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Responsibility To Results, WestRock Company’s first sustainability report, covers the three pillars of our sustainability platform—People, Planet and Performance. This report also highlights specific strategies and projects that are driving sustainability throughout our operations around the world.

We developed our sustainability platform by focusing on issues that are material to our company and our industry, establishing 18 voluntary sustainability goals that support our social, environmental and economic pillars. These goals reflect our commitment to the American Forest & Paper Association’s Better Practices, Better Planet 2020 initiative, as well as address priority sustainability issues relating to business performance, customers, co-workers and communities, and our supply chain. We integrated valuable feedback from key internal and external stakeholders into our sustainability strategy and goals.

This report covers the period July 1, 2015 to December 31, 2015 and FY 2016. The report and its accompanying content index have been prepared in accordance with the Global Reporting Initiative (GRI) G4 Core reporting option. True to our core value of Accountability, we are committed to providing our stakeholders with regular and transparent reporting on major developments relating to our sustainability performance and goals.

Material aspects include:

Visit the WestRock website at www.westrock.com.

For questions about this report or more information about sustainability at WestRock, please visit www.westrock.com/sustainability.
When we formed WestRock, we recognized the importance of building a sustainable organization. This commitment is symbolized in our logo that contains five layers—one layer for each of our primary stakeholders—customers, communities, employees, suppliers and investors. We’ve been making great strides with each of these constituencies since our company was created in 2015. We are proud of our progress, and are stepping up to our ongoing responsibility to champion sustainable practices within our company, our industry and in partnerships with our customers.

Our 2016 Sustainability Report includes data and case studies demonstrating WestRock’s commitment to sustainability and how we make sustainability a key part of our long-term business strategy. As we look to the future, we remain focused on the three pillars of our sustainability platform: People, Planet and Performance. We will continue innovating with renewable and recyclable materials to create sustainable packaging solutions that deliver exceptional value for our customers. We will remain dedicated to keeping our forests healthy and productive and reducing our environmental impact wherever we can. Most importantly, we will operate our business in accordance with our core values of Integrity, Respect, Accountability and Excellence each and every day.

We’re pleased with the progress we’ve made as a team since WestRock was created, but there is much more for us to do. I am inspired by what is possible when our teams and our partners work together. I look forward to what we can accomplish together to build an even more sustainable WestRock for the benefit of our customers, communities, employees, suppliers and investors around the world.

Sincerely,

Steve Voorhees
Chief Executive Officer
Who is WestRock?
Our vision is to be the premier partner and unrivaled provider of winning solutions for our customers.

- 3,370 patents granted and pending
- 8 million tons of recycled fiber recovered annually
- 6+ billion beverage cartons produced each year
- 250+ operating and business locations
- 40+ million corrugated containers produced each day
- 39,000 employees working in 30+ countries around the globe
- ~13 million tons of mill capacity annually

2016 Sustainability Report
WestRock’s sustainability platform is built on our commitment to what matters—our co-workers and communities, delivering outstanding results for our customers and investors, living by our values and protecting our environment. This platform grew organically from the things we were already doing because they are ethical and responsible, and because they advance our mission to become the industry’s premier paper and packaging solutions provider. We then challenged ourselves to reach the next level in these areas and translated our findings into our 18 voluntary sustainability targets for 2025. The title of our report, RESPONSIBILITY TO RESULTS, sums up the way we think about sustainability at WestRock: By operating and growing our business in a fiscally, socially and environmentally responsible way, we will produce exceptional results for our stakeholders and ourselves now and into the future.

— Nina Butler, Chief Sustainability Officer
Our Goals Scorecard: 2016 Progress

Target date 2025 unless otherwise noted; baseline 2015

SAFETY
Goal: Reduce our OSHA incident rate by 25%
Progress: Reduced our OSHA incident rate by 1.3%

DIVERSITY & INCLUSION
Goal: Increase participation in our Employee Resource Groups
Progress: Completed vision statement and established new Employee Resource Groups

COMMUNITIES
Goal: Give back to the communities where we live and work
Progress: Established the WestRock Foundation

EMPLOYEE ENGAGEMENT
Goal: Increase and measure employee engagement through periodic surveys
Progress: A subset of the company completed a pulse survey with 84% participation

ETHICS
Goal: Conduct annual ethics and compliance training
Progress: Delivered Code of Conduct training to 11,000 employees

SUPPLIER DIVERSITY
Goal: Increase spend with minority-owned businesses and suppliers
Progress: Expanded our supplier diversity program

CERTIFIED FIBER
Goal: Increase purchases of certified virgin fiber by 25%
Progress: No change from baseline

CHAIN-OF-CUSTODY
Goal: Certify all our wholly owned manufacturing facilities across the globe by 2018
Progress: Certified 99% of manufacturing facilities

GREENHOUSE GASES
Goal: Reduce our CO2e emissions by 20% per ton of production
Progress: 2.7% increase in CO2e emissions per ton, 2.1% decrease in CO2e total emissions

ENERGY EFFICIENCY
Goal: Increase energy efficiency of purchased fuels by 10% per ton of production
Progress: 5.1% decrease in energy efficiency per ton, 4.7% decrease in total fossil fuel use

WASTE RECYCLING
Goal: Establish waste reduction teams at our largest facilities by the end of 2018
Progress: Established waste reduction teams at 81% of our mills

WATER USE
Goal: Map the water use in our most water-intensive manufacturing operations by 2018
Progress: Completed water risk screening assessments for all of our mills

CERTIFIED LAND
Goal: Increase the amount of land certified to internationally recognized forest management standards
Progress: Certified or re-certified over 70,000 acres

FINANCIAL HEALTH
Goal: Maintain an investment grade credit rating
Progress: Maintained investment grade credit rating

SUPPLIER CONDUCT
Goal: Ensure suppliers comply with the WestRock Supplier Principles of Conduct
Progress: Created WestRock’s Supplier Principles of Conduct

CUSTOMERS
Goal: Provide outstanding customer service and measure performance through customer surveys
Progress: Surveyed nearly 4,500 customers, representing 49 countries and 10 languages

INNOVATION
Goal: Apply sustainable design principles to our product development work
Progress: Established an Innovation Council

CERTIFIED OFFICE PRODUCTS
Goal: Increase our purchases of certified office products
Progress: Implemented tracking program for purchases of certified office products
Real value in our company comes from our people.

