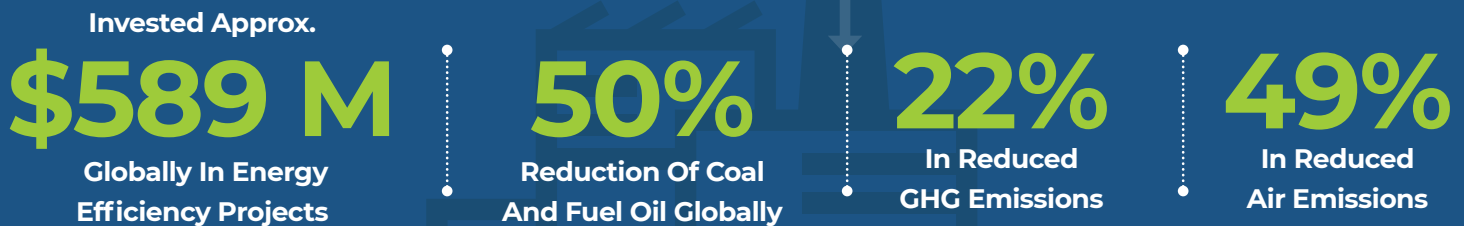


BIOMASS CARBON NEUTRALITY

International Paper is a leader in the use of renewable energy. We generate nearly 75% of the energy used in our mills from the efficient use of carbon-neutral biomass residuals through combined heat-and-power energy systems. This highly efficient process minimizes the use of fossil fuels. The sustainable use of residuals in the forest products manufacturing process to produce energy provides enormous greenhouse gas benefits. In fact, the forest products industry as a whole avoided the emission of approximately 181 million metric tons annually of CO₂ equivalent, which is the same as emissions of about 35 million cars.

By procuring wood from suppliers who practice responsible forest stewardship and ensuring the long-term sustainability of working forests, International Paper participates in a successful, market-based system of fiber sourcing and residual biomass use that provides positive carbon benefits and co-benefits.

WE ARE WORKING TO IMPROVE OUR CLIMATE IMPACT AND HAVE MADE PROGRESS ON REDUCING FOSSIL FUEL USE AND GHG EMISSIONS SINCE 2010.



REGULATORY CERTAINTY IS NEEDED

Both Congress and the U.S. Environmental Protection Agency (EPA) have taken positive actions to ensure the carbon neutrality of biomass residuals. In 2014, senior EPA leadership noted in a memo that “use of waste-derived feedstocks and certain forest-derived feedstocks are likely to have minimal or no net atmospheric contributions of biogenic CO₂ emissions, or even reduce such impacts, when compared to an alternative fate of disposal.” In 2017, 2018, 2019 and 2020, Congress directed the Secretary of Energy, the Secretary of Agriculture, and the Administrator of the EPA to jointly ensure that federal policy relating to forest bioenergy is consistent across all departments and agencies; and that the full benefits of forest biomass for energy, conservation, and responsible forest management are recognized. In 2018, EPA released a policy statement affirming that biomass from managed forests will be treated by the federal government as carbon neutral when used for energy production at stationary sources. This was a key step taken by EPA to fulfill the intent of Congress on declaring biomass carbon neutral. While a supportive policy statement by EPA is a very positive development for securing biomass carbon neutrality, a rule is needed to provide greater regulatory certainty and permanence.



Nearly 75%
of mill energy is derived from biomass residuals rather than fossil fuels