



Statement of Business Principles

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In conversations with PCA employees, I have often mentioned the need for “world class” standards and principles for measuring every aspect of the way we do business, from customer service to productivity, safety and many others. Similar standards and principles are also a necessity for ethical and lawful behavior. The Statement of Business Principles contained in this manual provides guidelines and policies for each of us to apply and follow as employees, as co-workers, and as representatives of PCA.

As our society and business environment grow more complex, some ethical questions become less black-and-white, right-or-wrong, and require sharper judgement and greater intuition, often just to recognize when a problem exists. The primary purpose of this Statement of Business Principles is to help you recognize an ethical dilemma when you face one and to know what you can do about it.

I have the greatest faith in the innate integrity of our employees, and I know you will understand most of the policy discussions presented here without help. However, legal and commercial developments have created new and often obscure pitfalls, and we all need some guidance to avoid them.

Also, this manual provides alternative means by which you may address any ethical problem you encounter on the job. As always, we encourage you to make use of our existing management structure as your first recourse, but this manual tells how to address your concerns directly to corporate departments or to a third-party “hotline” if this becomes necessary or appropriate.

I appreciate your hard work and dedication to PCA and I hope this Statement of Business Principles makes your job a little easier and your time more productive.

Paul T. Stecko
Chairman and Chief Executive Officer

Statement of Business Principles

At PCA, no business requirement ever justifies an illegal, unethical, immoral or unprofessional act. PCA holds ethics, integrity, and lawful conduct among its topmost priorities. Ethical and lawful conduct are essential to protecting PCA's business and reputation. The Statement of Business Principles provides direction in areas where special care may be needed.

All supervisory employees have a special responsibility to assure ethical and lawful conduct by conducting themselves and managing their departments to the highest standards of integrity and honesty. Supervisors must review the Statement of Business Principles with employees under their supervision. Supervisors also must maintain a workplace environment free of the fear of reprisal, one that encourages frank and open communications concerning PCA's expectation of ethical and lawful conduct. All supervisors will be measured on how well they accomplish these responsibilities.

All employees, regardless of rank or duty, are responsible for upholding the Statement of Business Principles in their daily activities and for seeking

help when the proper course of action is unclear. All employees are required to comply with all applicable laws and regulations wherever PCA does business. Perceived pressures from supervisors or demands due to business conditions are not excuses for violating the law.

PCA's operations must comply with all applicable laws and regulations as well as the Statement of Business Principles and the policies and procedures that support them. PCA's Statement of Business Principles will be continually updated to reflect changes in laws, regulations and corporate policies, and to incorporate employee suggestions on improving ethical and lawful conduct.

The Statement does not attempt to address every situation or answer every question. Because the policies and procedures contain more detail, their guidance is controlling. If you question whether a proposed course of action is consistent with the law, the Statement of Business Principles, or any other requirement, seek guidance before taking any action. In addition to your direct supervisor and others in the reporting chain, you can ask

Corporate Counsel, the vice president of Human Resources, or the Chief Financial Officer.

PCA also has established a toll-free help line. You may communicate confidentially (and without disclosing your personal identity) questions concerning these Business Principles and policies, or suspected violations by calling PCA's toll-free, 24-hour help line number:

1-877-643-8722

You may also communicate your concerns by mail to:

Compliance Officer
Packaging Corporation of America
c/o Corporate Counsel
1900 West Field Court
Lake Forest, Illinois
60045 2595

You may also bring to the attention of the Audit Committee of PCA's Board of Directors any questions, concerns or complaints you may have regarding accounting, internal accounting controls or auditing matters.

The Audit Committee has established additional procedures for (1) the receipt, retention and treatment of complaints received by PCA regarding accounting, internal accounting controls and auditing matters and (2) the confi-

dential, anonymous submission by employees of concerns regarding what they may perceive as questionable accounting or auditing matters. If you have such questions, concerns or complaints, you should call the help line.

All inquiries will be answered promptly. All reports of suspected violations will be investigated promptly and fairly on a confidential basis to the greatest extent possible. No employee will be subject to reprisal or retaliation for reporting in good faith a suspected violation, and all appropriate steps will be taken to keep confidential the identity of the reporting employee. Full cooperation is expected both from anyone who is suspected or accused of improper conduct and from anyone who makes accusations against someone else.