We value a culture of collaboration, comprised of team members with different backgrounds and perspectives, and a workplace where all viewpoints are valued. We want our company to reflect the global markets where we do business and our diverse customer base. We believe that a diverse workforce will drive our business forward and create growth. That is why we are committed to expanding our Employee Resource Groups (ERGs)—shared communities that encourage personal and professional development, networking and community outreach while supporting our business objectives.
Philanthropy

Through the WestRock Foundation, we advance our objective to support the communities where our co-workers live and where we do business.

The WestRock Foundation focuses on three key areas for strategic grants and volunteer initiatives:

- **Sustainable Communities** — partnering with organizations to help individuals and families build better futures for themselves and their neighbors.
- **Education** — ensuring tomorrow’s workforce is prepared to be creative and well qualified to meet the needs of the future.
- **Environmental Stewardship** — preserving the natural environment for current and future generations.

**Clean India Campaign**

WestRock is a supporter of Swachh Bharat, or Clean India, an initiative launched in 2014 by India’s Prime Minister Narendra Modi to fulfill Mahatma Gandhi’s dream of a clean and hygienic India by improving sanitation across the country. “A clean India would be the best tribute India could pay to Mahatma Gandhi on his 150th birth anniversary in 2019,” said Prime Minster Modi.

The Clean India campaign has resulted in efforts to provide individual and community toilets, as well as solid waste management facilities, to over 4,000 cities and localities in India where such services are not available. Through funding provided by WestRock, 40 bathroom facilities, including community toilets, roof enclosures and water supply tanks, have already been built. WestRock will contribute funding that will be used to construct 60 additional bathroom facilities in the next phase of the project.

**Reaching out With Relief**

WestRock has a long history of aiding victims of natural disasters throughout the world. When disaster struck in communities where we operate, employees expressed the desire to make donations to directly assist fellow employees. This led to the creation of the WestRock Employee Relief Fund, which provides grants for basic needs such as food, clothing and shelter for employees who experience losses resulting from a natural or man-made disaster. Since its creation in 2005, the Fund has raised more than $500,000, with a majority of the contributions coming directly from employees.

FROM WESTROCK’S FORMATION ON JULY 1, 2015 TO THE END OF FY16, OUR EMPLOYEES HAVE VOLUNTEERED APPROXIMATELY 22,870 HOURS OF COMMUNITY SERVICE TRACKED THROUGH THE WESTROCK FOUNDATION.
WestRock in Our Schools

During WestRock in our Schools week, co-workers from our West Point, Virginia paper mill volunteered their time to discuss how the science concepts local students learn in high school are applied at the paper mill. Mill environmental, engineering and forestry personnel spent time with students, demonstrating how paper is made, explaining the chemical reactions that occur in the mill processes and talking to ecology students about forestry. The WestRock in our Schools program was designed to educate students about papermaking and spark their interest in careers at the mill, which has been in operation since 1914 and remains a large employer of West Point graduates. WestRock’s engagement with the students in West Point is our way of cultivating the next generation of papermakers.

Junior Achievement

While financial performance is key to business success, financial literacy is key to personal success. Since 2000, we have partnered with Junior Achievement (JA), supporting the organization’s mission “to inspire and prepare young people to succeed in a global economy” through volunteer-led programs on work readiness, entrepreneurship and financial literacy. WestRock currently sponsors JA programs in Atlanta, GA and Richmond, VA. This includes working with JA Discovery Center in Gwinnett County, Georgia, as well as the Financial Park program, which serves Gwinnett County middle school students. We also sponsored the 2016 opening of Norcross High School’s JA Academy, a “high school within a high school” in Norcross, Georgia that adds fiscal responsibility and entrepreneurship to the curriculum for approximately 140 ninth grade students.
Safety First

Nothing is worth doing if we can’t do it safely.

At WestRock, we believe that by fostering a safe workplace, we will attract the best talent, lower our costs and advance our productivity and quality. WestRock strives to create injury-free workplaces throughout our global manufacturing centers, and we want to be recognized for the same level of excellence in safety and health as we are for our products and services. We want our co-workers to be so confident in our safety and health systems that they will encourage their friends and family to work at WestRock.

To achieve this goal, we must continuously improve our safety systems, engage and train our employees and effectively demonstrate our conviction that all incidents are preventable. We are proud of the ways in which WestRock co-workers and teams are using their ingenuity to improve the safety and productivity of their work environments.

Claremont, North Carolina Folding Carton
Our Claremont, North Carolina team invented a motorized conveyance device called a “ball screw activated linear guidance system” to eliminate the need to manually move heavy equipment situated near the feed sections of two gluing machines. Now, with the touch of a button, the facility can move equipment weighing over 3,000 pounds, saving labor and preventing injury.

