



## Communication on Progress (COP)

November 2020 - November 2021

### Statement of Continued Support

18 November 2021

To our stakeholders:

I am pleased to confirm that Graham Packaging Company, L.P. reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Pyle", written over the printed name.

Robert Pyle  
President and Chief Executive Officer



## Description of Actions and Measurement of Outcomes

During the relevant period of this COP, Graham Packaging has taken the following actions in support of the Ten Principles of the United Nations Global Compact, as well as the corresponding relevant indicators of outcomes for each of the Ten Principles.

Many of Graham's actions and outcomes are relevant to one or more of the Ten Principles; these are summarized under the Global category below. The remainder of Graham's actions and outcomes are categorized by the corresponding Principles to which they apply.

### **Global – Actions**

- Graham received its inaugural Environmental, Social and Governance (ESG) Rating from Sustainalytics. Graham Packaging participated in a rigorous audit process to evaluate its exposure to industry-specific material ESG risks and how well Graham is managing those risks according to Sustainalytics' methodology.
- Graham updated its Code of Ethics Policy, which is Graham's master policy that deals with numerous sub-topics, including: harassment and discrimination, health and safety, conflict of interest, anti-trust, anti-bribery, entertainment and gift policy, foreign economic boycotts, financial controls and records, political contributions and activities, and environmental stewardship. This document applies to all Graham employees, contractors, and suppliers, and is available on Graham's website, Graham's intranet, and all Graham employees are trained annually on their obligations pursuant to the Code of Ethics Policy.
- Graham updated its Compliance Hotline materials and distributed them to all employees via the Company's intranet as well as postings in common areas in all facilities. The Compliance Hotline provides employees with an anonymous reporting mechanism via a third party service for issues they may encounter in the workplace, including but not limited to human rights, labour practices, environmental issues or fraud or corruption.
- Graham implemented its Commitment to Human Rights, which indicates Graham's commitment to non-discrimination, labour conditions and working hours, fair and competitive wages, freedom of association, health and safety, education, employee assistance program, right to security of persons, and respect of local communities. The Commitment to Human Rights not only applies to Graham itself, but also sets forth the expectation that Graham's suppliers and contractors respect human rights in alignment with this document.



- Graham updated its Master Service Agreement template to include a contractual obligation for Graham suppliers to comply with Graham's Code of Ethics Policy and the Supplier Quality Manual.

### **Global – Outcomes**

- A third-party ESG risk audit from Sustainalytics ranked Graham Packaging as 1 out of 54 in the plastic, metal & glass packaging industry, 3 out of 90 in the containers and packaging industry, and 169 out of 13,562 companies measured globally.
- To date, over 90% of Graham employees assigned to the mandatory Code of Ethics Policy training have completed it.
- Graham experienced a reduction in the Ethics and Compliance Hotline reports from 118 reports in 2019 to 69 reports in 2020. These reports potentially implicate human rights, labour, environmental, and corruption concerns.
- For additional examples of outcomes in furtherance of the Ten Principles, please see Graham Packaging's [2020 Sustainability Report](#).

### **Human Rights - Actions**

- Graham continues to:
  - Ensure workers are provided safe, suitable and sanitary work facilities.
  - Protect workers from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats.
  - Take measures to eliminate ingredients, designs, defects, or side-effects that could harm or threaten human life and health during manufacturing, usage, or disposal of products.
- Graham has a peer-to-peer accountability program that is interwoven into its strategic plan. The program trains its employees to recognize risk and start a conversation anytime they witness an unsafe behavior or condition. Unsafe behaviors or conditions are communicated routinely on a company-wide basis, including the observations of the unsafe activity and the appropriate remedial actions to address and prevent future risks to its employees and others.



- Graham monitors internal relationships and various external databases and government provided lists relating to its vendors, including but not limited to the U.S. General Service Administration's Debarred Bidders List due to possible human rights violations and similar laws.
- Graham set a goal that 100% of its global facilities will participate in at least one employee-led community support activity, including but not limited to food, clothing and toy drives, environmental beautification efforts, and other volunteer opportunities benefiting the communities in which we operate.
- In order to engage and encourage healthy lifestyles within Graham's workforce, Graham:
  - Offers an Employee Assistance Program to prioritize emotional and physical wellbeing to its employees and eligible dependents.
  - Sponsored the Red Rose Run, a virtual 5 mile run based in Lancaster, Pennsylvania, but open to its workforce across the globe.
  - Organized a Kayak and Clean event through its Young Professionals ERG, which was a kayak-based river cleanup project on the Susquehanna River close to its operations in Lancaster and York Pennsylvania.

