTline***. Any employee who retaliates against someone will be disciplined, up to and including dismissal.

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making a good faith report means you honestly believe that an action is inappropriate, illegal, or violates our Code.

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. There is someone in the Company who routinely violates our Code, and everyone knows it – even my boss. If no one is saying anything, I shouldn't either, right?

A. Wrong. You have a responsibility to speak up when you see or suspect a violation.

Responsibilities of Managers
When you manage others, you have unique responsibilities. You are a leader, and others look to you as a role model. We expect you to set a good example by demonstrating our Core Values in word and deed every day by:

- Upholding the highest standards of professional conduct
- Acting in the best interests of the Company as a whole
- Making workplace safety and health a priority
- Promoting a sense of pride in the work of every employee
- Helping employees achieve their full potential at work
- Ensuring employees accurately and honestly record their work hours
- Encouraging employees to follow the Code and report violations without fear of reprisal

We look to you to create an atmosphere where employees enjoy coming to work, are safe and productive, and know they are appreciated. Make sure your door is always open to hear concerns and carefully consider any suggestions you are given for improvements in how we do business. Managers are required to promptly report any and all inappropriate or illegal conduct or Code violations to Human Resources, Internal Audit or the Law Department.

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. A rumor is going around about a manager who is stealing money from the Company. I don't know the manager, but I have heard his name mentioned. If I report it and the rumor is false, will I get in trouble?

A. No. A report that you make honestly is considered in good faith. Since this is a potentially serious matter, you are right to speak up.

Waivers
We realize that the Code will not cover every possible circumstance, so our Company may modify the Code, as necessary. Any waivers or exceptions of the Code for any Executive Officer or Director can only be made by the Board of Directors. In the rare situation that a waiver is approved, we will quickly and properly disclose it where required by law.

[WILL APPEAR IN SHADED BOX OR MARGIN]
We cannot list every possible unethical situation you may encounter on the job. Use your best judgment.

Know Our Policies
Policy Handbook
Resources
Speak up

WE ACT WITH INTEGRITY
Integrity means honesty, leading by example. Keeping promises, meeting commitments, and taking pride in what we do.

Maintaining Accurate Records
We are a public company subject to certain reporting and documentation requirements. Guided by our stringent internal accounting controls, we record all payments, fund transfers, assets, and financial activities completely, honestly, and accurately. We safeguard all books, records, accounts, and financial statements and store and retain them in accordance with our policies and the law.

In general. You are required to do the following if your duties involve accounting procedures:

- Obtain proper authorization for completing certain transactions
- Report and correct errors, immediately
- Refrain from maintaining “off the books” funds or assets unless permitted by law
- Maintain, store, and dispose of records according to applicable data retention policies
- Respond to internal inquiries about our financial records, promptly

Our Company must follow strict guidelines regarding public communications and reporting of financial information.

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. Can I use my Company credit card for personal expenses as long as I report it and reimburse the Company later?

A. No. This is an unauthorized use and violates our strict accounting controls.

Insider Trading
All employees and directors of the Company must abide by applicable insider trading laws. In addition, any purchase or sale of Company stock, bonds, or other securities must comply with our policy.

Material, Nonpublic Information
As an employee, you may have access to material, nonpublic (or “inside”) information about our Company, such as information about:

- New product introductions
- Sales transactions
- Product developments
- Impending litigation
- Stock splits
- Mergers or acquisitions
- Leadership changes
- Financial results and forecasts

Never use material, nonpublic information as the basis of a trade in Company securities, or those of our suppliers, business partners, or customers. It is against the law to buy or sell securities of any type based on such information and is called "insider trading." It is also against the law to use such information to influence others to buy or sell securities. This is called "tipping." If you think material, nonpublic information is being used improperly or in violation of our policy or the law, report it.

As a Graphic Packaging employee, we may ask you to provide information at times to help us file certain documents as required by law. You have a responsibility to cooperate with such requests and to respond with accurate information.

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. I just heard that we are negotiating the purchase of one of our competitors, which could increase our market share. Can I buy GPI stock now so that I can realize a gain when this transaction becomes public?

A. No. This is considered material, nonpublic information. If you buy stock or tell someone else to purchase stock based on this information, you would be breaking insider trading laws. Keep the news to yourself, and do not trade in GPI stock until it is publicized.