Solvay, New York Containerboard Mill
The Solvay, New York safety team created a new, electronic system for tracking safety data, designed by mill co-workers and accessible to all employees, which allows employees to communicate safety issues they observe, describe corrective actions and generate work orders as needed. Employees can enter suggestions for improving safety training and equipment, which broadens the responsibility for tracking safety observations from the safety coordinator to all facility employees.

Blumenau, Brazil Box Plant
Co-workers at our corrugated box plant in Blumenau State, Brazil, created the “Productivity Games” to engage employees and capitalize on their knowledge to drive safety improvements. Employees participate in the “Games” by submitting proposals for addressing issues such as ergonomics, machine guarding and housekeeping. Teams then compete against each other to produce the best results from the new processes.
Safety by the Numbers

OSHA Recordable Incident Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>OSHA RCR</th>
<th>Plants</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
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<td>76</td>
</tr>
<tr>
<td>FY16</td>
<td>1</td>
<td>250+</td>
</tr>
</tbody>
</table>

Lost Workday Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
<th>Plants</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>12</td>
<td>171</td>
</tr>
<tr>
<td>FY16</td>
<td>10</td>
<td>22</td>
</tr>
</tbody>
</table>

2015 Pulp and Paper Safety Association Awards

- Award of Excellence: Rooster Bridge, AL Chip Mill
- Most Improved Award: 2 Paper Mills, 4 Converting Plants, 1 Recycling Center
- Best One Year Safety Record: 4 Converting Plants, 1 Recycling Center
- No OSHA Recordable Case Award: 44 Converting Plants, 15 Recycling Plants, 1 Paper Mill, 1 Chip Mill
WestRock provides employees with opportunities to enhance their knowledge and skills. We believe that by providing training and career development programs, we improve employee engagement at work, resulting in greater job satisfaction for our co-workers and better results for the company and our stakeholders.

Our dedicated Learning and Development team creates innovative and diverse training programs that promote and foster individual and organizational effectiveness. WestRock University, our unique in-house training program, offers a wide range of courses for employees, including our General Manager and Sales Manager Colleges, Developing Leaders Program, Foundations of Leadership and Conflict Management for Leaders. Our programs are designed to create the skill sets we need to execute our business strategies and excel as a company.

We are proud that WestRock University brings together employees from across the globe, allowing them to meet new people, develop support networks throughout our organization and share successes, failures and best practices. Through these efforts, we will create a stronger community and a stronger company.

We have a strong track record of recruiting the best talent, but we are even more proud of our reputation for building strong relationships with our employees.
Winning with Ethics and Integrity

WestRock provides differentiated paper and packaging solutions for our customers, communities, employees, suppliers and investors, and we want to win the right way.

We are committed to operating our business with the highest standards of ethics and integrity, and with respect for the environment, human and workers' rights and the laws applicable to our operations. The decisions made by our 39,000 co-workers every day are guided by our foundational values of Integrity, Respect, Accountability and Excellence. The WestRock Code of Conduct supports our values by providing us with a common set of principles to guide our daily behaviors and actions. All WestRock employees are required to comply with our Code of Conduct, regardless of their position in the company or location in the world.
Growing Sustainably and Ethically

WestRock is a dynamic, successful business that is growing globally. As we expand our network of manufacturing facilities throughout the world, we must ensure that we extend our commitment to operate in a socially responsible and ethical manner to every corner of our operations. We conduct our business in compliance with applicable anti-corruption and other laws, always with the highest standards of integrity and ethics—even if it means sacrificing the short-term advantages that might be gained by following accepted local practices.

Our governing principles for ethical business conduct are reflected in our Code of Conduct and Anti-Corruption Policy. We do not accept or provide any bribe, entertainment, gift, payment or other thing of value under any circumstance as a condition to obtain business, to retain business or to secure an improper advantage. We do not engage in commercial or public official bribery, and are committed to full compliance with the Foreign Corrupt Practices Act and other anti-corruption laws. We reinforce our policies with employee training programs on business ethics, and conduct regular assessments of our compliance with anti-corruption laws.

WestRock’s dedication to ethical business practices makes our employees proud and earns respect in the global marketplace.

“It’s easy to make a commitment to always do the right thing. It can be hard to actually do the right thing. WestRock will always support employees who make ethical decisions with honesty and transparency. Our dedication to our Values makes WestRock a great place to work, and earns the trust and confidence of our customers and other stakeholders.”

—Joe Hutchison, Chief Compliance Officer
Our business depends on a healthy environment and abundant natural resources, so we are intently focused on environmental compliance and stewardship.

We demonstrate our commitment to the environment in the way we manage our businesses around the world. Each of our manufacturing facilities has a dedicated environmental resource and access to support from our corporate team of environmental engineers and specialists. Environmental training is mandatory for environmental professionals in the company, but is open to all WestRock employees. We routinely examine our environmental compliance status and track all findings to completion.

Consistent with WestRock’s core value of Excellence, we also strive for excellence in environmental stewardship.
Responsible Fiber Sourcing

Wood fiber, a renewable resource, is at the root of our business. It takes healthy, thriving forests to supply the world with paper and packaging products. Responsible sourcing of fiber is not only a responsibility—it’s a necessity.

WestRock actively promotes efforts to increase the amount of land certified to credible forest management standards and has created one of the largest chain-of-custody certified fiber procurement organizations in the industry. We accept fiber sourced to internationally recognized standards, including:

- American Tree Farm System®
- Forest Stewardship Council™
- Sustainable Forestry Initiative®
- Brazilian National Forest Certification Program (CERFLOR)
- Programme for the Endorsement of Forest Certification™

Our certified fiber procurement system is designed to ensure that the wood WestRock uses is grown and harvested in a manner that respects applicable legal requirements, traditional rights, human rights and forest ecosystems.