### **Human Rights – Outcomes**

- 74% of Graham's global operations achieved recordable-free health and safety performance in 2020.
- 2020 was Graham's seventh year of continuous improvement on Graham's environmental, health and safety metrics on Graham's path to a zero-harm work environment.
- The average number of days Graham operations have gone without a recordable injury is 1,341 days.
- Graham conducted an employee survey which indicated Graham's EHS team received a 95% favorability rating from employees during a time when increased protocols and stringent guidelines became the norm due to the COVID-19 pandemic and its continued prioritization of its health and safety initiatives.



- In monitoring both internal and external sources, Graham has ceased business relationships with various suppliers due to indications of violations of its standards and/or appearing on the U.S. General Service Administration's Debarred Bidders List.
- In accordance with Graham's goals for employee-led community support activities, in 2021 Graham facilities completed the following activities in the communities in which we operate:
  - 30 beautification projects
  - 24 toy drives
  - 43 food drives
  - 17 clothing and essential items drives
- In September 2021, Graham raised \$30,000 for employees who were severely affected by the devastation of Hurricane Ida.

### **Labour - Actions**

- Graham continues to take steps to ensure that it does not participate in any form of forced or bonded labour.
- Graham complies with all applicable minimum wage standards in all jurisdictions where it operates.
- Through its policies and procedures, Graham ensures that employment-related decisions are based on relevant and objective criteria. Graham Human Resources employees are trained annually on this basis.
- Graham requires compliance with certain labour practices and sets ethical behavior standards by mandating compliance with its Supplier Quality Manual and Code of Ethics Policy in contracts. The Supplier Quality Manual sets forth various unacceptable labour practices, including but not limited to employer underage workers, use of forced labour, failure to respect human rights, working hours prohibitions, wage and hour restrictions, failure to allow freedom of association, failure to provide adequate health, safety and security requirements, failure to prohibit discrimination, harassment and retaliation, failure to maintain a workplace free from actual or threatened corporal punishment, and failure to provide a safe and hygienic working environment.
- Graham established Graham Engagement Action Teams (GREATs) to assist in action planning at a local level with the goal of improving employee engagement and the employee experience.



- Graham has promoted diversity and inclusiveness in its business by pursuing the following initiatives:
  - Promotion of Employee Resource Groups (ERGs), including the Women in Business and Allies ERG and the Young Professionals ERG to increase participation from historically underrepresented groups in leadership and development.
  - Creation of High-Quality Development Plans to increase women and minorities in leadership.
    - Sponsorship of attendance – Pennsylvania Conference for Women
  - Development of new recruiting strategies, with an increased focus on hiring veterans, people with disabilities, and other historically disadvantaged groups.
  - Membership with Women in Manufacturing®, national trade association which encourages recruitment and education efforts targeted toward women and advocates for women in manufacturing workplaces.
  - Partnership with colleges and universities to target and recruit employees from underrepresented populations.
  - Conducting diversity training and panel discussions using its learning management system to train employees around the world.
  - Establishing and refining internal DE&I data collection and analysis which will be benchmarked against the broader manufacturing industry.
- Graham sponsored a team to participate in the Walk a Mile in Her Shoes event to raise awareness about gender-based violence and to support the York, Pennsylvania YWCA.

### **Labour – Outcomes**

- Graham established 60 Graham Engagement Action Teams (GREATs) that meet monthly and include team members from its hourly and salaried workforces.
- Graham has two active Employee Resource Groups (ERGs) that meet on a monthly basis to discuss issues pertaining to their constituencies as well as sponsoring events to benefit Graham employees and the communities in which Graham operates:
  - Young Professionals ERG – 65 active members
  - Women in Business and Allies ERG – 46 active members
- In 2020, Graham received 54 reported claims relating to human resources/labour issues and 14 related to operations and safety, compared to 111 for human resources/labour issues and 2



related to operations and safety in 2019. All reports received are investigated and appropriate actions are taken. Actions taken include, but are not limited to additional training, coaching, and/or disciplinary actions up to and including termination. Graham publicly states a summary of Ethics and Compliance reports on its website on an annual basis.

