“The ethical course of action is always the right course of action.”
Dear Colleagues,

As International Paper continues to evolve and adapt in an ever-changing global marketplace, one thing remains constant — our firm commitment to doing the right things for the right reasons. Ethics and integrity underlie our core values — commitment, ownership, respect and excellence. These values make International Paper one of the most trustworthy names in business and are the foundation of our success. They also make IP a place where all of us can be proud to work. We operate in many countries and cultures around the world, connected by our shared mission, vision and values. It is our responsibility to champion these values throughout our business and in the regions where we operate around the globe.

Our Code of Conduct is designed to provide a clear understanding of International Paper’s core values and the standards that govern our business. It also provides guidelines for navigating successfully through ethical challenges. In our competitive global environment, we sometimes encounter situations that test our judgment and integrity. When this happens, the Code helps us respond in ways that are true to the IP Way and comply with both the spirit and letter of the law. It lays the groundwork for how we treat our customers, investors, suppliers and each other.

We count on all of our employees to not only follow this Code, but to report violations of it without fear of retaliation. We respond to all reports of Code of Conduct violations, and we will not tolerate retaliation against any employee who raises an ethical concern in good faith.

All of our senior leaders, including the IP board of directors, support this Code and are committed to keeping its values and principles at the core of our operations. I encourage you to be thoroughly familiar with the Code to better understand how our core values impact your day-to-day business decisions and to prepare you to respond appropriately when the need arises.

At International Paper, we believe that how we achieve our goals is just as important as the ultimate achievement of success. The ethical course of action is always the right course of action. IP’s Code of Conduct is our road map to a successful future, providing guidance on the standards of ethics, personal integrity and compliance that are the foundation of International Paper’s global community.

Sincerely,

Mark Sutton
Chairman and CEO
# Table of Contents

## Our Core Values 6
- Commitment 6
- Ownership 6
- Respect 6
- Excellence 6

## Our Code of Conduct 7
- Who We Are 7
- The Heart of the Matter 7
- Our Standards, Policies and Procedures 7
- The Code Applies to All of Us 7
- Resources and Reporting 8

## Commitment 11
- Conflicts of Interest 13
- Gifts and Entertainment 14
- Protecting Company Assets 16
- Health and Safety 17
- Public Affairs 18
  - Political Activities 18
  - Charitable Activities 19

## Ownership 21
- Antitrust and Competition 23
- Anti-Corruption and Bribery 25
- International Business 26
- Insider Trading 27

## Respect 29
- Our Responsibilities to Each Other 31
- The Environment and Natural Resources 33
- Fair and Honest Dealings 33

## Excellence 35
- Accurate Records 37
- Protecting Our Information Resources and Records 38
  - Privacy 38
  - Intellectual Property and Confidential Information 38
- Competitive Information 39

## Resources 41
- Global Ethics and Compliance Office 43
- Education and Awareness 43
- Advice and Counseling 43
- Reporting a Concern 44
- Connecting Around the World 45

## The HelpLine 48

## How the HelpLine Works 49

## Making Ethical Decisions 50

## At Our Core 51
- More Than Words 51
- A Simple Message 51
Our Core Values

We live in times that are characterized by rapid innovation, with new pressures and realities confronting us every day. To calibrate our ethical compass, we rely on core values that are solid, enduring and time-tested.

**COMMITMENT**

We are committed to doing what is in the best interest of our shareholders, the company and each other. We protect the health and safety of our employees and support the welfare of the communities in which we operate.

**OWNERSHIP**

We are each individually accountable for following the spirit as well as the letter of the laws that apply to IP. Each of us will follow the law wherever we operate and uphold the highest ethical standards of conduct on the job.

**RESPECT**

We treat others with respect and dignity and believe in diversity of thought, culture and background. We deal fairly with suppliers, customers and other business partners. We manage natural resources responsibly.

**EXCELLENCE**

We pride ourselves on operational excellence, and we exercise integrity when managing the information and assets that are at the heart of our business. We also treat the resources of others with propriety, demonstrating our commitment to ethical excellence.
Our Code of Conduct

Who We Are

International Paper is a global community of unified, highly motivated professionals who deliver superior value to our customers. With operations all over the world, we impact lives everywhere for the better. This Code of Conduct defines for us what is — and what is not — ethical behavior. In other words, it defines what we aspire to be collectively as a company and what we expect of ourselves as individuals.

The Heart of the Matter

We are committed to abiding by all laws and regulations that promote and enforce ethical behavior, but we rely on our core values to drive our choices. That is why this Code of Conduct does not address compliance alone. It also offers perspective. It addresses how we relate to others as we do business anywhere in the world — how our respect for one another governs our conduct on the job.

Our Standards, Policies and Procedures

The Values Behind Our Standards. We have developed standards of behavior, policies and procedures that define how we conduct our business. These standards are based on our core values. They bring integrity to our business practices and the way we treat people. Our core values unite us as a company and as a community of individuals.

Compliance with Laws and this Code. The standards set forth in this Code apply in all countries in which IP conducts business. All IP employees are subject to the laws and regulations of the countries where they live and work. Because we are a U.S. company with global operations, U.S. laws may apply to conduct that occurs outside of the United States.

The Code Applies to All of Us

Every employee, officer and member of the board of directors is expected to uphold this entire Code of Conduct. Waivers or exceptions to any portion of the Code can only be given if approved by the board of directors. Any decision of the board to grant a waiver or exception will be promptly and publicly disclosed.
Resources and Reporting

This Code is also a reference guide containing resources to help you with ethical questions or to report a violation or concern.

Your Obligation. If you reasonably believe that someone has violated or may violate a law or company policy, you may have a duty to report that information immediately to your manager, another manager, the Global Ethics and Compliance office, the HelpLine, Human Resources, Internal Audit or the Legal department.

Our Commitment. We take all reports of violations of this Code seriously, and we will thoroughly investigate any report. We also have anti-retaliation and confidentiality policies to protect those who make such reports. We do not tolerate retaliation against anyone who in good faith seeks advice, raises a concern or reports misconduct. Whenever you are in doubt, the best course of action is to raise your concern. We should all speak up because it is the right thing to do, and it allows the company to address potential issues quickly.

Seeking Guidance. At International Paper, there are many avenues for reporting compliance issues. You can find these in the Resources section of this Code. We encourage employees to raise concerns and seek guidance about ethical issues, as well as safety, quality and work environment.

Other Resources
Corporate Policy: Ethical Business Conduct
Corporate Policy: Anti-Retaliation

What is “retaliation”? Retaliation can include conduct such as reassigning, demoting or terminating someone in response to their good-faith complaint. It can also include other behavior such as excluding someone from work activities.

Some of our policies are stricter than the local laws of my country. Why do we have to go beyond what is required by local law? The IP Way is doing the right thing for the right reasons. In some cases, upholding our core values means that we will follow stricter policies even if another approach is permitted under local law.
Is it the right thing to do?

When you need to determine whether you are “doing the right thing,” ask yourself:

- Does it follow the letter and the spirit of the law?
- Will it tarnish the reputation of the company?
- Is it in the best interest of IP co-workers, customers and stakeholders?
- How would it look to the people closest to me?
- How would it look to my fellow employees?
- Does it follow our company policy?
- How would it look in a newspaper, on a cable news program or online?

Q & A

Who stands behind our Code of Conduct?

IP’s board of directors approved and adopted our Code of Conduct. Our directors, together with the CEO and all of our other leaders and employees, stand behind it — and are committed to living it daily.

What happens if someone violates our Code of Conduct?