According to the American Forest Foundation, family forest owners own nearly 60 percent of the forests across the southern U.S., and a majority of the wood that WestRock uses in the U.S. comes from these privately owned, family forests. Our team of trained foresters provides guidance to small tree farmers on a range of land management issues, including forest certification, timber sale security, best management practices for water quality and implementation of post-harvest programs. Our landowner outreach program helps small forest owners maintain productive forests for many generations, which is beneficial for the landowners, the environment and the forest products industry.

WestRock Fiber Mix, FY16

- Virgin: 65%
- Recycled: 35%

All WestRock mills

Country of Harvest, FY16

- U.S.A: 88%
- Canada: 6%
- Brazil: 6%
Family Matters

The Patterson siblings, Robert, Stonie and Fredonia, own forestland in Renfroe, Georgia. Their ties to this land date back more than 100 years when their grandfather, S.J. Patterson acquired it.

The Pattersons have participated in our Cooperative Forest Management Program in the Mahrt Forest Resources Region since its inception, working with WestRock forester Tony Crowder to manage their three adjoining land parcels for timber production, wildlife management and recreation. The Pattersons are also certified landowners in WestRock’s American Tree Farm System® group land certification program. For Robert, Stonie and Fredonia, the forest management program allows them to sustainably manage their land for years to come and instill their love for forests in their children and grandchildren.

Healthy Forests for a New Generation

For over 20 years, a team of WestRock foresters have worked with local elementary schools in Virginia’s Dinwiddie County to teach students about forestry through tree farming. Starting at Southside Elementary in the early 1990s, the team planted trees until they ran out of space. Fortunately, Sutherland Elementary opened the following year, and the legacy continued. Each Spring around Earth Day, with help from the Virginia Department of Forestry, the WestRock forestry team plants seedlings provided by the Vaughn-Basset “One for One” tree planting initiative.

The students gather around the seedlings’ new homes and learn about various tree species and the job of a forester. Through this program, seeds are not only planted in the ground, but also in the minds of the students as they learn about environmental stewardship, the importance of healthy forests and forestry careers.
Gruta Santa Emidia

Identifying and preserving high conservation value forests is a critical component of forest certification. During an evaluation of our timberlands in Três Barras, Brazil, WestRock’s Forest Resources group identified an area of significant cultural and historical significance—the Gruta Santa Emidia. The grotto (gruta) is thought to be the site of remains and other relics from the Contestado War (1912–1916), which involved disputes over land access in Santa Catarina and Parana States. In addition to its historical significance, the grotto is an important religious site and a popular site for tourists.

WestRock has adopted conservation and preservation measures for the land that include protection of the native forest, on-site monitoring of invasive and exotic species and maintenance of the grotto area. WestRock’s efforts to preserve the Grotto Santa Emidia is an example of how we demonstrate our respect for social and cultural values and our commitment to sustainability.

Forest Resources—Brazil

Since 1956, our Forest Resources group in Brazil has maintained and responsibly managed approximately 128,000 acres of forestland. 100 percent of these lands are certified to the Forest Stewardship Council (FSC™) standard and the Brazilian Forest Certification Programme (CERFLOR) standard, which is endorsed by the Programme for the Endorsement of Forest Certification (PEFC™). Our team in Brazil combines advanced scientific techniques and silvicultural practices to manage some of the world’s most productive forests.
The WestRock Foundation has joined forces with two leading conservation organizations to preserve timberlands in the heart of Virginia’s pine belt region and engage with private landowners to restore or expand native hardwood habitats in the Cumberland Plateau. “WestRock and the WestRock Foundation have chosen to partner with The Nature Conservancy and the American Forest Foundation because these organizations have proven that our forests can provide both sustainable wood fiber and a positive conservation impact,” says Kevin Hudson, WestRock’s senior vice president of Forest Resources.

WESTROCK IS A PIONEER IN SUSTAINABILITY, AND WE ARE EXCITED TO JOIN FORCES WITH THEM TO CONTINUE TO HAVE A POSITIVE IMPACT ON OUR FAMILY-OWNED FORESTLAND.

— Tom Martin, CEO, American Forest Foundation

The Foundation has made a multi-year pledge to The Nature Conservancy (TNC) that will help fund a project to establish a block of permanently protected longleaf pine forestlands across eastern Virginia. Conservation easements will be established over 10,000 acres of forestland along the Nottoway River and nearby Big Woods Conservation Area, with the aim of restoring longleaf pine habitats and recovering some of Virginia’s rarest wildlife species, including the red-cockaded woodpecker and bobwhite quail. River protection resulting from the project will benefit freshwater flows into the Albemarle Sound estuary, which supports recreational and commercial uses dependent on clean water.

Together with TNC and the American Forest Foundation (AFF), the WestRock Foundation is also supporting projects in the Cumberland Plateau, which contains the world’s longest expanse of hardwood-forested plateau. These projects aim to assist Cumberland Plateau private landowners with actively and regularly managing their forests. The partnerships will encourage hardwood habitat improvements, forest biodiversity and watershed management. “Our goal is to continue to expand our work and help more landowners so that our forests continue to be productive—providing Americans today and tomorrow with the sustainably-produced wood products they want, keeping their water clean and filtered and providing for the wildlife that depend on our forested ecosystems. Working with partners like WestRock and the WestRock Foundation who share similar goals is key to doing this,” said Tom Martin, President and CEO of AFF.