Know Our Policies
Policy on Trading in Securities

Anti-bribery
We prohibit bribery in any form. A bribe is an offer of a gift, service, or money made to retain business or obtain an improper advantage. Most countries in which we do business have anti-bribery laws in place. Do not offer payments, promises, or anything of value, directly or indirectly, to any individual, company, organization, or government agency as an inducement to do business with us. Do not solicit or accept bribes or allow others to bribe on our behalf.

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. A sales representative promised to give me a portion of his commission if GPI signs a contract to purchase supplies from his company. What should I do?

A. This is a bribe. Refuse to do business with that supplier.

Know Our Policies
Anti-bribery and Anti-corruption Policy

Anti-money Laundering
We do not tolerate money laundering. Money laundering is an effort to make it appear that money derived from an illegal activity is from a legal source. Masking a source of funds obtained unlawfully is a criminal act. Make sure customers are reliable and transactions are conducted with legitimate sources of funds. Be on the lookout for suspicious or irregular banking activities, such as payments coming from an unknown third party on a customer's behalf.

WE RESPECT EACH OTHER

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

Playing It Safe at Work

Workplace safety is a top priority for us. Our employees are our greatest assets and should be protected. We have an excellent safety record because we comply with applicable health, safety, and environmental protection laws. A safe and healthy workplace helps reduce injuries and illness and increases productivity.

Health and safety. Follow safe handling and operating procedures when using equipment and materials required for your job. If you observe an unsafe condition, potential hazard, or dangerous practice, address it with your coworker or supervisor, as applicable, or, if you are not comfortable doing so, report it to your local health, safety, and environmental representative or the Company's ***ALERTline***. This includes safety issues concerning our suppliers, customers, and business partners, too.

Safety absolutes. Keep fully informed of current safety requirements and comply with them. Observe our zero-tolerance policy for the following "safety absolutes":

- Neglecting to lockout equipment in violation of lockout/tagout procedures
- Neglecting to follow fall protection procedures
- Neglecting to follow confined space permit procedures when entering a defined confined space
- Bypassing, removing, or disabling a safety device
- Reaching into moving equipment in violation of safe operating procedures
- Operating a powered industrial vehicle in a reckless or threatening manner
- Placing yourself or another employee in serious danger

Know Our Policies
Health and Safety Policy

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. The other day, the tail of a carton jammed my machine. I was able to pull it out quickly without having to stop the machine or use the lockout/tagout procedures. No one saw me, and I was not injured. If no one mentions it, everything is okay, isn't it?

A. No! Your safety and that of your coworkers is our primary concern. Under no circumstances should you reach into a moving machine in violation of lockout/tagout and other safety policies. Doing so violates the safety absolutes, even if no injury occurs, and may result in discipline, up to and including termination. If you see anyone bypassing a guard or lockout/tagout procedures to reach into a machine, you must immediately report it to a supervisor or manager.

Drugs and Alcohol
The misuse and abuse of drugs and alcohol can impair judgment, create health risks, and endanger yourself and others. While at work or conducting Company business, do not use, sell, or distribute illegal substances. You must:

- Use prescription medications responsibly and report any usage of prescriptions that may impair your ability to perform your job duties to your supervisor
- Comply with all laws that apply to alcohol and drug use
- Consume alcohol in moderation when served at Company events

If you or a coworker has a drug or alcohol problem, report it. Treatment may be available through our Employee Assistance Program and other applicable local programs. Please consult your local Human Resources Representative for more information.

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. My manager just went through a divorce, and it hit him hard. Sometimes he comes to work late and seems to slur his words and forgets things that I tell him. I think he may be developing a drinking problem and could even be coming to work under the influence. Should I just wait and see if he gets over this?

A. No! You are right to be concerned. Consuming alcohol in excess, even while not at work, may interfere with job performance and could lead to other harmful consequences. Speak up and report this behavior to someone of higher managerial authority or through the Company's ***ALERTline***.

Workplace Violence
Our words and actions should not present a danger to anyone. We strictly prohibit workplace violence, threats, and other behaviors that disrupt the workplace or put employees at risk. Such behaviors include:

- Physical acts of violence against a person or their property
- Verbal or written threats, vicious statements, or hostile or threatening images
- Possession of a firearm or other weapon in violation of our policies
- Jokes or comments about violent events

Firearm possession. Except as otherwise provided by relevant, applicable law, we prohibit firearms, ammunition, explosives, weapons, and dangerous instrumentalities of any kind (with the exception of Company-issued tools, such as safety knives) on property that is leased, controlled, or owned by the Company (including in working areas, in buildings, or on an employee's person while he or she is performing work), and in Company vehicles at any time. You may be subject to a search of personal belongings and a criminal background check to the extent allowed by applicable law.

