

2020

Global Citizenship

INTERNATIONAL  PAPER

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About this Publication

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. GRI is a universally applicable, comparable framework that facilitates transparency and accuracy.

Unless otherwise indicated, information is from the 2020 calendar year, and data are accurate as of December 31, 2020.

View our other reports at [InternationalPaper.com/reports](https://www.internationalpaper.com/reports). Sustainability at International Paper encompasses our entire value chain. This report is organized around the key impact points along our value chain.

About the cover: International Paper is committed to the stewardship of our natural resources, and we're improving our climate impact by reducing our greenhouse gas emissions by 35% as part of our Vision 2030.

Our Company

Our vision is to be among the most successful, sustainable and responsible companies in the world.

WHO WE ARE

We are one of the world's leading producers of renewable, fiber-based packaging, pulp and paper.

WHAT WE DO

Our mission is to improve people's lives, the planet and our company's performance by transforming renewable resources into products people depend on every day.

HOW WE DO IT

We do the right things, in the right ways, for the right reasons, all of the time — this is The IP Way. Together, The IP Way and our core values of safety, ethics and stewardship serve as our guideposts as we carry out our mission.

CORE VALUES

Safety

Above all, we care about people. We look out for each other to ensure everyone returns home safely.

Ethics

We act honestly and operate with integrity and respect. We promote a culture of openness and accountability.

Stewardship

We are responsible stewards of people and communities, natural resources and capital. We strive to leave everything in better shape for future generations.

\$21 Billion net sales
in 2020

Approximately 48,000
global employees

More than 25,000
customers in 150 countries

More than \$23 Million
invested in 2020 to address
critical needs in the
communities where
we live and work

Every International Paper
job supports **3.25 jobs**
in industries and
local communities

From our Chairman and CEO

In 2020, the COVID-19 pandemic forced us to work in different ways, but it also strengthened our sense of responsibility and pride in manufacturing essential, sustainable products that people depend on every day. The pandemic heightened our understanding of the connection between environmental stewardship, social equity and resilience. And while challenging on many levels, 2020 gave us an opportunity to truly live up to our core values of Safety, Ethics and Stewardship.

Operating our facilities to take care of customers starts with our employees showing up and working safely — and they did just that, every day, throughout the pandemic. As an integral part of the supply chains of essential products around the world, our global teams were the heroes behind the frontline heroes ensuring consumers had access to the products they needed. I am incredibly proud of and grateful for their resilience and their ongoing commitment to our customers, our communities and each other.

We continued to meet the needs of our communities head on. As food banks around the world began to see increased demand for food assistance, we responded with a donation of two million corrugated boxes to enable the safe and efficient distribution of food. Our global teams stepped up to meet critical community needs: From corrugated dividers supporting social distancing to feminine hygiene products and other fiber-based hygiene products for hospitals, when our teams saw a need, they responded.

As a company, we amplified our diversity and inclusion efforts. Each of our businesses and staff groups have developed diversity and inclusion plans to increase women and minority representation. Additionally, we launched our first four Employee Networking Circles (ENCs), whose missions include attracting, developing, promoting, retaining and giving a voice to their members: LGBTQ+ identified individuals and allies, veterans of the armed forces, African-Americans and women.

We made measurable improvements to close out our Vision 2020 sustainability goals, and I am pleased with the progress we made throughout the past decade. Our progress on these goals helped us address the expectations of our customers and our communities, become a better company and recognize that there is more we must do.

Last year we introduced Vision 2030, four goals that demonstrate our commitment to building a better future for people, the planet and our company. Each of the following Vision 2030 goals includes robust targets to drive sustainable outcomes for people and communities, the environment and our customers:

- Healthy and Abundant Forests
- Thriving People and Communities
- Sustainable Operations
- Renewable Solutions



Mark S. Sutton
Chairman of the Board and
Chief Executive Officer

INVESTING IN PEOPLE DURING COVID-19

Implemented new safety measures to keep essential workers at our facilities safe.

Donated two million corrugated boxes to food banks across the world.

Donated more than 300,000 other products including paper, paper bags, paper rolls and feminine hygiene products.

Employees provided 11,000 socially distant volunteer hours to support communities.

Vision 2030 demonstrates that we are thinking differently about how we use natural resources and our impact on the environment. It underlines our desire to drive real progress in the circular economy. We are also increasing our focus on people, including those who work for us and others in our communities. Through these goals, I am confident we will enable sustainable outcomes in our communities and in our workplace over the course of the next decade.

I am energized by the challenging work ahead of us, and I look forward to reporting our first year of our Vision 2030 progress in next year's report.



Mark S. Sutton
Chairman of the Board and Chief Executive Officer, International Paper

“While challenging on many levels, 2020 gave us an opportunity to truly live up to our core values of Safety, Ethics and Stewardship.”

Mark S. Sutton,
Chairman of the Board and
Chief Executive Officer

Message from our Chief Sustainability Officer

The intersection of natural resources, human health and our climate has never been more pronounced.

As such, we have set ambitious forest stewardship targets for the next decade that recognize and respond to the environmental, social and economic benefits forests provide — not least of which is their magnificent ability to capture carbon from the atmosphere. Partnerships with organizations such as World Wildlife Fund and The Nature Conservancy are enabling us to make meaningful contributions to the advancement of science-based targets for forests, natural climate solutions and watershed protection.

In the development of our Vision 2030 goals, we recognized that managing climate-related risks is critical throughout our value chain to advance a low-carbon economy and to remain within our planet's natural boundaries. That's why our greenhouse gas (GHG) targets are aligned with the best available climate science. And it's why we are aiming to advance circular solutions throughout our value chain to ensure that all of our products are 100% reusable, recyclable or compostable by 2030.

People are at the heart of all we do. As we embark on the next decade, we have increased our focus on our people and communities. We invite you to join us in driving community resilience, diversity, inclusion and safety among our workforce, workplace and marketplace.



Sophie Beckham
Chief Sustainability Officer



Sophie Beckham
Chief Sustainability Officer

COVID-19 Response: Preserving an Essential Industry During a Global Pandemic

During the COVID-19 pandemic, International Paper was prepared to meet the unique challenges the pandemic presented.

Supply and Demand Met: Forest products are a necessary component of the supply chains required to produce and deliver food, pharmaceuticals, health and hygiene products, and emergency supplies to consumers and communities around the world. Our world-class global sourcing teams never slowed down as they [helped keep essential supply chains moving globally](#).

Safe and Proud Workforce: During the COVID-19 pandemic, we applied new layers of protection to ensure our essential workers stayed safe and healthy while at work. When workers needed to quarantine, we ensured they continued to receive their pay. Also, in recognition and appreciation of the outstanding efforts, agility and resiliency that kept our operations running safely during the pandemic, all employees received a one-time bonus payment in December.

We [express how proud we are](#) of the accomplishments our global workforce – our Everyday Heroes Behind the Everyday Heroes – undertook during the pandemic. Plus, [view](#) the pride our employees take in the essential work they do at [#ProudtoBeIP](#).



2 Million Boxes: Food banks around the world experienced dramatic increases in demand for food assistance driven by the economic impact of the COVID-19 pandemic. International Paper responded with a [commitment to donate two million corrugated boxes](#) to hunger-relief organizations around the world, including Feeding America® and The Global FoodBanking Network. We then issued a call to action for other companies and individuals to #HelpFillTheBoxes. [Watch our story](#).



Separators for Safety: Our Space Divider series of corrugated separators are the brainchild of our European team, launched in response to the COVID-19 pandemic. Available in a variety of shapes and sizes, Space Dividers enable businesses, restaurants, schools and public administration offices to meet social distancing requirements to keep people safe and prevent the spread of the coronavirus.

“These numbers are amazing, but they don’t adequately illustrate the behind-the-scenes work of numerous employees around the world. Working together across facilities, businesses and time zones, employees pulled together to ensure they met the critical needs in their communities during the pandemic.”

— *Dr. Alissa Campbell Shaw, senior manager, Community Engagement, and executive director IP Foundation*

BY THE NUMBERS

From Mexico to Russia, our facilities responded to their local communities with donations, including the essential products we make. A quick look at the numbers reveals the magnitude of our team members’ support to date:

- **15 countries reached** — Brazil, Canada, Chile, Colombia, France, Italy, Mexico, Morocco, Poland, Portugal, Russia, Spain, Switzerland, Turkey and the U.S.
- **2 million** corrugated boxes
- **20,000+** cartons of cut sheet paper
- **30,000 pounds** of paper rolls
- **250,000** kraft paper bags
- **3,600** feminine hygiene care kits

Because of the need for social distancing, volunteerism looked a little different this year with a variety of **independent volunteer opportunities** offered to employees. Our U.S. and Canada locations saw these results:

- **1,619 volunteers**, resulting in more than 3,300 socially distant volunteer hours valued at more than \$91,000 in labor
- **More than 1,400** of these volunteers participated in virtual volunteer projects during the United Way Day of Caring
- **100** of these volunteers were global summer interns who also volunteered virtually

Vision 2020 Goals

Over the past decade, we have measured and reported on 12 voluntary goals with a 2010 baseline and a target completion date of 2020. We are proud to have achieved most of these goals, thus improving our impact on people and the planet. We recognize our work did not end in 2020. So, we have refined our focus and set more ambitious targets to guide us over the new decade. Our long-range [Vision 2030](#) reflects our commitment to be a more sustainable corporation — one that generates profits for our shareowners and value for our stakeholders.

Sustaining Forests



Goal: Increase third-party certified fiber by 35%

Achieved:

48% increase in certified fiber volume



Goal: Increase recovery of old corrugated containers (OCC) by 15% by exploring new sources and diverting usable fiber from landfills

Achieved:

66% increase in recovery of OCC

Investing in People



Goal: Injury-free workplace

79% reduction in serious safety incidents



Goal: Measure and report on our charitable support for hunger, education, health and wellness and disaster relief in our communities

Achieved:

more than **\$165 million**

donated to charitable organizations since 2010, including more than \$23 million in 2020

Improving Our Planet



Goal: Improve efficiency in purchased energy use by 15%

4.2% improvement in purchased energy efficiency



Goal: Reduce greenhouse gas (GHG) emissions (direct and indirect) by 20%

Achieved:

21.4% reduction in GHG emissions



Goal: Integrate water management into regular facility assessment and proactively engage with stakeholders in communities to address water-related issues within the watershed

Achieved with annual facility risk assessments and launch of first partnership in a priority basin; 62% of mills engaging local stakeholders on water



Goal (restated in 2016): Reduce air emissions (PM, SO₂, NO_x) by 30%

Achieved:

42% reduction in air emissions



Goal: Establish processes promoting transparency, managing risk by monitoring and identifying opportunities to collaborate with suppliers

Achieved with standardized scorecards to increase transparency, alignment and collaboration with targeted strategic suppliers



Goal: Reduce mill water discharges of oxygen-depleting substances to receiving streams by 15%

Achieved:

35% decrease in oxygen-depleting substances



Goal: Reduce fiber lost in the manufacturing process to less than 0.75%

Achieved:

0.68% fiber loss from reporting mills



Goal: Reduce manufacturing waste to landfills by 30% and ultimately to zero.

26% reduction in manufacturing waste to landfills

Vision 2030 Goals

BUILDING A BETTER FUTURE FOR PEOPLE, THE PLANET AND OUR COMPANY

Vision 2030 is our next generation of company goals. This commitment will accelerate our progress toward achieving our vision of being among the most successful, sustainable and responsible companies in the world. We are excited to begin tracking our Vision 2030 progress.

GOAL: HEALTHY & ABUNDANT FORESTS

Lead forest stewardship efforts globally

TARGETS:

Source

100% 
of our fiber from sustainably managed forests or recovered fiber while safeguarding forests, watersheds and biodiversity

Conserve and restore

1 MILLION
acres (400,000 hectares) of ecologically significant forestland


GOAL: RENEWABLE SOLUTIONS

Accelerate the transition to a low-carbon economy through innovative fiber-based products

TARGET:



Advance circular solutions throughout our value chain and create innovative products that are

100% reusable, recyclable or compostable

GOAL: SUSTAINABLE OPERATIONS

Improve our climate impact and advance water stewardship

TARGETS:

Reduce our Scope 1, 2 and 3 greenhouse gas emissions by

35% 
aligned with the best-available climate science

Reduce our water use by

25% 
and implement context-based water management plans at all mills

GOAL: THRIVING PEOPLE & COMMUNITIES

Promote employee well-being by providing safe, caring and inclusive workplaces and strengthen the resilience of our communities

TARGETS:

Achieve

ZERO injuries for employees and contractors



Improve the lives of 100 million people in our communities

Achieve

30% overall representation of women and 50% women in salaried positions, and implement regional diversity plans, including 30% minority representation in U.S. salaried positions



Learn more about our [Vision 2030 commitment](#).

Our Businesses

Creating innovative products from responsibly sourced, renewable resources.

INDUSTRIAL PACKAGING

73% OF TOTAL REVENUE



We create packaging products that protect and promote goods, enable worldwide commerce and keep consumers safe. We meet our customers' most challenging sales, shipping, storage and display requirements with sustainable solutions. Additionally, our Recycling business collects, consumes and markets more than seven million tons of all paper recovered annually in the U.S., making us one of North America's largest recyclers of recovered office paper and corrugated boxes.

GLOBAL CELLULOSE FIBERS

12% OF TOTAL REVENUE



We create quality cellulose fiber products suitable for a wide range of applications. Cellulose fiber is a sustainable, renewable raw material used in hundreds of products people depend on every day — including baby diapers, towel and tissue products, feminine care, adult incontinence and other personal hygiene products that promote health and wellness. Our innovative specialty pulps serve as a sustainable raw material across a variety of industries such as textiles, construction material, paints and coatings and more.

PRINTING PAPERS

15% OF TOTAL REVENUE



We create papers that facilitate education and communication. As one of the world's largest manufacturers of uncoated freesheet, we produce a variety of papers for business and home use. Customers rely on our signature brands including Accent® Opaque, Ballet®, Chamex®, Hammermill®, POL®, PRO-DESIGN®, REY®, Springhill®, SvetoCopy® and Williamsburg for a wide range of printing and converting applications.*

* In December 2020, International Paper announced a plan to pursue a spin-off of our global Printing Papers segment into a standalone publicly traded company in 2021, pending approval by our Board of Directors.



Our Operations

NORTH AMERICA

- 27 pulp, paper and packaging mills
- 162 converting and packaging plants
- 16 recycling plants
- 3 paper bag facilities

EUROPE, MIDDLE EAST, AFRICA, RUSSIA AND SOUTH AMERICA*

- 10 pulp, paper and packaging mills
- 41 converting and packaging plants

We operate a printing and packaging products distribution business principally through six branches in Asia.

MARKETS SERVED

North America: Our global headquarters is in Memphis, Tennessee. In North America, we produce containerboard and corrugated packaging products; pulp for hygiene products, tissue and paper bags; and uncoated freesheet papers. We operate a recycling business with facilities across the U.S and Mexico. Most of our mills are in the U.S., with the exception of one recycled containerboard mill in Mexico and one pulp mill in Canada.

Europe, Middle East, Africa and Russia: Our Europe, Middle East and Africa businesses manufacture uncoated freesheet paper, coated paperboard, pulp, recycled containerboard and corrugated packaging. We supply these products to customers across the region and beyond.

In Russia, in addition to our paper mill in Svetogorsk, we hold 50% ownership in a joint venture with Ilim Holdings (Ilim Group). Ilim is the largest foreign-domestic alliance in the Russian forest products sector. Ilim produces containerboard, softwood market pulp and uncoated and coated printing papers for Russia, Europe, China and other export markets.

South America: We produce uncoated freesheet and, until October 2020, we produced containerboard and corrugated packaging.* We supply packaging and paper to customers throughout Brazil and also export paper throughout Latin America, Europe and Asia.

Asia: Our Asian businesses include the distribution of pulp, kraft linerboard, and other paper and packaging materials, as well as the procurement of equipment and materials for the company's global network.

* In October 2020, International Paper completed the sale of its Brazilian corrugated packaging business to Klabin S.A. The business has three containerboard mills and four box plants.

Our Sustainability Strategy

As one of the world's largest packaging, pulp and paper companies, we acknowledge our:

Impacts and dependencies on natural and human capital.

Responsibility to promote the health of people and our planet.

Commitment to sustainability as being foundational to our vision, mission and core values.

Our strategic framework, The IP Way Forward, guides how we view sustainability in our business and across our value chain. Building on The IP Way Forward, our [Vision 2030 Goals](#) outline our path to achieve our [company's vision](#) and define our sustainability strategy for the next decade.



Our industry plays a critical role in supporting employment and business opportunities while promoting the long-term sustainability of natural resources. We believe the sustainable management, conservation and restoration of forestland is an important lever for mitigating climate change through carbon storage in forests. The sustainability of forestland is vital to the long-term prosperity of our company, our communities and our planet.

Advancements in technology and emerging consumer trends continue to impact how people view and value forests and other natural resources. From rising demand for e-commerce packaging to innovative uses for wood fiber, our industry is evolving faster than ever before. These changes present both challenges and opportunities for International Paper.

By identifying global trends material to our business, we focus our sustainability strategy on the issues where we have the greatest impact. To help inform and prioritize the focus of our sustainability strategy, we:

- Engage with internal and external stakeholders using a variety of methods. These include conducting extensive research on emerging global megatrends, shifting stakeholder expectations and peer benchmarking to ensure our [Vision 2030](#) sustainability strategy is focused on the issues where we have the greatest impact.
- Assess key issues and associated risks and opportunities, adjusting our tactics when necessary as part of our deliberate improvement efforts. Learn more in [Stakeholder Engagement](#).
- Incorporate environmental, social and governance (ESG) considerations into our everyday processes and corporate governance structure. By doing so, we ensure that we adequately address risks, operate sustainably and responsibly, and create long-term value.

We're also committed to increased transparency and public awareness. The IP Way — doing the right things, in the right ways, for the right reasons, all of the time — influences how we set our strategy and communicate to key stakeholders. We promote transparency by:

- Disclosing company and sustainability performance information regularly.
- Engaging with a wide range of internal and external stakeholders.
- Reporting progress toward our goals.

Our sustainability strategy guides us as we deliver renewable solutions for our customers and advance a low-carbon, circular economy by:

- Designing products people depend on every day toward a target of being 100% reusable, recyclable or compostable.
- Collaborating with customers, suppliers and each other to build circular processes into our work.

Sustainability at International Paper encompasses our entire value chain — from fiber procurement to the end-use and recovery of our products. As such, the remainder of this report is organized around the key impact points along our value chain.



Sustainability Throughout Our Value Chain

Our approach to sustainability considers our entire value chain, from sourcing raw materials responsibly and working safely, to making renewable, recyclable products and providing a market for recovered products. We map priority material issues to our value chain, which helps us identify and address key impacts where they occur.



Alignment with the UN Sustainable Development Goals

We also align our priority material issues to the [United Nations' Sustainable Development Goals \(SDGs\)](#). Given the nature, scale and reach of our company, we are making the most meaningful contributions to 12 of the 17 SDGs.



SUSTAINING FORESTS

Our business depends upon the responsible management of the forests and watersheds from which we source our wood fiber. We actively engage with stakeholders in the communities where we operate to address concerns around forest ecosystem health and water-related issues. Read more about our efforts in [Forest Stewardship Strategy](#).

Our [Global Responsible Fiber Procurement Policy](#) and practices work to sustain forests worldwide as forests. We will not knowingly accept fiber from controversial sources or forests where high conservation values are threatened by management activities. We actively monitor sourcing and supply chains to ensure compliance with our policy.

We work collaboratively with national and global forest conservation organizations to aid their efforts and to develop actions that improve our own procurement practices. These strategic partnerships are essential to achieve the scale necessary for long-term impact and to develop sustainable solutions that address critical regional and global forestry issues.

Our efforts to advance sustainable forest management and restore forest landscapes are important levers for mitigating climate change through carbon storage in forests. Because our products are made from these renewable resources, they enable our customers to reduce their carbon footprint, meet their sustainability goals and promote the transition to a low-carbon, circular economy.



SUSTAINABLE SUPPLY CHAIN

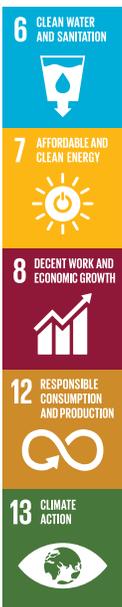
As a global manufacturing company, we source a wide range of inputs from over 75,000 suppliers around the world. We are committed to doing business with integrity by:

- Treating all people with dignity and respect.
- Supporting our communities.
- Honoring the laws that govern our operations.