WE VALUE WESTROCK’S LEADERSHIP IN CONSERVING THE LANDS AND WATERS ON WHICH ALL LIFE DEPENDS. WITH WESTROCK’S SUPPORT, THE NATURE CONSERVANCY WILL BE ABLE TO ADVANCE ITS EFFORTS TO PROTECT FLOODPLAIN FORESTLANDS ALONG THE NOTTOWAY RIVER IN VIRGINIA AND PRESERVE CRITICAL FORESTLANDS IN THE SOUTHERN AND MIDDLE CUMBERLAND PLATEAU.

— Mark Tercek, President & CEO, The Nature Conservancy
Water is vital to what we do; however, what’s equally vital is recycling and using our water resources efficiently in our manufacturing facilities. Our pulp and paper mills—which account for over 95 percent of our water use—recycle water numerous times throughout the manufacturing process and ensure it meets regulatory standards before returning it to the environment.

To ensure we use water resources wisely, WestRock is developing site-specific strategies for improving water conservation and increasing water recycling at our pulp and paper mills. Our goal is to map water use at our mill operations by 2018 and develop reduction plans for strategic watersheds by 2020. This will allow us to better understand our operational water risks and implement appropriate reduction strategies in areas where they will make a difference.
We are equally focused on water use in our converting operations.

**Healthy Plants, Healthy River**

Our Portland, Oregon corrugated container facility is located on a waterway that eventually discharges to the Willamette River. To improve the quality of the plant’s storm water discharges, we installed a rain garden to hold storm water generated by impervious surfaces at the facility. The rain garden nourishes the plants and acts as a remediation tool, allowing the plants and soils in the garden to absorb pollutants in the storm water. Since installing the rain garden, our Portland facility has reduced the volume of storm water discharges by more than 65 percent, improving the river’s water quality and avoiding costs of a conventional storm water treatment system.

**Zero Discharge, Multiple Benefits**

To make fiber boxes, our corrugated manufacturing facilities use processes that generate wastewater. The conventional way to manage this wastewater is to discharge it to a municipal sewer system; however, some of our box plants have found a way to recycle this water internally. At our Corona, California box plant, we use treated, recycled wastewater to manufacture an adhesive that holds the inner liner and outer layers of a corrugated box together. For nearly ten years, our Corona facility has successfully reused treated process water, saving approximately 500,000 gallons of fresh water—and money—every year.
WestRock has established a sustainability goal to reduce greenhouse gas emissions from its manufacturing facilities by 20 percent from a 2015 baseline by 2025.

WestRock has established a complementary 2025 objective to improve the energy efficiency of its largest and most complex manufacturing facilities. By reducing the amount of purchased fossil fuel we consume for each ton of product we make, WestRock will generate fewer air emissions, including greenhouse gases. A key element in our strategy for reducing greenhouse gases is leveraging what we do best—using biomass. WestRock’s integrated kraft paper mills—the company’s most energy-intensive manufacturing facilities—burn renewable biomass to generate over 60 percent of their energy needs. Most of these facilities also self-generate the steam and power needed for their manufacturing processes by using combined heat and power (CHP) or “cogeneration” systems. These thermodynamically efficient systems generate electricity and useful thermal energy in a single, integrated process.

From FY15 to FY16, we reduced our absolute greenhouse gas emissions by more than two percent. Although greenhouse gas emissions intensity rose slightly during this period, we are intently focused on achieving our long-term, production-based CO2e reduction goal through improvements in energy efficiency and optimization of renewable fuels.
A Bright Idea With Big Results

Our La Tuque, Quebec mill recently completed a project to upgrade its lighting to LED fixtures. This seemingly simple project improved the lighting levels to foster safe work, reduced electricity consumption, lowered energy costs and reduced environmental impact from the mill. The mill team installed over 3,000 new lighting fixtures in less than two months, delivering the project under budget and surpassing expectations for energy savings, reducing the mill’s electricity needs by more than six million kilowatt hours. This electricity savings resulted in the avoidance of approximately 900 metric tonnes of CO2e emissions, which is equivalent to the amount of carbon sequestered by more than 100,000 tree seedlings grown for ten years. These simple improvements add up, lighting the way for future greenhouse gas and energy savings.

Reducing Energy and Engaging Employees

WestRock’s recycled paper mill in Aurora, Illinois, had a 2015 goal to reduce its overall mill energy consumption. The mill worked closely with local energy providers to implement a Strategic Energy Management (SEM) program. The program identified mill specific projects such as compressed air optimization and dryer tune-ups which reduced annual gas consumption by nearly six percent. The SEM program also sponsored energy fairs for plant employees to learn how to reduce both the mill’s and their own energy requirements.

Environmental Excellence

In 2016, we introduced our Environmental Excellence initiative, or e2, to define WestRock’s environmental program. Environmental Excellence means that each facility demonstrates a strong commitment to environmental compliance at all levels, engages co-workers on environmental issues through active environmental teams, implements effective environmental management systems and develops goals and tracks progress to improve environmental and product stewardship performance. Our manufacturing facilities are working to implement the e2 elements, and we intend to rely on these foundational principles to guide our environmental efforts as we grow and expand our business.
Leaner and Greener

WestRock is making investments that matter—financially and environmentally. The company has constructed new, state-of-the-art, fluidized bed boilers at its paperboard mills in Demopolis, Alabama and Covington, Virginia. These boilers derive over 90 percent of their heat input from renewable biomass, displacing roughly 240,000 tons of coal and 300,000 MWh of electricity purchases. The best part? Both mills are now largely energy self-sufficient and have reduced their emissions of greenhouse gases, conventional air pollutants, such as sulfur dioxide, and water use. In addition to these environmental benefits, these projects lowered the mills’ overall operating costs and generated economic activity in the communities around the facilities.