Know Our Policies
Workplace Violence Policy

Celebrating Workplace Diversity
One of the values that is core to our very existence is respect, not only for our fellow workers, but for everyone we encounter. We honor diverse opinions and treat each other with dignity – regardless of position, skin color, location, or personal beliefs. We work together to improve our culture by demonstrating an understanding and appreciation for the diversity and differences that make Graphic Packaging a great place to work. We are all accountable for creating a working environment where everyone feels safe, included, and valued; and we do not tolerate behavior that is inconsistent with our policies prohibiting discrimination and harassment.

Equal Employment Opportunity
Our hiring, training, compensation, and other employment practices are free from discrimination. 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. We make every effort to provide reasonable accommodations for those with disabilities, and we do not tolerate human trafficking or modern slavery in our business or our supply chain.

Anti-harassment
We want to ensure that everyone feels safe and respected at work. That is why we have a zero-tolerance policy for workplace harassment. It violates our Core Values, our Code, and may be unlawful. We do not allow bullying, intimidation, or any conduct that may be considered or lead to harassment or creates a hostile work environment for anyone. This applies to job applicants, employees, suppliers, contractors, visitors, and business partners. Harassment can take many forms, for instance:
How to stay alert for sexual harassment:

Keep in mind that sexual harassment comes in many forms, including:
Quid pro quo requests, suggestions, or arrangements
Any sexual conduct or communication considered unwelcome or offensive
Further, like all forms of harassment, it:
Can happen between members of the same or opposite sex
Can be verbal or non-verbal, physical, or visual
Can take place via email, via text, or on social media
Can happen between suppliers, customers, or employees
Can happen at work or at work-related events

- Sexual harassment, such as:
  - Sexual advances or requests for sexual favors
  - Unwanted touching
  - Lewd jokes
  - Displaying sexually explicit objects or images
  - Continuing to make sexual advances after being told “no”
- Bullying, such as verbal threats, epithets, profanity, or slurs
- Hostile or threatening communications toward an individual or group
- Derogatory images, photos, drawings, posters, or gestures
- Retaliation or threats of retaliation for reporting incidents of harassment

To do your part, make sure you are treating everyone with dignity and respect and keeping in mind that it is the impact of your actions that matters. In other words, saying “That’s not what I meant” will not make bad behavior okay.

Also, get involved. If you see or experience disrespectful or inappropriate behavior, do not ignore it. If it feels safe to do so, tell the person to stop. However, if you are uncomfortable approaching the person directly, talk to your manager, Human Resources Representative, Regional Human Resources Director or the Executive Vice President, Human Resources right away.

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. A couple of my coworkers tell crude jokes during the day. It’s all in good fun, and it doesn’t bother me; but I wonder if it bothers anyone else. What should I do?

A. Let your coworkers know their behavior is inappropriate at work. You can also refer them to our Code and any local policies prohibiting harassment. If their behavior continues, report the conduct to your manager, Human Resources Representative, or the *Executive Vice President, Human Resources*.

Q. I met with a coworker in his office and he had a quote framed on his desk that seemed sexually suggestive. It was probably meant to be funny, but I found it offensive. He’s otherwise a very respectful person … am I just being too sensitive?

A. No, if you find it offensive, chances are others do, too. Encourage him to remove the quote. If he refuses, report the conduct to your manager, Human Resources Representative, or the *Executive Vice President, Human Resources*.

Know Our Policies
Equal Employment Opportunity Policy
Anti-harassment Policy
Human Rights Policy

Volunteering

We are committed to being good corporate citizens and honoring volunteer activities that improve the quality of life for others.

Your volunteer time should not interfere with your work schedule. We support your involvement in Company-sponsored volunteer activities, but you should never feel pressured to participate.

Sustaining the Planet
Sustainability is a fundamental principle that impacts every part of our business. That's why we are committed to **What about business partners?**

We source products and materials responsibly. This means that we consider a business partner's impact on the environment before agreeing to work with them.

conserving natural resources, preventing pollution, and creating innovative packaging that uses renewable and recyclable materials with renewable energy to sustain our world.