We hold our suppliers to the same ethical principles to which we hold ourselves. As such, we expect our suppliers to adhere to the requirements in our [Third Party Code of Conduct](#) before we consider forming or extending business relations.

We support our supply chain sustainability strategy with three complementary drivers:

- **Promoting Transparency** — addressing stakeholder expectations for sustainably sourced and manufactured products by purchasing fiber from responsible sources.
- **Managing Risk** — monitoring, surveying and auditing our supply chain, including monitoring risk for all raw materials.
- **Strengthening Partnerships** — engaging in dialogue with our key stakeholders regarding our sustainability practices.



MANUFACTURING RESPONSIBLY

We recognize the impact of our manufacturing on the environment and on the well-being and dignity of people.

Improving our Environmental Footprint — Climate change affects our business both directly and indirectly through impacts to natural resources and through changing stakeholder expectations and policy requirements. Our [Climate Change Statement](#) provides insight into our commitment to improving our planet, reducing our environmental footprint and promoting the long-term sustainability of natural capital.

We play a significant role in responding to and helping to mitigate the potential climate change impacts from human activities. We do so by reducing greenhouse gas (GHG) emissions in our operations and throughout our value chain by:

- Improving our energy efficiency and maximizing our use of renewable energy.
- Practicing and promoting responsible forest stewardship.
- Engaging suppliers throughout our supply chain.
- Improving our manufacturing footprint.
- Creating strategic partnerships.

Safeguarding People's Health, Safety and Human Rights — Our most important measure of success is ensuring all employees, contractors and visitors arrive home safely every day. Since 2010, we have reduced serious injuries by 79% by building an active safety culture among our employees, suppliers and contractors. We believe an injury-free workplace is possible by doing the right things and committing to keeping each other safe.

We also promote human rights through our actions and values, which include:

- Not tolerating child or slave labor, physical punishment or abuse.
- Recognizing lawful employee rights of freedom of association and collective bargaining.
- Committing to human rights as embodied in The IPWay, our [Code of Conduct](#), our [Third Party Code of Conduct](#), our [Human Rights Statement](#) and our actions around the world every day.



INNOVATIVE, RENEWABLE PRODUCTS

Beyond our responsible manufacturing operations, we seek to elevate the role we play in helping to mitigate the potential climate impacts from human activities related to the use of our products. We embrace the concept of the circular economy — continually evolving the design of our products so they experience multiple lives through continuous cycles of recovery and reuse.

Driven by this concept of circularity, our sustainable innovation and design strategy involves:

- Conducting market research to help us anticipate consumer trends and customer needs.
- Striving to meet the evolving demands of consumers by using research, ingenuity and creative thinking to:
 - Transform renewable resources into reusable, recyclable or compostable fiber-based products that people depend on every day.
 - Design and innovate products and services while considering recyclability, sustainability, weight, materials and more.
 - Find new ways to use responsibly sourced wood fiber to create innovative, sustainable solutions for our customers and consumers around the globe.
- Employing extensive testing practices to ensure products are durable and perform as expected.



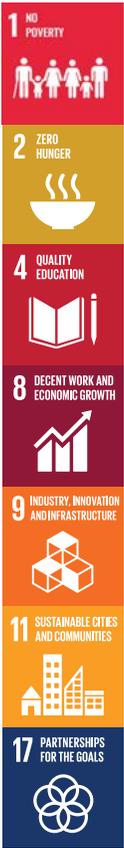
RECYCLING AND BEYOND

Our products are made out of renewable fiber from responsibly managed forests and recycled wood fiber. Our product designs help us accelerate the transition to a low-carbon economy by being circular in nature in the consumer environment: Innovate. Replace. Reduce. Recycle. Recover. Repeat.

To create the most sustainable business model possible, we look beyond basic recycling to evaluate our entire value chain and contribute to the circular economy through our manufacturing processes by:

- Championing responsible forestry.
- Putting residual materials to good use in the manufacturing process.
- Recovering and reusing fiber. (We're one of the two largest users of recovered fiber in the world.)

Knowing a paper product's "end-of-use" — recycle bin or trash can — will never be fully within our control, we work to increase recycling rates and encourage more recovery in the residential sector. Given our global reach and the growth of online shopping and e-commerce, we see abundant opportunities to make an even greater impact. To this end, International Paper is a funding partner of [The Recycling Partnership](#) and is involved in projects with the [American Forest & Paper Association](#), [Fibre Box Association](#) and the [Confederation of European Paper Industries](#).



RESPONSIBLE BUSINESS PRACTICES

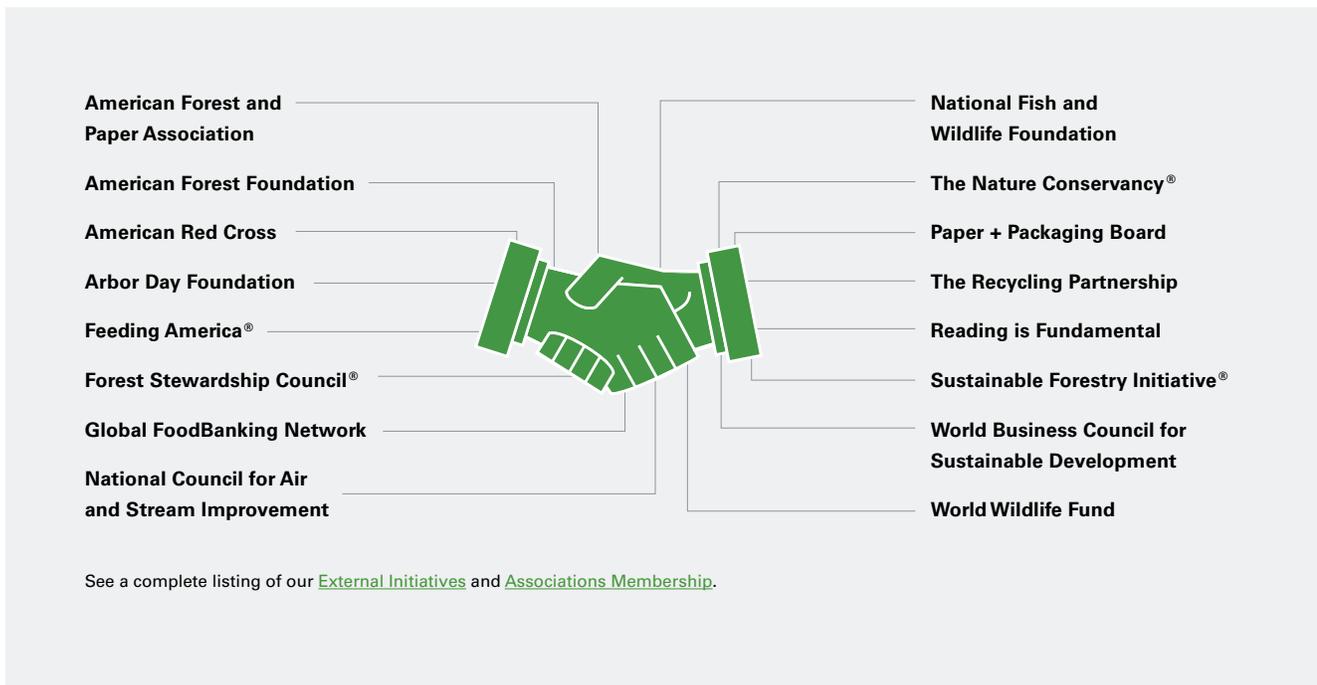
Responsibility and stewardship underscore every action we take throughout our value chain. It’s part of our vision — we cannot be a sustainable or successful company without being a responsible one. It starts with people — attracting and developing a talented, diverse workforce and ensuring everyone returns home safely at the end of each day.

It extends to our communities. We seek to be a good neighbor by mobilizing our people, products and resources to address critical needs in the communities where our employees live and work. We do this by focusing our community engagement efforts in four key areas:

- Education
- Health and Wellness
- Hunger
- Disaster Relief

But it doesn’t end there. We deliver long-term value for all stakeholders through solid governance, a commitment to ethical business practices and positive government relations. For the 15th consecutive year, the Ethisphere Institute recognized International Paper as one of the World’s Most Ethical Companies. Of this year’s 135 honorees, we are one of only six companies to receive the recognition for 15 years running.

International Paper recognizes the importance of strategic collaboration with community partners, non-governmental organizations and industry associations to make meaningful progress across our value chain. Engaging with third-party organizations accelerates progress toward sustainable development throughout our global operations. Some of the groups we work with include:



Stakeholder Engagement

Since our sustainability orientation encompasses our entire value chain, we focus our sustainability strategy on issues most material to our business, as determined by the stakeholders within our value chain. To remain attuned to our stakeholders, we employ a variety of regular stakeholder engagement methods.

CONTINUOUS ENGAGEMENT EFFORTS

Our global stakeholder network ranges from people we engage with regularly through our operations to those in public positions who influence our activities. Our stakeholders include communities, customers, employees, governments, non-governmental organizations, shareholders and suppliers.

We employ a variety of stakeholder engagement methods to assess key issues, associated risks and opportunities, and to help inform and prioritize our sustainability strategy. These engagement methods and the subsequent analysis help us understand how well we are fulfilling our responsibility as a:

- Valuable partner for customers and suppliers.
- Beneficial employer for our employees.
- Sound investment for shareholders.
- Good neighbor for the communities where we live and work.

One such stakeholder engagement method is to conduct wide-ranging dialogues, which allows us to:

- Work with each stakeholder group to define or improve standards and voluntary commitments.
- Support mutual learning.
- Develop an appreciation of the significance and complexity of stakeholder issues.
- Identify potential solutions to stakeholder issues.
- Work constructively and communicate openly to address any concerns.
- Articulate our position on key issues.
- Explain the inherent value of fiber-based products.

Learn more about each [Engagement Method by Stakeholder](#) group.

ASSESSING MATERIALITY

By engaging internal and external stakeholders on their views of the relative importance of our company's impact, programs and performance in key areas, we can optimize our sustainability strategy and further work to reduce our impact.

We have traditionally conducted our bi-annual materiality assessment through a survey of our stakeholders. As we began to develop our Vision 2030 goals in 2018, we shifted our approach to assessing materiality through more direct stakeholder engagement and robust benchmarking with internal and external stakeholders.

During 2018 and 2019, we conducted an extensive assessment focused on evaluating our most material areas of impact. We began our assessment with internal stakeholders. Using a combination of logical and creative thinking exercises paired with focus groups and workshops, we explored multiple viewpoints to generate as much input as possible. We interviewed our senior leaders to find out what was important for them and what they saw as the company's priorities. We then analyzed and organized input to incubate ideas for the goals.

At the same time, we conducted extensive external research, analysis and benchmarking, including an analysis of megatrends in the world. We conducted benchmarking to find out what our customers are thinking about, what our investors' expectations are, and what direction our competitors and peer groups are going as they think about the future of their own goals.

We then spent six months in the beginning of 2019 conducting scenario analyses and feasibility studies, and evaluating potential costs associated with advancing an ambitious set of 2030 goals derived from the issues our stakeholders prioritized.

We found that our key impact areas were:

- Healthy and Abundant Forests
- Sustainable Operations
- Thriving People and Communities
- Innovative Products

See a full list of our [Material Issues](#) mapped against our key impact areas. We will continue to refine this process and engage stakeholders on a regular basis to ensure we address emerging trends and new priorities.



Sustaining Forests

A source of livelihood for millions, forests store carbon, purify drinking water and provide habitat for wildlife. Forests also enable us to make products people depend on every day. At International Paper, our entire business depends upon the sustainability of forests. We will continue to lead the world in responsible forest stewardship to promote healthy ecosystems for generations to come.



2020 Highlights

UNITED STATES

STRENGTHENING COMMUNITY RESILIENCE

Through the [Arbor Day Foundation's](#) Community Tree Recovery Program, we planted 52,000 trees in communities affected by natural disasters in 2020, strengthening these communities' resilience and reducing approximately 10,000 metric tons of net CO₂.

- More than 500 miles of stream habitat improved.
- 18,000 private landowners engaged in implementing forest stewardship practices.

ENHANCING CARBON SEQUESTRATION IN FAMILY FORESTS

Families own 36% of U.S. forests. So, we incorporate family forest owners in the global effort to sequester more carbon in their forestland by joining the American Forest Foundation and The Nature Conservancy to support the [Family Forest Carbon Program](#).

EMPLOYING TECHNOLOGY FOR GOOD

Our fiber procurement monitoring system uses mapping technology and risk-based due-diligence procedures to ensure we maintain or enhance the environmental values of the non-certified forests where we source.



PROTECTING AND ENHANCING ECOLOGICALLY IMPORTANT FORESTLAND

Since 2013, our [Forestland Stewards](#) partnership with the National Fish and Wildlife Foundation has resulted in:

- 600,000 acres of native forests planted or enhanced.

BRAZIL

SETTING SCIENCE-BASED TARGETS FOR FORESTS

Our collaboration with World Wildlife Fund (WWF) contributed to the development of the [Initial Guidance for Business](#) from the Science Based Targets Network. This document charts a course of action to set science-based targets for nature by 2022 as well as:

- Supports the development of metrics and indicators to track progress on these targets both in a global context and within landscapes.

LAYING DOWN ROOTS

Our investment in the "Raizes do Mogi Guaçu" ("Mogi Guaçu Roots") collaboration with WWF is helping to restore 100 hectares of the Mogi Guaçu River basin in the Atlantic Forest of Brazil, one of the most ecologically important forests in the world. In 2020, we helped restore nearly 20 hectares — roughly 48 acres — of forestland. [Hear one landowner's story.](#)





FRANCE

ADVANCING CERTIFICATION

IP Forêt Services (IPFS) helps more than 1,000 private forest owners in France implement sustainable forestry management practices.

FOSTERING BIODIVERSITY

IP Forêt Services collaborated with WWF to develop a set of tools to facilitate the identification of high conservation value forests and to support forest managers in their harvesting operations. In 2020, this collaboration resulted in the protection of two kilometers of waterways for the conservation of rare pearl mussels.



RUSSIA

SUPPORTING THE SUSTAINABILITY LAB

For a decade, this Moscow School of Management SKOLKOVO program has delivered world-class business education programs in areas such as sustainability, the responsible use of natural

resources and strategic leadership. Extended through 2022, SKOLKOVO lets government, private-sector and environmental-organization participants learn about new global approaches to sustainable forest management. The program's goal is innovating to address the opportunities and challenges of doing business in Russia's forestry sector.



POLAND

ADVOCATING SUSTAINABILITY

We participate on the State Forest Advisory Committee to advise Poland's government on forest sustainability issues and to help ensure native forests are managed sustainably.

NURTURING A LOVE OF FORESTS

Since 2015, Kwidzyn Mill employees have hosted Eco-School programs for local students, providing education on forest ecology, sustainable forest management, paper production and recycling.

INDONESIA AND GABON

CHAMPIONING FORESTS AS A CLIMATE SOLUTION

Our global partnership with The Nature Conservancy helped to advance their [Reduced Impact Logging for Climate Mitigation \(RIL-C\) methodology](#).

RIL-C has the potential to reduce carbon emissions from logging in tropical forests by half — about 1% of global emissions per year. This innovative approach will help Gabon reach its Paris Agreement emission-reduction commitments, potentially unlocking \$150 million of funding from Norway's government for rigorously demonstrated climate action.



MEXICO

RESTORING CRITICAL MONARCH BUTTERFLY HABITAT

We teamed up with Arbor Day Foundation and the Land Life Company to support efforts to replant

21,000 trees across 40 acres of degraded land of the "Zona Nucleo," the breeding ground for the Monarch butterfly in Estado de México. This initiative also engages local communities that rely on the forest for their livelihoods, water and food.

"The investment from International Paper has played an important role in the development of Reduced Impact Logging practices. In tropical forests, they can reduce emissions by 366 million metric tons of CO₂ per year, while maintaining an important source of timber revenue, improving worker safety and improving habitat in the world's most biodiverse and carbon-dense forests."

— Peter Ellis, global director of climate science, The Nature Conservancy



Forest Stewardship Strategy

Our business depends upon the responsible management of the forests and watersheds from which we source our wood fiber. We recognize that a sustainably managed forest is one that maintains and enhances economic, social and environmental values for the benefit of present and future generations. This drives our commitments to:

- Ensure forest stewardship in all the landscapes where we operate, while producing the products our customers need.
- Enable healthy forest landscapes beyond our own supply chains by investing in research, restoration and conservation initiatives that benefit forests, watersheds and biodiversity.

To meet the expectations of our employees, customers and other stakeholders, we will lead forest stewardship efforts globally to build a better future for people, the planet and our company. Our forest stewardship strategy supports our climate change efforts, as forests represent the largest store of terrestrial carbon in the world.

Our forest stewardship strategy is built upon three pillars that constitute our commitment to forest stewardship.



These three pillars guide the actions we take to ensure a sustainable future for our forests. These actions include, but are not limited to:

- Actively engaging with stakeholders in the communities where we operate to address concerns around forest ecosystem health and water-related issues.
- Working directly with landowners and our wood suppliers to promote responsible forestry practices, including increasing the availability of certified fiber.
- Collaborating with conservation organizations to support healthy forest ecosystems, enhance ecologically important areas and conserve and restore forests worldwide.
- Monitoring sourcing and supply chains to ensure that our suppliers meet or exceed our Global Fiber Procurement Policy.
- Using Geographical Information System mapping technology (herein “mapping system”) and pre-harvest due diligence procedures to provide transparency in fiber sourcing and assurances that our procurement activities maintain or enhance the environmental values of the forests from which we source.
- Improving transparency of our supply chain through documentation of traceability to source, actions our suppliers take to enhance forests, and verification that the forests meet our sustainability criteria.
- Reporting annually to CDP on our forest strategy, risk management, financial impacts and other forest-related topics. We received a score of B in 2020.

Most importantly, our fiber sourcing policies and practices support our commitment to protecting forests for generations to come.

Responsible Fiber Procurement Policy

Our Global Fiber Procurement Policy and practices work to sustain forests as forests globally. We only procure wood from sources that adhere to our [Global Fiber Procurement Policy](#) requirements.

We work to prevent illegally harvested wood products from entering global marketplaces by supporting the U.S. Lacey Act and the European Union Timber Regulation. These laws help address illegal logging and prohibit trafficking of illegally harvested products — while protecting the competitiveness of legally harvested trees.

Certified land — which provisions 38.6% of our globally sourced fiber — is monitored through third-party standards. We have robust practices in place in each country where we operate to ensure compliance with our procurement policy on non-certified lands — representing approximately 60% of our global fiber sourcing. (See [Fiber Certification](#)). The following two programs in the U.S. and France are examples of our policy compliance monitoring.



TAKE A WALK IN THE WOODS WITH US

Join a **virtual forest tour** with one of our fiber supply specialists and our certified wildlife biologist to see how International Paper supports sustainable forestry every day.



UNITED STATES: FIBER PROCUREMENT MONITORING TECHNOLOGY

In 2018, we developed and implemented an innovative mapping system to monitor our responsible fiber procurement on non-certified forestland in the U.S., which represents approximately 66% of fiber sourced in the country. This mapping system enables us to conduct robust due diligence before a tract is harvested — building on our commitment to transparency in fiber sourcing and ensuring our procurement activities do not compromise the environmental values of the forests from which we source.

Ensuring your fiber-based products are responsibly sourced



This fiber procurement monitoring system utilizes Geographic Information System mapping technology and risk-based due diligence filters, based on spatial data, that enable our fiber buyers to make informed decisions on individual forest tracts. Data captured includes:

- Rare, threatened and endangered species
- Species richness
- Priority forest type
- Landscape connectivity

Prior to harvesting, our fiber supply team uses the system to assess forest tracts for the presence of important species or forest habitat values. The presence of such conservation values prompts a discussion within the supply chain to ensure any risk to those values from harvesting activities will be mitigated — as well as to determine what forest management approaches can protect or enhance the attribute. If the risk cannot be mitigated, we do not purchase fiber from the tract.

International Paper began developing the system in 2018 by conducting a trial of the mapping technology using the fiber basin that supplies our Georgetown, South Carolina, Mill. By the end of 2020, we completed mapping and the development of due diligence procedures for all U.S. mills, which included field visits and habitat enhancements on thousands of acres of land.