Metric Tonnes CO2e/Ton

<table>
<thead>
<tr>
<th>Scope 1</th>
<th>Scope 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Energy Emissions</td>
<td>Indirect Energy Emissions</td>
</tr>
</tbody>
</table>

FY15 Total | FY16 Total
All WestRock mills normalized by tons

Total CO2e (Million Metric Tonnes)

FY15 Total | FY16 Total
All WestRock manufacturing facilities

2016 Sustainability Report  WestRock  24
Recycling

WestRock has one of the largest recycling networks in North America, recovering approximately eight million tons of paper in FY16 alone. In addition to providing fiber to our mills, we provide value-added recycling and waste solutions for a variety of clients, including retailers, manufacturers, grocers, restaurants and printers.

We offer customers a single point of contact for their waste and recycling needs, and customized solutions for their business. Our innovative Recycling & Waste Solutions team offers integrated programs to better manage customers’ waste streams and extract the maximum amount of recyclable material possible. Programs include audits to identify recyclable commodities, designing customized recycling and waste programs, negotiating waste hauling rates and waste minimization audits. Our recycling programs reduce the amount of waste entering landfills and support our customers’ sustainability programs by helping them generate revenue from materials they would otherwise discard.

IN FY16
WE RECOVERED
8 MILLION TONS OF RECYCLED FIBER.

92% OF THE RECYCLED FIBER WE RECOVERED WAS CONSUMED DOMESTICALLY.

WE SOURCED 100% OF THE RECYCLED FIBER USED IN OUR NORTH AMERICAN MILLS.
The Recycling Partnership

The Recycling Partnership is a non-profit organization whose goal is to improve recycling in the United States. To achieve this goal, The Recycling Partnership uses diverse strategies to help localities overcome barriers to recycling and maximize the effectiveness of municipal recycling programs. In Richmond, Virginia, The Recycling Partnership worked with the City, the Central Virginia Waste Management Authority and Tidewater Fiber Corporation to effectively transition more than 61,000 residents from curbside bins to larger rolling recycling carts. The carts provide a more convenient way for consumers to stow and haul their recyclables and collect greater volumes of material to improve program efficiency.

WestRock and The Recycling Partnership share common goals to transform recycling behavior in communities across the U.S. and generate more, high-quality material for beneficial reuse, such as the manufacture of paper products. Our association with The Recycling Partnership continues to grow through expanded collaboration with our recycling business and our work on the shared objective of applying best practices to improve recycling everywhere.

From Byproducts to Building Products

Recycling is central to WestRock’s integrated kraft mills, like our Três Barras, Brazil facility where pulping chemicals, water and wood fiber are recycled, recovered and reused, and a portion of the pulp is made from recycled corrugated containers. In addition to recycling within its manufacturing process, the Três Barras mill has developed alternatives for managing residuals and byproducts from its pulp and papermaking operations, including a composting site that utilizes excess lime residuals, ash from the biomass boiler and wastewater treatment residuals to create an agricultural soil amendment. This operation diverts approximately 10,000 tons of material per month from the landfill, or approximately 90 percent of all solid waste generated at the facility per month.

Our Três Barras team also collaborates with an innovative Brazilian company to reuse fiber and plastic from the mill’s recycled pulping operation to produce specialty “plastic wood” products for the construction and farming industries, including pool decking, garden furniture, fencing and plank flooring. These products are already available in the Brazilian market, and the company hopes to become an international brand soon.
WestRock is an industry-leading provider of differentiated paper and packaging solutions in the consumer and corrugated markets.

With manufacturing and sales locations in more than 30 countries, we have the capability to deliver diverse, sustainable paper and packaging products and solutions globally. Through our signature research efforts, including the Packaging Matters™ study, WestRock collects extensive data on the role that packaging plays in customer satisfaction. We combine this deep knowledge with experience and innovation to drive success for our customers, and deliver packaging and services in a manner that reflects our core values of Integrity, Respect, Accountability and Excellence.
Sustainability and innovation go hand-in-hand to make WestRock a leader in providing winning solutions for our customers that are also an environmentally responsible choice.

Paper is durable, lightweight and versatile, making it an exceptional substrate for boxes, cartons, displays and other packaging products. We create attractive, functional and sustainable solutions that fit our customers’ unique needs and respond to their desire for recyclable, compostable, lightweight and efficiently designed packaging. Our innovative products help our customers grow their businesses, and through our partnerships with customers, we grow ours.

Achieved sales of $14 billion

Created more than $1 billion in adjusted free cash flow during the fiscal year*

Delivered $444 million in productivity improvements since our inception

Reached halfway mark toward our $1 billion, three-year synergy and performance improvement target on a run-rate basis

Invested $1.4 billion in our business

$1.4 billion in capital expenditures

$600 million in two acquisitions and one investment

*Non-GAAP Financial Measure. Adjusted Free Cash Flow of $1,031.0 million consists of Net Cash Provided by Operating Activities of $1,688.4 million less Capital Expenditures of $796.7 million plus Cash Restructuring and other costs, net of tax of $139.3 million.
Ward Dickson, Executive Vice President and Chief Financial Officer for WestRock, discusses the link between financial performance and sustainability.