We all have the personal responsibility to read, know and comply with the standards in our Code, and we are all accountable for our actions. If you notice a possible violation of this Code, you should promptly tell your manager or call the HelpLine, without fear of retaliation. All calls are investigated thoroughly. Anyone who violates this Code or related company policies may be subject to discipline up to and including termination.

Does this Code explain all the standards that I need to know?

Our Code outlines the core of our commitment to conducting ourselves with integrity, but it does not discuss every law or policy that applies to your work. There are specific policies and procedures covering your conduct and how the company does business, and you are expected to follow that guidance as well as the Code. Help with accessing this additional guidance can be found in the Resources section of this Code.

I work outside of the United States. How will I know whether there are U.S. laws that apply to me?

In addition to following our Code, it is your responsibility to know which U.S. and foreign laws apply to your business activities. If you have questions, contact the Global Ethics and Compliance office.
## What does ethical conduct look like?

### Wrong

- Martha allows her employees to take production shortcuts that compromise IP’s safety standards as long as they do not violate the local laws and regulations that govern the mill where they work.

- Leon has reason to suspect his supervisor of unethical conduct; however, he decides not to report her until he finds some hard facts to share with the HelpLine.

### Right

- Raj works in a country where it is customary and lawful to give small “facilitating payments” to business partners to expedite their services. However, when a government official asks him for such a payment in order to speed up the delivery of some supplies, Raj checks with his manager to find out whether doing so is acceptable under company policy. When he finds out it is considered a form of bribery and therefore prohibited, he refuses to make the payment.

- When Dwayne cannot find specific guidance on an ethical dilemma in the Code of Conduct, he looks to company policies for direction and discusses the situation with his manager.
Commitment
Commitment
We are committed to doing what is in the best interest of our shareholders, the company and each other. We protect the health and safety of our employees and support the welfare of the communities in which we operate.
Conflicts of Interest

What is Expected of Us. We all have a duty to our shareholders, the company and each other to make decisions that are in the best interest of the company — rather than serve our own personal interests. That means that we cannot let our personal social, political or financial interests cloud our judgment or cause us to make business decisions that are not in the best interest of International Paper.

Recognizing Conflicts of Interest. We all have many interests and activities outside of work that, for the most part, coexist with our duties to International Paper. The conflicts we must avoid are those where our personal interests — or those of family members — interfere with our ability to make objective decisions in the course of our work duties or otherwise interfere with our loyalty to the company. Conflicts of interest may arise in various ways. Situations which might lead to a conflict of interest include:

- Having a second job outside of International Paper with a company that is an IP supplier, customer, competitor or subcontractor, or where the work interferes with your job at IP
- Having an investment or ownership interest in any supplier, customer, competitor, subcontractor or other company that impairs your ability to make objective decisions on behalf of International Paper
- Personal or family relationships that overlap with your professional life — for example, when you have a family member who works for an IP competitor or you happen to be an IP manager with direct supervision over a close friend

Avoiding Conflicts of Interest. Any situation that creates — or even appears to create — conflict between personal and company interests must be avoided, resolved or reported. If you find yourself in a relationship or activity that might pose a conflict of interest, you should disclose it to your manager or the Global Ethics and Compliance office. In some countries, you may have to get written approval before you proceed. In some cases, disclosure cannot resolve the conflict, in which case you will have to take steps to remove it.

Other Resources
Corporate Policy: Conflicts of Interest

Is it the right thing?

Does it follow the letter and the spirit of the law?

Avoiding Conflicts of Interest. Any situation that creates — or even appears to create — conflict between personal and company interests must be avoided, resolved or reported. If you find yourself in a relationship or activity that might pose a conflict of interest, you should disclose it to your manager or the Global Ethics and Compliance office. In some countries, you may have to get written approval before you proceed. In some cases, disclosure cannot resolve the conflict, in which case you will have to take steps to remove it.

Other Resources
Corporate Policy: Conflicts of Interest

Ethics in Action

I think my manager is engaged in misconduct. I don’t want to cause problems for her if I am wrong, but if I am right, this could be a serious matter. What should I do?

You should always speak up if you think that misconduct has taken place. You are not responsible for investigating potential misconduct, but you should report in good faith what you have observed. You have a number of alternatives. You can speak to your manager to clarify your understanding of her conduct. However, you are not required to discuss your concerns with your manager. You may also raise the issue with any company manager, Human Resources or the Global Ethics and Compliance office — or you may contact the HelpLine.
Gifts and Entertainment

Gifts and entertainment are a common way we create goodwill and strengthen our business relationships, but they can also make it difficult to make objective decisions about business partners. In some cases, providing business gifts and entertainment may even be illegal, such as when the recipient is a government official. For these reasons, we should avoid their use if they will create even the appearance of compromising business decisions. This is the case whether we are the giver or recipient.

What is Allowed. Giving, soliciting and accepting gifts — even large ones — to benefit company-sponsored charitable causes are okay. It is also generally allowed to give or accept entertainment or gifts that are:

- Reasonable in value and customary
- Given openly and transparently
- Given to promote legitimate business relationships
- Properly recorded according to company accounting requirements
- Tasteful and commensurate with IP’s commitment to treat everyone with respect and dignity

Ethics in Action

An old college friend has an engineering business and wants to do work at one of our mills. I know him and his firm well, and I feel they would do an excellent job. May I cut through the red tape and just hire him?

Hiring his firm merely because you trust your friend is against company procurement practices. If you’re involved in the selection process, hiring your friend without going through established procedures creates a conflict of interest. Even if you believe his firm will perform adequately, the decision must follow established procedures. In order to avoid a conflict, you should remove yourself from the selection process.

I am building a new addition to my house, and a contractor that does construction work at the mill where I am employed has offered to build it for me at a substantial discount from the next lowest bidder. Do I need to worry about hiring him for my home project?

If you have a say in hiring him for work at the mill, then you must not accept his offer. Even if you don’t have any role in hiring or supervising him at the mill, there is a likelihood that having him do your home project would create the appearance that he is doing you a favor in the hopes that he will continue to get work at the mill. You should report this potential conflict to your manager and discuss it with him or her.

Appearances do matter.

We must avoid even the appearance of a conflict of interest.
What is Not Allowed. We should never accept gifts, favors or entertainment when doing so obligates us — or even appears to obligate us — to the giver. Nor should we give any gift or provide entertainment with an expectation that the receiver will be obligated to us. We should never give or accept gifts that are lavish, repeated or could be interpreted as bribes — even when acceptable by local custom. Employees should not give or accept cash or gifts that work like cash, such as gift cards. Similarly, nobody working for the company should request gifts, services or contributions from vendors, suppliers or other business partners — whether for personal benefit or on IP’s behalf. Such requests are only allowed on behalf of charitable organizations that the company officially supports. Always seek the advice of the Global Ethics and Compliance office or Legal department before you give any form of gift or entertainment to anyone affiliated with a government or government-controlled company.

Respecting Local Standards. Some departments — and even some countries — may have stricter guidelines on giving and receiving gifts, and special procedures may apply in certain situations. Employees are responsible for knowing the standards that apply to them.

Other Resources
- Corporate Policy: Compliance with Anti-Corruption Laws
- Corporate Policy: Giving and Receiving Gifts, Hospitality and Other Business Courtesies

Ethics in Action

A supplier has offered me tickets to a professional basketball game. May I go? Possibly. If the supplier is going to attend, and your attendance will enable you to build a better relationship, then there is probably a legitimate business reason to go. You should clear your attendance with your manager and make sure that it does not go against specific guidelines your business may have adopted.