International Paper is committed to the continuous improvement of this technology. In 2021, we will continue to refine the mapping system through the following:

- Performing due diligence on chip fiber sources.
- Documenting forest management or site enhancements occurring in the field.
- Documenting the use of sustainable forest management practices within our supply chain.
- Developing “rare species” working forest fact sheets to ensure our fiber buyers know how to mitigate environmental risk and promote conservation outcomes on the ground.
- Testing new third-party environmental layers in our mapping system to further enhance forest habitat conditions for neotropical bird species.
- Incorporating ENGO (environmental non-governmental organization) partners’ forest conservation data into our mapping and due diligence procedures to promote additional forest conservation principles within our supply chain

Our mapping and due diligence system will continue to build on our commitment to lead the industry in forest stewardship. By facilitating supplier and landowner outreach and education, we are advancing forest stewardship in our U.S. fiber supply chain.

FRANCE: FOREST MANAGEMENT AND HARVEST ADVISORY

Comptoir des Bois de Brive (CBB) is a wood-sourcing subsidiary of the International Paper Saillat-sur-Vienne, France, Mill, handling 1.5 million metric tons of wood annually. CBB technicians provide woodland owners with advice as to their forests’ maintenance, management and development, as well as the marketing of their wood.

Every year, more than 600 private, public and institutional owners rely on the CBB. The organization enables our French sourcing team to monitor the many sources of wood in the country, including:

- Monitoring the quality of our logging operations.
- Facilitating verification of legal compliance.
- Facilitating reduced-impact logging techniques.
- Providing accident-emergency procedures and our sites’ environmental performance levels.



[Learn more about CBB](#)

Fiber Certification

Certification contributes to consumer confidence that the products they purchase support environmentally, socially and economically sound practices — from tree seedling to product manufacturing and delivery processes.

To meet our customers’ demand for certified-fiber products, we champion third-party verification of sustainable forest management through tools such as forest management and chain of custody certification.

Globally, we own approximately 270,000 acres of forestland in Brazil and have, through licenses and forest management agreements, harvesting rights on government-owned forestland in Russia. All the forestland we own in Brazil is certified under Brazilian National Forest Certification Program, Certificação Florestal (CERFLOR) and Forest Stewardship Council® (FSC®) standards. Our forestland leased in Russia is also certified according to the Russian National Forest Certification System and FSC. Additionally, all our mills are certified to one or more third-party chain of custody standards.



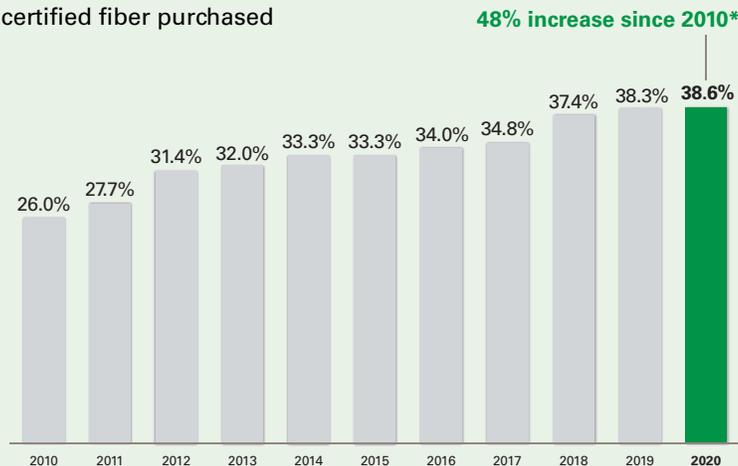
2020 FIBER CERTIFICATION RESULTS

48% increase in certified fiber volume over 2010 baseline*

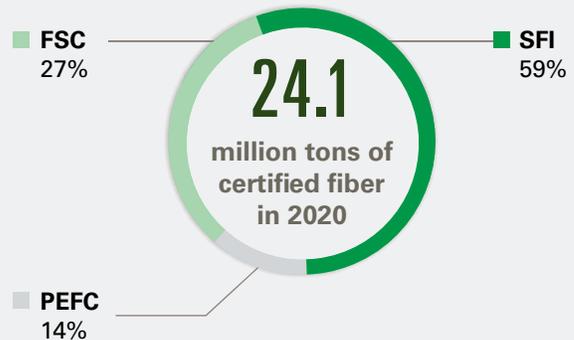
Vision 2020 Goal: Increase third-party certified fiber by 35%

CERTIFIED FIBER PROPORTION

Percentage of certified fiber purchased



TONS OF CERTIFIED FIBER BY CERTIFICATION IN 2020



* Progress refers to growth in proportion of certified fiber from 2010 baseline

We also recognize the administrative and financial challenges of forest certification for small landowners. In response, we invest our own financial and technical resources to support landowners to achieve certification of their forest management practices, including managing our own group certificates. Two programs in the U.S. and France demonstrate how we assist landowners with certification.

CERTIFIED FOREST MANAGEMENT LLC

In the U.S., small private forest landowners are reluctant to take on the additional costs or administrative burdens associated with certification, so we made it easier for them.

In July 2012, we formed our own FSC® forest management group — Certified Forest Management LLC (CFM). CFM is managed by our fiber supply teams and provides private forest landowners a cost-effective means to become FSC-certified.

Since 2012, International Paper has enrolled thousands of acres of privately owned forestlands into CFM. At the end of 2020, the group included over 400 private landowners from 11 states encompassing approximately 880,230 acres.

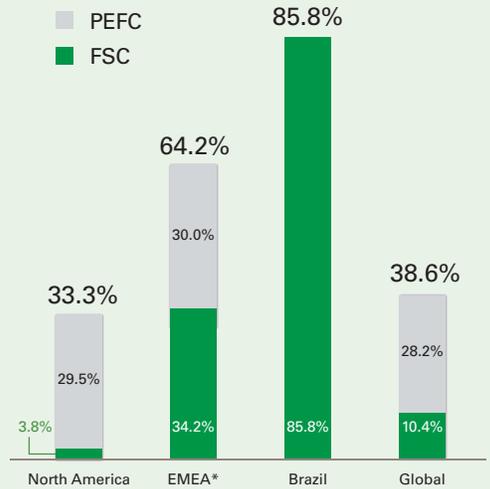
COMPTOIR DES BOIS DE BRIVE (CBB)

In addition to the landowner support detailed in Responsible Fiber Procurement Policy, the CBB is recognized by our Programme for the Endorsement of Forest Certification (PEFC) and FSC chain-of-custody certificates and those of our suppliers. A specific verification program created by CBB monitors the declarations of those few suppliers who do not yet have a third-party verified chain-of-custody.

To see our current fiber certifications and our Global Fiber Procurement Policy, visit [Policies and Certifications](#).

COUNTRY-LEVEL CERTIFICATION PROFILE

Percentage of certified fiber purchased in 2020



NOTE: Dual certified lands are reported as FSC
* Europe, the Middle East and Africa

All International Paper Mill locations receiving virgin fiber meet the FSC Controlled Wood Standard as part of our commitment to sourcing responsibly and in line with our Responsible Fiber Procurement policy. All wood that does not come from a certified forest is both evaluated against the FSC Controlled Wood standards and our Policy using tools such as our fiber procurement monitoring system in the U.S., compliance auditing and risk mapping.

COUNTRY-LEVEL FIBER SOURCING BREAKDOWN



External Collaborations

The soil, water, biodiversity, climate, cultural, economic and recreational values of healthy forests benefit the planet and communities far beyond our own supply chains. As one of the world's largest users of wood fiber, we want to amplify our positive impacts on forests via conservation and restoration activities that complement our commitment to sustainable forest management and responsible sourcing.

We work collaboratively with national and global forest conservation organizations to aid their efforts and to develop actions that improve our own procurement practices. These strategic partnerships are essential to achieve the scale necessary for long-term impact and to develop sustainable solutions that address critical regional and global forestry issues.

Our national and global forest conservation collaborations promote healthy and abundant forests through:



MANAGEMENT

We use and promote best practices for working forests — both within and outside of our supply chain — because we know that sustainable forestry is important to biodiversity, water and air quality, and local economies. Our collaborations advance initiatives in these areas:

- Research in forest science and economics
- Enhanced carbon sequestration and climate mitigation in working forests
- Forestland owner education and outreach
- Sustainable forest management education
- Creating enabling conditions for sustainable forest management policies and practices

EXPLORE OUR PARTNERSHIPS:

- [American Forest Foundation](#)
- [The Nature Conservancy](#)
- [American Bird Conservancy](#)

FORESTS AND THE CLIMATE

Sustainable management, conservation and restoration are important levers for mitigating climate change through carbon storage in forests. Several of our collaborations are working to advance forests as a natural climate solution. We invest in the Family Forest Carbon Program managed by American Forest Foundation in partnership with The Nature Conservancy, as well as Natural Climate Solutions research through The Nature Conservancy.

CONSERVATION

We work with environmental advocates, government agencies and others to conserve the biodiversity and health of all forests. Our collaborations advance initiatives in these areas:

- Species conservation through habitat enhancement
- Biodiversity monitoring

EXPLORE OUR PARTNERSHIPS:

- [National Fish and Wildlife Foundation](#)
- [Savannah River Clean Water Fund](#)
- [American Bird Conservancy](#)

RESTORATION

Our entire company depends on sustainable forests, so we're working daily to restore the health of forests in priority regions, such as the Mogi Guaçu River basin in the Atlantic Forest of Brazil and the Monarch butterfly habitat in Mexico. Our collaborations advance initiatives in these areas:

- Reforestation of native species
- Watershed restoration

EXPLORE OUR PARTNERSHIPS:

- [World Wildlife Fund](#)
- [Arbor Day Foundation](#)
- [National Fish and Wildlife Foundation](#)

IMPROVING FOREST MANAGEMENT TECHNIQUES FOR CARBON STORAGE

We are collaborating with The Nature Conservancy (TNC) on [Natural Climate Solutions](#), the conservation, restoration and improved forest management techniques that increase carbon storage and reduce greenhouse gas emissions in managed forest landscapes.

In 2020, we completed the first of a two-phase effort to develop a suite of [Reduced-Impact Logging for Climate Mitigation \(RIL-C\)](#) forestry practices, which has the potential to reduce the carbon emissions associated with logging in tropical forests by half. Progress made in the tropics of Indonesia and Gabon has informed the [second phase of the program](#), which launched in 2020. During this phase, TNC will integrate RIL-C and bioacoustic monitoring with Forest Stewardship Council (FSC®) certification standards. This integration will establish a next generation of climate-smart, sustainable forest products in the Yucatan peninsula of Mexico and in the Central Appalachian region of the U.S.



Learn how we're [sustaining forests](#) to ensure there will be more trees for generations to come



Sustainable Supply Chain

An efficient and responsible supply chain is key to obtaining quality raw materials and services that support our operations and ensure we meet our customers' needs. We establish and enforce guidelines to ensure our suppliers operate ethically and responsibly throughout our supply chain. We expect our business partners to share our values.



2020 Highlights

THROUGHOUT OUR GLOBAL SUPPLY CHAIN, WE PROMOTE:

- Safe and healthy working conditions
- High ethical standards
- Protection of human rights and dignity
- Responsible use of natural resources
- Compliance with all applicable laws

Registered SmartWay® Shipper

SmartWay is a U.S. Environmental Protection Agency (EPA) program that helps improve freight transportation efficiency.



of our total ton-miles* in North America are SmartWay carriers



52% reduction in CO₂ emissions per ton-mile* over the past six years among SmartWay carriers



Helping Suppliers Maintain Bird Habitats

American Bird Conservancy (ABC) and International Paper are working together to [develop bird-focused management recommendations for private forest landowners](#) — including special practices landowners can employ to ensure habitats are maintained for at-risk species. Through our extensive fiber supply network, we can help connect ABC with private forest landowners ranging from large forest management investment companies to small family forest owners.

* Transportation metric representing one ton of product transported one mile

More than 600 diverse suppliers in our current supplier diversity program

Focus on Supplier Diversity

Our commitment to diversity extends to our supplier relationships, as evidenced by our [U.S. Supplier Diversity Program](#). A diverse supplier base enables us to contribute to the economic well-being of the communities where we live and work.

We partner with diverse firms that can provide value to our business and throughout our value chain. We actively seek to expand and advance our current pool of diverse suppliers through education and mentoring. A primary focus of our program is supporting capacity-building for diverse businesses. We aim to create prosperity through empowerment.

18% increase
in our spend with
diverse-owned
businesses from
2019 to 2020

COVID-19 and our Supply Chain Highlights

The COVID-19 pandemic placed significant pressure on supply chains around the world, and the extensive supply chain of International Paper was no exception. In response, our world-class global sourcing teams:



Used their supply chain expertise to source the PPE our essential workers needed.

Created regional distribution centers at three strategically located International Paper facilities to distribute PPE to our global facilities.

Ensured our key suppliers were designated as essential businesses.

Identified new pipelines through minority- and women-owned businesses for the materials and PPE our operations required to make the essential products people depended on during the pandemic.

Responsible Sourcing Strategy

Our global sourcing organization plays a critical role in delivering on our vision and commitment to sustainability. Our sourcing teams are deeply engaged in efforts around supply chain transparency, supplier compliance, risk management and collaboration opportunities.

With an annual spend of approximately \$15 billion, we source a wide range of inputs from suppliers around the world. This includes:

- Wood fiber
- Recovered fiber
- Chemicals
- Fuel
- Electricity
- Manufactured parts and services
- Corporate services
- Logistics services, such as transportation

Approximately half of our suppliers are based in North America, and the rest are based in Asia, Europe, Latin America, North Africa and Russia. The majority of our suppliers fall into one of three categories: manufacturers, contractors or distributors.

THIRD PARTY CODE OF CONDUCT

We expect our business partners to share the values and principles outlined in our [Third Party Code of Conduct \(TPCOC\)](#). This is our standard for safe and respectful workplace conduct and ethical business practices.

A supplier's compliance with the TPCOC — or with its own code of conduct, if it contains similar ethical principles — is an essential factor in our decision to enter into or extend an existing business relationship. Each supplier subject to our TPCOC is responsible for ensuring that its employees, representatives and subcontractors also understand and comply with the principles of the TPCOC. If a supplier or other third party fails to comply with the law or does not address contractual non-compliance in a timely manner, we reserve our contractual rights to terminate the relationship.

Essential to maintaining our business relationships, our TPCOC is part of our standard supplier contracts and our purchase order terms. Approximately 90% of our contracted spend is covered with written agreements containing a commitment to comply with the principles of the TPCOC. We continue to embed this requirement in new and renewed contracts.

Our detailed global sourcing process includes screening third parties for a wide variety of risks, including corruption risks. We seriously consider the results of those assessments and manage corruption risks appropriately.



2020 SUPPLY CHAIN RESULTS

Standardized scorecards to increase transparency, alignment and collaboration with targeted strategic suppliers

Vision 2020 Goal:

Establish processes promoting transparency, managing risk by monitoring and identifying opportunities to collaborate with suppliers

THIRD PARTY CODE OF CONDUCT SUMMARY

SAFETY	ENVIRONMENTAL	SOCIAL	LEGAL/ETHICAL
<ul style="list-style-type: none"> Promote safe and healthy work sites Provide tools needed to reduce safety risks Maintain well-established safety rules Supply personal protective equipment 	<ul style="list-style-type: none"> Comply with environmental laws Reduce impact on the environment and climate Responsibly manage natural resources Reduce and eliminate waste 	<ul style="list-style-type: none"> Foster respect and dignity Forbid discrimination or harassment Obey laws on compensation, work hours and benefits Prohibit forced labor, illegal child labor and human trafficking Offer grievance processes without retaliation 	<ul style="list-style-type: none"> Comply with laws, regulations and treaties Prohibit extortion, fraud, bribery or kickbacks Forbid improper gifts or entertainment to government officials Avoid agreements or actions that restrain trade Report any conflicts of interest
Make each day a safe day	Use resources wisely	Value people	Act with integrity

HUMAN RIGHTS

We promote human rights through our actions and values, as noted in our:

- Human Rights Statement** — reflecting our commitment to protect and advance human rights globally. We respect international principles of human rights, including those expressed in the United Nations Declaration of Human Rights.
- Human Rights Policy** — applying to all employees, our officers and our board of directors. It provides guidance on the importance of respecting human rights, as well as of being aware of the company's impact on human rights in its operations across the world.
- TPCOC** — outlining our expectations of suppliers and their employment practices, including the expectation to employ workers who have a legal right to work.

Our statement, policy and code ensure that as a company, we:

- Do not tolerate child labor, slave labor, physical punishment or abuse.
- Are alert to signs of human trafficking or slave labor.
- Do not tolerate deceitful or violent behavior.
- Comply with the employment laws of every country where we operate.
- Recognize lawful employee rights of free association and collective bargaining.
- Comply with [applicable laws requiring a declaration on human trafficking and slavery](#), such as the California Transparency in Supply Chains Act and the UK Modern Slavery Act.
- Seek to do business with suppliers who share our standards to reduce the potential for human rights abuses in our supply chain.
- Support workers being free to terminate employment at any time upon reasonable notice.
- Expect suppliers and their contractors to refrain from any conduct that uses threats, force or other forms of coercion, abduction, intimidation or abuse of power for the purpose of exploitation or slavery of any individual.
- Expect suppliers to comply with all laws governing human trafficking and slavery, as well as support the elimination of child labor and slave labor in their supply chains.

Sourcing Sustainably

We use a number of tools and processes to focus on the most critical commodities and suppliers and to conduct appropriate due diligence and corrective actions accordingly. Our supply chain sustainability strategy, based on our [TPCOC](#), is supported by three complementary drivers:

PROMOTING TRANSPARENCY

We establish and improve processes that drive openness and accountability.

MANAGING RISK

We reinforce legal, ethical and business expectations and monitor compliance.

STRENGTHENING PARTNERSHIPS

We focus on collaboration, innovation and deliberate improvement in supplier relationships.

Risk Management Approach

With a complex, global supply chain, our sourcing operations face a number of potential supplier risks. These risks could include:

- Corruption and ethical violations
- Safety concerns
- Environmental irresponsibility
- Natural disasters
- Geopolitical challenges
- Labor/contractor hiring and wage practices

These human, economic and natural risks can be challenging for a company operating around the world, where legal codes, cultures, languages and business practices can vary.

We also face risks that are specific to our own business operations, such as risks in commercial and legal contract terms, and concentration of supply into our sites. To manage the most business-critical risk areas, we consider a number of factors, including but not limited to:

- Countries of operation
- Supplier ethical policies/practices
- Supplier safety record/rating
- Beneficial ownership data
- Supplier relationship with government officials
- Supply concentration/security into International Paper sites
- Supplier cyber security policies/practices
- Reputational issues including violations of laws and contract terms

The tiered process described on the following page helps our company identify, evaluate and mitigate risk across economic, social and environmental realms.

ESTABLISH EXPECTATIONS

- Third Party Code of Conduct (TPCOC) in contract and purchase orders globally
- Communicate TPCOC expectations
- Supplier webpage

ASSESS AND MITIGATE RISK

- Supplier pre-screen questionnaire
- Risk assessment and approval process
- Supply security assessment matrix
- Contract excellence
- Risk management plans

MONITOR PERFORMANCE

- Supplier site visits
- Supplier watch list
- Supplier sustainability surveys
- Third-party supplier audits
- Corrective action plans

ESTABLISHING EXPECTATIONS

Risk management begins with our [TPCOC](#). Approximately 90% of our contracted spend is covered with written agreements containing a commitment to comply with our TPCOC or with a third party's own code of conduct if it has substantially similar principles.

Our requirement of suppliers to promote the principles of our TPCOC to their own suppliers, contractors and laborers helps ensure responsible business practices throughout our supply chain. All sourcing employees are required to complete a training module.

ASSESSING, MONITORING AND MITIGATING RISK

As part of our strategic sourcing process, our sourcing teams conduct a pre-contract risk assessment. The assessment provides transparency and highlights areas of potential corruption, as well as social, environmental and financial risk.

After contracting with a supplier, we continue to assess and monitor them for risk via a third-party survey platform. Depending on the survey results, we may initiate a third-party on-site audit to take a closer look at the supplier. Our buyers use the feedback from these surveys and audits to help suppliers create action plans for continuous improvement. We reserve the right to terminate a relationship with a supplier whose values, policies or practices are not aligned with our expectations.

Fiber Supply

Our sourcing team, global fiber supply team and recycling business manage the purchasing of our most critical inputs: wood and recovered fiber. Being among the world's largest users of new and recovered fiber, we seek suppliers who share our commitment to quality and responsibility. Our [Global Fiber Procurement Policy](#) and [Vision 2030](#) represent our commitment to healthy and abundant forests and ensure solid risk management for our most important resources.