**WestRock has a sustainability goal to maintain an investment grade bond rating. Can you explain why that goal is important to the company?**

Our bond rating is a good indicator of the overall financial health of our company. It is assigned by independent third parties, so the rating is an objective assessment of how we’re performing financially. Moody’s upgraded WestRock’s debt from Baa3 to Baa2, reflecting our solid business fundamentals and strong performance. We have a goal of maintaining an investment-grade bond rating to help ensure the overall sustainability of WestRock for the future. Our strong track record of economic and sustainability accomplishments makes us a very attractive investment.

**How has the company performed financially over the past year?**

We made significant progress toward achieving our vision of becoming the premier partner and unrivaled provider of winning solutions for our customers. Our partnerships with customers have enabled WestRock to deliver more than $1 billion in adjusted free cash flow in FY16. We also delivered on our productivity improvement commitments, and are on target for $1 billion in synergies and productivity improvements by the end of FY18. Our confidence in our ability to create free cash flow was a strong contributor to our decision to increase our dividend.

**How is WestRock investing in its business to advance its sustainability goals?**

Disciplined use of capital will drive improvements in our performance and create shareholder value. WestRock’s capital allocation strategy enables the company to reinvest in our business to improve performance and help us grow. Since WestRock was created in 2015, we have invested $1 billion in our facilities. These investments included projects to improve energy and water efficiency and transition to low carbon fuels. All major capital projects go through a comprehensive review to quantify potential economic return and sustainability benefits so that we understand the total impact of our investments.
Innovation

We are a premier partner for many of the world’s most admired brands. Our customers look to us to help them protect their products, position their brands for success and minimize the environmental impact of their packaging.

We respond to our customers’ packaging needs with insights-driven innovation. We combine our expertise in the science of packaging with our deep understanding of consumer behavior, brand loyalty and retail experiences to design and deliver innovative packaging solutions that respond to our customers’ biggest business challenges and improve their sustainability performance.

The Complete (and Compostable) Package

By merging our technical and creative capabilities, WestRock developed a unique and innovative takeout container that responds to growing consumer concern for managing food packaging waste. WestRock’s Bio-Plus Terra® II folding cartons are made from 100 percent recycled content and are certified to be fully compostable in commercial composting settings. With Bio-Plus Terra® II, consumers can recycle their takeout food service packaging organically wherever commercial composting is available.

Cheers to Collaboration

WestRock is helping Danish brewer Carlsberg Group deliver on a sustainable packaging commitment at the heart of their business. In 2014, Carlsberg joined forces with a handful of valued supplier partners to create the Carlsberg Circular Community (CCC). The purpose of the CCC initiative is to rethink Carlsberg’s product packaging with an emphasis on quality, optimizing raw material inputs and eliminating waste by using innovative packaging designs suited for recycling and reuse—a concept known as “upcycling.” For assistance on upcycling its paperboard multi-pack beverage cartons, Carlsberg turned to WestRock.

“We are very pleased with what we have accomplished with WestRock, and are excited to explore how we can make our joint products even more sustainable going forward.”

—Simon Boas Hoffmeyer, Director, Group Sustainability at Carlsberg Group

In addition to eliminating waste, Carlsberg is also focused on increasing the amount of fiber in its packaging that is harvested from responsibly grown, managed and independently audited forestland. Partnering with WestRock on its goal to increase use of certified fiber was a natural fit because we have one of the largest global manufacturing platforms certified under the Programme for the Endorsement of Forest Certification™. WestRock’s participation in the CCC demonstrates our strong commitment to helping our customers with their sustainability goals and developing circular economies.
A Culture of Collaboration
Erin Allen, Innovation Integrator

What is your role?
As the Innovation Integrator for the Customer Solutions Team within the Enterprise Solutions Group, I help to drive and integrate new, innovative solutions into our customers’ value chains. WestRock has grown into a large and dynamic enterprise, and my role ensures seamless interaction between our innovation networks and our Customer Solutions Team. I can facilitate faster customer access to differentiated solutions and emerging technologies as well as help our Research & Development team understand the strategic investments that will resonate with our customers.

What does the innovation process look like at WestRock?
WestRock’s packaging innovation process is highly collaborative. Innovation teams start with the “What if...?” to drive ideation sessions, and gather internal feedback from a diverse group of co-workers. This type of collaboration provides immediate feedback and allows us to work faster and smarter. We engage our operating resources to understand the feasibility of manufacturing new products and validate our designs to ensure quality for our customers. We also work closely with our customers through the commercialization stages of a new product launch. The process is strategically designed to be agile and flexible, so we keep existing customers happy while we work on breakthrough products.
WestRock Meta® e

Nothing can frustrate consumers more than opening a box and realizing the product they have been waiting for was damaged during shipping. Our Meta® Automated Packaging Systems use precision forming technology to form corrugated containers around a fixed mandrel. This method of production maximizes structural integrity, resulting in corrugated containers that outperform comparable standard containers in production efficiency and stacking strength. It also offers a solution that improves how products are packed and shipped for e-commerce.

Developed in cooperation with Smart Karton, Inc., the recyclable Meta® e container with integrated paper packaging can help our customers achieve their business and sustainability goals by eliminating costly scrap, reducing product damage and improving production efficiency.
A Slick Idea Without the Grease

Research shows that consumers are frustrated by to-go food packaging that develops grease and oil stains. Our WestRock EnShield paperboard solves that problem, making it a smart alternative for packaging baked goods and other food items. EnShield is unique from other substrates because it is coated with a proprietary barrier protection created by WestRock’s research and development team. Unlike other types of grease resistant treatments, paperboard coated with EnShield is PFAS-free and also 100 percent recyclable. Our Packaging Matters™ research shows that over 75 percent of consumers have a favorable impression of companies that package their products in recyclable materials. EnShield enables customers and consumers to appreciate the food packaging almost as much as the food inside.