An accounting firm I use recently sent me a holiday gift basket with candies, fruits, and a $25 gift card. May I keep it? You may keep all of it except the gift card. Although the card is for a small amount, it is still against company policy to accept cash or gift cards. You should return the gift card and politely explain our policy on such gifts.

In my country, refusing a gift from business partners is considered an insult. What should I do if a supplier offers me a gift that company policy prohibits me from accepting? Consult with the Global Ethics and Compliance office. If refusing the gift might damage a business relationship, it may be permissible to accept it on behalf of the company and then donate it.
Protecting Company Assets

Using Our Assets. Company assets are to be used for the benefit of the company and its shareholders — not for the personal benefit of our employees. We all have an obligation to protect IP’s assets and to safeguard them from theft, waste and misuse. Some examples of assets are tools, equipment, vehicles, computers, cell phones, email systems, scrap material, records, funds, employee time, confidential information, software, patents, trademarks, copyrights and the company’s reputation. Personal use of some of these resources — such as cell phones, email and company vehicles — may be permitted on a limited basis. Employees making use of company assets for non-business purposes to any material extent must get approval beforehand from their managers.

Misuse of Assets. Examples of misuse of company assets include:

- Engaging in any personal activity that interferes with your ability to fulfill your job responsibilities
- Taking office supplies or company equipment for personal use
- Removing tools or equipment from the premises, even if you intend to return them
- Using company vehicles without prior authorization
- Intentionally using a company credit card to make personal purchases, even if you later repay the company
- Taking an opportunity for financial gain that you learn about because of your position in the company
- Using company email to support a personal business or non-authorized fundraising
- Using company trademarks on non-company materials or as part of a website that is not authorized and controlled by the company

Faced with a situation that raises ethical concerns? If so, then . . .

- Consider why this case makes you concerned.
- Get all the facts and base your decision on them.

Other Resources
Corporate Policy: Acceptable Use
Corporate Policy: Conflicts of Interest
Corporate Policy: Information Security
Corporate Policy: Social Media Use
Health and Safety

It’s About LIFE. Because we are committed to providing a safe and healthy work environment, we follow IP’s Life-Changing Injury and Fatality Elimination (LIFE) initiative. This means that we not only operate our facilities according to applicable health and safety laws, but we also use risk identification to focus on eliminating or mitigating those tasks that could cause harm, and we communicate such information across the company to improve overall safety performance. We also have policies that may be stricter than the law. For example, we expect accurate and timely reporting of safety incidents, regardless of whether they trigger any regulatory reporting. We also require every company facility to have a safety program in place.

Policies and Procedures. Work procedures and company policies are designed to protect the well-being of our employees and quality of our output. We do not “cut corners” when it comes to the safety of our people and facilities. Employees who are instructed to do anything that might compromise safety — such as skip procedural steps in order to meet a deadline — should immediately take their concerns to a manager or contact the HelpLine.

Prohibited Behavior. Our co-workers, communities, customers and shareowners all expect us to work safely, and our policies require it. We do not tolerate any verbal or physical conduct that could lead to violence. For the security and well-being of all, our employees must work free from the influence of any substance or activity that would threaten the safety or effectiveness of their work. All of us are responsible for our own safety and the safety of our co-workers.

Other Resources
Corporate Policy: Corporate Environment, Health and Safety
Corporate Policy: Workplace Violence Prevention

Q & A

What can I do to support IP’s goals of minimizing our impact on the environment?
We can all help reduce our environmental impact by recycling and reusing materials and by conserving resources such as water and electricity whenever possible. Also, each of us should feel free to offer suggestions to our manufacturing locations and to EHS&S on how to eliminate waste or make our facilities safer.

Ethics in Action

I’ve noticed actions at my site that I think are unsafe. However, they are not taking place in my department. Should I report them?
Yes. We are all responsible for the safety of ourselves and our co-workers. We can all contribute to a safe workplace by following safety procedures and promptly reporting any issues so that they do not become problems. You should report your safety concerns to your manager, a safety leader or the Global Ethics and Compliance office.

I noticed an oily sheen and trash floating on the creek near our mill. I don’t know if our mill has anything to do with it. Should I bring it up?
Report your observation to your manager or EHS&S so the matter can be investigated. Doing so promptly may help minimize the impact of any such issue, whether caused by IP’s operations or not.
Public Affairs

POLITICAL ACTIVITIES

Company Political Activities. As a company, we may take positions on political issues and lobby on behalf of our interests and goals, but always in compliance with the law. Employees should not communicate with government officials on the company’s behalf without approval from the vice president of Global Government Relations. In no circumstance may company funds be used to support a candidate, campaign or political issue without the knowledge and approval of the vice president of Global Government Relations.

Employee Lobbying. Lobbying activities by employees must be reported to the Global Ethics and Compliance office. Lobbying can include efforts to influence legislation, regulation, administrative action or decision-making. If you believe your actions may constitute lobbying, consult the Global Ethics and Compliance office.

Personal Political Activities. We encourage personal participation by employees in the political life of their communities. However, you must not allow your personal activities to conflict with your duties to the company. For example, you must not:

• Use company funds or any assets to support your personal choice of political party, candidate or cause
• Engage in personal political activities while on company time
• Advertise or otherwise use your employment status with International Paper to raise funds or campaign for yourself or other candidates

Is it the right thing?
Will it tarnish the reputation of the company?
CHARITABLE ACTIVITIES
Through various charitable activities, IP supports the communities in which we operate. These efforts, either through donations of company resources or through the activities of company employees, will be conducted in a lawful manner and without creating a conflict of interest. Our support comes in the form of corporate donations, in-kind contributions, employee volunteerism and grants by the International Paper Foundation to hundreds of community-based educational, civic and cultural programs.

Choosing Your Cause. IP employees may contribute to causes the Foundation supports or give to whatever organizations they choose. However, as with political activities, employees may not use company resources to personally support non-profit organizations that IP does not support. All proposed contributions or use of company funds must be approved in advance and in accordance with established authorization schedules.

Other Resources
Corporate Policy: Compliance with Anti-Corruption Laws
Corporate Policy: Political Donations and Activities
Corporate Policy: Charitable Donations and Activities

Ethics in Action
I am running for a position on the local school board. May I send an email to my co-workers at IP letting them know about an upcoming fundraiser I’m hosting?
No. Although our employees may make personal use of email on an occasional and limited basis, company policy forbids you from using IP assets, such as our email system, for political purposes.

I was appointed by the mayor of my home town to serve on a community planning committee. The work may involve out-of-town trips and meetings during work hours. What should I do?
Company policy does not prohibit you from accepting the appointment; however, you should discuss the issue with your manager and make sure that the work does not interfere with your scheduled work hours. This may mean that you will have to use vacation days or take a leave of absence to fulfill your duties on the planning board.

A local politician has asked our country manager for a $25,000 donation from IP for the construction of a new hospital. What steps must we take to make the donation?
IP’s standards and policies, as well as applicable laws, must be considered when dealing with government officials. Because the donation could be seen as a substitute for a political payment or a bribe, you will need to contact the Global Ethics and Compliance office to determine whether the donation is legal and in the best interest of the company.
### What does ethical conduct look like?