We also keep in mind that sustainability does not work as a top-down edict. It requires commitment and participation from the ground up, both in our Company and in the community.

Help and contribute by always looking for ways to:
- Improve operations – for example, by saving energy and water
- Minimize our environmental footprint – for example, by recycling and reusing materials whenever possible
- Dispose of hazardous material properly – for example, by following proper procedures and protocols
- Come up with creative solutions – for example, by creating products that serve our customers while protecting the planet

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. A nearby school wants to start a recycling program. Can I offer the Company's support in any way?

A. It depends. Our dedication to protecting our environment starts with participation in these kinds of grassroots efforts. We may be able to assist with environment education, too, but discuss this opportunity with your manager or a supervisor and obtain approval before proceeding.

Q. One of our storage containers is always leaking, and I am concerned that the leaking fluids could harm the environment. What should I do?

A. Report this incident to your manager right away. By speaking up, you can make sure that the issue is addressed and any potential harm to the environment is removed. We appreciate our employees joining us in our efforts.

[Icon]
Know Our Policies
Sustainability Statement

WE ARE PERSONALLY ACCOUNTABLE
Each individual is personally responsible for doing their job to the best of their abilities and delivering on results. We never quit in meeting our commitments to shareholders, customers, and employees.

Protecting Your Privacy
What is "personal information" and how do I protect it?

Personal information is *any* information that can reasonably be linked to a person, including:
Names
Personal identification numbers
Birthdays
Protect personal information by:
Following all records management policies and data privacy laws
Never sharing it with anyone who does not have a business need to know it
Being mindful of where and how you discuss it
Practicing good cybersecurity
We collect and store personal data related to your employment in accordance with applicable data protection laws and regulations. This may include personal identifiers, such as dates of birth and social security numbers as well as compensation, medical, and benefit data. We do not release personal information from your personnel file, except to verify employment or for legitimate business or legal reasons.

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. I overheard a coworker discussing our Company health insurance benefits with someone over the phone. Does this violate our Code?

A. No. General information about our health insurance plan is not considered private.

Q. I received an email from an unknown sender. I am up to date on anti-virus protection. Would it be okay to click the link in the email to find out more?

A. No. No matter how strong our systematic defenses are, we must still be wary of attachments and links. Even anti-virus protection cannot protect us from certain online attacks targeted to steal our personal information. Before clicking anything, contact our Information Technology Department and tell them what you've found.

[Icon]
Know Our Policies
Data Privacy Policy
California Consumer Privacy Act Applicant and Employee Privacy Notice

Protecting Confidential Information
We may work with confidential, nonpublic information about our Company, suppliers, business partners, or competitors during the course of doing business. We comply with all laws regarding sharing public information and do not disclose information that could harm business performance, such as marketing plans, sales figures, customer and supplier lists, new products, and financial data.

In general. Do not share or discuss confidential information with anyone unless it is for the purpose of performing your job or the person has been authorized to have the information to fulfill a business need. Keep all such information secure.

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. A close friend works for an advertising agency. When we talk about work, she often asks me to share what I know about our marketing plans.

A. Tell your friend that such information is confidential, and you are not allowed to discuss our marketing plans or strategies with anyone outside the Company.

Safeguarding Company Assets

Physical Property
We use buildings, vehicles, equipment, machinery, supplies, and other physical assets for conducting Company business. Do not take them without authorization or use them improperly or in a wasteful, careless, or unsafe manner. "Borrowing" tools without permission or taking "scrap" from sites is considered theft of Company property. Please consult your supervisor before removing any Company property from a facility. Help us protect our Company assets by reporting damage, theft, or disrepair to your supervisor or manager. Your commitment helps us remain productive and safe at work.

Information Technology
We provide information technology (IT) tools to help you do your job. This includes electronic devices and access to the internet, intranet, email, and our IT Enterprise Systems. Follow our IT usage policies to ensure the privacy and security of all electronic communications.