## **Environment - Actions**

- Graham continues to take steps to:
  - Avoid environmental damage via regular maintenance of production processes and environmental protection system (air pollution control, waste, water treatment systems, etc.).
  - Ensure emergency procedures to prevent and address accidents affecting the environment and human health.
  - Minimize the use and ensure safe handling and storage of chemical and other dangerous substances.
- Graham entered into a partnership with Operation Clean Sweep, an international program that works with companies to ensure proper handling of plastic material by signing OCS's Pledge to Prevent Resin Pellet, Flake and Powder Loss to show its commitment to clean operations. In furtherance of this, we have established cleaning protocols, team training to educate employees on the importance of good housekeeping and reduction of environmental hazards associated with improper handling of plastic material.
- Graham joined the Digital Watermarks Initiative Holy Grail 2.0 project, which aims to show how the use of digital watermarking technologies can greatly improve recycling operations, especially for difficult to recycle materials like black plastic.
- Graham also partners with several industry and trade organizations, including but not limited to The Recycling Partnership, and The Association of Plastic Recyclers.
- Graham set a goal of 100% recyclable or reusable products by 2025.
- Graham also established a goal of 20% average post-consumer recycled content (PCR) use in its products by 2025.
- Graham also established a goal of a 30% reduction in greenhouse gas emissions by 2030 from a 2020 baseline.



- In 2020, Graham completed 50 Life-Cycle Assessments to quantify the environmental impacts of its products.
- Graham participates in the EPA's SmartWay program as a part of its supply chain strategy. The program helps us measure, benchmark, and improve its freight transportation efficiency.
- Graham implemented a Supplier Quality Manual, which requires Graham suppliers to comply with a Supplier Environmental Code which supports optimization of energy use, ensuring the efficient use of materials, encouraging re-use and recycling, and incorporating the principle of sustainable development in supplier processes.
- Graham conducts supplier screenings and provides suppliers with a scorecard rating on a monthly basis. Scorecards include environmental factors including whether they have ISO 14001 certification or if they have comparable internal environmental management procedures.
- In September 2021, Graham held 13 Clean Up Day events sponsored by the Women in Business and Young Professional ERGs where its employees and their friends and families removed trash from the communities in which Graham operates.

### **Environment – Outcomes**

- 91% of Graham's products are recyclable, 7% of its products are sometimes recyclable, and 2% of its products are not yet recyclable.
- Graham achieved:
  - 6% overall PCR use across all products, with 11% HDPE PCR use and 3% PET PCR use.
  - 8% year over year reduction in greenhouse gas emissions.
  - 12% reduction in water usage since 2018.
  - 8% reduction in energy intensity in 2020 since 2018.
- Graham has helped its customers reduce their environmental impact by converting glass to its ThermaSet® PET containers, which results in an average decrease of 203 metric tons of carbon emissions due to a variety of factors as established through a Life-Cycle Assessment.



- Graham is a founding member of the National Lubricant Container Recycling Coalition – this organization focuses on recycling post-consumer used oil bottles which typically do not get collected in curbside programs.
- Graham Clean Up Day events removed 5,929 pounds of trash from 13 different communities in which Graham operates.

### **Anti-Corruption - Actions**

- Graham updated its FCPA and Anti-Corruption Policy, which provided stricter requirements of Graham's employees while doing business both domestically and internationally in compliance with all applicable anti-corruption laws. It further includes prohibitions on making payments to foreign officials without prior written approval from GPC's legal department.
- Graham continues to assess the risk of corruption while doing business globally based on individualized risks that arise in various jurisdictions.
- Graham requires certain employees to be trained annually on anti-corruption, anti-fraud, and FCPA issues.
- Graham requires compliance with anti-corruption obligations and sets ethical behavior standards by mandating compliance with its Supplier Quality Manual and Code of Ethics Policy in contracts.
- Graham continues to ensure that internal procedures support the its anti-corruption commitment.
- Graham monitors internal relationships and various external databases and government provided lists relating to its vendors, including but not limited to the U.S. General Service Administration's Debarred Bidders List due to possible violations on anti-corruption and other similar laws.

### **Anti-Corruption - Outcomes**

- In 2020, Graham received only 1 report relating to fraud/anti-corruption, down from 5 reports in 2019. All reports received are investigated and appropriate actions are taken. Actions taken include, but are not limited to additional training, coaching, and/or disciplinary actions up to and including termination. Graham publicly states a summary of Ethics and Compliance reports on its website on an annual basis.



- To date, over 97% of those Graham employees assigned to the mandatory anti-corruption, anti-fraud, and FCPA training have completed it.
- In monitoring both internal and external sources, Graham has ceased business relationships with various suppliers due to indications of violations of its anti-corruption standards and/or appearing on the U.S. General Service Administration's Debarred Bidders List.