**Wrong**

<table>
<thead>
<tr>
<th>A supplier offers to fly Omar to its plant to investigate some recurring quality issues. The supplier provides Omar with a two-day, all-expenses-paid stopover in Las Vegas to compensate for the problems that the quality issues have caused his department.</th>
<th>A government employee hints to Tariq that no one takes seriously the laws prohibiting gifts from companies to government officials, so Tariq offers him tickets to a concert.</th>
<th>Erica uses her company credit card to buy groceries and gas and put a down payment on a tractor, and then she promptly repays the company for her purchases.</th>
</tr>
</thead>
<tbody>
<tr>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
</tbody>
</table>

**Right**

<table>
<thead>
<tr>
<th>Lang invites and accompanies a customer to lunch to celebrate the successful completion of a project on which they were collaborating.</th>
<th>When John moves to a new city with his promotion to mill manager, he discovers that his new operations manager is an old friend who was the best man at his wedding. John informs HR of the potential conflict of interest that might arise from their personal relationship.</th>
<th>Local laws strictly prohibit government officials from receiving meals from suppliers, so Alisha and Raoul avoid offering or providing meals to the government employees they know.</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
Ownership
Ownership

We are each individually accountable for following the spirit as well as the letter of the laws that apply to IP. Each of us will follow the law wherever we operate and uphold the highest ethical standards of conduct on the job.
Antitrust and Competition

Competition Laws. We are dedicated to fair and vigorous competition. We will win business on the basis of price, quality and service — not through unethical practices. We believe in free and open competition. In most countries where we work, strict laws are in force prohibiting business agreements that limit competition. Such laws can be complicated. Failure to follow them can mean significant penalties, both to our company and to individual violators. Antitrust laws, also known as competition laws, are intended to ensure that competitive markets operate fairly — without improper collaboration between competitors. Most countries where we operate have such laws. We are committed to complying with the letter and the spirit of these laws.

Prohibitions. Antitrust laws prohibit agreements between competitors that:

• Fix or control prices or terms of sale
• Manipulate production output
• Divide or allocate geographic markets, product lines or customers

These laws may also prohibit:

• Discrimination in prices or terms of sale among our customers
• Refusals to deal with certain customers or competitors
• Other restrictions on the freedom of our customers to compete

Engaging in these types of activities may result in significant monetary penalties, both to IP and to the employees involved.

Ethics in Action

I just received some confidential information about a competitor’s strategic plans. This information may be valuable to International Paper. May I distribute it to others in the company?

Contact your business lawyer before you distribute — or even read — such material. The manner in which it was acquired, along with other factors, may allow you to use it. Otherwise, you will need to destroy any electronic or hard copies of the information.

Our new sales manager is preparing materials for a quarterly business review. It will be her first opportunity to impress the senior leadership of the business, and she wants to show how enthusiastic she is about her team’s plans. She wants to use colorful language such as “industry leader,” “market dominance,” “value proposition customers can’t refuse,” and others. Should she be concerned about her language?

We need to always be mindful that the words we use in presentations, emails or other documents may convey meaning that we don’t intend. In this case, the sales manager intends solely to show enthusiasm, but she has chosen words and phrases that have anti-competitive connotations. Documents containing these and similar words can cause serious problems for the company if they become a part of government investigations or litigation.

Faced with a situation that raises ethical concerns?

If so, then . . .

• Identify who is affected by the situation.
• Consult the IP Way, this Code and company policies.
• Consider your options and their consequences.
Being Careful With Our Conduct.
Because following antitrust and competition laws is so important, we must all be vigilant about our conduct when we come into contact with competitors. Even a casual conversation at a trade conference or remarks to an industry publication can open the door to antitrust violations or allegations. Generally speaking, it is best never to discuss business with competitors and to avoid contact with them when possible. If you do interact with competitors as part of your day-to-day job responsibilities, be sure you understand the limits of your interactions.

Other Resources
Corporate Policy: Antitrust Compliance
Corporate Policy: Corporate Communications
IP Antitrust Compliance Manual
IP Competition Law Compliance Manual

Is it the right thing?
Is it in the best interest of IP co-workers, customers and stakeholders?
Anti-Corruption and Bribery

A Global Matter. Our dedication to winning business based on merit also means that we will not resort to offering improper benefits to others or paying bribes. We will not tolerate or allow the use of bribes, corruption or any unethical practices by any employee or third party working on our behalf. As an international company, we will strictly adhere to those laws around the world that are designed to prevent corruption and bribery, such as:

- The U.S. Foreign Corrupt Practices Act (FCPA)
- The U.K. Bribery Act
- Certain local laws — for example, the Prevention of Corruption Act in India

These laws forbid our company, our employees and third parties who work on our behalf to offer or pay anything of value in order to:

- Get illegal or unlawful business advantages
- Influence people who are making decisions that affect us

More than Law. Our policy goes beyond these laws and prohibits any corrupt payment in any circumstance, whether in dealings with public officials or individuals in the private sector. This means we must not directly, or indirectly through third parties, provide any type of bribe or unethical benefit to:

- Government officials
- Employees of government-controlled businesses
- Political parties or candidates
- Any private or commercial party

Other Resources
Corporate Policy: Compliance with Anti-Corruption Laws

Ethics in Action

Customs officials refuse to clear some critical components for import unless I pay them a small amount of money to “speed things up.” Production may stop if we don’t get these parts to the mill. May I meet their request? Giving anything of value, no matter how small, in this situation is illegal and against our company policy. Contact the Global Ethics and Compliance office for assistance.

We sell a significant amount of coated paperboard to a government-owned firm, and it is customary in my country to send holiday gift baskets to customers regardless of their ownership. Should I not provide gift baskets to this customer? As a general rule, the fact that giving gifts or even outright bribes is customary in a country does not mean we can or will do so. The question you must ask in such cases is whether or not the gift goes against company policy. Our policy does allow customary gifts, such as holiday baskets, as long as they are reasonably low in value and not intended to influence decision-making. But whenever the gift is for a government official or an employee of a government-controlled business, consult the Global Ethics and Compliance office before offering it because, in some countries, specific laws impose limits on the value of gifts for such officials or employees — or prohibit them altogether.
International Business

All countries where International Paper operates regulate international trade transactions such as imports, exports and financial transactions. As a U.S. company, we must follow U.S. trade laws wherever we do business, even when they may be in conflict with similar laws of other countries.

Money Laundering Prevention Laws. Sometimes complex commercial transactions can hide funding for criminal activity such as fraud, bribery, tax evasion and illegal narcotics or weapons trafficking. Money laundering prevention laws require that payments be transparent and that all involved parties be clearly identified. At International Paper, we comply with money laundering prevention laws all over the world, and we will only do business with reputable customers who are involved in legitimate business activities.

Export Control Laws. The United States has strict export control laws, which forbid us from exporting U.S. goods to certain people and places outside the United States. There are also some cases where we cannot export goods from our own operations abroad. We must also be aware of and follow the export control laws of other countries where we operate. “Exports” can be tangible items, such as paper and packaging products. There are also intangible exports, such as electronic data or other information that can be “exported” through conversations or emails. Any employee involved in exports must be aware of the applicable rules.

I was told that we could clear up a tax dispute with the assistance of a consultant who has close ties to local tax authorities. The consultant has asked for a $30,000 fee up front, which he says is required to get the process started. Should I hire this consultant and pay the retainer?

The large retainer and the close ties are red flags, and you should proceed with caution. Some steps you should follow include demanding to know the purpose of the retainer and where the money is going. You should also request a work plan from the consultant that sets out how he intends to get the result you want. Lastly, but most important, ask your business lawyer for assistance in drafting a retention agreement that contains safeguards to ensure the consultant is not paying bribes on our behalf.