At PCA, ethics, integrity and lawful conduct are everyone's responsibility. If you are in doubt about the appropriate course of conduct in your daily business activity or question how PCA's standards and principles apply to a specific situation, you should ask. A simple, early question often clarifies and avoids potentially troubling situations.

Anti-Discrimination

Policy

PCA is firmly committed to the fair and equitable treatment of all its employees within a safe, healthy, and harassment-free work environment. Employment decisions including hiring, performance appraisals, promotions and discharge are based on an employee's qualifications, skills, and performance without regard to race, color, sex, national origin, religion, age, disability, marital or family status, veteran status, or any other non-business related consideration. PCA will not tolerate discrimination of any employee on such basis.

Your Responsibilities

▶ **Do not treat** any employee differently because of his or her race, color, sex, national origin, age, religion, disability, marital or family status, veteran status, or other illegal consideration. Doing so is discrimination.

▶ **Notify** your local management, Human Resources representative, or Corporate Counsel of any violation of this policy.

▶ **Create** an atmosphere free of any suggestion of discrimination.

▶ **Do not** make or tolerate jokes, comments, or remarks based on a person's race, color, sex, national origin, age, religion, disability, marital or family status, veteran status, or other consideration.

For further information on Anti-Discrimination consult with the senior Human Resources representative at your location.

Antitrust

Policy

PCA will not engage in practices that limit competition such as price fixing and dividing of markets. Nor will PCA engage in practices to unlawfully restrict a competitor's opportunities.

Discussion

Free competition is healthy for business and good for consumers. The antitrust laws of the United States and the competition laws of other countries govern the day-to-day conduct of business in setting prices and other aspects of the purchasing and marketing of goods and services. These laws protect consumers from illegal competitive actions such as price fixing and dividing of markets. It is vital to follow the laws of the United States and other countries that prohibit practices undermining vigorous competition. PCA will compete solely on the merits of its products and services. PCA will succeed by

satisfying its customers' needs, not by limiting unlawfully a competitor's opportunities.

Antitrust laws prohibit entering into any kind of agreement or understanding (even oral or informal) with a competitor regarding:

- prices, costs, profits, margins, inventories, or terms and conditions of sale (except only in connection with a good faith purchase or sale transaction with the competitor as a supplier or customer)
- territories
- limitations on products or services
- production facilities, volume, or capacity
- market share
- customer or supplier allocation or selection
- distribution methods
- any action that affects, limits, or restricts competition
- confidential or proprietary information
- bidding arrangements
- resale price maintenance schemes
- exclusive dealings

Don't be misled into thinking that agreements are unlawful only if a written document is signed by the parties involved. If competitors make a conscious commitment to a common course of anti-competitive action, they can be in violation of competition laws. A court or jury may even infer that an informal agreement existed simply because of suspicious parallel activities by competitors following meetings or communications. The best policy is to avoid communication with competitors.

PCA, acting independently, is free to price our products and services as we choose. However, we must avoid maintaining or expanding our market share through illegal or restrictive practices. Competition laws are complex. If you are uncertain whether any proposed pricing or marketing plan is lawful, you should consult in advance with Corporate Counsel.

Your Responsibilities

▶ **Never** agree with competitors to fix prices or divide markets.

▶ **Never** enter into any understanding with a competitor that restricts either party's discretion to manufacture any products or provide any service, or that limits selling to, or buying from, a third party.

▶ **Never** enter into any understanding with a customer that might:

1. Restrict a customer's discretion to use or resell one of the Company's products without first consulting Corporate Counsel.

2. Condition the sale of a product or service on the customer's purchase of another product or service from the Company.

▶ **Contact** Corporate Counsel for prior approval before any meeting with a competitor. If you attend a trade association meeting and competitors are present, never discuss at the meeting or at any social gathering prices, costs, sales, profits, market shares, or other competitive subjects. If such matters enter into the discussion, stop the discussion, or leave the meeting or social gathering, and notify Corporate Counsel.

▶ **Report** any activities by co-workers or competitors that appear contrary to the antitrust laws to Corporate Counsel.

▶ **Contact** Corporate Counsel if you have any questions concerning compliance with the antitrust laws.

For further information on Antitrust consult with Corporate Counsel.

Conflicts of Interest

Policy

All PCA employees are prohibited from taking any actions that would create a conflict of interest and should avoid even the appearance of a conflict of interest.