How to help safeguard our Systems:

Practice good cybersecurity to avoid phishing, malware, ransomware, and other forms of cyberattacks. Always remember to:
Avoid pop-ups and unknown emails and links
Use strong password protection and authentication
Connect to secure Wi-Fi
Stay current on security software updates
Take all required trainings
In general. Everything you send, receive, write, download, store, or transmit on our Systems is Company property and may be reviewed by Graphic Packaging. We have an obligation to monitor our Systems and devices (such as computers and cellphones) for certain content because it helps to protect our customers and employees. With that in mind, only use our IT Enterprise Systems to conduct Company business. Respect copyright and trademark laws and the privacy of the Company and your coworkers at all times. Never use the Company internet to:

- Disclose nonpublic or material information that could violate insider trading laws
- Disclose confidential information such as proprietary or trade secrets, nonpublic information concerning business partners, vendors, or customers, or attorney-client privileged information
- Post anything that is harassing, intimidating, malicious, or that could contribute to a hostile work environment on the basis of race, sex, disability, religion, or any other characteristic protected by applicable law or Company policy

You may connect personal devices to our network with prior approval as long as you meet security standards.

[WILL APPEAR IN SHADED BOX OR MARGIN]
If you leave the Company, you must return all documents, files, and reports created or used while you worked for us.

System accounts. We protect our Systems and are careful not to download non-business software or other information that could introduce viruses into our Systems. Change your passwords regularly to maintain the security of our accounts and never share your passwords with others.

Email, messaging, file storage, and using social media. Our emails and electronic messages are reserved for business purposes during working time. We use our email systems and social media in a way that reflects our Core Values. Social media includes anything we post online -- at websites such as Facebook, Instagram, LinkedIn, Twitter -- and on message boards, blogs, chat rooms, and more.

Social media sites are public and can be viewed by anyone. Identify any posts you make about Graphic Packaging as coming from you personally. Before you post on social media, be sure you know what is permissible and what is not. For example:

- Never post information about our customers or confidential information about our Company
- Always disclose your connection to Graphic Packaging if you comment on any of our products or services
- Remember our zero-tolerance policy on harassment and discrimination when posting content

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. One of my colleagues is a Facebook friend. He posted a link to his blog where he mentioned a business deal with one of our vendors. Is this a problem?

A. Yes. Vendor business information is confidential. Posting it on a blog violates our Code and may put us at risk. Tell your colleague to delete the post and refer him to our policies so he blogs more responsibly.

Q. I saw a complaint on a social media post about one of our products. I know that it could be resolved with a quick response. Would it be okay if I write back?

A. No. We want to make sure all our messaging is consistent, so it's best to report what you found to Corporate Communications. They will then make sure the response is accurate and that it reflects the brand voice of Graphic Packaging.

Security. We respect Company security systems. Do not use remote control software or externally hosted remote management services to access non-approved personal computer devices over our IT Enterprise Systems.

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. While traveling for work, I called a coworker at the office to ask her to get into my email account and read an important message from a supplier. Was it okay to give her my password?

A. No. Sharing passwords with coworkers could compromise the security of your account and our IT Enterprise Systems. Next time call your manager or supervisor.

Q. One of my coworkers sells a lot of stuff on eBay. At the top of her eBay page, she put a large image of our Company logo with the Company name, so it appears her eBay business is sponsored by us. Should I tell my supervisor?

A. Yes. While reproduction of our logo is allowed in some circumstances, we do not allow use of our logo or trademarks to represent an employee's outside commercial venture.

Work Product
We protect proprietary Company information such as patents, trade secrets, trademarks, and copyrights. Do not share this information with anyone either inside or outside of work unless it is for a legitimate

business reason. We also retain legal ownership of your work product such as machine, carton, or graphic designs; written and electronic documents; audio and video recordings; system code; and any concept or idea developed for the Company.

Political Contributions
We applaud participation in the political process, but your personal political activity should take place on your own time, using your own resources. Do not participate in political activity, solicit support for political candidates, or raise money for political campaigns or parties during working time or while conducting Company business, unless you have approval from the CEO. The Company's Political Action Committee may host or sponsor activities; and, if eligible, you may be asked for support, but you should never feel pressured to participate.

Theft of Company Property
We each have a stake in our Company's success, so it is up to all of us to protect our Company's assets. That is why we work with honesty and integrity and never tolerate employee theft or stealing of any kind. We use Company assets in the way they are intended to be used, and never borrow, lend, sell, take, or give anything away without receiving proper authorization first.

We also look out for signs of theft, like missing supplies and discrepancies of cash amounts, and speak up whenever we suspect something is not right. In doing so, we keep in mind that employee theft goes beyond taking home pens and paper. It covers a wide range of assets, including:

- Money – for example, pocketing loose bills and misusing Company credit cards
- Time – for example, falsifying timesheets to receive pay for time not worked
- Supplies – for example, taking home Company tools, computers, and scrap materials
- Products – for example, theft of Company products or materials used to create our products
- Information – for example, stealing or sharing our product designs or trade secrets

If you see or suspect misconduct of any kind, report it right away. Doing so protects Graphic Packaging's bottom line, allowing us to continue protecting our customers, clients, and each other.