I have been asked by a good customer to send products to a country that is the target of a U.S. government-imposed trade prohibition. May I route the shipment to an IP subsidiary outside the United States and have them sell it to the customer in the restricted country?

No. The law prohibits any IP-owned or -controlled entity from selling to such a country. Routing it through a neutral country does not get around the restriction on IP.

Anti-Boycott Laws. By law, we cannot participate in restrictive trade practices or boycotts that foreign governments impose on other countries or against U.S. citizens or companies. In fact, we cannot be any part of a boycott that is not sanctioned by the U.S. government. We must not enter into any agreement, provide any information, or make any statement that might be viewed as supporting any boycott prohibited by U.S. law.

Other Resources
International Trade and Customs Website — http://spts01.ipaper.com/sites/xpedIntlTradeCustoms/default.aspx
Do the right thing.

Promptly report any suspicious transactions, customer activities, or boycott-related requests to the Global Ethics and Compliance office.

Insider Trading

Material, Non-Public Information. International Paper stock is publicly traded. By working for IP or one of our subsidiaries, you may become aware of material information about our company — or another company — that has not yet been released to the general public. U.S. federal and state laws refer to such information as “material, non-public information.” Material, non-public information can be information about:

- Inventions and new products
- Contracts and pricing
- Strategic or marketing plans
- Major management changes
- Mergers and acquisitions
- Technical specifications
- Financial data
- Product costs

The law in this area is complex, but it generally forbids people who have material, non-public information about a company to:

- Trade in the company’s stock — including, except in limited instances, through employee benefit plans
- “Tip” anyone else about such information

Laws applicable in other non-U.S. jurisdictions impose similar restrictions on the use of material, non-public information and are relevant particularly in the case of IP’s listed subsidiaries.

Blackout Periods. Certain employees are not allowed to trade in IP stock for a specified period of time around each quarter’s earnings release. In addition, we may impose similar trading restrictions on certain employees for a limited time when significant changes occur inside the company. Such “blackout periods” protect our employees from engaging, or being perceived as engaging, in insider trading.

Other Resources

Corporate Policy: Insider Trading

Faced with a situation that raises ethical concerns?
If so, then . . .

- Consider the impact of doing nothing.
- Find out if and how a similar case was successfully handled.

I’m excited about an acquisition the company will be doing that is not yet publicized. May I tell my friends about it?
Not yet. Doing so would be improperly disclosing non-public information. You must wait until it goes public.

What is “tipping”?
“Tipping” is giving material, non-public information to those who are not authorized to have it — for example, telling a friend about an IP merger before it goes public. Tipping is illegal.

How can I know whether I have material, non-public information that requires me to NOT trade in IP stock?
When in doubt, call the Global Ethics and Compliance office, and ask.
What does ethical conduct look like?

<table>
<thead>
<tr>
<th>Wrong</th>
<th>Right</th>
</tr>
</thead>
<tbody>
<tr>
<td>✗ Eliza approves an agreement with a competitor about the price increase they will offer to customers.</td>
<td>✓ When Ivan attends a trade association meeting, conversation turns to strategies for controlling prices in the market, so he announces that the discussion is inappropriate and leaves the room.</td>
</tr>
<tr>
<td>✗ David attends a confidential meeting where he learns that IP plans to buy a competing company, so he calls his mother after the meeting is over and tells her to buy stock in that company.</td>
<td>✓ As an administrative assistant, Peter sees a draft of IP’s quarterly report, but he tells no one what is in it.</td>
</tr>
<tr>
<td>✗ Christine asks a repair and maintenance vendor to make repairs on her home at a low cost in return for satisfactory comments on his vendor evaluation.</td>
<td>✓ A supplier offers Maria a cash payment to speed up the supplier approval process. She politely declines the offer and immediately reports the attempted bribe to her team leader.</td>
</tr>
</tbody>
</table>
Respect
Respect
We treat others with respect and dignity and believe in diversity of thought, culture and background. We deal fairly with suppliers, customers and other business partners. We manage natural resources responsibly.
Our Responsibilities to Each Other

**Human Rights.** International Paper is committed to protecting and advancing human rights globally — and, as with all aspects of this Code, we expect the same of our suppliers and partners. We respect international principles of human rights, including those expressed in the U.N. Declaration of Human Rights. Therefore, we do not tolerate child labor, forced labor, physical punishment or abuse. We obey employment laws wherever we operate. We also recognize the free association and collective bargaining rights of our employees. We are committed to providing a safe and healthy work environment. This means that we operate our facilities in compliance with applicable health and safety regulations and laws, and our own policies, which may be more stringent.

**Leading by Example.** While we believe that it is the role of government to safeguard human rights, we also believe that International Paper can help promote respect for human rights through the example of our actions and values.

**Diversity.** Our workforce is as diverse as the markets we serve, and we embrace diversity at every level of the company. Working together with different backgrounds and perspectives keeps us on the cutting edge of innovation.

---

**Is it the right thing?**

**How would it look to my fellow employees?**

My teammates and I get uncomfortable when our team leader tells ethnic jokes, but we don’t want to make trouble. What should we do? Dealing directly with a situation like this is usually the best way to resolve it. You should tell your team leader that such jokes make you uncomfortable, and ask him to stop. If you feel that you cannot speak with him directly, talk to his manager or HR, or call the HelpLine. Our company does not tolerate any form of harassment or other improper behavior in our workplaces.

Last year, I reported a co-worker who made some suggestive comments to me. I think he realized who reported him, because he’s been making my work life miserable ever since. How can I handle this? International Paper will not tolerate any retaliation against employees who raise good-faith complaints about inappropriate behavior. Report suspected retaliation to Human Resources or the HelpLine.
Respect and Dignity. We treat each other — and all our stakeholders — with respect and dignity. We never tolerate abusive, harassing, dishonest or violent behavior — or violation of equal employment opportunity standards. Retaliation against anyone who reports such behavior in good faith is a violation of our values — and of this Code.

Self-development. At International Paper, we expect our employees to give us their best and to take advantage of opportunities for improvement and growth. We encourage self-development, and we offer tools and training to help our employees:

- Master their current jobs
- Broaden their skills
- Advance their careers in the company

How does the company benefit from diversity?
Today’s global business environment is complex. At International Paper, we recognize that valuing and encouraging diversity of thought, experience, backgrounds and talent will translate into a competitive advantage. By valuing individual differences, we benefit from unique perspectives that lead to a more engaged workforce and better decision-making.

Setting the Tone from Within. Our employees are the best in the industry, and we expect our managers to lead by:

- Setting a good example of what it means to act with integrity
- Ensuring that their direct reports understand their responsibilities under the Code and other company policies and procedures
- Promoting a culture where employees feel comfortable asking questions, raising concerns and expressing ideas
- Discussing our values with employees and giving them the knowledge, training and resources to follow our standards
- Supporting employees who, in good faith, raise questions or concerns about compliance and integrity, never retaliating or tolerating retaliation against them
- Never encouraging or directing employees to achieve business results at the expense of ethical conduct or compliance with the Code or the law
- Acting to stop violations of the Code or law

Other Resources
Corporate Policy: Human Resources Policy Statements

Q & A
What if I have strong personal beliefs that conflict with some of International Paper’s goals or programs?
It is not International Paper’s intent to change your personal beliefs. However, we do expect you to use the company’s values and policies to guide your behavior in the workplace and while acting on behalf of the company. If your beliefs become an issue, ask for advice from your manager, HR, or the Global Ethics and Compliance office.