Learn more about our [current fiber certifications and sustainability policies](#).



Learn more about our approach in [Sustaining Forests](#).

Transportation

We contract with freight carriers for both inbound and outbound shipments — utilizing various transportation modes, including truck, rail, ocean liner and intermodal shipping. As a large shipper of paper and pulp, our global scale and consistent volume requirements make us a valuable long-term customer. We constantly work to be the “shipper of choice” for our transportation providers, supported by our:

- **Strategic Carrier Council** — The council fosters strong alignment between International Paper and our strategic transportation carrier partners in the areas of industry trends, legislation, risk management, safety and sustainability. It also helps create shared value, increase transparency and position International Paper as a shipper of choice.
- **Supplier Partnerships** — We seek suppliers who share our goal of reducing our overall carbon footprint even as we grow our business. We work with carriers to improve fuel efficiency, maximize average weight per shipment and optimize shipping routes to reduce mileage.
- **SmartWay® Shipper Certification** — A U.S. EPA program, SmartWay plays a key role in our transportation carrier performance management process and sourcing decisions. Our work with SmartWay carriers account for more than 94% of our total ton-miles* in North America. Over the past six years, we have achieved a 52% reduction in CO₂ emissions/ton-mile among SmartWay Carriers.

Supplier Social and Environmental Impact

In supplier reviews, council meetings and other collaborative programs, we continue to drive the discussion with suppliers on environmental sustainability, efficiency and social impact. We recognize team and individual efforts to align sourcing practices with global citizenship goals.

To achieve one such goal, we have a longstanding commitment to supplier diversity. Through a strategic sourcing process, we work to diversify our supplier base by actively seeking to include small and diverse businesses. Having a diverse supplier base allows us to contribute to the economic well-being of the communities where we live and work — and provides value to our business and throughout our value chain.

U.S. SUPPLIER DIVERSITY PROGRAM

Our [Supplier Diversity Program](#) seeks to expand and advance our current pool of more than 600 diverse suppliers through education and mentoring. A primary focus is supporting capacity building for diverse businesses. We aim to create prosperity through empowerment.

We support and collaborate with leading organizations that advocate on behalf of businesses owned by minorities, women and veterans. These partnerships are part of our efforts to stay connected to the best and brightest of diverse suppliers. They include several organizations across the country, including but not limited to the:

- National Minority Supplier Development Council (NMSDC)
- Women’s Business Enterprise National Council (WBENC)
- U.S. Pan Asian American Chamber of Commerce (USPAACC)
- U.S. Hispanic Chamber of Commerce (USHCC)
- National Veteran Business Development Council (NVBDC)

* Transportation metric representing one ton of product transported one mile

In 2020, our direct spending with diverse-owned businesses increased by 18% over 2019. The International Paper supplier diversity team participated in 10 diversity outreach events in 2020, enabling us to proactively and aggressively search for exceptional and competitive certified diverse businesses in a myriad of product and service categories. Our supplier diversity team conducted quarterly mentoring discussions with executive leaders of several key diversity suppliers in our supply chain.

In 2020, we received a number of industry recognitions and awards for our supplier diversity program and leadership, including:



Supplier Diversity All-Star

Minority Business News USA



Top 30 Champions of Diversity

Diversity Plus Magazine



Corporation of the Year

Minority Business Council Continuum

SUPPLIER DIVERSITY



COMMUNITY

Supporting the communities in which we live and work



DIVERSITY

Reflecting the diversity of our employees, clients and communities



PARTNER

Partnering with diverse firms that can provide value to our business and throughout our supply chain



VALUES

Responding to the requirements of our customers who expect us to share their values

[Learn more about International Paper Supplier Diversity](#)

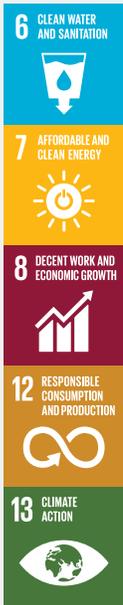


See how a [sustainable supply chain](#) allows us to meet customer needs



Manufacturing Responsibly

We tackle the toughest issues in our value chain, improve our environmental footprint and promote the long-term sustainability of natural capital. We do this by reducing our energy usage, greenhouse gas (GHG) emissions, air emissions and waste generated, as well as by being responsible stewards of the water we use and return to the environment.



2020 Highlights

IMPROVING OUR FOOTPRINT

21% reduction in greenhouse gas emissions since 2010

42% reduction in other air emissions since 2010

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

Invested more than \$700 million in energy efficiency improvements since 2010

Russia Mill Certified Safe and Sustainable

Our Svetogorsk, Russia, pulp and paper mill received [ISEGA certification](#) for its bleached chemical thermo-mechanical pulp (BCTMP), confirming the product's sustainability and safety for food-grade packaging.

INVESTING IN FACILITIES

Over the past five years, we have strategically invested **\$6.3 billion** in our facilities to improve product quality and environmental performance, as well as to lower costs and strengthen our businesses.





Supporting the Next Generation

Our REACH (Recruit, Engage, Align College Hires) program recruits and develops early-career engineers and safety professionals for our U.S. mill system, preparing them to become future leaders. We hired **105** REACH engineers in 2020.

Advancing Water Stewardship

International Paper joined the [Savannah River Clean Water Fund](#), a coordinated effort among diverse stakeholders to permanently protect and responsibly manage forests — nature’s water filter — in the Savannah River watershed of Georgia. Our Port Wentworth Pulp Mill and Savannah Containerboard Mill rely on a sustainable supply of water from the Savannah River.

Mills Empowering Sustainability

Our **Bogalusa Mill** began a sustainable water reduction project expected to reduce mill effluent by a half million gallons a day.

Our **Valliant Mill** has 22 active projects across the mill focused on improving sustainability across multiple areas, such as improving fiber recovery, reducing gas usage and increasing the ability to reuse water.

The **Adana Box Plant** in Eastern Turkey received a Gold Medal Certificate from the Adana Organized Industrial Zone. The award highlights the site’s environment, health and safety team and its efforts to minimize the plant’s wastewater.

Our **Red River Containerboard Mill** manufacturing excellence group completed two Green Belt projects focused on reducing soda loss and improving the efficiency and circularity of its manufacturing process. Actions to reduce or eliminate soda loss across our system resulted in reduced waste, chemical usage and GHG emissions, while also generating cost savings.

Thinking Differently about Sustainable Operations

Our Vision 2030 Sustainable Operations goal addresses the most significant planet risks and reflects a renewed commitment to improve our footprint across our businesses, operations and value chain. We set two ambitious targets:

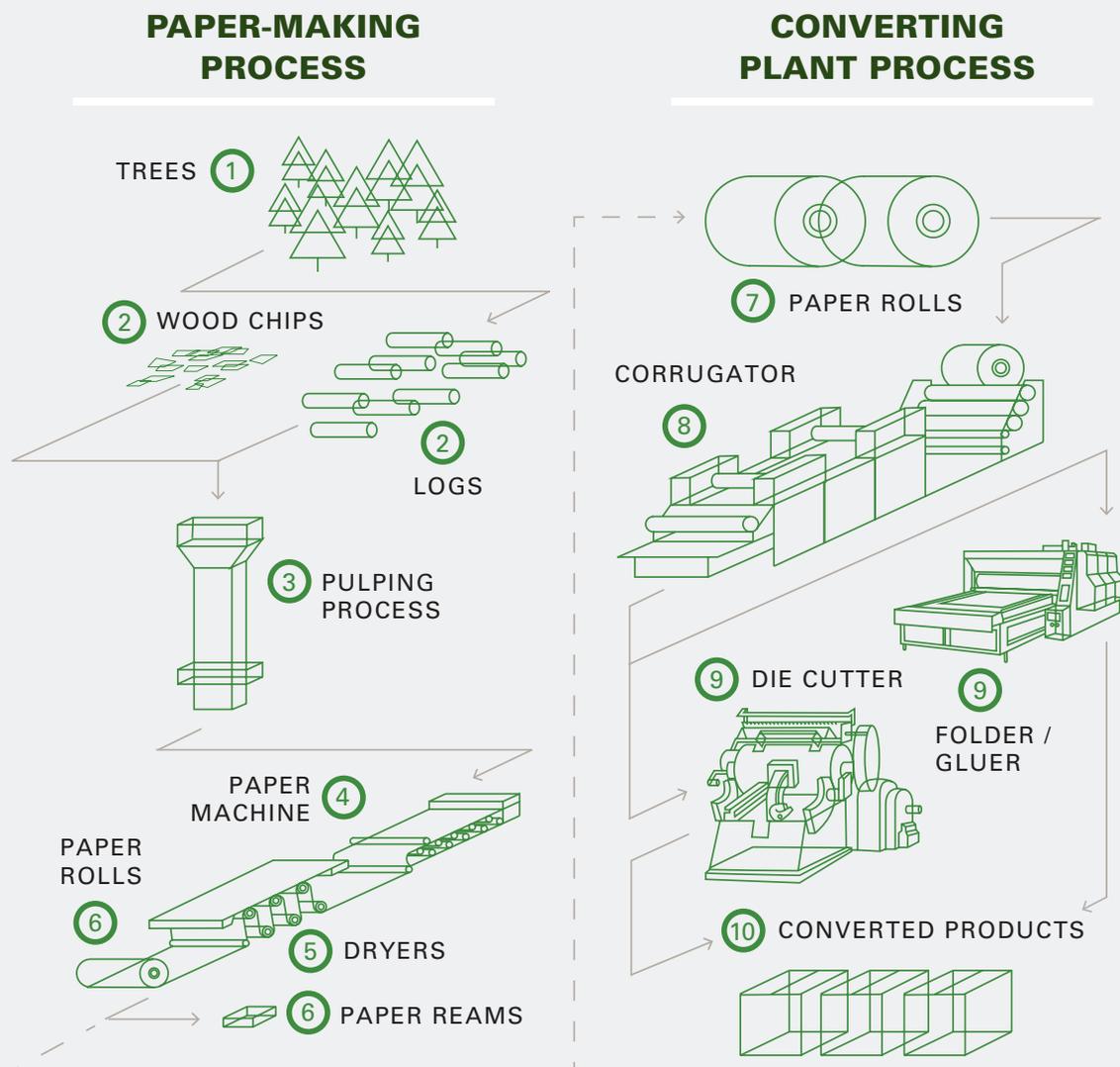
- **Greenhouse Gas Emissions:** We must manage climate-related risks to advance a low-carbon economy and to contribute to our planet’s decarbonization. Our GHG targets encompass all three scopes, aligning with the best-available climate science.
- **Water Stewardship:** We expanded how we think about our use of and impact on water — recognizing all water issues are local, and every watershed has different characteristics, threats and opportunities. To be a good water steward, we must use water efficiently and responsibly, and respond to the broader context of each watershed where we operate.

Sustainable Manufacturing Strategy

Environmental stewardship and responsible manufacturing practices are fundamental to how we operate. Our sustainable manufacturing strategy enables us to minimize environmental, health and safety impacts during the design, manufacture, distribution, use and end-of-life of our products. As we look to the future, we recognize our responsibility to enhance processes and improve our environmental and social impacts.

To monitor and track our progress across the above-mentioned key areas, we annually collect, review and validate company-wide environmental performance data. Environmental teams at our facilities, global financial services and subject-matter experts (SMEs) enter this data and other key indicators into our global data collection system, METRIX. Corporate Environment, Health and Safety staff and other SMEs validate the data to ensure accuracy.

The METRIX system uses a multi-year process and continues to improve our process for data collection. Data parameters and calculation methods use a combination of international, government, industry and company standards and protocols. We made reasonable effort to ensure this report's information is accurate and complete. We did not solicit external assurance.



Energy Efficiency

We seek to improve our energy performance, thus reducing both greenhouse gas and other air emissions and the amount of energy consumed. Our manufacturing processes require large amounts of energy, and we meet nearly 75% of these energy needs through the use of renewable biomass residuals. The remainder comes from purchased energy, including natural gas, coal, fuel oil, tire-derived fuel and electricity and steam from utilities.

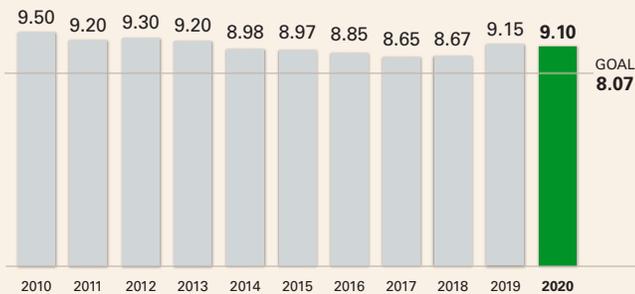
International Paper increases energy efficiency by optimizing processes, equipment and procedures. Some of these projects include:

- Boiler efficiency improvements
- Electricity conservation
- Increased renewable fuel capability
- Venting reductions
- Compressed air efficiency
- Evaporation efficiency
- Machine energy efficiency
- Water reuse

Additionally, we share energy consumption benchmarking across our pulp and paper production facilities to identify gaps and focus resources. An internal energy audit team regularly reviews facilities' practices and equipment to identify projects that will improve energy efficiency. By anticipating and responding to changes in policy and regulation, our cross-functional energy council maximizes the effectiveness of capital deployment as it relates to energy.

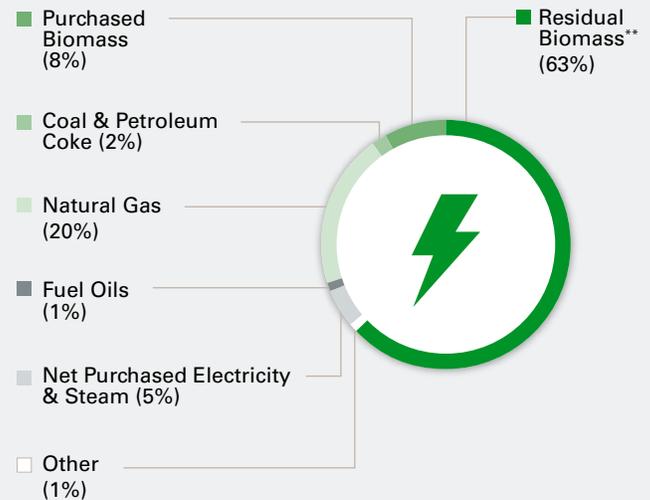
PURCHASED FUEL EFFICIENCY

Million British Thermal Units per metric ton of production*



of mill energy derived from biomass residuals rather than fossil fuels in 2020

BREAKDOWN OF ENERGY SOURCES IN 2020*



* Energy efficiency goal progress is calculated on a 'source basis' per DOE standards and only includes pulp and paper mills. YOY data reflects changes related to acquisitions and divestments.
 ** Residual Biomass is leftover material originally purchased as wood fiber, such as tree limbs and bark, generated during the production process and beneficially reused as energy. This is not included in purchased fuel efficiency calculations. Energy source percentages are calculated on a 'site basis.'

Since 2010, we have invested more than \$700 million in energy efficiency improvements and fuel diversity. Through 2020, we realized an energy improvement of nine trillion BTUs (British thermal units) compared to our 2010 baseline.

While we met our emissions reduction goals, we did not meet our goal to improve energy efficiency by 15% by 2020. Economic downtime and market factors were the most significant drivers in the decrease in energy efficiency progress this year, accounting directly or indirectly for the majority of the efficiency loss. Five mills, however, set all-time bests for monthly energy efficiency. Despite setbacks in progress toward this goal, we will continue our energy efficiency efforts, seeking ways to become more energy efficient as we pursue our Vision 2030 GHG reduction goal. This includes continuing to implement investments to make us more efficient.



2020 ENERGY EFFICIENCY RESULTS

4.2% improvement in purchased energy efficiency*

Vision 2020 Goal: Improve efficiency in purchased energy use by 15%

CALCULATION METHODOLOGY

We use the U.S. Department of Energy (DOE) “source-basis” calculations that use efficiency numbers used by the DOE for purchased electricity, steam and fuels. This goal only includes pulp and paper mills in the calculations. Depending on both mill acquisition date and availability of data, year over year mill inclusions may differ.

Emissions Reduction Strategy

Our strategy for lowering both air and GHG emissions is connected to continuous improvements in our operations and our management of purchased energy. We reduce these emissions by implementing efficient manufacturing technologies; investing in energy efficiency improvements; fuel switching; and operating our mills with renewable biomass residuals and less fossil fuel. Using less fossil fuel both reduces our operating costs and decreases our GHG emissions.

Each of our sites must monitor and report air and GHG emissions on a regular basis. In addition to complying with regulatory requirements, all of our sites use a common standard for air emissions management provided by our Environment, Health and Safety (EHS) Management System. This includes a set of requirements for stack testing and continuous monitoring of pollutants — such as particulate matter (PM), sulfur dioxide (SO₂) and nitrous oxides (NO_x) from large sources. In addition, sites must properly design, operate and maintain processes and address community concerns. The performance standards are audited as part of our periodic EHS audit assessments.



GHG Emissions Reductions

We recognize the importance of our role in responding and helping to mitigate potential climate change impacts. Our primary actions in response to climate change are to (1) reduce GHG emissions in our operations through improvements in energy efficiency and (2) maximize the use of renewable energy, such as carbon neutral biomass residuals, versus fossil fuels. Our goal of reducing GHG emissions by 20% by the end of 2020, from a 2010 baseline, included both Scope 1 and Scope 2 emissions. Scope 1 emissions are direct emissions resulting from our own operations, including on-site fossil fuel usage, and relatively modest emissions from on-site landfills and treatment of discharged water. Our Scope 2 emissions are indirect emissions resulting from the offsite utility generation of the steam and electricity we purchase.

Through continuous improvements in operations, equipment, energy efficiency and fuel diversity, we achieved significant company-wide reductions in Scope 1 and Scope 2 GHG emissions. We succeeded in reducing our emissions by 21.4% in 2020, exceeding our Vision 2020 goal. We will continue to evaluate and implement improvement projects as we pursue our Vision 2030 GHG goal.



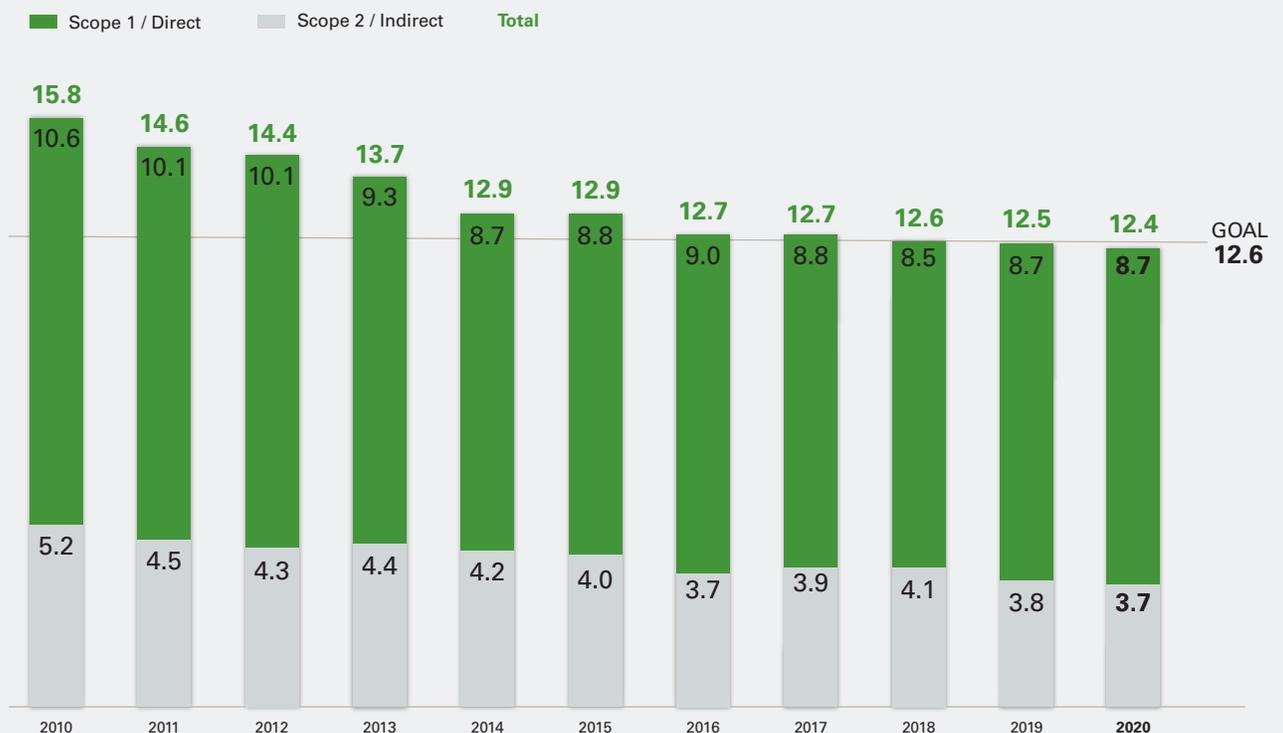
2020 GHG EMISSIONS RESULTS

21.4% reduction in GHG emissions

Vision 2020 Goal: Reduce GHG emissions by **20%** (direct and indirect)

GREENHOUSE GAS EMISSIONS*

Million metric tons carbon dioxide equivalent (CO₂e)



* YOY data reflects changes related to acquisitions and divestments.