The Lighter Side

Wood and recycled fiber are key inputs in WestRock’s packaging products, so optimization of these raw materials is a major focus for our innovation and manufacturing teams. These teams have developed a proprietary process to produce lighter weight paperboard products and packaging solutions that meet our customers’ requirements for protectiveness and quality, without sacrificing strength or durability.

What does this mean for sustainability? We can now use fewer chemicals, less water and less energy during the manufacturing process to produce a roll of paperboard. And because our paperboard now weighs less, WestRock and our customers can reduce transportation-related fuel use and associated greenhouse gas emissions, improving sustainability throughout the value chain.
Innovation In Testing

Chemists from WestRock’s U.S. testing laboratory have been working closely with the Chinese National Lab on a project to develop a reliable, repeatable method for measuring the potential for mineral oil in packaging to migrate into food. Mineral oil hydrocarbons have been considered for regulation in Europe, but the current analytical techniques used for measuring mineral oil migration pose technical challenges. Our laboratory in Miamisburg, Ohio has spent several years refining a mineral oil analytical technique by participating in multiple studies in Europe and having the in-house procedure validated by a third-party accreditation service. WestRock also engaged with Chinese officials about the important policy, science issues and concerns related to regulating mineral oil content in fiber-based food packaging. We are honored the Chinese National Lab looked to us as experts on food packaging safety, and we are grateful for the opportunity to gain deeper, first-hand insights into the country’s food safety regulations.
In today’s global marketplace, it is important that companies have a clear line of sight throughout their supply chain. WestRock has developed its Supplier Principles of Conduct because responsible sourcing of all major materials used in our manufacturing operations is important to us.

WestRock is rolling out a program that requires its vendors to follow our Supplier Principles of Conduct as a condition of doing business with the company. These principles require vendors to:

- Comply with all applicable laws, including labor, safety, environmental and customs requirements
- Prohibit the use of forced, prison, child labor or undocumented workers
- Avoid discrimination or harassment in any form

Vendors must be able to demonstrate compliance with the Supplier Principles of Conduct, and we use independent third-parties to evaluate vendors’ compliance. Our commitment to conducting business in an ethical, legal and socially responsible manner is consistent throughout our supply chain.

Diversifying the Supply Chain

Our business requires a large supplier base to ensure we have the materials and services needed to support our manufacturing operations. Just as we value our diverse employee base, we are working to expand our supplier network to include greater numbers of minority, women, LGBTQ and veteran-owned businesses.

In FY16, in addition to hiring a dedicated resource for our supplier diversity program, we implemented a new program that requires our vendors to provide data on direct and indirect diversity spending related to their contracts with WestRock. We also expanded our classifications of diverse suppliers to include LGBTQ suppliers and engaged with several organizations that will allow us to network with a broader range of suppliers, including the National Gay and Lesbian Chamber of Commerce, the Georgia Minority Supplier Development Council and the National Minority Supplier Development Council. With operations across the globe, WestRock participates in the multicultural marketplace, and we are committed to diversity throughout our operations, including our supply chain.
**Partnering for Human Rights**

We have high expectations for our suppliers, and our customers expect the same from us. One of our customers, The Coca-Cola Company, developed a program to gain greater transparency with respect to human rights in its supply chain. The *Pass It Back* program is designed to improve workplace practices by passing the values of human rights compliance back through the supply chain. Eligible suppliers receive a toolkit to ensure they are aligned with Coca-Cola’s human rights values, policies and due diligence measures. Suppliers are also required to conduct a human rights assessment of their supply chains and report their findings in a transparent manner.

The *Pass It Back* program firmly aligns with WestRock’s core values of Accountability, Integrity and Respect. We were an early adopter and the first packaging supplier to partner with Coca-Cola on the program. By participating in *Pass It Back*, we have helped our customer and advanced our own journey to achieve end-to-end visibility of human rights in our supply chain.

> WestRock’s proactive engagement has enabled us to align on principles, review monitoring results of sites on a regular basis and identify human rights risks deeper in the supply chain. Their work will help embed respect for human rights across the entire supply chain—from forest to a packaged product on the shelf. We look forward to continuing our collaboration and learning from each other in promoting workplace rights.

— Brent Wilton, Director, Global Workplace Rights, The Coca-Cola Company
Clothing Gets New Life

“Clothing” needed to run a paper machine extends from fabrics that shape the slurry of wet fibers at the beginning of the machine, to belts for operating the machine’s press section, to fabrics that assist in drying the final sheet. This clothing needs to be replaced regularly to maintain paper machine performance and product quality.

For many mills, old paper machine clothing can become a waste management issue. To reduce the waste generated during these clothing changes at our mills, WestRock is collaborating with Voith FRS to implement a unique recycling program. Voith collects used machine clothing at our paper mills and transports it to third parties who reprocess it for recycling.

The program began in 2015 at our Seminole, Florida mill and is active now at four of our southern U.S. paper manufacturing facilities, with more than 137,000 pounds of machine clothing recycled to date. Based on this early success, we will expand the program to include other mills. WestRock recognizes that to attain our goal of diverting waste from landfills, our ability to collaborate with our suppliers like Voith will be one of the keys to our success.

WestRock has been very open-minded and willing to take the steps necessary to partner with Voith FRS to make our recycling projects work.

—Bill Hanley, Sustainability & Recycling Manager, Voith FRS