How does the company benefit from diversity?
Today’s global business environment is complex. At International Paper, we recognize that valuing and encouraging diversity of thought, experience, backgrounds and talent will translate into a competitive advantage.
By valuing individual differences, we benefit from unique perspectives that lead to a more engaged workforce and better decision-making.
The Environment and Natural Resources

Our Commitment. At International Paper, we believe that being accountable means respecting, protecting and preserving the environment. We are committed to:

- Supporting environmental sustainability
- Using resources and energy efficiently
- Using technology that minimizes environmental impact, where feasible and appropriate

Employees whose work may impact the environment must be thoroughly familiar with the applicable permits, requirements and procedures associated with their jobs.

Third-Party Certification. As part of our commitment to the environment, we follow a use policy that recognizes third-party certifications related to fiber sourcing. This way, we know that we are using trees that are grown and harvested with methods that protect biodiversity, wildlife, plants, soil and water quality. We support third-party certification to globally recognized standards in the countries where we operate. We are also committed to expanding certification throughout our supply chain.

The End Result. By encouraging responsible, sustainable management of forests, we not only create products that our customers and consumers want and can feel good about — we also perpetuate healthy and abundant forests for generations to come.

Fair and Honest Dealings

As people who believe that success comes from acting with integrity, we treat all suppliers, customers and business partners honestly, fairly and objectively. We must never engage in:

- Unfair or deceptive trade practices
- False or misleading advertising or claims, whether about our own products or those of our competitors
- Activities that will defraud anyone, including customers, suppliers or business partners

Our Suppliers. Not only do we live our core values in day-to-day business decisions, but we also expect our suppliers to act in a manner consistent with this Code of Conduct. We select suppliers based on objective criteria such as the quality and cost of their goods and services, and we also seek suppliers that demonstrate our high standards of ethical business conduct. We take steps to make sure that our key suppliers understand the standards that we apply to ourselves and expect from those who do business with us. These standards are embodied in our Supplier Code of Conduct.

Influencing our Partners. Our global business strategy involves partnering with suppliers, contractors, joint venture partners and other independent businesses. We proactively look for partners that embrace and practice high ethical standards — and we let them know what our expectations of them are. In these relationships, while we may not control the business arrangement, we will use our influence and leadership to help our partners maintain high ethical standards of behavior.

Other Resources
Corporate Policy: Corporate Environment, Health and Safety
**What does ethical conduct look like?**

<table>
<thead>
<tr>
<th><strong>Wrong</strong></th>
<th><strong>Right</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Jorge does not invite Lola on a company-sponsored golf outing because he believes that women generally find golf boring.</td>
<td>Natalia applies for a machinery operating position for which no woman has ever applied. She is hired for the job based on her qualifications alone.</td>
</tr>
<tr>
<td>Kelly and Chris make jokes about a co-worker because of his sexual orientation.</td>
<td>Josef finds out that one of IP’s suppliers is using child labor to make packaging materials. He reports the situation, and the company switches to another supplier, even though the costs are higher.</td>
</tr>
<tr>
<td>Paulo removes a guard from a flexo machine in order to easily access jams and other hindrances that might slow the machine’s production.</td>
<td>In Ben’s new position, his responsibilities include waste disposal, so he checks with his manager to make sure he is discarding waste according to company requirements and the law.</td>
</tr>
</tbody>
</table>
Excellence
Excellence

We pride ourselves on operational excellence, and we exercise integrity when managing the information and assets that are at the heart of our business. We also treat the resources of others with propriety, demonstrating our commitment to ethical excellence.
Accurate Records

Recording, keeping and sharing information accurately and honestly is extremely important, especially because so many people depend on our information to make good business decisions.

Our Standards. We follow stringent standards in the recording of our financial records and accounts. Our books and records must be honest and straightforward and reflect the true nature of all components of our transactions. We must ensure that the disclosures we make in public communications and government filings are full, fair, timely, accurate and understandable. Information cannot be falsified or concealed under any circumstance. Any employee who receives instructions to the contrary should report the matter and get advice from the Global Ethics and Compliance office.

Our Responsibility. Each of us has an individual responsibility when creating, preserving, keeping or disposing of company records to do so according to the law and our records management policy and records retention schedule.

Other Resources
Corporate Policy: Compliance with Anti-Corruption Laws
Corporate Policy: Global Records Management
Corporate Policy: Maintenance of Accurate Books and Records
Financial Policy Manual
Protecting Our Information Resources and Records

Protecting our company’s information is critical to our success. We have records and information management policies and procedures to ensure that company records are maintained, stored and, when appropriate, destroyed in compliance with legal and regulatory requirements as well as the company’s needs.

Retaining Relevant Records. Requests by third parties, including those involving governmental agencies, lawsuits or any legal matter, can create the need to retain records beyond normal retention periods. We must preserve any records that are relevant to any legal matter or investigation involving the company. Employees who receive a “legal hold” notice may not alter or discard any information that it identifies.

PRIVACY

We respect privacy and are committed to protecting the reasonable privacy expectations of our employees as well as our customers, business partners and visitors to our websites. We handle personal data responsibly and according to law.

INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION

Examples of Confidential Information. Our intellectual property and proprietary information are some of our most valuable assets. Unless authorized to do so, employees must not share any information — whether with outsiders or with those inside the company who have no need to know it — about our inventions, trademarks, patents, copyrights and trade secrets. Employees and our business partners must also protect all of our proprietary, confidential and sensitive information — including new product and marketing strategies, pricing plans, manufacturing processes, research and development ideas, and information about potential investments.

Is it the right thing?

Does it follow our company policy?
Beyond the Job. The responsibility to protect personal data and IP’s non-public information applies at all times. It extends outside the workplace and working hours and continues even after employment ends.

Protecting the Information of Others. All of our employees should also protect confidential information they may have received from outside sources. Using the intellectual property of other companies without proper authorization can result in significant fines, criminal penalties, civil lawsuits and damages — both for our company and for individual violators. This obligation extends to:

- Confidential information that new employees bring with them from other sources
- Information that a consultant may share about another company if it was given to him or her in confidence — including information about third parties, such as our customers

Competitive Information

While we are passionate players in a highly competitive global market, we never use illegal or unethical means to get information on our competitors or on competitive products and services. We respect the non-public information of other companies, just as we expect them to respect ours. We may get information about other companies from public sources, like their websites, regulatory filings or ads. However, we do not:

- Steal information
- Allow third parties to get information for us by unethical means
- Use trade information improperly
- Acquire inside information using false pretenses
- Get information directly from a competitor

Is it the right thing?

How would it look in a newspaper, on a cable news program or on line?

Ethics in Action

A customer just faxed me a copy of a competitor’s price list. May I use it?

Perhaps, as long as you do not believe the customer has an obligation to the competitor to keep the information private. Always contact your business lawyer when you receive a competitor’s pricing information.

A consultant has submitted a proposal for a strategic project that will soon start. One of the factors he cites as a reason to hire him is that he recently did some work for a competitor. Should I be concerned about hiring him?

Yes. We cannot allow the consultant to disclose to us confidential information he learned while doing work for our competitor. Before you hire him, you must make it very clear that he cannot disclose any such information to us. Consult the Global Ethics and Compliance office for additional advice on how to make sure he will not disclose proprietary information.
# What does ethical conduct look like?