Our GHG goal includes all facilities owned and operated by International Paper. We operate 222 converting and recycling locations. Collectively, these operations emit approximately 1.3 million metric tons CO₂e globally. Over time, emissions from our converting facilities have trended slightly downward by approximately 24% since 2010.

Our reported emissions do not include biogenic GHG emissions, which were 31.3 million metric tons in 2020. Emissions outside of our direct operations and purchased energy are considered Scope 3 emissions and are not included in this report. Our Vision 2030 goal includes Scope 3 emissions, which are upstream emissions associated with suppliers and downstream emissions from shipping or recycling our products. We continue to work with partners and increase efforts to reduce our emissions. We report annually to CDP on our climate strategy, risk management, financial impacts and other climate-related topics. We received a score of B- in 2020.

CALCULATION METHODOLOGY

Our GHG emissions calculations include all facilities that are fully owned and operated by International Paper. The energy used to convert the paper into a product at these facilities is considered part of our Scope 1 and Scope 2 emissions. Baseline emission data recalculations are made to incorporate acquired facilities and remove divested facilities, which accounts for changes in emissions data from year to year. Our GHG emissions are measured and reported in line with recommendations from the GHG Protocol.

SCOPE 1: In the U.S., we follow the requirements for the Environmental Protection Agency's Mandatory Reporting Rule of Greenhouse Gases (MRR-GHG) to calculate emissions. Methodologies include use of default factors (2007 International Panel on Climate Change [IPCC] guidelines), fuel tests and CO₂ Continuous Emission Monitoring Systems (CEMS) devices on certain units. Outside the U.S., sites follow the 2007 IPCC guidelines. All facilities owned and operated by International Paper were included.

SCOPE 2: Sites follow the 2007 IPCC guidelines, and U.S. facilities use state-specific emission factors provided by the Emissions and Generation Resource Integrated Database (eGRID).

NO_x, SO₂ and Other Air Emissions Reductions

Our goal of reducing air emissions includes decreasing sulfur dioxide (SO₂), nitrous oxides (NO_x) and particulate matter (PM). Energy efficiency projects, fuel switching and increased regulatory requirements resulted in significant reductions of overall emissions from our operations. We exceeded our original Vision 2020 goal of a 10% reduction in air emissions, and in 2016 restated our goal to 30%.

As of 2020, we have reduced SO₂ by 54%, NO_x by 29% and PM by 45% for an overall reduction of 42% from our 2010 baseline.

For the past five years, energy efficiency projects, regulatory requirements and fuel-switching — particularly away from coal and oil — resulted in significant reductions of other air emissions.



2020 AIR EMISSIONS RESULTS

42% reduction in air emissions*

Vision 2020 Goal

(restated in 2016):

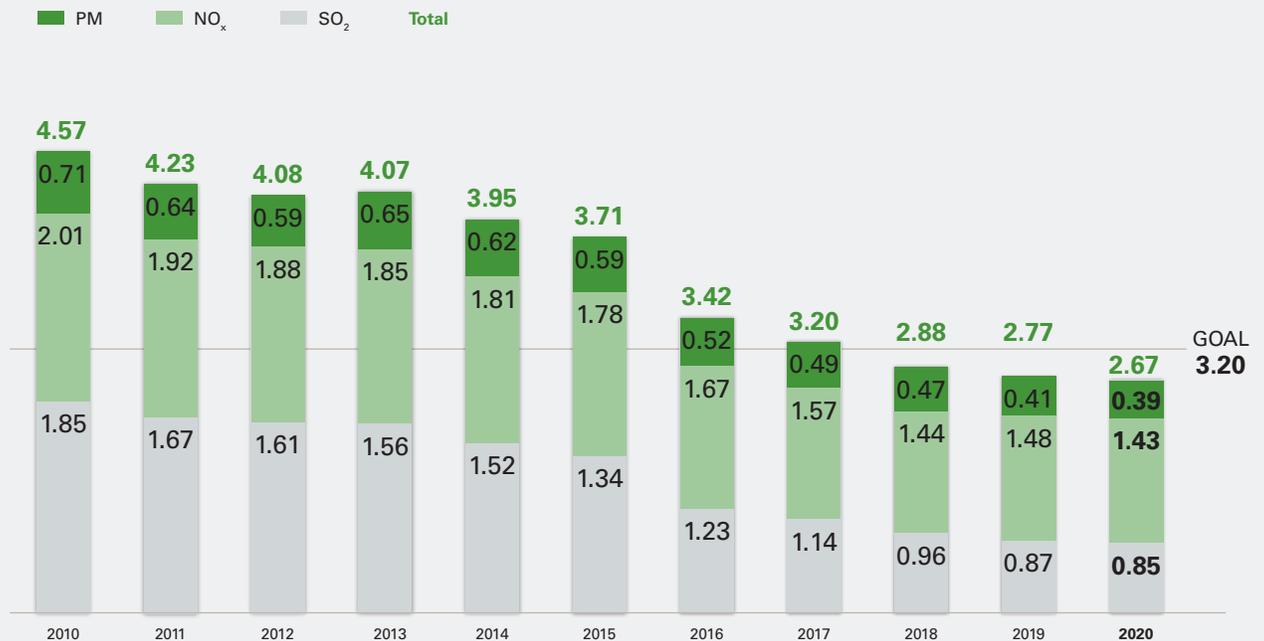
Reduce air emissions (PM, SO₂, NO_x) by **30%**

CALCULATION METHODOLOGY

Data for air emissions are from pulp and paper mills only and are consistent with regional regulatory requirements for reporting data.

TOTAL SO₂, NO_x AND PM EMISSIONS*

Kilograms per metric ton of production



* Air emissions goal calculations include only pulp and paper mills. YOY data reflects changes related to acquisitions and divestments.

Water Stewardship

Healthy watersheds and sustainable use of water resources are essential to communities, the environment and our ability to manufacture our fiber-based products. We believe that stewardship means striving to leave everything in better shape for future generations — and we extend this approach to water, both within our operations and beyond. We are working to understand the characteristics of each basin where we operate in order to address the most important water issues for our company, local communities, other water users and the environment. Our water stewardship strategy and Vision 2030 targets reflect this context-based approach.

Water is a critical input to our manufacturing process — it is used in nearly every stage from pulping wood and recovered fiber, to papermaking, to power generation and more. The vast majority of our mills use surface water as their primary source, and discharge treated effluent to receiving streams. Our water use is largely non-consumptive; we return 90% of the water we use to the environment after treatment.



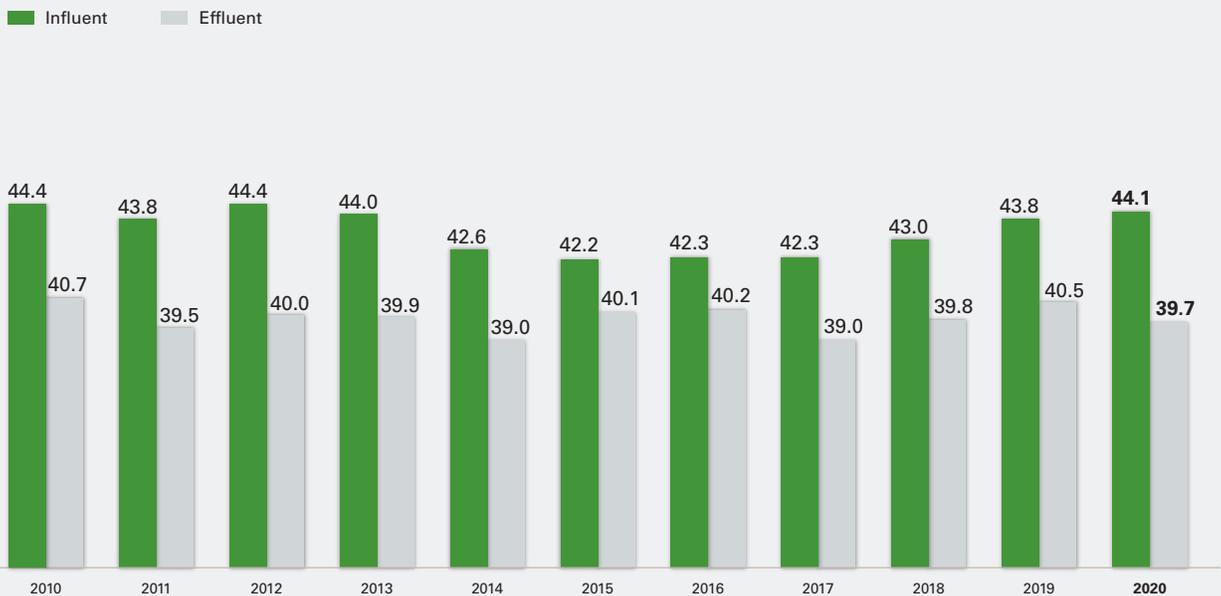
2020 WATER STEWARDSHIP RESULTS

Continued annual facility risk assessments and launched first partnership in a priority basin; 62% of mills engaging local stakeholders on water

Vision 2020 Goal (restated in 2016): Integrate water management into regular facility assessment and proactively engage with stakeholders in communities to address water-related issues within the watershed

WATER USE*

Cubic meters per metric ton of production



* All data on water use include only pulp and paper mills. YOY data reflects changes related to acquisitions and divestments.

WATER INFLUENT SOURCES*



* All data on water use include only pulp and paper mills.



90%
of water used in our mill
manufacturing was returned
to the environment in 2020

WATER STEWARDSHIP STRATEGY

Our objective is to advance water stewardship in the places where we live and work and to improve the long-term sustainability of shared water resources. Our strategy is guided by three overarching principles, as informed by the World Business Council for Sustainable Development's "CEO Guide to Water."

PRINCIPLES	OUR ACTIONS
<p>Understand exposure to water risk in direct operations and supply chains</p>	<ul style="list-style-type: none"> We conduct a comprehensive facilities water risk assessment through an in-house methodology combining relevant internal and third-party data. Key factors include the World Resource Institute's (WRI) Aqueduct™ Baseline Water Stress (BWS) indicator, regulatory requirements, community relations and qualitative input from internal experts. We use this assessment to prioritize sites for water-related operational improvements and watershed protection efforts. In 2020, three of our mills were located in basins considered to have a "high" level of baseline water stress per WRI Aqueduct™, all drawing from surface sources and comprising about 8% of our mills' total water intake. One of our mills was located in a basin considered to have "very high" levels of baseline water stress; this mill uses 100% reclaimed effluent in partnership with the local municipal utility, and comprises less than 0.5% of our mills' total water intake.
<p>Integrate water into decision making, disclosure and smart investments</p>	<ul style="list-style-type: none"> Our water stewardship steering team guides and supports our water stewardship strategy. In 2020, we formed a cross-functional task team of internal subject matter experts to guide facility-level implementation. We piloted a technical water management survey with five mills, covering topics such as systems, processes and culture; capital asset inventory; and true cost of water. Full enterprise rollout will take place in 2021, and the findings will inform our approach at each facility. We report to CDP on our water strategy, risk management, financial impacts and other water-related topics. We received a score of B in 2020.
<p>Collaborate to address shared risks and seize opportunities with water users and key stakeholders</p>	<ul style="list-style-type: none"> Our manufacturing, environmental and sustainability teams work closely with local stakeholders, such as basin planning committees, to ensure responsible water use and regulatory compliance. Beyond our manufacturing operations, we recognize that most of the available water in the world originates in forests. We also support local water resources by working with others to advance responsible forestry practices through management, conservation and restoration. Deeper strategic collaboration with stakeholders will be an important element of our water stewardship strategy in the coming years.

Water Quality

We work to protect water quality in mill watersheds. All of our mills are subject to strict federal and state regulations on effluent quality. The respective regulatory agencies periodically review and revise our water discharge permits to maintain local water quality standards and designated uses of the water basins in which we operate. In compliance with these standards, we work deliberately to improve the quality of the water we discharge. Our mill teams focus on reducing losses to our water treatment systems, which decreases oxygen-depleting substances and further improves watershed quality. Our manufacturing teams share effluent improvement best practices in routine sessions throughout the year.

We hold all of our mills to the same high standards for achieving optimal discharged water treatment performance and sustainable compliance with their discharge permits. Every mill must measure and record the amount of effluents generated, identify constraints impacting its quality, and treat and discharge all effluents leaving process areas. Many of our mills are required to conduct regular water quality monitoring of receiving streams to ensure their effluents are not having a negative impact on the water basin. Technical assessments of water treatment systems by company subject matter experts identify system and operational opportunities to improve and optimize system efficiency, which improves effluent quality. Periodic regulatory and systems audits ensure sites comply with permits, regulatory rules and company-specific standards described above.

Our water quality goal was to decrease oxygen-depleting substances by 15% below our 2010 baseline by the end of 2020. We exceeded this goal by achieving a 35% reduction in 2020. Because year-to-year variability and acute system and weather-related events can affect our water discharges significantly, we closely monitor this number to ensure sustained progress.



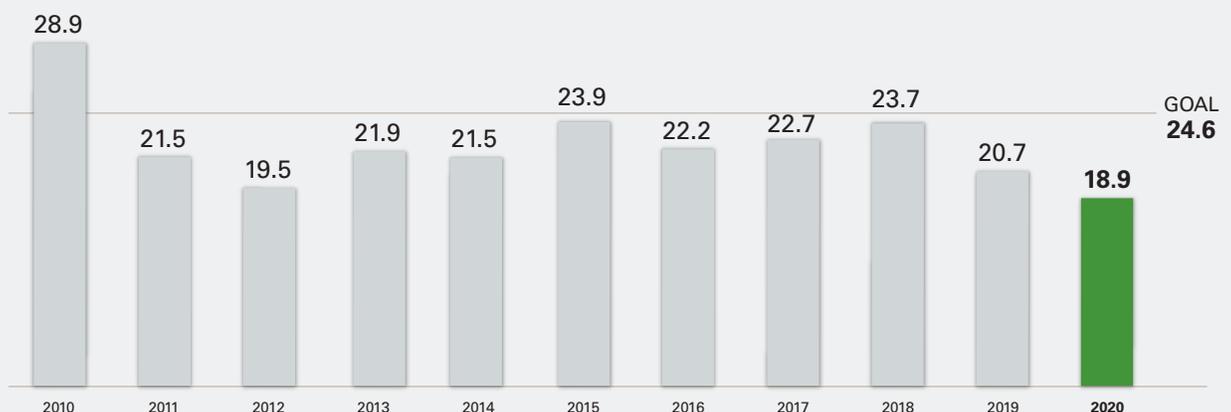
2020 WATER QUALITY RESULTS

35% decrease in oxygen-depleting substances*

Vision 2020 Goal: Reduce mill water discharges of oxygen-depleting substances (BOD) to receiving streams by **15%**

OXYGEN-DEPLETING SUBSTANCES TO RECEIVING STREAMS*

Biological oxygen demand in million kilograms



* Water quality goal calculations include only pulp and paper mills. The total biological oxygen demand (BOD) does not include BOD from sites that send their discharged water to publicly owned treatment works (about 2% of our total water discharge). YOY data reflects changes related to acquisitions and divestments.

Solid Waste

Operational and regulatory standards provide a framework to reduce waste generation and waste to landfills, and to divert more material to other beneficial uses. Our EHS performance standard and program elements for solid waste ensure we meet or exceed regulatory standards. As part of these standards, every site must identify, quantify and document all generated waste and associated hazards. All sites must reduce the amount of waste generated and ensure proper management and disposal of waste.

We have created an internal network of professionals responsible for site-specific waste management. This network meets quarterly to discuss current events, policy requirements and best practices. Some of our converting sites and mills are close to achieving a zero-manufacturing waste-to-landfill goal by stressing efficiency, beneficial use of byproducts and recycling wherever possible — but there is still progress to be made.



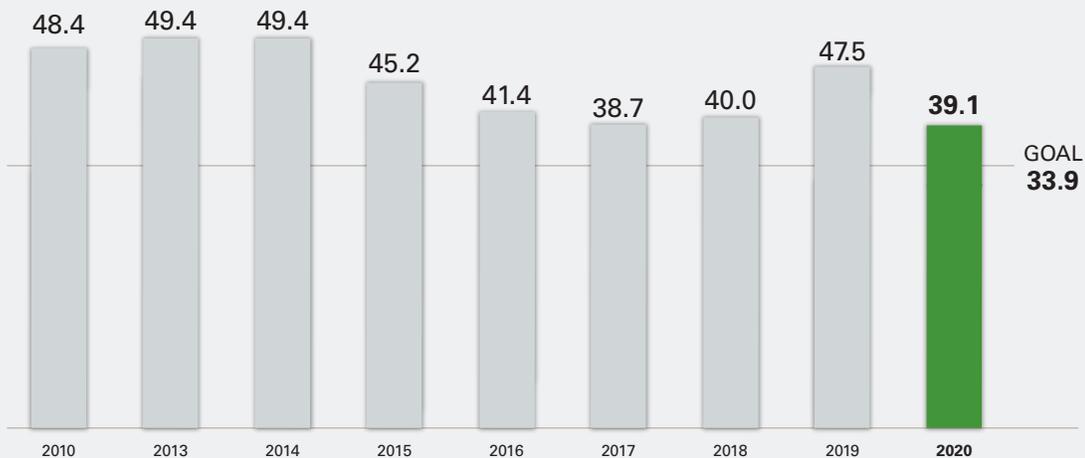
2020 SOLID WASTE RESULTS

26% reduction in manufacturing waste to landfills*

Vision 2020 Goal: Reduce manufacturing waste to landfills by **30%** and ultimately to zero

WASTE TO LANDFILL INTENSITY*

Kilograms per metric ton of production**



WASTE BY DISPOSAL IN 2020**



* YOY data reflects changes related to acquisitions and divestments.

** Solid waste goal calculations include only pulp and paper mills

In 2014, we established a voluntary goal to reduce manufacturing waste to landfills by 30% by the end of 2020 and ultimately divert 100% of our residual materials from landfills. With improvements in operational efficiency, we continue to reduce overall waste generated, while finding new ways to use residuals. This effort will continue as a part of our Vision 2030 Renewable Solutions goal to accelerate the transition to a low-carbon economy through innovative fiber-based products.

Although we fell short of our overall goal, we achieved a 26% reduction in 2020. A 30% reduction by the end of 2020 was ambitious because of the complexities surrounding efficient, cost-effective solutions for disposal. Periodically, our mills dredge water treatment facilities, which creates fluctuations in waste generation.

Fiber Efficiency

Wood fiber is the single-largest input to the manufacturing of pulp and paper products. Addressing wood fiber efficiency helps manage costs and makes efficient use of renewable natural resources — thus reducing waste and improving the circularity of our manufacturing processes.

In 2014, we developed a company standard to improve performance and started to monitor progress through a global tracking system. Both actions helped us achieve 0.68% fiber loss in 2020 with the mills reporting quality-ensured data based on a 12-month rolling average. To meet our goal, our mills focused on retaining usable fiber within our processes and reducing waste generated. We will continue to measure and track fiber efficiency performance while focusing on mill-specific deliberate improvements aimed at reducing fiber loss.



2020 FIBER EFFICIENCY RESULTS

0.68% fiber loss from reporting mills*

Vision 2020 Goal: Reduce fiber lost in the manufacturing process to less than **0.75%**

* Fiber efficiency goal calculations include only pulp and paper mills.