Discussion

A conflict of interest is a situation in which an employee's personal interest or benefit interferes, or appears to interfere, with his or her responsibilities as an employee of PCA.

Employees must not accept payments, gifts, entertainment, or other favors that go beyond the common courtesy usually associated with good business practice, or that might be regarded as placing them under some obligation to a supplier or customer.

Corporate Opportunities

Unless approved in advance, no PCA employee may hold a position with, or have a substantial financial interest in, any business that conflicts with or might appear to conflict with that employee's work on behalf of PCA. Likewise, prior approval is required for a PCA employee to conduct business with PCA for personal benefit or for the benefit of a relative.

Your Responsibilities

- ▶ **Place** compliance with laws and ethical principles above private gain.
- ▶ **Do not solicit or coerce** anything of value in exchange for awarding PCA business.
- ▶ **Do not have** a position with, nor financial interest in, another business that interferes or appears to interfere with PCA duties or responsibilities, unless approved in advance.
- ▶ **Do not conduct/transact PCA business with a family member or relative** unless it is approved by Corporate Counsel in advance. All employees must maintain impartiality and high standards of conduct for honesty and fairness.
- ▶ **Disclose** any substantial financial interest in or position with any competitor (including work as a consultant or advisor).
- ▶ **Report** any violations of conflict of interest procedures to the vice president of Human Resources or to Corporate Counsel.

For further information on Conflicts of Interest consult with Corporate Counsel.

Policy

PCA employees and their family are prohibited from using their position with PCA for their own personal gain through the use of company property, information or the opportunities that may arise as a result of their position.

A full time employee's primary work obligation is to PCA. Outside activities such as a second job or self-employment, must be kept totally separate from PCA employment and not interfere with PCA job responsibilities.

Discussion

PCA property and information must not be used for any purpose other than for the proper conduct of PCA business. Additionally, no PCA employee can perform services of any type for, nor serve as an employee, consultant, officer or director, of any competitor, customer, or supplier of PCA without the approval of Corporate Counsel.

PCA respects the privacy of every employee in the conduct of his or her personal affairs. No PCA employee may run a personal business on PCA time or use PCA resources. Similarly, no PCA employee can allow such outside activities to detract from their job performance or require such long hours that the outside activity adversely affects the employee's physical or mental effectiveness. Finally, no PCA employee can perform services for, nor serve as an employee, consultant, officer or director, of any competitor, customer, or supplier of PCA without the approval of Corporate Counsel.

Corporate Property

Your Responsibilities

- ▶ **Do not use** PCA time, property, information or your position for personal gain or outside business matters.
- ▶ **Avoid** work on behalf of competitors, suppliers, or customers of PCA.
- ▶ **Inform** your supervisor, the vice president of Human Resources, or Corporate Counsel of any outside business position (other than charitable, educational, or religious) that might be viewed as conflicting with PCA duties or responsibilities.
- ▶ **Notify** your supervisor, the Corporate Counsel or contact the PCA hotline if you know or suspect that others are in violation of this policy.

For further information on Outside Employment and Activities consult with Corporate Counsel.

Policy

PCA employees are responsible for protecting PCA-owned or PCA-leased property and equipment. This responsibility extends not only to tangible assets such as money, physical materials, and real property, but also to intangible property, such as business plans, trade secrets, computer programs, technologies, and other confidential or proprietary information. Employees must also safeguard the confidential and proprietary information of customers and suppliers.

Discussion

PCA property, generally, must not be used for any purpose other than for PCA business. Employees must not borrow, give away, loan, sell, or otherwise dispose of PCA property – regardless of conditions – without proper management authorization. Reasonable precautions must be taken against theft, damage, or misuse of PCA property.

Your Responsibilities

- ▶ **Exercise appropriate care,** custody and control over PCA property (including supplies, equipment, facilities, files, documents, films, and electronically recorded data or images).
- ▶ **Do not use** PCA equipment, including computers, for personal matters.
- ▶ **Do not duplicate** proprietary or trademarked software for personal matters.
- ▶ **Keep confidential information** stored properly when it is not being used.
- ▶ **Suggest improvements** for the maintenance or security of PCA property.
- ▶ **Report** any potential or actual theft or misuse of PCA property to the appropriate supervisory personnel within your organization.