<table>
<thead>
<tr>
<th>Wrong</th>
<th>Right</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sue, a new employee to IP, uses her old password to enter her former employer’s website and view confidential data that will help her on her new job.</td>
<td>Luis is interviewing a new engineer who wants to talk about her work for a competitor and how it could be useful to IP. Luis asks her to keep the competitor’s information to herself.</td>
</tr>
<tr>
<td>To meet sales goals, Rita asks a controller to record a large sale on the last day of the quarter, even though the order did not ship until two days later.</td>
<td>Arra’s manager asks her to change the details of an accident report. She is uncomfortable about making the changes and asks another manager for advice.</td>
</tr>
<tr>
<td>Ryan’s team did well this quarter, but he does not have the authority or budget to give them a bonus, so he tells his team that they may add extra hours to their timecards as compensation for their good work.</td>
<td>Ray is a new employee who discovers that his co-workers regularly misreport hours worked on their time cards. He isn’t comfortable going to local managers, so he contacts the Global Ethics and Compliance office to report the matter.</td>
</tr>
</tbody>
</table>
Resources
Global Ethics and Compliance Office

The Global Ethics and Compliance office is responsible for overseeing and managing International Paper’s ethics and compliance program. The office operates under the direction of the company’s Chief Ethics and Compliance Officer, with ultimate oversight by the Audit and Finance committee of the board of directors. The Global Ethics and Compliance office:

- Provides confidential and anonymous reporting channels through which employees may raise concerns
- Oversees ethics investigations
- Supports compliance training and communications
- Offers guidance about emerging issues and priorities
- Assesses risk

Education and Awareness

For additional information and guidance on business ethics and compliance with laws and company policies, please visit the following websites available on the IPNet:

- Global Ethics and Compliance office
  http://ethics.ipaper.com
- Corporate Environment, Health, Safety and Sustainability
  http://ipnet.ipaper.com/EHS/EHS/index.html
- Human Resources
  http://ipnet.ipaper.com/HR/HRWeb/index.html

Periodically, each of these departments offers training programs on topics covered in this Code. Employees are responsible for completing all assigned training.

Advice and Counseling

If you need help or advice regarding ethical business practices, you may start by discussing the issues with the supervisor who is most familiar with your daily responsibilities. If you are not comfortable going to your supervisor for advice, you should speak with others, including:

- Another manager at your location
- HR – especially with regard to workplace issues
- Functional managers, such as from EHS&S, Finance or IP’s Supply Chain
- The Global Ethics and Compliance office
- The Legal department

The Global Ethics and Compliance office is always available to answer any questions about this Code of Conduct and company compliance policies or to discuss any concerns you may have about any of the topics covered in this Code.

The Global Ethics and Compliance office can be contacted at the following:

Phone 901-419-4878
Email ethics@ipaper.com
On Line www.EthicsIP.com

Ethics in Action

I am new in a department, and I have found copies of my predecessor’s expense reports. I noticed that he used his company credit card to buy gas, fast food, jewelry and baseball cards. The amounts are relatively small, and he usually paid off the balance on time. I don’t know if these charges were authorized. Do I need to report this?

Yes — you should report these charges. The amount of the charges or the sentiment behind them is not the point. Whenever you have reason to believe that someone has acted unethically — even if you turn out to be wrong — you may report the situation to Human Resources or the HelpLine.
Reporting a Concern

International Paper provides a confidential HelpLine for employees, contractors, vendors and the general public to raise concerns related to potential violations of company policies or legal compliance. In some countries, the HelpLine is only available to employees and is limited to specific areas. For employees, the HelpLine is designed to supplement existing reporting channels — not replace them.

How to Report. Employees who become aware of illegal activities or unethical conduct at International Paper — including any violations of company policy or this Code of Conduct — may have a duty and be required to report to one of the following:

- Your immediate manager or your manager’s manager
- Chief Ethics and Compliance Officer 901-419-4878
- Global Ethics and Compliance office
  6400 Poplar Avenue
  Memphis, TN 38197 USA
- The HelpLine:
  In North America 800-443-6308
  For outside of North America, see “Connecting Around the World” on page 45.
- Human Resources, Internal Audit or the Legal department

When to Report. Ideally, you should raise concerns before problems develop. By stepping forward and raising ethical concerns, you fulfill one of your responsibilities as an employee. You are also doing the right thing.

No Chain of Command Required. Employees who report ethical concerns do not have to follow any particular chain of command or sequence. However, managers who receive such reports are generally required to forward them to the Global Ethics and Compliance office — or, in the case of reports coming from outside the United States, to the senior HR or Legal representative in their region.

Accounting and Auditing Concerns. All complaints or concerns about accounting, internal accounting controls or auditing matters — regardless of their source or substance — should go directly to Internal Audit, the Global Ethics and Compliance office or the HelpLine.

No Retribution or Retaliation. Reporting unethical behavior is vitally important to our business, and we take it very seriously. Employees who make such reports in good faith can do so without fear of retribution, retaliation or negative effects on their jobs. International Paper does not tolerate retaliation — this is the company’s promise to our employees in return for making such reports. Furthermore, anyone who discourages or prevents a fellow employee from making a good-faith report is subject to disciplinary action. Employees should report any attempts to:

- Discourage or prevent them from reporting unethical or illegal conduct
- Retaliate against or discipline them for making such reports

Q & A

Where can I find IP’s corporate compliance policies and other resources referenced in this Code?
The full text of all our corporate compliance policies is available on the Global Ethics and Compliance office website at http://ethics.ipaper.com. You are expected to understand how these policies apply to you and to follow them. We encourage you to discuss any questions or concerns with your supervisor or to request advice from the Global Ethics and Compliance office.
If you work with someone who has raised a concern or provided information in an investigation, you should continue to treat that person with respect and dignity.

**Local Laws.** The availability and terms of use of the HelpLine may be limited by local laws. For example, in some countries, callers cannot be anonymous. In the European Union, employees may only use the HelpLine to report certain concerns involving financial, auditing, banking and accounting misconduct and bribery. Employees in the European Union should contact local management or local Human Resources to report other matters. Also, in the European Union, use of the HelpLine is entirely voluntary and non-mandatory.

**False Accusations.** Employees who report a concern do not have to be right about it, but they should honestly believe that it is legitimate. To knowingly make a false accusation — or to be uncooperative in an ethical investigation — is a violation of our core values and of this Code.

If a report is found to be unsubstantiated and the whistleblower to have maliciously made a false declaration, the accused person may want to pursue a case, in which case the whistleblower’s identity may have to be disclosed.

**Connecting Around the World**

**By Phone.** Use these instructions for calling the HelpLine by telephone from within the listed countries.

<table>
<thead>
<tr>
<th>Country</th>
<th>Phone Number</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>1-800-443-6308</td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>Dial access code 0-800-100-10, then dial 888-513-8198. Note: Public phones require coin or card deposit. Available from cellular phones.</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>0800-891-4443</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>800-443-6308</td>
<td></td>
</tr>
</tbody>
</table>

**Q & A**

If I contact the HelpLine, will my report be treated confidentially?
We attempt to keep all reports to the HelpLine confidential consistent with the need to investigate and comply with legal obligations, which may include discovery in litigation. This applies even if you did not report anonymously. All reports are treated as confidentially as possible.

What should I do if I do not have all the facts?
If you have knowledge about potential ethical or legal violations, use the HelpLine to report the facts that you do have. We understand that you may not have all the answers, but the more specific the information you provide, the better. Do not attempt to investigate the matter yourself.

If my report initiates an investigation, when will I hear about the outcome?
We will follow up with you as appropriate, however, our response to you may be limited by confidentiality concerns or legal obligations. Thus, all the actions that the company has taken to address your concern may not be readily apparent to you. Rest assured that the company investigates all reports received by the HelpLine and the Global Ethics and Compliance office.
Faced with a situation that raises ethical concerns?
If so, then . . .