Take a look behind the scenes of our [responsible manufacturing](#) process





Innovative, Renewable Products

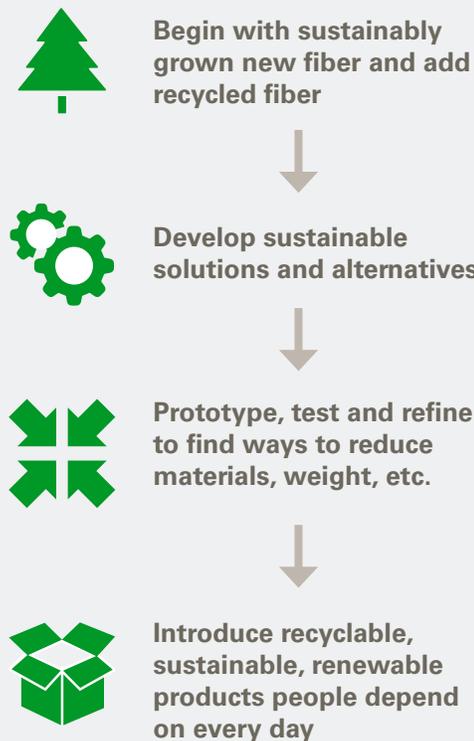
We create innovative, sustainable and recyclable products that help our customers achieve their objectives. The needs of our customers and the evolving demands of consumers drive our product innovation. We strive to meet those demands by using research, ingenuity and creative thinking to transform renewable resources into recyclable fiber-based products that people depend on every day.



2020 Highlights

SUSTAINABLE DESIGN

From ideation to production, we focus on how we can create innovative, sustainable and recyclable solutions.



REPLACING PLASTIC CONTAINERS WITH CORRUGATED

As featured in the [Circular Bioeconomy report](#) by the World Business Council for Sustainable Development, we produce corrugated alternatives to the reusable plastic containers (RPCs) used in the wholesale produce and raw protein industries. Benefits include:

- Preventing food safety concerns and streamlining logistics by eliminating the need to return empty RPCs to wash centers.
- Eliminating ergonomic concerns with RPC machine-setup instead of hand-setup.
- Saving space and emissions generated, as fewer inbound trucks to customers are required.
- Serving as a revenue stream for customers because of recyclability.

HELPING CUSTOMERS MEET THEIR PACKAGING GOALS

94 North American box plants have achieved FSC® chain of custody certification, assuring customers that they contribute to responsibly sourced fiber. 100% of our box plants in Europe, the Middle East and Africa have FSC chain of custody certification.

PRODUCT HIGHLIGHTS

TAILORED SOLUTION, LESS WASTE

Our North American Container team recognizes that a box must be tailored to meet each of our customer's unique needs. In 2020, we launched the [eCommerce Box Optimization Service \(eBos\) software platform](#). eBos uses unique algorithms to analyze eCommerce customers' shipment history and box utilization to determine the optimal box suite based on the specific products they are shipping. The correct size allows customers to minimize packaging waste and dunnage materials, and reduce customer freight costs.



FIBER-BASED ON FAST TRACK

Used as a sustainable alternative for products typically made with fossil fuel-based materials, **papergrade pulp** got a boost in 2020. Both the COVID-19 pandemic and a trend toward more recyclables have increased demand for fiber-based fast food containers. This renewable fiber offers strength, versatility and recyclability in the molded-fiber packaging segment.



eCOMMERCE INNOVATION

In 2020, our North American Papers business launched **International Paper Shop**, a full-service digital storefront. Designed to make purchasing faster and simplify account management, the online shop also provides customers access to the information they need anytime, anywhere and from any device.



DESIGN ITALY – PRODUCT ECO-DESIGN AWARD

For the fourth consecutive year, International Paper received an award from the **2020 CONAI International Packaging Consortium Prevention Contest** for our Tray Pack Cover, an innovative solution to transport and display ready-to-use products. Created by the San Felice, Italy, Innovation Team, the eco-design of the Tray Pack Cover reduces the environmental impact by improving the production process and logistics and saving raw material.

Creating Renewable Solutions

We create innovative, sustainable and recyclable products that help our customers achieve their objectives. The sustainability, health and transportation needs of our customers, as well as the evolving demands of consumers, drive our commitment to innovation. We strive to meet customer demands by using research, ingenuity and creative thinking to transform renewable resources into recyclable fiber-based products that people depend on every day.



"I need a lightweight, water-resistant package that will keep my food cold and can be recycled."



"I'd like my baby's diaper to be very soft, absorbent, safe and made from renewable materials."



"I need a responsibly made box that protects my dog treats in transit and can also double as a retail display."

Designing for the Circular Economy

International Paper is among a growing group of companies embracing the concept of the circular economy. We seek to evolve the design of our products so that they can enjoy multiple lives through continuous cycles of recovery and reuse. We strive to eliminate waste and make the most of our renewable resources. By creating renewable solutions, we're accelerating the transition to a low-carbon economy. Learn more about our [Recycling & Beyond](#) efforts.

THE CIRCULAR NATURE OF FIBER-BASED PRODUCTS



Research and Development

Rigorous research and development are the key to creating innovative, renewable products. We design products and services while considering recyclability, sustainability, weight, materials and more. We work with our customers to provide solutions that meet their specific needs, such as recyclable boxes with water-resistant coatings for shipping chicken, seafood and other raw food products.

Our innovative designs can reduce transportation costs and emissions by creating innovative, lightweight packaging solutions that protect goods and enable worldwide commerce. We also teach customers how to pack boxes optimally to maximize weight, reduce shipping costs and lower emissions.

We have several research and product development facilities around the world. Our Innovation Center in Federal Way, Washington, for example, has in-house testing laboratories and pilot facilities with a world-class team of scientists, researchers and engineers. Our experts design and test innovations to help our customers differentiate and improve their everyday products.



PRODUCT SPOTLIGHT: 6 AIR PACK

In eCommerce — specifically in sub-segments such as textiles, office furniture and prescription drugs — products are often packaged and shipped using plastic shrink wrap. But as society continues to shift away from single-use plastics, we presented our 6 Air Pack in our Europe, Middle East and Africa (EMEA) region as an alternative sustainable packaging solution to replace plastic bags in eCommerce shipping.

Designed by our Central Design Team in France, the 6 Air Pack is 100% recyclable and reusable. It also offers a wide range of dimensions and types of closure to adapt to and answer customers' needs.

As we work to achieve our Vision 2030 goals, our research and development teams will play a significant role in contributing to our renewable solutions goal. This will advance circular solutions throughout the value chain and create innovative products that are 100% reusable, recyclable or compostable.

Product Stewardship

Customer feedback allows us to strengthen relationships and create new products that meet consumer demands. Our product stewardship team leads our effort to assess the possible health and environmental risks of a product along the entire value chain. This starts with product development and continues through sourcing, manufacturing, marketing, use by the customer and eventually to disposal or recovery for recycling.

Our products must meet specific regulatory requirements of their eventual use within the countries of manufacture — and meet customer expectations regarding product safety and chemicals of concern. Complying with regulatory requirements is also critical in our choice of materials. Many of our products hold voluntary ecolabel certifications, which recognize products that meet high environmental standards throughout their life cycle. We continually monitor developments in these areas to ensure we comply with all applicable regulations. We had no incidents of non-compliance with product safety regulations or voluntary codes concerning product and service information and labeling in 2020.

Our Products

INDUSTRIAL PACKAGING

We create packaging products that protect and promote goods, enable worldwide commerce and keep consumers safe. Learn more about [Industrial Packaging](#).

Segments

- eCommerce
- Protein
- Fruit and vegetable
- Distribution
- Processed food and beverage
- Durable/non-durable goods

GLOBAL CELLULOSE FIBERS

We produce pulp for diapers, tissue and other personal hygiene products that promote health and wellness. Learn more about [Global Cellulose Fibers](#).

Segments

- Absorbent hygiene products
- Papergrade
- Specialty

PAPERS

We create papers that facilitate education and communication. Learn more about [Papers](#).

End Use

- Printer and copy paper
- Commercial printing
- Book publishing
- Advertising
- Envelopes
- Bills and statements
- Filing
- Specialty packaging
- Labeling



Discover 10 ways our [innovative products](#) are improving the world



Recycling and Beyond

To create the most sustainable business model possible, we look beyond basic recycling to evaluate our entire value chain. We embrace the concept of the circular economy, beginning with championing sustainable forestry and the use of renewable resources. We seek to design waste out of our manufacturing processes by sourcing recovered fiber and making beneficial use of residual materials. Finally, we advance the recovery and reuse of fiber after consumer use.



2020 Highlights

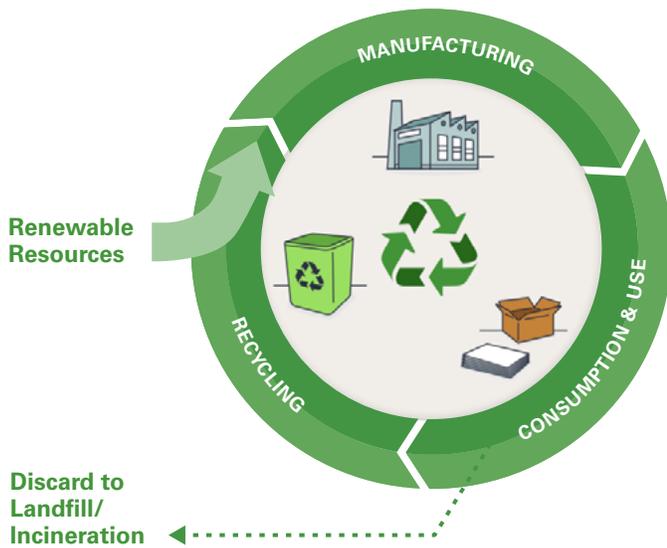
We participate in several industry associations dedicated to increasing and sustaining corrugated box recovery rates, including:

- [American Forest & Paper Association](#)
- [Confederation of European Paper Industries](#)
- [Fibre Box Association](#)
- [The Circular Economy Accelerator](#)
- [The Recycling Partnership](#)

Recycling and Reducing Emissions

Through collaboration with The Recycling Partnership, International Paper has helped to save 230 million pounds of recyclables from the landfill, resulting in **251,000 metric tons of carbon emissions avoided**.

55,000 plastic bottles recycled at our Rome Mill as part of our employees' R4: Rome Reduce Reuse Recycle! in 2020



We are among the world's largest stewards of wood and recovered fiber

We recover, reprocess or facilitate the sale of 7 million tons of recovered fiber each year

66% increase in recovery of old corrugated containers since 2010

Learn more about our efforts at [Our Renewable Future](#).

Our Commitment to Circularity

We go beyond recycling with our commitment to advancing the circular economy. We take action across our entire value chain by (1) championing sustainable forestry and the use of renewable resources, (2) seeking to design waste out of our manufacturing processes by sourcing recovered fiber and making beneficial use of residual materials, and (3) advancing the recovery and reuse of fiber after consumer use, extending the useful lives of natural resources and reducing materials to landfill.

We're committed to innovating our products so that they are all reusable, recyclable or compostable and provide circular solutions that continue to promote a low-carbon economy.

Wood Fiber

New fiber is needed to continue to make recycled products. Without new fiber inputs, paper producers would run out of useable recycled fiber in roughly 18 months.*



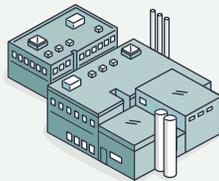
MANUFACTURING

Recovered fiber and new fiber are used to make new paper-based products.

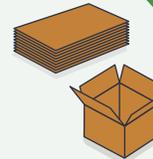


REPROCESSED

Cellulose fibers can be recycled up to seven times.** Beyond that, the fiber cannot be used to make new products and is considered "lost fiber."



CONSUMPTION & USE



Lost Fiber

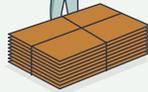
Fiber Cycle



CONSUMERS & COMPANIES RECYCLE

POST-CONSUMER FIBER

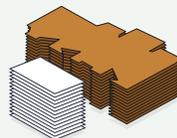
Recycled fiber can be reprocessed into new products or can be beneficially used in other ways, such as for compost or in insulation.



Discard

- Landfill/Incinerator:
- Litter
- Unsorted
- Hygiene products
- Contaminated

SORTING



RECYCLING COLLECTION

89% of corrugated packaging and 66% of paper used in the U.S. was recovered for recycling in 2020.**



* Two Sides

** American Forest & Paper Association, 2020

Natural Resource Stewardship

We are among the world's largest stewards of wood and recovered fiber. Making sustainable, fiber-based products requires both responsibly grown and managed new fiber as well as recycled fiber. The entire paper-making process ultimately begins in the forest. Read more about our commitment to responsible forest stewardship in [The Future of Forests](#).

Recycling and recovered fiber use are key components of our commitment to environmental stewardship. This fiber helps extend the useful lives of natural resources and reduce materials to landfill.

Both new and recovered fiber are necessary to sustain an efficient supply chain. After several lifecycles of reuse and reprocessing, recovered fiber eventually begins to break down and is no longer suitable for use in paper and paperboard. Although this fiber can no longer be used in our products, it can be beneficially reused in many other ways, such as for energy or fertilizer. The ability to use recovered fiber would cease to exist if responsibly managed new fibers were not introduced to the fiber cycle. With high recovery rates and well-managed forests to source from, fiber-based products are among the most sustainable products in the world.

Recycling

The recovery and recycling of fiber is part of our business model and plays a key role in our commitment to environmental stewardship. Globally, we recover, reprocess, reuse or facilitate the sale of more than seven million tons of recovered fiber each year. We are one of the two largest users of recovered fiber in the world, using five million tons of recovered fiber each year.

In 2010, we set our Vision 2020 goal to increase the recovery of old corrugated containers (OCC) by 15%. We contribute to increased fiber recovery rates by expanding our internal recovered fiber capacity, working with suppliers and acquiring new sources of materials for recovery. We also work to divert additional types of paper and packaging materials from landfills.

In 2020, we continued to exceed our Vision 2020 goal with a 66% increase in OCC recovery because of operational improvements in our fiber recovery process. With this additional recovered fiber, we are now creating more end products and have better aligned our sourcing with consumption.



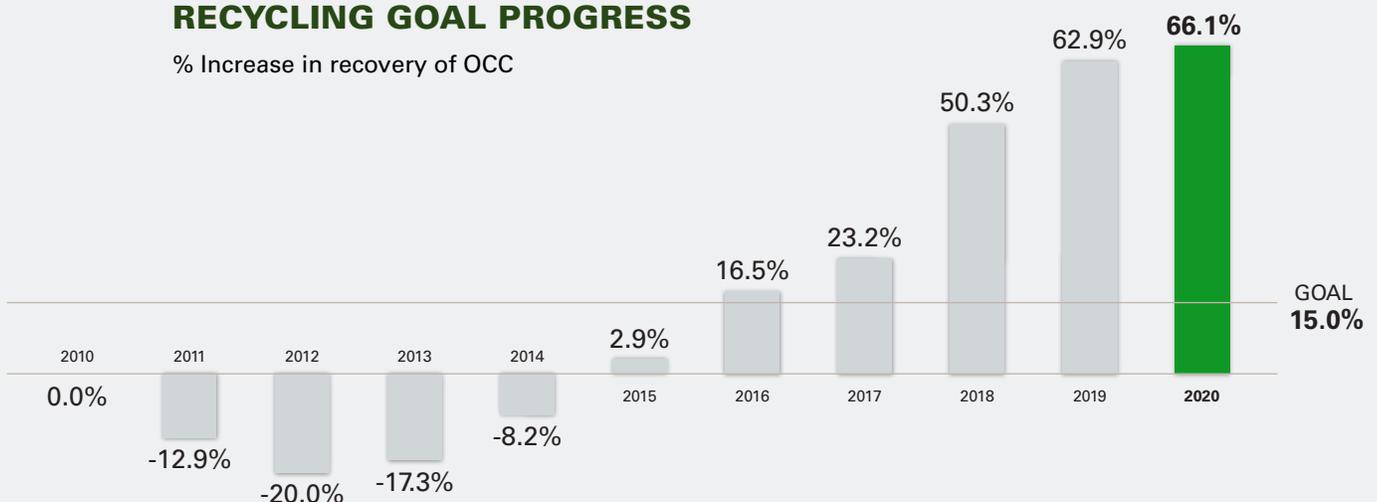
2020 RECYCLING RESULTS

66% increase in recovery of old corrugated containers (OCC)

Vision 2020 Goal: Increase recovery of OCC by **15%** by exploring new sources and diverting usable fiber from landfills

RECYCLING GOAL PROGRESS

% Increase in recovery of OCC





In addition to our recycling operations in the U.S. and Mexico, globally we procure several million tons of pre- and post-consumer paper and paper products for use in our facilities, including five mills in North America that only use recovered fiber to make our products. In 2020, the average recycled content of our North American corrugated packaging products was 36.3%, including 30% post-consumer fiber and 6.3% pre-consumer fiber.

The use of recovered fiber is important for the health of the climate and plays an important role in the circular, low-carbon economy. Consider that 88.8% of OCC in the U.S. was recovered and reused to create new products.* This statistic indicates not only the amount of fiber being reused to create new products, but the amount of OCC being kept out of landfills. When paper decomposes in landfills, it releases methane — a powerful GHG — but recycling helps cut down on these emissions.

REDUCING OUR IMPACT

At International Paper, we recognize there are measurable actions we can take to improve our products' carbon footprint. One way we can do this is through promoting circularity in our value chain. This starts with our suppliers practicing responsible forest stewardship, which contributes to the removal of CO₂ from the atmosphere. We also continuously work to reduce GHG emissions during manufacturing and increase the recovery and recycling of our paper-based products.

* American Forest & Paper Association, 2020

Circular Economy

Since the 1970s, recycling methods and culture have advanced to the point that, by 2020 as much as 65.7% of paper and 88.8% of corrugated packaging consumed in the U.S. was recycled.* Yet traditional notions of recycling are still rooted in the “take-make-waste” model of short consumption cycles. Recycling is just one part of the larger circularity landscape.

Our process is circular by nature, from the sourcing and regrowth of our primary raw material to our use and beneficial reuse of byproducts in the manufacturing process — and finally to the recovery and reuse of our products. This circularity is core to our industry and to our existence.

At International Paper, we work to make the most of every tree and the byproducts of the manufacturing process to create value and eliminate waste. For example, we use biomass residuals from the pulp-making process to supply nearly 75% of the energy used in our mills. This beneficial reuse of biomass residuals drives cost savings while helping us shrink our carbon footprint by reducing our reliance on fossil fuels.

Another way we keep products and materials in use is by selling our biomass residuals to other manufacturers to use.

THE CONCEPT OF THE CIRCULAR ECONOMY IS BASED ON THREE PRINCIPLES:**

- 1 Design out waste and pollution
- 2 Keep products and materials in use
- 3 Regenerate natural systems

EXAMPLES OF BENEFICIAL REUSE

ASH

Generated from the combustion of tree bark in our boilers, ash has agronomic value. Because it contains micronutrients, farmers can use the ash to stabilize the pH of the soil.

DRY ASH

Also called “fly ash,” dry ash can be used in road construction and in the manufacture of materials such as concrete blocks and bricks.

OTHER WOOD BYPRODUCTS

These are used to make products we use every day, such as paints, fabrics, tires, lubricants, shampoo and even cosmetics.

International Paper’s **CARPA** is one of Madrid’s largest paper recyclers, collecting 11,000 tons of used paper and boxes each month to make containerboard at our **Madrid Mill**. With a retail customer partnership, we close the circular economy loop in Spain by delivering 1.5 million boxes each month. By having the recycling facility close to the source, we reduce CO₂ emissions, and our high-quality, waste-sorting system ensures efficiency.

* American Forest & Paper Association, 2020
** Ellen MacArthur Foundation

COLLABORATING FOR THE CIRCULAR ECONOMY

As with our commitment to sustaining forests, scaling the transition to a low-carbon economy requires strategic collaboration. We are committed to collaborating with suppliers and seek out those who share our commitment to quality and responsibility. We also work with industry associations and non-governmental organizations to advance recycling rates and to educate consumers on the importance of purchasing products made from renewable materials.

We participate in several industry associations dedicated to increasing and sustaining corrugated box recovery rates, including the American Forest and Paper Association (AF&PA), the Fibre Box Association (FBA), The Recycling Partnership, the Circular Economy Accelerator and Confederation of European Paper Industries (CEPI).