WE BUILD POSITIVE RELATIONSHIPS AND WE WORK TOGETHER AS A TEAM
We depend on each other for our success. Our attitudes are positive, our communications are open and direct, and our actions consider the needs of others. We use our differences to explore new ideas, increase our understanding, and win together by combining our strengths.

Working With Customers and Suppliers
We will work with our customers and suppliers in a manner that reflects a strong sensitivity and concern for social responsibility and ethical dealings, and will maintain our solid reputation for honesty and fairness in all transactions. Each of us shares an obligation to protect and strengthen our good reputation in all of our relationships with customers and suppliers. Deal fairly with them, as well as with our competitors and employees. Do not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

For example …

- Do not offer a bribe, payoff, kickback, or other payment for any improper or illegal purpose on our behalf, directly or indirectly, regardless of motive, to or for the benefit of any customer, supplier, developer, or any of their employees.

- You may extend social amenities, reasonable entertainment, and other courtesies consistent with our policies to customers, suppliers, or their employees. Expensive gifts or lavish entertainment may not be offered or furnished to any customer, supplier, or their employees.

- You must seek the best terms available when purchasing goods or services for us and document the purpose and actual amount of the payment.

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. A colleague added a surcharge to a customer's invoice. When I questioned it, she said the customer won't know the difference. What should I do?

A. Report it to your manager, Human Resources Representative, a Senior or Executive Vice President, or the Company's General Counsel. Padding a bill is unethical and could be illegal, and it violates our Code.

Know Our Policies
Anti-bribery and Anti-corruption Policy

Imports/Exports and Anti-boycott
We abide by all applicable import and export laws and any restrictions and regulations. This includes product safety requirements, anti-terrorism rulings, and regulations requiring the collection of duties and taxes. We do not conduct business with countries or persons prohibited by U.S. law or the laws of any other country in which we do business. Some countries have trade restrictions that are prohibited in the U.S. and other countries in which we have facilities, or boycotts against countries that are friendly to the U.S. and other countries in which we have facilities. In these circumstances, we comply with any relevant, applicable anti-boycott laws. Report any request you receive to transact business with a country or company that appears to violate or calls into question anti-boycott laws.

Antitrust and Competition
We believe in the free market system and fully comply with antitrust and competition laws. We don't enter into any agreements with competitors, customers, or suppliers that restrict competition. Do not discuss with our competitors any topics related to costs, inventories, pricing policies, products, product development, promotion, marketing, sales activities and goals, market studies, or other proprietary or confidential information about a competing product or territory or market activity. This could be seen as a violation of antitrust laws. If you are asked to engage in such discussions, report it to the *Law Department*.

[WILL APPEAR IN SHADED BOX OR MARGIN]
Never get involved in any discussion that may be interpreted as interfering with free and fair competition.

Distributing Literature
Do not distribute literature, solicit support, or request donations or memberships for community, political, or religious causes while you are on the job. Non-Company employees may do so only as part of an authorized charitable or community activity supported or sponsored by us. You should never feel pressured to participate in or donate to such activities.

Conflicts of Interest
We are a dynamic group with interests, activities, and relationships outside of Graphic Packaging, and we make sure our outside pursuits never interfere with the work we do or the decisions we make on behalf of our Company. We avoid "conflicts of interest" – and the appearance of such – and disclose any activity that could suggest something improper.
[DECISION TREE]
Ask Yourself:
Would this situation interfere with my job responsibilities?

Would it affect the decisions I make on behalf of Graphic Packaging?
Could this look like a conflict to someone else?

If the answer to any of these is "yes" or "I'm not sure," there may be a potential conflict, and you should seek help before proceeding.

Recognizing Conflicts
A conflict of interest can happen when your personal interests – or the interests of a family member – interfere – or even appear to interfere – with the interests of Graphic Packaging. The best way to avoid a conflict of interest is to know how to recognize when one can occur. It is not possible to list every scenario, but look out for:

Working relationships:
- Supervising or making employment-related decisions for a relative or romantic partner
- Having a relative who works for one of our suppliers or customers
- Hiring a relative of any employee unless approved by the Executive Vice President, Human Resources

[WILL APPEAR IN SHADED BOX OR MARGIN]
Contact your Human Resources Representative if you have a question about working with, supervising, or hiring a relative.