For further information on PCA Property consult with Corporate Counsel.

Dissemination of Corporate Information

Policy

PCA employees must not respond to requests for financial or business information about PCA from outside sources such as the media, press, financial community or the public, unless authorized to do so.

Discussion

PCA will maintain a coordinated and consistent posture in its relations with the various segments of the news gathering industry. All contact with news media concerning the affairs of PCA, including written and oral communications and the release of photographs, must be coordinated through the applicable public relations department.

Your Responsibilities

- ▶ **Refer** media requests for information of any type to the Communications Department.
- ▶ **Refer** inquiries regarding current or former employees, other than by the news media, to the applicable Human Resources representative.

For further information on the Dissemination of Corporate Information consult with the Communications Department.

Environment

Policy

PCA is committed to responsible environmental protection and practices. PCA will employ best management practices to further reduce environmental risks.

Discussion

PCA recognizes that protecting the environment in the course of its business activities is of the highest priority. Virtually all of our activities are regulated by environmental laws. PCA has instituted a highly successful pollution prevention program to reduce industrial waste through process changes, recycling, and the replacement of hazardous raw materials. We encourage our employees to suggest ways to eliminate waste and emissions from our processes.

All waste products and hazardous materials must be accumulated, handled, and disposed of as required by applicable federal and state regulations. If you discover any unsafe storage of toxic or hazardous materials, report it immediately to your supervisor and the Environment, Health and Safety Department.

Your Responsibilities

- ▶ **Understand and follow** PCA environmental guidelines.
- ▶ **Ensure** that required environmental records and labels are complete, accurate, and truthful.
- ▶ **Handle, store, or dispose** of toxic or hazardous materials using approved methods only.
- ▶ **Prevent** spills and other releases to the environment.
- ▶ **Report** any spills or other releases.
- ▶ **Ensure** that air and water emissions are within permitted limits and that all permit conditions are met.
- ▶ **Suggest improvements** for reducing or eliminating wastes or emissions.
- ▶ **Notify** your supervisor or the Environment, Health and Safety Department of any potential violations of environmental guidelines.
- ▶ **Consult** with your supervisor if you have any questions.

For further information on Environmental practices consult with your supervisor.

Exports & International Trade Restrictions

Policy

Conducting import and export transactions requires an awareness of international trade laws. PCA, its employees, and its agents, distributors, and other representatives will comply with these laws, including U.S. trade sanctions, economic embargoes, and export and reexport controls.

Discussion

The export of goods and technology from the United States is regulated by a number of very complicated laws and regulations. There are many factors in determining whether a product or technology can be exported, including the nature of the item, the country of destination, and the end-user and actual or potential end-use. Export restrictions apply not only to the export of goods and services, but also to the licensing of software and the

transfer of technology in many forms, such as plans, designs, training, consulting, and technical assistance. These restrictions can also apply to foreign-made products based on U.S. technology or that contain U.S. parts or components. Exporting goods or technology without the appropriate government approvals can result in the loss of export privileges and can subject a company to both civil and criminal penalties.

The United States has imposed embargoes that generally prohibit all trade and transactions involving certain countries. The United States also generally prohibits all trade and transactions with individuals, companies and other entities that have been identified on certain Government lists as terrorists, terrorist organizations, narcotics traffickers, entities involved in developing weapons of mass destruction, or blocked persons.

Because restrictions change regularly, if you are going to engage in international business, check with Corporate Counsel regarding updated lists and restrictions.

Your Responsibilities

- ▶ **Be familiar** with U.S. export control laws, trade sanctions, and embargoes if you work on programs involving international trade.
- ▶ **Remember** that imports from and exports to Canada or Mexico are governed by NAFTA rules. Refer all requests for NAFTA Certificates of Origin to Corporate Counsel.
- ▶ **Maintain** complete and accurate records of international transactions.
- ▶ **Consult** Corporate Counsel anytime you are dealing with a product or technology intended for export. You must have the necessary government approvals before proceeding with the export.

- ▶ **Accurately complete** any export control document.
- ▶ **Watch out** for transactions that could be a “cover” for prohibited sales by diverting the goods through various corporations or countries not subject to restrictions.
- ▶ **Screen** all international transactions to ensure against dealings with any individuals or entities on lists of proscribed parties maintained by the U.S. Government.