Further, we play an active role in the [Forest Solutions Group](#) of the World Business Council for Sustainable Development (WBCSD). Together, we are leading the transition to a low-carbon and circular economy through the development of these publications:

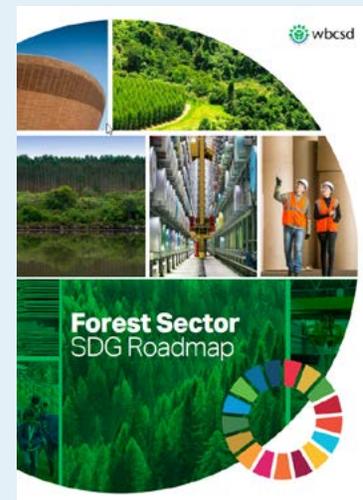
- [CEO Guide to the Circular Bioeconomy](#)
- [Forest Sector SDG Roadmap](#)
- [Forest Products Sector Guide to the Natural Capital Protocol](#)

FOREST SECTOR SDG ROADMAP

The forest sector is uniquely positioned to drive the transition to a low-carbon and circular future rooted in renewable, natural resources. That's why, in 2019, International Paper and 10 leading member companies from the Forest Solutions Group (FSG) of the WBCSD issued the Forest Sector SDG Roadmap.

The roadmap helps to maximize the sector's contributions to the UN SDGs and can unlock business opportunities that present themselves on the industry's journey to 2030 and beyond.

In December 2020, the FSG issued the first [Implementation Report of the Forest Sector SDG Roadmap](#). The report provides evidence of FSG members' commitment to implementing the actions in the SDG Roadmap, takes stock of the status of implementation of the different actions among FSG members, and sets a baseline against which to track progress over time.



Learn how we're [rethinking waste](#) to create products with circular lifecycles



Responsible Business Practices

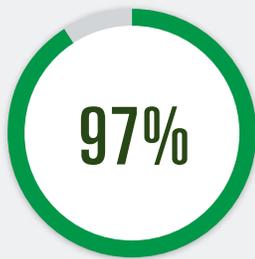
Responsibility underscores every action we take throughout our value chain. It starts with people — attracting and developing a talented, diverse workforce; ensuring everyone arrives home safely at the end of each day; and helping our local communities thrive. But it doesn't end there. We deliver long-term value for all stakeholders through solid governance, a commitment to ethical business practices and proactive government relations.



2020 Highlights

PEOPLE HIGHLIGHTS

OUR GOAL: INJURY-FREE WORKPLACE



of our sites operated without a serious injury.

When our employees see unsafe conditions and actions, we intervene to demonstrate we care and to ensure no one is injured.

We achieved a 75% reduction in non-employee injuries in the workplace.

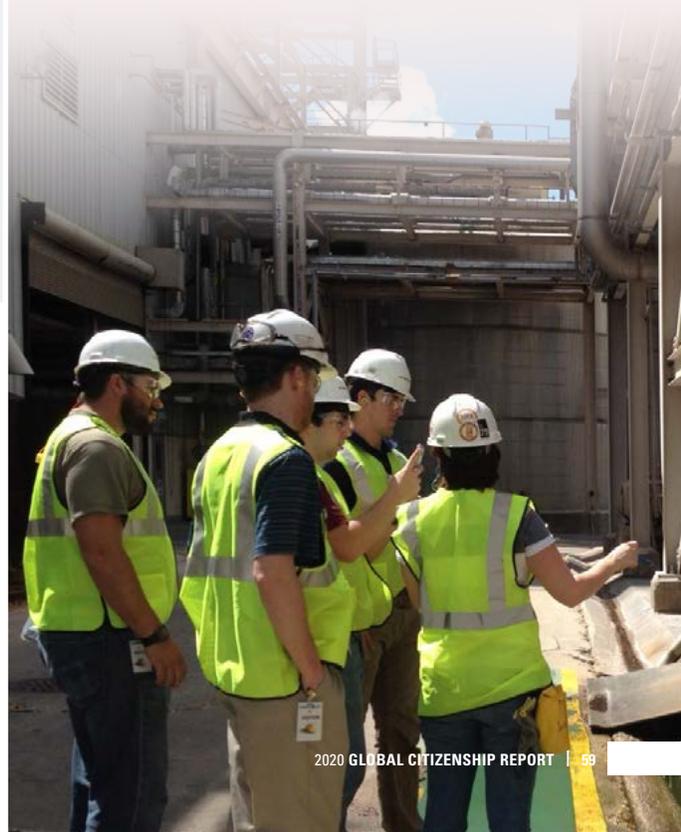
INVESTING IN EMPLOYEE DEVELOPMENT

2.5 Million e-Courses Completed: The COVID-19 pandemic created an opportunity to explore innovative ways to deliver skills training and leadership development in 2020. We optimized our virtual platforms to ensure employees continued to receive the best possible learning experiences.

CREATING DIVERSE, INCLUSIVE WORKPLACES

We stepped up diversity in recruiting:

- 62% of our interns and co-op program hires were women and people of color.
- Despite the economic hardship the virus brought, we kept all summer 2020 intern and college hire commitments and continued hiring college talent on campus during the fall.
- We developed and formalized a Diversity Talent Acquisition Framework for U.S. Colleges to guide our enterprise diversity efforts as we work towards accomplishing our Vision 2030 goals.



Recognitions



For the 15th consecutive year, the Ethisphere Institute recognized International Paper as one of the World's Most Ethical Companies. Of this year's 135 honorees, International Paper is one of only six companies to receive the recognition for 15 years running.



For the fourth year in a row, International Paper earned the designation of CPA-Zicklin Trendsetter. We're one of 79 companies in the S&P 500 to receive the top ranking for political disclosure and accountability due to our voluntary reporting efforts.

Community Highlights

We make sustainable investments to protect and improve the lives of our employees and mobilize our people, products and resources to address critical needs in our communities.

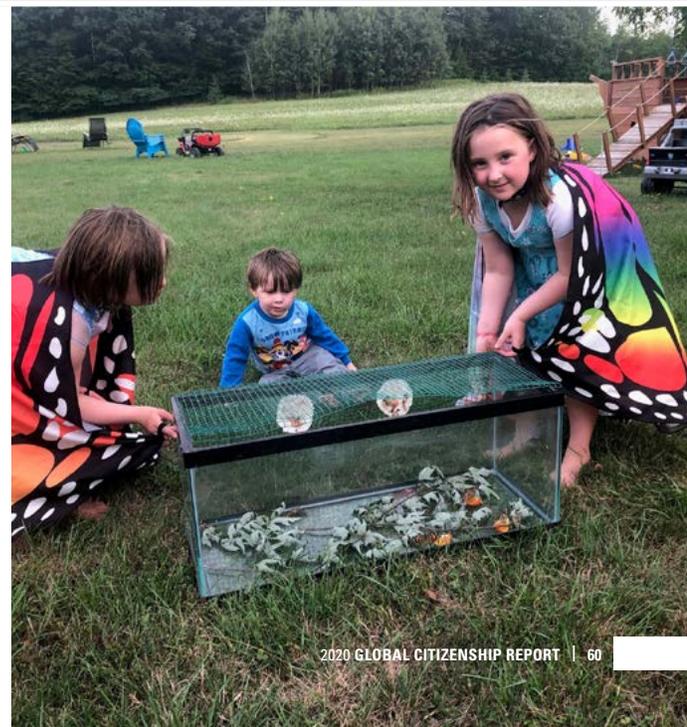
\$23 million invested in 2020 to address critical community needs

More than **\$165 million** donated since 2010

\$2.4 million in employee generosity, supporting the International Paper Employee Relief Fund and the United Way. Company matching programs maximized employee giving for a total impact of more than **\$3.9 million**

BUTTERFLY KITS NURTURE A LOVE FOR NATURE

- Through a partnership with Celebrate Planet Earth, we distributed butterfly kits to 136 schools in U.S. communities, reaching **53,000 elementary students**.
- Through Mariposa Papilia, we expanded the program to Mexico, reaching **1,300 elementary students** across five schools.
- We gave an additional **4,500 butterfly kits** to our essential workers to take home to their families.



Our People

At International Paper, we are committed to investing in people, which means:

- Ensuring everyone arrives home safely at the end of each day.
- Attracting and developing an outstanding and diverse workforce.

We value character as much as capability. We look for employees with talent, skills, a work ethic and dedication to the principle of doing the right things, in the right ways, for the right reasons — all of the time. We foster an inclusive culture and a supportive work environment that attracts and retains the best team members — enabling them to learn, grow, collaborate and contribute to sustainable results.

We seek to foster employee well-being and performance through a development process that includes:

- Engagement, health and wellness programs
- Training
- Business- and region-specific people councils

In 2020, we hired 6,807 new employees. We continue to build an increasingly diverse and inclusive environment to attract, develop and retain the best talent from all backgrounds and experiences. We are committed to providing a workplace free of discrimination, harassment and retaliation.

EMPLOYEES AND OTHER WORKERS

As of December 31, 2020, we employed more than 48,000 people working in manufacturing, converting, sales and various office positions. Our workforce comprises:

- Nearly 33,000 employees in the U.S.
- More than 100 ethnicities and nationalities across 28 countries.
- Approximately 18% women globally in 2020.

Workers who are legally recognized as self-employed — or individuals other than employees or supervised workers — do not perform a substantial portion of our work. We do not experience significant seasonal variations in employment.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

Of our 33,000 U.S. employees, approximately 24,800 were hourly, with unions representing approximately 14,000 employees — approximately 11,000 of which were represented by the United Steelworkers Union (USW).

International Paper, the USW and several other unions entered into four master agreements covering various mills and converting facilities. These master agreements cover several specific items including wages, select benefit programs, successorship, employment security and health and safety. The master agreements cover the majority of our union-represented mills and converting facilities. In addition, International Paper is party to a master agreement with District Council 2, International Brotherhood of Teamsters, covering additional converting facilities.

Individual facilities continue to have local agreements for other subjects not covered by the master agreements. If local facility agreements are not successfully negotiated at the time of expiration, under the terms of the master agreements, the local contracts will automatically renew with the same terms in effect.

RECOGNITIONS



Fortune Magazine

World's Most Admired Companies® 2021 for 18 years



Women's Choice Award®

Best Companies to Work For — Millennial Women 2018-2021



Forbes

America's Best Employers for Diversity



Ethisphere Institute

World's Most Ethical Companies® 2021 for 15 consecutive years



FTSE4Good Index Series

An equity index series that is designed to facilitate investment in companies that meet globally recognized corporate responsibility standards



Wall Street Journal

100 Most Sustainably Managed Companies

OCCUPATIONAL HEALTH AND SAFETY

Ensuring everyone — employees and non-employees — arrives home safely every day is our most important responsibility. In 2020, we made substantial progress in safety with 97% of our sites operating without a life-changing injury. We also worked with our contractors to achieve a 75% reduction in non-employee injuries. We remain committed to our ultimate goal of zero injuries.

We focus on achieving injury-free operations by:

- Promoting accountability and responsibility for ourselves and our colleagues.
- Applying safety leadership skills.
- Engaging employees to use safety leading indicators.
- Anticipating, recognizing and removing hazards.
- Intervening during unsafe conditions.
- Integrating layers of protection into our work systems and processes.
- Maintaining an active safety mindset at work and at home.
- Fostering a learning culture where we learn from events and near misses.

Our LIFE (Life-Changing Injury and Fatality Elimination) initiative focuses on eliminating the most serious injuries — such as concussions, fractures, burns and amputations — and implementing sustainable systems to prevent all injuries and incidents. LIFE is designed to make everyone aware of serious injury risks. To improve workplace safety, project teams use our company's:

- Manufacturing excellence tools.
- Communications channels.
- LIFE investigations.
- Employee engagement, training and general education.

THE LIFE PROGRAM HAS FIVE FOCUS AREAS:

- Driver safety
- Machine safeguarding
- Exposure to harmful substances or environments
- Motorized equipment
- Slips, trips and falls

As part of our LIFE initiative, all manufacturing and non-manufacturing sites report on engagement in seven safety leading indicators to help identify areas for improvement and where resources are needed to properly execute our programs. Safety leading indicators are a proactive approach to measuring progress in preventative safety efforts. One leading indicator, LIFE Potential Analysis, involves team members reporting near-miss events that did not result in serious injury (a LIFE incident) because the hazard was recognized before a potential injury occurred.



2020 SAFETY RESULTS

79% reduction in serious safety incidents since 2010*

Vision 2020 Goal:
Injury-free workplace

* Safety goal calculations include data on both International Paper employees and contractors. We began collecting safety data on contractors in 2012.



TYPES OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS

While we continue to make progress in safety, we have more work to do to achieve injury-free operations. To improve, we have a uniform global operations incident reporting process that uses the U.S. Occupational Safety and Health Administration (OSHA) recordkeeping standards as general guidelines.

IN 2020

Number of fatalities for directly employed	3
Number of fatalities for contractors	0
Number of lost time accidents	174
Frequency Rate*	1.58
Severity Rate**	66.45

* Frequency Lost Time Accidents: lost time accidents x 1,000,000/hours worked
 ** Severity Rate: total number of days lost x 1,000,000/hours worked

LIFE INCIDENTS

Employee + Contractor #'s

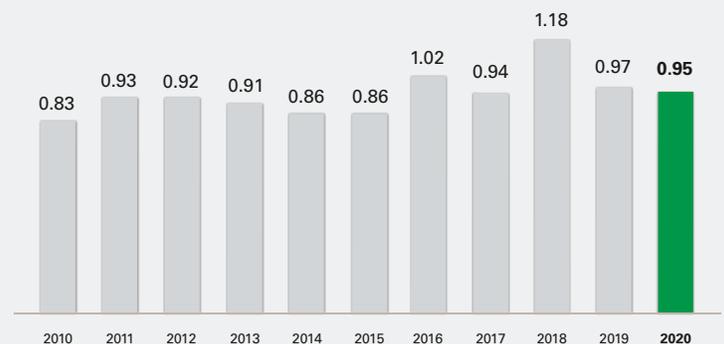


LOST WORKDAY INCIDENT RATE*



* Lost Workday Incident Rate is an approximate number of injuries or illnesses per 100 workers per year.

TOTAL INCIDENT RATE*



* Total Incident Rate is an approximate number of injuries or illnesses requiring medical treatment beyond first aid per 100 workers per year.

DIVERSITY AND INCLUSION

We strive to promote a culture of inclusion where individuals feel respected, are treated fairly and have an opportunity to do their best work every day. Diversity and inclusion are key to our sustainability strategy — we believe that a diverse workforce and inclusive culture will help us create long-term value.

We take a broad view of diversity and inclusion by going beyond racial and gender diversity. Culture, background, experience, religion, thoughts, sexual orientation, personality and communication represent the diversity of our workforce.

We are a company with an extensive manufacturing footprint. Creating a diverse and inclusive culture is essential because it:

- Enables our colleagues to contribute their best.
- Harnesses different thoughts, skills, talents and experiences to produce innovative solutions.
- Helps make International Paper a better company for our employees, customers, communities and investors.
- Promotes innovation, increased team dynamics and productivity.

Our Chief Diversity Officer (CDO) guides our progress to expand our efforts to attract, develop and retain the best talent — while strengthening our culture of inclusion throughout the organization. Under the leadership of our CDO, our diversity and inclusion framework supports a strategy for influencing our workforce, workplace and marketplace. Establishing champions across our various business groups ensures we effectively achieve our plan of action.

“ An inclusive workplace where all employees are included, valued and treated with dignity and respect is not only fundamental to our future success, but it is aligned with The IP Way.”

— **Fred Towler**, chief diversity officer and vice president, Human Resources, Global Talent Management, International Paper



Our diversity and inclusion efforts encompass:

- **Workforce** — our employee population, including our talent management process
- **Workplace** — the on-site and off-site environment that exists to provide an engaging and inclusive workplace for our employees
- **Marketplace** — all our stakeholders and how they view us as a responsible employer

We expect all employees — not just leaders — to build and sustain a work environment that embraces individuality and collaboration to drive exceptional results. We are committed to providing a workplace free of discrimination, harassment and retaliation regardless of race, ethnicity, color, religion, sex, sexual orientation, marital status, age, disability, gender identity or expression, genetic information, national origin, military or veteran status or any other classification protected by law.

EMPLOYEE NETWORKING CIRCLES

In 2020, we successfully launched our first Employee Networking Circles (ENCs). These are voluntary, company-sponsored employee groups that contribute to an engaged, inclusive and collaborative workplace. These open and inclusive groups:

- Build employee connections and engagement across the organization.
- Promote understanding of common attributes and differences.
- Support the three diversity and inclusion strategic pillars: workforce, workplace and marketplace.

Our 2020 launch of our first ENCs included:

- **IPride** – This group comprises LGBTQ+ identified individuals and allies.
- **IP Vets** – This group is dedicated to creating a corporate culture that promotes visibility, recruitment, retention and knowledge of veterans of the armed forces of their respective countries.
- **IPMOVE** – Also known as the African American Employee Networking Circle, this group seeks to attract, develop and retain African American team members while creating opportunities for mentoring, volunteering and engagement.
- **Women in IP** – This group seeks to attract, develop, promote and retain women employees.

DIVERSITY HONORS



The Society of American Foresters (SAF) recognized Alex Singleton, fiber supply manager at our Rome, Ga., Containerboard Mill, with the **Diversity Leadership Award**. SAF honored Alex for his involvement in promoting forestry to young, underserved minorities and his volunteer efforts for the Center for Heirs' Property Preservation, which has helped more than 430 families that collectively own 22,000 acres of land.



Cindy Hendren, Henderson Mill manager, began serving as the **first female president** of the North Carolina State University Pulp and Paper Advisory Board. **Cindy shares her vision** for keeping diversity at the forefront to continue strengthening the paper industry and program.

IMPROVING INCLUSION IN BRAZIL



- Our **Respect Generates Respect** diversity and inclusion program launched the "Conversation Circle," opportunities for our team to share their perspectives on DE&I topics in small groups.
- We performed **191 Accessibility Mapping** analyses across three mills to help leadership understand what changes should be made to accommodate the diverse needs of both men and women in our manufacturing environment.



DIVERSITY IN COLLEGE RECRUITING

REACH (Recruit, Engage, Align College Hires) is our college recruiting and development program for college graduates of manufacturing engineering programs. Engineers at International Paper work at the heart of our business – managing people, processes, reliability and facility assets. More than a dedicated training program, REACH enables new graduates to work in a value-added role at a manufacturing facility while participating in a required core curriculum that builds technical and leadership competencies.

As part of our commitment to create diverse and inclusive workplaces, we have made strides in increasing representation of women engineers in our REACH program. In a field where women represent only 13% of engineers*, 38% of International Paper's REACH Class of 2021 – who started the program in 2020 – represent women engineers. In the same REACH class, our overall full-time diversity hiring is 52%.

EMPLOYEE ENGAGEMENT

We recognize that our success is dependent on how we perform as a team. A highly engaged culture leads to better safety and business success. For 20 years, International Paper has requested employee feedback on our workplace culture using an engagement survey.

In a focused effort to enhance performance, maximize engagement and retain talent, we created a customized survey called MyView, which is administered every 18 months. In our most recent MyView survey, 92% of our global employees responded.

The strategic nature of the MyView Employee Engagement Survey allows us to measure important factors that affect engagement – how employees feel about their work environment, the people they work with and the company's vision. MyView gives employees the opportunity to confidentially share their views on specific areas that drive engagement, allowing detailed, actionable feedback with clear direction on how to improve engagement.

Sharing feedback about our experiences working at International Paper is just the first step. The second and equally important step is acting on the feedback. Across the world, International Paper leaders and their teams review team-specific survey results and work together to develop engagement action plans. These plans result in employees who are satisfied, motivated and committed advocates of International Paper – employees who are Proud to Be IP.

The MyView results combined with the engagement planning process provide all employees the opportunity to make a positive impact on safety, operations, commercial excellence, sustainability and financial performance – while building a strong sense of community.

Together, people leaders and their teams are working to continuously improve the employee experience, increase engagement and drive improved business results.

* Society for Women Engineers, 2020

COMPENSATION AND BENEFITS FOR FULL-TIME EMPLOYEES

We view compensation and benefits as an investment in our people. Our rewards programs are designed to attract, engage and retain a talented workforce by rewarding performance while ensuring competitiveness in our local markets around the world.

We continually evaluate our compensation and benefits so that we offer best-in-class programs and remain the employer of choice in the areas we operate.

EMPLOYEE DEVELOPMENT

We believe our greatest competitive advantage is our people. That's why we strive to unleash every person's full potential by attracting, developing, retaining and inspiring all employees. We are committed to developing, promoting and supporting employees at all levels.