Outside employment:
- Accepting any job that would conflict with your responsibilities at Graphic Packaging, interfere with your performance, or harm our reputation
- Working for or providing advice to a competitor or supplier
- Sharing information with outside organizations about Graphic Packaging, our customers, or suppliers
- Serving as a manager, consultant, or director to a customer, supplier, competitor, or investment organization, without approval from the *Law Department*

Gifts:
- Offering or accepting anything that unfairly influences a business decision, makes you feel uncomfortable, or creates a sense of obligation
- Offering or accepting anything lavish, expensive, frequent, or non-customary
- Offering anything of value to a government official or to retain business

[WILL APPEAR IN SHADED BOX OR MARGIN]
Never offer favors or gifts to government officials.

Financial opportunities:
- Representing us in a transaction with another organization in which you or a relative has a material interest without advance approval from our CEO
- Having a material interest in a customer, supplier, or competitor
- Accepting a loan from any person or entity that does or seeks to do business with us (aside from recognized financial institutions at market interest rates)

Corporate opportunities:
- Using your role at Graphic Packaging or Company information, resources, or property for your own personal benefit or the benefit of friends or relatives
- Reselling Graphic Packaging merchandise

Disclosure

If you suspect you may have a conflict, be honest and transparent by discussing the situation with your manager immediately. Discovering that you have a potential conflict of interest is usually not a violation of our Code but continuing to work without disclosing it is a violation. Many conflicts can be avoided or mitigated if they are promptly disclosed.

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. A supplier gave my supervisor a few tickets to see a local sports team. My supervisor disclosed the gift to the head of my division, who approved of them. Was that okay?

A. Yes. Accepting gifts of nominal value from suppliers is acceptable, and since the head of the division approved of the gift, it is okay.

Q. For years, my father owned a business that supplied some raw materials to the Company. He sold the business when he retired but may retain some interest in it. Should I tell someone?

A. Yes. You must let us know if you or a family member has at least a 5% interest in a business that competes with us, sells goods to us, or buys from us. Report it to our *Law Department* to make sure.

Know Our Policies
Anti-bribery and Anti-corruption Policy
Disclosure Policy
Policy Regarding Related Party Transactions
Disclosure Policy

Honoring Human and Workplace Rights
We prohibit the hiring of individuals who are under 18 years of age for positions that would expose them to hazardous work or materials. The Company also prohibits the use of all forms of forced labor, including slave and prison labor, and any form of human trafficking.

In addition, as described in our Policy Statement on Conflict Minerals, our goal is to use only those products that do not finance or benefit armed groups in the Democratic Republic of Congo and nine adjoining countries. We expect our suppliers to cooperate in providing information to confirm that the conflict minerals in our supply chain are “conflict free.”

[WILL APPEAR IN SHADED BOX OR MARGIN]
We uphold human rights as part of our corporate culture.

Know Our Policies
Human Rights Policy
California Transparency Act
Policy Statement on Conflict Minerals

Ensuring Product Quality and Safety
We are committed to the highest level of quality in our products and stand behind our brands. We comply with safety standards and minimize or eliminate known risks. Never “cut corners” to save time or money when it would result in an inferior product.

We encourage innovation and are receptive to new ideas that will help us better meet customer expectations and achieve greater productivity, operational safety, and environmental sustainability.

[WILL APPEAR IN SHADED BOX OR MARGIN]

We are proud of our high record of safety and work hard to keep it that way.

Communicating About Graphic Packaging
We keep the public and the investment community informed about our business performance. This reinforces our positive reputation and helps maintain the trust we have earned worldwide. To ensure Company information is consistent, honest, and correct, do not speak with the media on the Company's behalf, unless specifically authorized to do so. If you are contacted by someone from the media, refer them to the *Executive Vice President, Human Resources*.

[WILL APPEAR IN SHADED BOX OR MARGIN]
Making Good Decisions
Q. I got a call from an online news site reporter asking me to give the Company's opinion on something she read in a press release. I gave her my supervisor's phone number. Was that the right thing to do?

A. Yes. Only authorized spokespersons are allowed to speak on our behalf. Your supervisor can direct the reporter to the Executive Vice President, Human Resources or another authorized spokesperson for the Company.