For further information on Exports and International Trade Restrictions consult with Corporate Counsel.

Fair Dealing

Policy

Each PCA employee should endeavor to deal fairly with PCA's customers, suppliers, competitors and employees.

Discussion

In carrying out their duties and responsibilities, PCA employees should promote fair dealing by PCA and its employees and agents with customers, suppliers, competitors and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation or material facts, or any other unfair-dealing practice.

Your Responsibilities

- ▶ **Use** true and accurate information about PCA in all advertising and statements.
- ▶ **Don't make** false or misleading statements about another company's products, services, or employees.
- ▶ **Give** suppliers, consultants and contractors a fair chance to compete for PCA business.

For further information on Fair Dealing consult with Corporate Counsel.

Financial Controls & Records

Policy

A variety of laws require PCA to record, preserve, and report financial information to investors and government agencies. This information must present fairly PCA's financial position and the results of PCA's operations. PCA employees involved in preparing, processing and recording such information will be held responsible for its completeness and accuracy.

Discussion

Employees must record financial information accurately, completely, and timely in accordance with U.S. generally accepted accounting principles. It is against PCA policy to make entries that intentionally conceal or disguise the true nature of the transaction. Financial information must be kept confidential and released only with proper authorization.

Your Responsibilities

- ▶ **Make appropriate entries** in PCA's books and records to record all transactions entered into.
- ▶ **Do not make** an inaccurate, false, or misleading entry in PCA's books and records.
- ▶ **Immediately report** any inaccurate, false, or misleading records to your supervisor, Corporate Counsel, or the Chief Financial Officer.
- ▶ **Do not make or approve payments** without adequate supporting information or if any part of the payment is to be used for any purpose other than the purpose described in the supporting documentation.
- ▶ If you participate in the preparation of financial reports, **know and follow** PCA's accounting and internal control procedures.

For further information on Financial Controls and Records consult with the senior financial person at your location.

Foreign Corrupt Practices Act

Policy

PCA, its employees, and its agents, distributors, and other representatives must comply with the Foreign Corrupt Practices Act.

Discussion

This Act prohibits payments or offers of payments of anything of value to foreign officials, foreign political parties, or candidates for foreign political office in order to obtain, keep, or direct business. Indirect payments of this nature made through an intermediary, such as a distributor or sales representative, also are illegal.

This Act also requires that PCA maintain a system of internal accounting controls and keep accurate records of transactions and assets.

The following activities are prohibited:

- maintaining secret or unrecorded funds or assets
- falsifying records
- providing misleading or incomplete financial information to an auditor

Your Responsibilities

► **Comply** with PCA procedures and the highest ethical standards of the United States and any foreign country where we may do business.

► **Do not make** any corrupt payment, regardless of amount, to foreign government officials or personnel directly or through an intermediary.

► **Do not use** PCA's assets for any unlawful or improper purpose.

► **Do not create** or maintain a secret or unrecorded fund or asset for any purpose.

► **Comply** with PCA's accounting policies and internal control procedures.

► **Do not make** any false or misleading entries in PCA's records or make any payment on behalf of PCA without adequate supporting documentation.

► **Report** any violations of PCA's financial and accounting policies to Corporate Counsel or to the general auditor.

For further information on the Foreign Corrupt Practices Act consult with Corporate Counsel.

Foreign Economic Boycotts

Policy

U.S. laws prohibit participating in or cooperating with illegal economic boycotts supported by foreign nations, such as the Arab boycott of Israel. PCA, its employees, and its agents, distributors, and other representatives will strictly comply with U.S. "antiboycott" laws and policies.

Discussion

Here are some examples of prohibited activities:

- refusing (or agreeing to refuse) to do business with boycotted countries or their nationals or black-listed companies
- furnishing (or agreeing to furnish) information about PCA's or any person's past, present, or prospective relationship with boycotted countries or blacklisted companies
- discriminating against individuals or companies on the basis of race, religion, sex, or national origin

There are many other prohibited activities. Be alert to the possibility that boycott-related provisions can appear in the "standard" language in documents such as contracts, letters of credit, and shipping documents. Because this is a complex legal area, if you identify or receive any boycott-related language or request, report them to your supervisor or Corporate Counsel. The law also requires that requests to take boycott-related actions (including requests to provide information or to agree to boycott-related terms) be reported to the U.S. Government.