- Get advice — talk to your manager, or contact someone from page 43 for help.
- Determine the best time to act for the good of everyone involved.

<table>
<thead>
<tr>
<th>Country</th>
<th>Access Code and Dial Numbers</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile</td>
<td>Telmex Option 1: Dial access code 800-225-288, then dial 877-319-0263. Telmex Option 2: Dial access code 171 00 312, then dial 877-319-0263. Entel: Dial access code 800-360-312, then dial 877-319-0263. Telefónica: Dial access code 800-800-288, then dial 877-319-0263. Easter Island: Dial access code 800-800-312, then dial 877-319-0263.</td>
<td>Note: Public phones may require coin or card deposit.</td>
</tr>
<tr>
<td>Colombia</td>
<td>Dial 01-800-911-0011, then dial 877-319-0263.</td>
<td></td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Dial access code 00-800-222-55288, then dial 888-513-8198.</td>
<td>Note: May not be available from every phone.</td>
</tr>
<tr>
<td>Finland</td>
<td>Dial access code 0 8001 10015, then dial 888-513-8198.</td>
<td>Note: Public phones require coin or card deposit. Available from cellular phones.</td>
</tr>
<tr>
<td>France</td>
<td>0800-91-9183</td>
<td></td>
</tr>
<tr>
<td>French Antilles – Guadeloupe</td>
<td>Dial 0-800-99-0011, then dial 888-513-8198.</td>
<td>Note: Special USA Direct dedicated telephones.</td>
</tr>
<tr>
<td>Germany</td>
<td>Dial 0-800-225-5288, then dial 888-513-8198.</td>
<td>Note: Available from cellular phones.</td>
</tr>
<tr>
<td>Hungary</td>
<td>Dial 06-800-011-11, then dial 888-513-8198.</td>
<td>Note: Public phones require coin or card deposit.</td>
</tr>
<tr>
<td>India</td>
<td>0008004402101</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>Dial 001-801-10, then dial 877-319-0263.</td>
<td>Note: Not available from cellular phones. Use public phones allowing international access.</td>
</tr>
<tr>
<td>Italy</td>
<td>800-789341</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>1800889873</td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td>01-800-083-1259</td>
<td></td>
</tr>
<tr>
<td>Morocco</td>
<td>Dial 002-11-0011, then dial 888-513-8198.</td>
<td>Note: Requires international access.</td>
</tr>
</tbody>
</table>
Netherlands
Dial 0800-022-9111, then dial 888-513-8198.
*Note:* Public phones require coin or card deposit.

Poland
0-0-800-111-1757

Russia
*Russia:* Dial 8, then access code 10-800-110-1011. Then dial 888-513-8198.
*Moscow:* Dial access code 363-2400, then dial 888-513-8198.
*Outside Moscow:* Dial 8, then dial access code 495-363-2400. Then dial 888-513-8198.

St. Petersburg: Dial access code 363-2400, then dial 888-513-8198.

*Outside St. Petersburg:* Dial 8, then dial access code 812-363-2400. Then dial 888-513-8198.
*Note:* Public phones require coin or card deposit. May not be available from every phone.

Spain
900-98-1039

Switzerland
Dial access code 0-800-890011, then dial 888-513-8198.
*Note:* Public phones require coin or card deposit. Available from cellular phones.

Thailand
0018004419859

Turkey
00800448826842

Ukraine
Dial 0, then dial access code 00-11. Then dial 888-513-8198.

**On Line.** Access the Global Ethics and Compliance home page to find a link that you can use to report concerns on line. You may also use the following web address: www.EthicsIP.com. Reporting a concern on line is like calling the HelpLine. You may remain anonymous, if you choose, and you may access the site in your native language. You should only report incidents on an anonymous basis in cases where you believe that the specific circumstances require that you do not disclose your identity. We strongly encourage you to identify yourself in order for us to follow up with questions we might have.
The HelpLine

Who uses the HelpLine, and why?
Employees, contractors, vendors and the general public around the world use the HelpLine to report ethics concerns and ask for advice.

Will calling the HelpLine cost me anything?
No. HelpLine numbers are toll-free.

When can I call the HelpLine?
It is available 24 hours a day, every day of the year from all locations.

Do I have to speak English?
Callers to the HelpLine are given the option of speaking in their national language.

Will I have to say who I am?
No. Depending on the laws of your country, you may give your identity or remain anonymous.

Who answers the HelpLine?
Trained professionals from an independent company answer all calls to the HelpLine. They promptly forward reports to International Paper.

What happens after I submit a report?
The company will investigate your concern and take appropriate action.

How can I find out the status of my concern or case?
When appropriate under the circumstances, your HelpLine representative will give you a call-back date so that you can follow up on your report.

How can I be sure my manager won’t get me in trouble for reporting him?
We enforce a strict “no retaliation” policy that protects anyone reporting a concern in good faith. Those who retaliate are subject to disciplinary action, up to and including termination of employment.

Email ethics@ipaper.com
On Line www.EthicsIP.com
How the HelpLine Works

1. You report a concern to the HelpLine by telephone or through EthicsIP.com.

2. If you report by phone, a live operator will take down the details and help identify the issue. You are strongly encouraged to give your name but do not have to do so if you do not want to.

3. Reports made by telephone and through EthicsIP.com go to the Global Ethics and Compliance office for investigation and resolution.

4. The Global Ethics and Compliance office assigns an investigation team.

5. If you provide your name, an investigator will contact you and attempt to resolve the situation. We look into every report.

6. During the investigation process, the investigator may interview you and other employees or review company records and other information.

7. If there has been a violation of an IP policy, the investigator will work with HR to decide what action to take next.

8. If no violation has occurred, then the investigator will close the matter. If the investigation uncovers a weakness in an IP process, policy or procedure, IP will address it.

9. You may follow up on your report by phone or on line. There will be no retaliation against anyone who makes a report in good faith, even if no violation has actually occurred.
Making Ethical Decisions

Business decisions can be complex and should always draw on our core values. If you are faced with a decision that raises ethical concerns, take these steps:

- Consider why this case makes you concerned.
- Get all the facts and base your decision on them.
- Identify who is affected by the situation.
- Consult the IP Way, this Code and company policies.
- Consider your options and their consequences.
- Consider the impact of doing nothing.
- Find out if and how a similar case was successfully handled.
- Get advice — talk to your manager, or contact someone from page 43 for help.
- Determine the best time to act for the good of everyone involved.
At Our Core

MORE THAN WORDS

Our core values must be more than words if we are to succeed as a company. We must bring them to life in our attitudes and actions. Living them is a matter of good behavior and good business. Our customers and business partners want to know that they can trust us. More to the point, they want to know they are working with individuals they can trust. Furthermore, we want to be trustworthy, and that is why we live these values daily.

A SIMPLE MESSAGE

The message in our Code of Conduct is simple: We should treat each other as we want to be treated. Doing this will make us a unified force that delivers superior value to our customers and impacts our communities — and our world — for the better.

HelpLine

HelpLine Standards
- There will be no retaliation against employees using this HelpLine.
- Concerns regarding accounting, internal control or auditing matters will be provided promptly to the Audit and Finance Committee of the Board of Directors.

HelpLine Procedures
- You may report a concern by calling toll-free anytime (24/7) or through www.EthicsIP.com.
- You do not have to give us your name.
- We will provide a case number for follow-up if appropriate.

www.EthicsIP.com
1-800-443-6308

INTERNATIONAL PAPER