CERTIFICATION OF UNDERSTANDING

I have read and understand the Code of Conduct for Graphic Packaging Holding Company and its Subsidiaries. I represent, by signing below, that I fully and completely understand that I am responsible for the Code of Conduct and Company policy as they apply to me, and I am aware of the procedures for reporting violations of the policy. I further understand that if I violate the policy or fail to report a violation of the policy that I will be subject to discipline up to and including termination of employment.

I understand that I may report a violation, by calling the ***ALERTline*** available 24 hours a day, seven days a week at the appropriate phone number for my location. I understand I may also report a concern online by visiting the website located at *gpibusinessconductALERTline.ethicspoint.com*.

I understand that I will not be subjected to any adverse action or retaliation for filing a good faith report with the ***ALERTline***.

____
Signature

____
Printed Name

____
Location/Facility

____
Title

____
Date

Return this signed form to your manager or supervisor or your Human Resources Representative.

RESOURCES

General Counsel
Lauren S. Tashma
Executive Vice President, General Counsel, and Secretary
Lauren.Tashma@graphicpkg.com

Internal Audit
Lori Kaczynski
Vice President, Internal Audit, and
Chief Audit Executive
Lori.Kaczynski@graphicpkg.com

Executive Vice President, Human Resources
Stacey J. Valy Panayiotou
Executive Vice President, Human Resources
Stacey.Panayiotou@graphicpkg.com

Corporate Law Department
Law.Department@graphicpkg.com

Each of the above may be reached at the following physical mailing address:

Graphic Packaging International
1500 Riveredge Parkway, N.W., Suite 100
Atlanta, Georgia 30328

Alertline
To confidentially report a violation of our Code, or another Graphic Packaging policy; please visit our ***ALERTline*** online at *gpibusinessconductALERTline.ethicspoint.com*. You may also contact any of our resources below by email or phone – including specific *ALERTline* phone numbers for your country.

Australia	1.800.339276
Belgium	0800-77004
Brazil	0.800.891.1667
Canada	1.866.898.3750 1.855.350.9393
China	10.800.120.1239 10.800.712.1239
France	0.800.90.2500
Germany	0.800.101.6582
Greece	0.080.012.6576
Ireland	1-800615403
Italy	800.786.907
Japan	00531.121520 0066.33.112505
Mexico	001.800.840.7907 001.866.737.6850
Netherlands	0800-0226174
New Zealand	000-911-866-898-3750
Spain	900.991.498
United Kingdom	0.800.032.8483
United States	1.866.898.3750

POLICY LINKS

Below are links to detailed policies referenced in the Code. Note that this is not an exhaustive list of policies – all Company policies may be accessed in our Policy Handbook.

Anti-bribery and Anti-corruption Policy
Anti-harassment Policy
California Transparency Act
CCPA Applicant and Employee Privacy Notice
Data Privacy Policy
Disclosure Policy
Equal Employment Opportunity Policy
Health and Safety Policy
Human Rights Policy
Policy on Trading in Securities
Policy Regarding Related Party Transactions
Policy Statement on Conflict Minerals
Sustainability Statement
United Kingdom (UK) Modern Slavery Act Policy
Workplace Violence Policy

Exhibit 31.1

CERTIFICATION

I, Michael P. Doss certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Graphic Packaging Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael P. Doss

Michael P. Doss,
President and Chief Executive Officer
(Principal Executive Officer)

April 27, 2021

Exhibit 31.2

CERTIFICATION

I, Stephen R. Scherger certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Graphic Packaging Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Stephen R. Scherger

Stephen R. Scherger Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

April 27, 2021

Exhibit 32.1

CERTIFICATION
Pursuant to 18 United States Code Section 1350,
As adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

The undersigned hereby certifies that, to my knowledge, the Quarterly Report on Form 10-Q for the period ended March 31, 2021 of Graphic Packaging Holding Company (the "Company") filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael P. Doss

Name: Michael P. Doss,
Title: President and Chief Executive Officer
April 27, 2021

Exhibit 32.2

CERTIFICATION
Pursuant to 18 United States Code Section 1350,
As adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

The undersigned hereby certifies that, to my knowledge, the Quarterly Report on Form 10-Q for the period ended March 31, 2021 of Graphic Packaging Holding Company (the "Company") filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen R. Scherger

Name: Stephen R. Scherger
Title: Executive Vice President and Chief Financial Officer
April 27, 2021