Because boycott activities change, if you are going to engage in international business, check with Corporate Counsel regarding a current roster of boycotted countries, and be alert as well for boycott-related provisions that could appear in transactions involving foreign countries.

Your Responsibilities

▶ **Do not refuse** (or agree to refuse) to do business with Israel, other boycotted countries, or blacklisted persons or companies.

▶ **Do not furnish** (or agree to furnish) information or certifications regarding employees' race, religion, sex, national origin, or business relationships with Israel or blacklisted companies. Remember, these requests may be hidden in the fine print of contracts.

▶ **Report** any boycott requests to Corporate Counsel.

For further information on Foreign Economic Boycotts consult with Corporate Counsel.

Health & Safety

Policy

PCA is committed to providing and maintaining a safe and healthy work environment. All employees must be responsible for knowing and complying with safety policies, regulations, and rules that apply to their job.

Discussion

Employees must know, understand, and demand compliance with the safety laws and regulations that apply to their areas of responsibility. Following these requirements helps ensure not only your safety, but also the safety of others.

Your Responsibilities

▶ **Always comply** with your facility's health and safety procedures.

▶ **Always take appropriate safety precautions**, including wearing and using safety equipment and using seat belts while driving or riding in a company vehicle.

▶ **Never compromise** safety procedures to increase productivity or output.

▶ **Notify** your supervisor or the Environment, Health and Safety Department of any hazardous conditions, improper use of safety equipment, or any failure to follow safety procedures.

▶ **Never instruct anyone to disregard** safety procedures.

▶ **Report** any job-related injury or illness immediately to your supervisor.

▶ **Suggest** ways to improve PCA's health and safety procedures.

For further information on Health & Safety consult with your supervisor.

Insider Trading

Policy

U.S. federal securities laws make it illegal to trade or “tip” others to trade in PCA stock or the stock of other companies if you have “material” non-public “inside” information about these companies.

Discussion

Information is material if it is important enough to influence someone to buy, sell, or hold securities. It is illegal to buy or sell securities of PCA or any other company if you have material nonpublic information or to provide such information to others who might use it to buy or sell securities.

Your Responsibilities

▶ **Never buy or sell** securities of PCA or of any other company based on confidential information that has NOT been released to the public.

▶ **Never provide** confidential information about PCA to others who might buy or sell securities based on that information.

▶ **Do not trade** if you are in doubt as to whether the information has been released to the public (in general, wait at least two business days after a PCA press release is issued before buying or selling securities).

▶ **Notify** your supervisor, Corporate Counsel, or the Corporate Secretary if you know or suspect that others are trading in securities based on inside information.

▶ **Ensure** that confidential Company information (such as significant new contracts, acquisitions, etc.) is released only to individuals who have a need to know the information.

For further information on Insider Trading consult with Corporate Counsel.

Political Contributions & Activities

Policy

PCA employees are encouraged to vote in government elections and to participate in the political process. These activities must be undertaken on employees’ own time and expense.

No corporate contributions to support specific issues, candidates, or political parties may be made without the approval of Corporate Counsel.

Employees should not make any payments to any U.S. or Foreign governmental official, either directly or indirectly, for the purpose of obtaining business or favorable regulatory action.

Discussion

PCA employees are encouraged to express their views on government, legislation and other matters of local and national interest. You are encouraged, as individuals, to make contributions supporting candidates or parties of your choice. These activities, however, must be undertaken on your own time and at your own expense.

Your Responsibilities

▶ **Obey** restrictions imposed by law upon personal and corporate participation in politics.

▶ PCA’s contact with public and elected officials is regulated by a variety of laws and regulations. Any dealings with these officials regarding PCA must be coordinated with Corporate Counsel.

▶ **Never** represent your personal political activity as being PCA’s.

For further information on Political Contributions and Activities consult with Corporate Counsel.

Procurement

Policy

PCA will obtain a competitive price for all purchased goods and services, and will ensure that all purchased goods and services meet PCA's business requirements.

Discussion

PCA recognizes the value of long term sound business relationships with its vendors. Through this relationship, vendors are expected and required to provide quality goods and services which meet business requirements at a fair but competitive price. All PCA employees (not just those in the purchasing function) involved in the purchasing decision must maintain professional integrity in their dealings with qualified PCA vendors.

