

# SUSTAINABILITY UPDATE

INTERNATIONAL  PAPER

EHS & Sustainability

## Greenhouse Gas Emissions and Reporting

International Paper continues to receive inquiries from a variety of key stakeholders including institutional investors, policymakers, public sector organizations, government bodies, customers and the general public regarding our greenhouse gas (GHG) emissions and our “carbon footprint.” In an effort to address these questions we are providing you with the latest information on our performance for 2009.

Currently, International Paper is reporting Scope 1 and Scope 2 GHG emissions associated with the manufacture of our products from all of our global locations. While our focus is on initiatives to ensure the most efficient supply chain possible for our company, the primary source of our GHG emissions is our manufacturing process. Our supply chain is not a significant contributor to our “carbon footprint” and, at this time, we do not report any Scope 3 emissions.

- Scope 1 (Direct) – emissions from sources that are owned or controlled by our company.
- Scope 2 (Indirect) – emissions that are a consequence of our manufacturing and converting activities, but occur at sources owned/controlled by another entity (purchased electricity, steam)
- Scope 3 – “supply chain” emissions associated with the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned/controlled by our company, and other activities not covered in Scope 2 such as outsourced activities like waste disposal, etc.

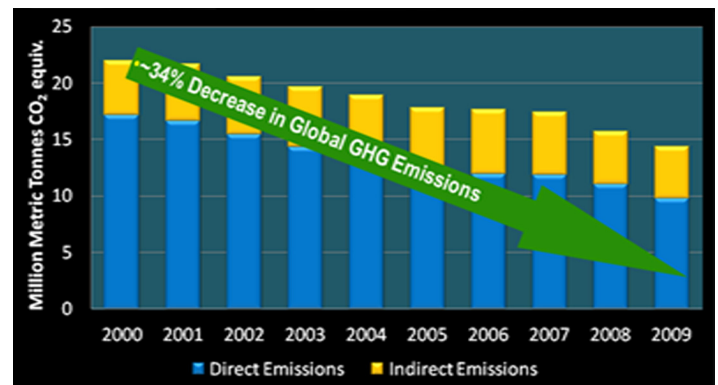
2009 Global GHG Emissions (metric tonnes CO <sub>2</sub> e)	
Scope 1 (Direct)	9,750,000
Scope 2 (Indirect)	4,660,000

Occasionally, International Paper receives requests for product level CO<sub>2</sub> information. We have not historically reported to this level, because most of our mills produce a variety of paper products on a multiple of paper machines, so it is a very tedious and in-exacting process to determine an allocation of emissions associated with an individual product. However, for those customers that are interested in more data around our “carbon footprint,” we are providing a combined range of Scope 1 and Scope 2 emissions for our U.S. operations.

CO <sub>2</sub> Ranges per Tonne of Product: (U.S. Manufacturing Locations)	
Coated Paperboard	0.72 - 1.12
Containerboard (IPG)	0.37 - 1.01
Uncoated Freesheet	0.76 - 1.29

International Paper will continue to reduce fossil fuel use and improve energy efficiency across our entire system. Energy efficiency translates to production costs savings and we have worked very hard over the past several years to make sure that our mills use energy in all forms efficiently. In 2009, we completed energy efficiency project investments comprising more than \$30 million in capital. The expected impact of these investments is a 2.5 trillion Btu reduction in annual fossil fuel usage and \$20 million in annual savings. Over the last 9 years, these investments have played an important part in reducing our global GHG emissions by over 30 percent.

Reduction in International Paper GHG Emissions since 2000



International Paper has been reporting this type of information for over a decade now and continues to participate in greenhouse gas reduction efforts in both the U.S. and Europe. Some examples include:

- Membership in the U.S. EPA’s Climate Leaders program and commitment, that International Paper fulfilled, to reduce greenhouse gas emissions by 15 percent between 2000 and 2010.
- Founding partner and participant in the Chicago Climate Exchange (CCX), where we helped develop a well functioning voluntary program and market for carbon trading.
- Regulation under the European Union’s emission trading system through our IP European mills.
- Reporting GHG emissions and strategy to the Carbon Disclosure Project (CDP) for the seventh consecutive year.

Next year, U.S. mill GHG emission data will begin to be publicly available as part of the EPA’s GHG reporting rule. We will continue to be transparent to our stakeholders without speculating on the future impacts of climate change or the fate of the many pending regulatory proposals. We are proud of our accomplishments to date, and continue to make progress towards our goals of reducing energy use and the corresponding GHG emissions.

For more information about International Paper’s GHG reporting or efficiency programs, please visit [ipsustainability.com](http://ipsustainability.com).

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