Your Responsibilities

► **Maintain** a level of unquestionable professional integrity and comply with PCA's policy regarding Conflicts of Interest.

► **Ensure** that best value is obtained for PCA through effective competitive bidding and/or negotiations with vendors.

► **Select** high quality, professional vendors with whom PCA will be proud to conduct business, and who have a proven track record for conformity with all applicable governmental laws and regulations and acceptable industry practices.

► **Direct** procurement efforts to ensure that PCA's purchasing leverage is maximized through full compliance with multi-facility purchasing agreements.

► **Report** any violations of procurement guidelines to the responsible business manager, local purchasing manager, Director of Corporate Purchasing, Corporate Counsel, or through PCA's help line.

For further information on Procurement consult with your local purchasing manager, the Director of Corporate Purchasing or Corporate Counsel.

Prohibited Substances

Policy

PCA is firmly committed to the fair and equitable treatment of all its employees within a safe and healthy environment. The use, sale, possession, manufacture, dispensing, or distribution of illegal drugs or controlled substances by an employee, while performing PCA business or on PCA premises, is forbidden.

The abusive use of legal drugs or reporting to work under the influence of a legal drug that impairs the employee's ability is also forbidden. PCA retains the right to search any and all PCA property at any time. Controlled, prohibited, or illegal substances will be confiscated by PCA and, where appropriate, turned over to the authorities.

The consumption of alcohol in any situation that might impair an employee's ability to perform assigned duties is prohibited. Reporting to work under the influence of alcohol is forbidden. At no time may alcohol be consumed in automobiles or trucks used for PCA

business. Employees may not drive while under the influence, as defined by local law, while on PCA business.

Alcohol may not be consumed, sold, or possessed on PCA premises except as permitted by management.

Your Responsibilities

► **Do not bring** illegal drugs or alcohol onto PCA property.

► **Never** use alcohol while in PCA owned or leased vehicles.

► **Report** any violation of PCA guidelines or procedures pertaining to prohibited substances to the vice president of Human Resources.

► **Do not** perform PCA business or be on PCA premises while under the influence of any illegal drug or alcohol. This could affect the safety of the people around you and affect the efficiency of PCA's operations.

For further information on Prohibited Substances consult with the Human Resources representative at your location.

Public Statements

Policy

Statements to those outside PCA, whether relating to PCA or its products and services, should be made with utmost care. Interviews with the news media, publications of sales and advertising materials and statements made to the public or to securities market professionals should all follow guidelines approved by PCA. The potential risks from inaccurate statements include claims of false advertising, misrepresentation, breach of contract, securities fraud and antitrust violations.

PCA is committed to providing the public with full, fair, accurate, timely and understandable information about PCA in the reports it files with the Securities Exchange Commission ("SEC") and in other public communications made by PCA. PCA's senior management and principal accounting personnel have the overall responsibility for preparing the SEC filings and other public communications and ensuring that the filings and communications are in compliance with this policy.

It is your responsibility to properly provide information to senior management and PCA's auditors for use in these filings and other public communications to ensure the information communicated is fair, accurate, timely, understandable and complete.

PCA's policy applies to any communication that is made by PCA to the public, securities market professionals (such as securities analysts, broker-dealers, investment advisors or investment companies) or investors that contains material information (material information is any news that would reasonably be expected to affect the value of PCA's securities or influence investor decisions). Pursuant to the policy, communications containing material information about PCA may only be made by Designated Company Spokespersons. Designated Company Spokespersons are limited to the Executive Officers of PCA who are elected by the Board of Directors of PCA, and to designated employees in Investor Relations.

Investor Relations will maintain a list of Designated Company Spokespersons, which will be available at their offices.

Before making any statements to the media, you must first contact PCA's Investor Relations Department.

No one working on PCA's behalf may disclose during speaking engagements or in publications any confidential PCA information or proprietary information.

Your Responsibilities

- ▶ **Be familiar** with this policy.
- ▶ **Do not communicate** any material information about PCA to the public unless you are a Designated Company Spokesperson.
- ▶ **Never make** any statements containing non-material information about PCA to the media, whether oral or in writing, without first checking with the Investor Relations Department.
- ▶ **Always do your homework** and ensure all public statements you make containing information about PCA include only publicly available data and are accurate, complete, timely, and reliable.
- ▶ **Never accept** a public speaking engagement in which PCA operations or financial results are a topic without first obtaining authorization from the Investor Relations Department.

For further information on Public Statements consult with your supervisor.

Quality

Policy

PCA is committed to providing the highest quality goods and services to its customers that meet, or exceed, their specifications and expectations.

Discussion

Total Quality Management (TQM) gives us the means for realizing our commitments. TQM is the foundation of how PCA manages its business. TQM ensures leadership in targeted markets, product innovation and operating costs. Four principles drive PCA's Total Quality Management:

Focus on the Customer:

Achieving customer satisfaction and retention is at the center of everything we do. We strive to "Be easy to do business with" by understanding customer needs, consistently meeting customer requirements, exceeding customer expectations, and solving customer problems with ideas and innovations.

Measure and Manage with

Data: To manage, we must measure. We identify, track and improve our key performance drivers. We use data in our decision making processes to identify opportunities for improvement, establish priorities, and develop and implement action plans. We use Cost of Quality and other measurement tools to identify opportunities and track how improvement projects impact bottom line performance.

Continuous Improvement:

Our customers demand and deserve excellence. We continuously measure and improve our processes and product offerings. We relentlessly search out, apply and share best demonstrated practices from internal and external sources.

Quality Management System:

Each organization in PCA manages its processes with a documented, integrated quality management system. We use process management to focus on the customer, measure and manage with data, and pursue continuous improvement. We use management systems to leverage the scale of our large organization while encouraging entrepreneurial thinking and innovation.

Your Responsibilities

- ▶ **Incorporate** the four principles of Total Quality Management into daily work processes.
- ▶ **Participate** in PCA's development of a "Quality" culture valuing leadership, teamwork, and open communication.
- ▶ **Suggest improvements** for PCA's products, services, and processes.

For further information on Quality consult with your supervisor.

Sexual Harassment

Policy

PCA will not tolerate any form of sexual harassment. It is PCA's policy to provide all employees with a work environment free from unsolicited and unwelcome sexual overtones.

Discussion

Conduct with sexual overtones that interferes with work performance and productivity, or creates an intimidating, hostile, or offensive work environment is forbidden. Employment decisions will not be based on submission to, or rejection of, unwelcome sexual advances, requests for sexual favors, or verbal or physical conduct of a sexual nature.

Your Responsibilities

▶ **Never make an unwelcome sexual advance** toward a co-worker or to any other person you come in contact with in the course of your duties.

▶ **Do not make or tolerate** sexual jokes, comments about a person's body, graphic statements about sexual matters, or engage in offensive behavior of a sexual nature.

▶ **Do not display** sexually suggestive objects or pictures at work.

▶ **Do not ask** co-workers questions about sexual conduct or sexual preference.

▶ **Report** any inappropriate behavior of a sexual nature to your supervisor or Human Resources.

▶ **Never** suggest or imply that an employee's job will be affected by his or her response to a sexual advance.

For further information on Sexual Harassment consult with the senior Human Resources representative at your location.

Summary

This booklet sets forth the basic expectations and general principles guiding how PCA does business, and gives advice on where to turn for additional information or whom to call to ask questions or report questionable conduct. The most important thing to remember is that if you have a question, it is always better to ask before you act. The first person to ask is your direct supervisor. If your supervisor doesn't know the answer, he or she has the responsibility to find the solution and explain it to you.

If for some reason you do not feel comfortable talking with your supervisor, call the PCA help line number:

1-877-643-8722

or write:

Compliance Officer
Packaging Corporation of America
c/o Corporate Counsel
1900 West Field Court
Lake Forest, Illinois
60045 2595

PCA's customers and suppliers may also call the help line or write to the compliance officer. Calls and letters are kept confidential to the greatest extent possible and may be made anonymously. The identity of a person contacting the help line will not be given to anyone except as required by law or as needed for investigative purposes. The Company will not tolerate any retaliation or reprisal against any employee who, in good faith, communicates concerns or suspected violations.

Actions contrary to the Statement of Business Principles are, by definition, harmful to PCA and its reputation. Violations, even in the first instance, will result in disciplinary action up to and including dismissal. PCA's Statement of Business Principles is not an employment contract, and compliance with the Statement does not create a contract for continued employment.

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