Employee development is based on each employee's interests and capabilities as well as the needs of our company. We provide training and resources that deliver continuous learning and development opportunities. Both mandatory and voluntary training help our employees develop new skills, expand upon existing knowledge and benefit from coaching and advice.

TRAINING, EDUCATION AND LEADERSHIP DEVELOPMENT PROGRAMS

We conduct extensive training and development programs worldwide. Our commitment to employee development is visible in our e-learning library, our leadership development programs, new hire onboarding programs and our support of individual academic pursuits.

E-Learning System

Our MyLearning learning management system is a foundational part of our training and development efforts, providing all employees access to on-demand courses online, resulting in the following utilization in 2020:

- 1.5 million new e-course registrations
- 2.5 million e-courses completed
- Nearly 2,500 new e-courses developed

The COVID-19 pandemic created an opportunity to explore innovative ways to deliver skills training and leadership development in 2020. Virtual platforms such as MyLearning were optimized to ensure employees continued to receive the best possible learning experiences — ranging from New Hire Orientation and onboarding, to essential skills designed to improve the way our employees think and work together.

International Paper remains committed to its investment in employee development by utilizing multi-channel learning strategies that are tech-enabled, cost-efficient, inclusive and high quality.

Global Manufacturing Training Initiative

We will experience a high rate of attrition within the next decade because many of our employees will be reaching retirement age. In response to this, we created the Global Manufacturing Training Initiative (GMTI), an enterprise-wide effort that encompasses the standardized and structured manner in which hourly operations and maintenance employees are on-boarded, coached, trained and certified for positions in our mills. This comprehensive, strategic program develops technical and non-technical competence resulting in a high-performing, skilled workforce prepared for the future of the organization.

Finance Training Initiative

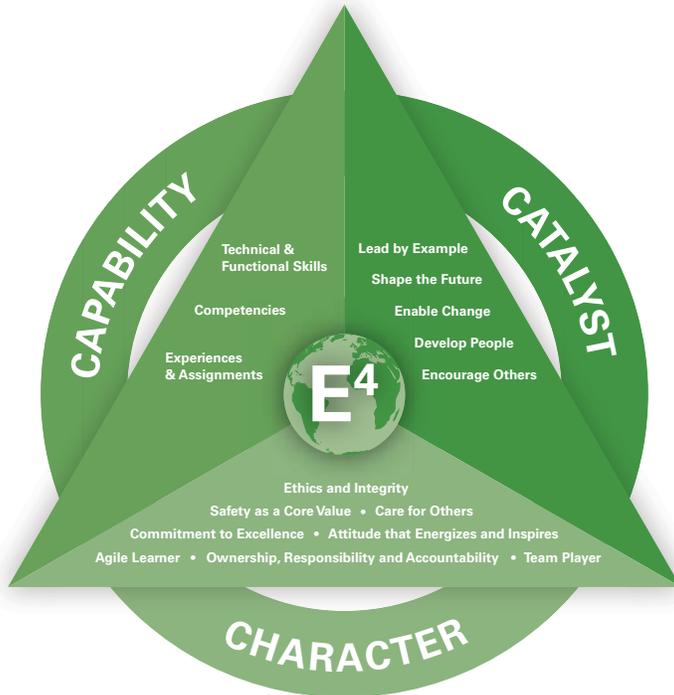
As digital capabilities increase, the skills required and career paths for finance professionals are changing. Finance LEAD | Learn, Engage and Develop is the roadmap to the development of finance professionals. Disruptive technologies increase the need for critical thinking, data analytics, leadership and business partnering skills. Through a structured program, using a blended learning approach, Finance LEAD provides finance colleagues with tools needed to succeed in their current and future roles. By building knowledge in foundations of finance and creating a common vision for data analytics roles and skills, we will prepare the Finance department for 2030.

Tuition Reimbursement

Our education assistance program provides financial support to employees who want to broaden their knowledge base, develop further professional skills and take external classes to prepare for other positions within International Paper.

Student Loan Assistance

College recruiting is an important component of our talent acquisition strategy. Since 2017, we have offered student loan assistance up to \$9,000 to help employees repay outstanding qualified student loans. In 2020, more than 1,100 employees took advantage of this program.



THE INTERNATIONAL PAPER LEADERSHIP MODEL

Leadership development is an ongoing process that requires commitment and active participation. The International Paper Leadership Model guides all employees by focusing on three essential leadership components — character, capability and catalyst.

Leadership Institute

Our Leadership Institute provides learning experiences to build character, capability and catalyst behaviors in current and future company leaders. The Institute offers programs and resources that align with our key business strategies, while promoting leadership development through skills development, assessment, feedback and coaching.

Typically, the Leadership Institute arranges and facilitates multi-day immersive experiential programs. The COVID-19 pandemic gave the Leadership Institute the opportunity to test and refine leadership development programming using virtual delivery tools. In 2020, the Leadership Institute hosted monthly *Leadership Forward* podcasts, bi-monthly *Leadership Chats* and introduced four new programs designed specifically for virtual platforms. In total, 120 leaders participated in eight sessions of live online programming, including an online business simulation.

Since launching the Leadership Institute in 2005, more than 5,000 employees have participated in programs designed to build management skills and leadership capacity.

International Paper Leadership I and International Paper Leadership II

Our leaders are responsible for supervising teams of employees across our manufacturing enterprise. The International Paper Leadership I and II blended learning programs are available in nine languages; these programs equip new and experienced first and second level leaders with core and advanced leadership skills they need to build and retain an engaged team, develop skills and enable an inclusive culture. In 2020, 43 First Line Leaders completed International Paper Leadership I. Plus, 53 First Line Leaders enrolled in the International Paper Leadership II program in 2020, with program completion set for 2021.

PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

We conduct annual performance reviews of employees at all levels to guide decisions relating to compensation and rewards.

Our performance management system links the individual goals of our salaried workforce with organizational performance. This process involves annual performance reviews, calibration of talent and allocation of performance rewards and promotions. Throughout the year, managers provide employees with ongoing feedback, coaching, training and on-the-job development.

In addition, our 360° review process allows employees to receive feedback on specific skills from internal and external colleagues, followed by professional coaching with trained facilitators who help devise development plans based on the results. Employees and managers work together to create employee development plans, enabling managers to discuss performance strengths and development opportunities with each of their employees.

Our Communities

We continue to be a force for good in our communities. We make sustainable investments to protect and improve the lives of our employees and mobilize our people, products and resources to address critical needs in the communities where we live and work.

COMMUNITY ENGAGEMENT AND GIVING STRATEGY

Every community has a unique set of critical needs. Understanding these needs is key to creating value for generations to come. That is why a robust community engagement strategy is central to the success of our sustainability strategy.

Our community engagement and giving strategy enables us to provide volunteers, product donations and financial contributions to organizations that address critical needs in the communities where our employees live and work.

Our global community engagement strategy focuses on four signature causes:

- **Education** — The future of our communities depends on the children, and therefore, we support strategic partners that focus on helping children succeed via a comprehensive approach to education. Literacy, particularly from birth through third grade, is our primary focus because reading skills form the foundation for all childhood learning.
- **Hunger** — We work with food banks and other agencies to address hunger and food security for children, families and seniors. These organizations provide meals, access to healthy foods and other programs in the communities where our employees live and work.
- **Health and Wellness** — We engage our employees and work with agencies to promote healthy living habits and achieve measurable improvements in health and wellness.
- **Disaster Relief** — We partner with agencies to help communities prepare for and recover from natural disasters, and we use our Employee Relief Fund to support our affected colleagues.

Because every community is different, we provide support for other critical needs in our local communities. International Paper personnel at our facilities are tasked with ensuring that monetary donations (including grants from the International Paper Foundation in the U.S.), in-kind donations and volunteers are allocated based on the most critical needs.

We are committed to leading the world in responsible forest stewardship and to promoting the long-term sustainability of natural capital. Our community engagement and giving strategy bolsters this commitment by also supporting organizations that are making a difference in forest, water, air and responsible sourcing issues.

We execute our community engagement and giving strategy through a combination of locally-driven support, grant funding and national and global collaborations.

In 2020, International Paper contributed more than \$23 million worldwide to support charitable organizations aligned with our signature causes. Our employees donated an additional \$2.4 million, and our various company-matching programs maximized employee giving for a total impact of more than \$3.9 million.

LOCAL COMMUNITY ENGAGEMENT AND GIVING

We provide a wide array of volunteer opportunities and celebrate the contributions our employees make in their communities. Employees at all levels dedicate their time, talents and energy to making positive impacts. In addition to one-time activities, employees lend their professional expertise by volunteering on non-profit boards in their communities.

In 2018, we launched the MyImPact platform in the U.S. and Canada to coordinate volunteer events and programs, conduct giving campaigns and measure and report the collective impact in our communities.

In-kind contributions, donations and grants are generally only considered in the communities where International Paper has a significant employee presence and within a locally determined radius of facility operations. The International Paper Foundation has a long history of allocating grant funding to each of our U.S. facilities to bolster local community engagement efforts. Regional giving structures are in place to ensure that our large employee populations in other parts of the world also have adequate funding and governance to support local community needs. Learn more about our [Giving Structure and Governance](#).

CONNECTING EMPLOYEES IN URBAN CENTERS

We have a number of small North American Container facilities clustered around large metropolitan areas. In an effort to align giving for the greatest impact and to engage employees in their local communities, we developed an “urban cluster” model in these large cities. Each urban cluster works together to mobilize our employee volunteers, products and their giving budget to identify community engagement opportunities in Atlanta, Chicago, Dallas, Indianapolis, Los Angeles, Minneapolis-St. Paul, Portland and St. Louis.



NATIONAL AND GLOBAL COLLABORATIONS

While we continue to help our communities through grant funding and partnerships with local organizations, our strategic support of national and global organizations broadens our reach in our four signature causes.

STRATEGIC COLLABORATIONS



Read more about each of these collaborations and all of our [External Initiatives](#).

EMPLOYEE RELIEF FUND

When a crisis occurs, our employees rise to the occasion to help their fellow workers and communities. In 2001, we created the International Paper Employee Relief Fund (ERF) to support International Paper employees who are impacted by a natural disaster or personal emergency by providing cash for basic needs such as food, medicine, clothing and shelter. In the past six years, the ERF and International Paper have provided more than \$3.5 million to over 3,000 employees recovering from disasters such as home fires and hurricanes.



2020 COMMUNITY ENGAGEMENT RESULTS

More than \$165 million donated to charitable organizations since 2010, including more than \$23 million in 2020

Vision 2020 Goal: Measure and report on our charitable support for hunger, education, health and wellness and disaster relief in the communities where we operate

COMMUNITY ADVISORY COUNCILS

Our Community Advisory Councils (CAC) ensure ongoing communication between our operations and area residents. They serve as forums to allow communities to ask questions, receive answers, air grievances and learn more about the company's operations and community involvement efforts.

While CAC members often become supporters of International Paper, this is not the purpose of a CAC. Members are encouraged to ask hard questions, provide positive and constructive feedback and help the operating site build a better relationship with the community. Communication leads to positive change.

MONITORING AND ASSESSING IMPACT

We believe that our company cannot succeed if our communities cannot succeed, so when assessing projects, we measure success by the impact to the community and beneficiaries.

We require our nonprofit grant recipients to provide impact reports on activities completed and project outcomes at the conclusion of the grant period. At a minimum, the organizations must report on the following, if applicable to the proposed program/project:

- Progress against intended objectives, outputs and outcomes (as proposed in the organization's grant application)
- Explanation if objectives were not met
- Status update on funds expended
- Qualitative data

Governance

We believe in sound corporate governance. Our board of directors, chief executive officer and senior lead teams — comprising selected officers and the appointed officers of the company — promote our sustainability strategy. We incorporate environmental, social and governance (ESG) considerations into our everyday processes. This ensures we adequately address risks, operate sustainably and responsibly and create long-term value.

The International Paper board of directors upholds the company mission. The board also ensures effective organizational planning, focusing on strategy and risk management while monitoring strategic initiatives. Our board-adopted corporate governance guidelines state that effective corporate governance requires the board to exercise oversight of the company's strategic, operational, financial, compliance and legal risks.

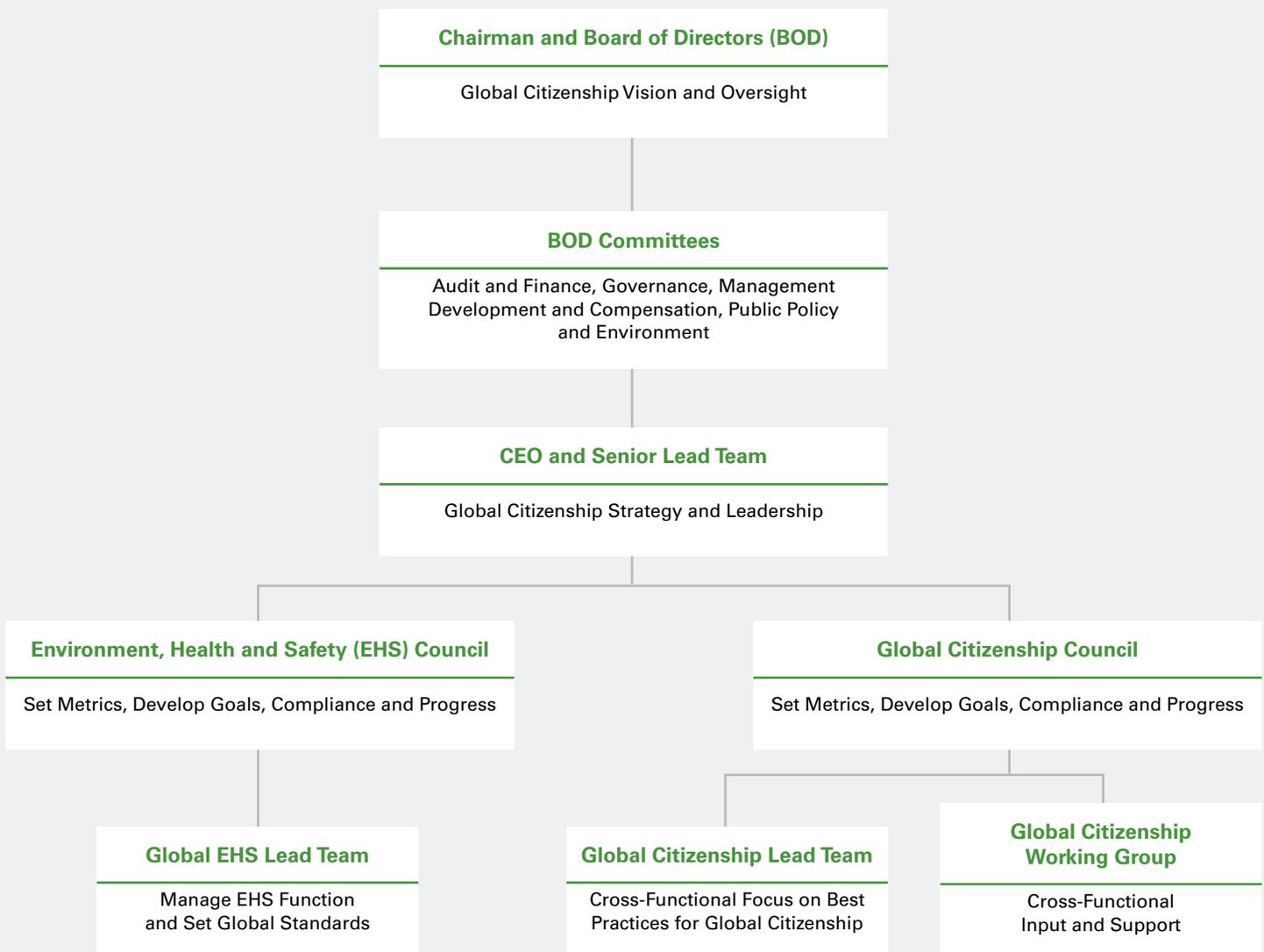
The Public Policy and Environment Committee of the board of directors has overall responsibility for global citizenship at International Paper. It reviews public policy, legal, health and safety, technology, environmental and sustainability issues. The board's Governance Committee also has oversight of certain public policy and sustainability matters. Internal performance evaluations of the full board and its committees are conducted annually.

The senior vice president of human resources and global citizenship chairs our global citizenship council, which guides the company's sustainability and community engagement strategies, and monitors progress. Led by the vice president of global citizenship, our global citizenship department has primary responsibility for executing strategy as well as overseeing communications and corporate marketing.

Our sustainability, human resources and sourcing departments handle the operational management of sustainability in their given areas. This work is supported by the global citizenship working group, a cross-functional team led by our chief sustainability officer with members from each of our businesses, as well as representatives from communications, legal, EHS, government relations and other staff functions. Meeting quarterly, the working group drives global citizenship initiatives throughout the company, shares best practices and provides insights to the global citizenship council.

Designated staff at the corporate, business and facility levels help identify, prioritize and manage global citizenship-related risks and opportunities. Key units such as fiber supply, logistics and sourcing have sustainability experts to support their operations. Business leaders are responsible for planning and managing business-specific global citizenship priorities.

GLOBAL CITIZENSHIP GOVERNANCE AT INTERNATIONAL PAPER



DIVERSITY OF GOVERNANCE BODIES

Our board of directors and its Governance Committee have assembled a board of experienced individuals who:

- Are currently, or have recently been, leaders of major companies and institutions.
- Are independent thinkers.
- Have a diverse range of expertise and skills that they bring to the boardroom.

The board, through its Governance Committee, seeks to have a group of directors with a mix of backgrounds, experiences and tenure — all of which will enhance the quality of its deliberations and decisions, as well as provide a blend of institutional knowledge and fresh perspective.

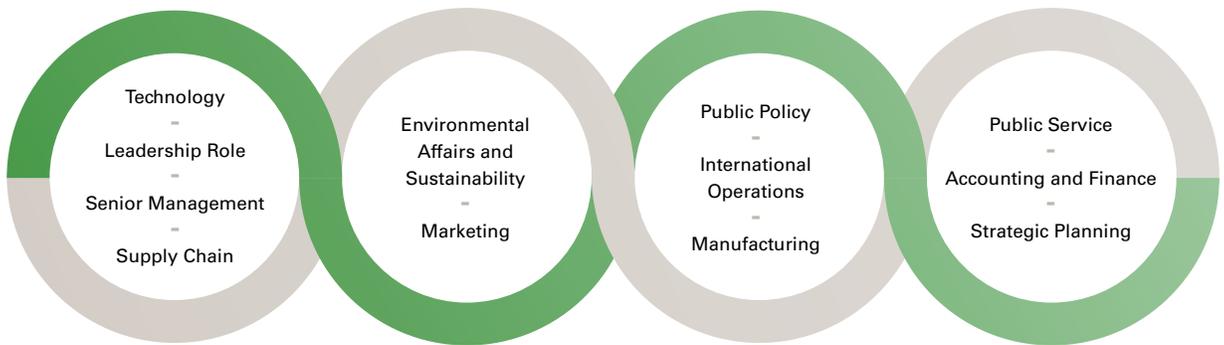
The criteria considered by the board and the Governance Committee include a person's skills, current and previous occupations, other board memberships and professional experiences in the context of the current needs of the board.

The Governance Committee Charter specifically directs the committee to seek qualified candidates with diverse backgrounds including, but not limited to, such factors as race, gender and ethnicity. While the company does not have a formal policy on board diversity, the Governance Committee actively considers diversity in the recruitment and nomination of directors. The current composition of our board reflects those efforts and the importance of diversity to the board.

The satisfaction of all director qualifications, objectives and other criteria is implemented and assessed through ongoing consideration of directors and nominees:

- By the Governance Committee and the board.
- Through the board's annual self-evaluation process.

Our board believes that its membership should include individuals with a diverse background in the broadest sense. The board is particularly interested in maintaining a mix of skills and experience among its members that includes the following:



Review our [Director Qualification Criteria and Independence Standards](#).

 Learn more on our [Diversity of Governance Bodies](#).

Global Ethics and Compliance

At International Paper, we believe our reputation and success depend on the daily actions and personal accountability of every employee and business partner. We do the right things, in the right ways, for the right reasons, all of the time — this is The IP Way. Together, The IP Way and our Core Values — Safety, Ethics and Stewardship — serve as our guideposts as we carry out our mission.

SAFETY

Above all, we care about people. We look out for each other to ensure everyone returns home safely.

ETHICS

We act honestly and operate with integrity and respect. We promote a culture of openness and accountability.

STEWARDSHIP

We are responsible stewards of people and communities, natural resources and capital. We strive to leave everything in better shape for future generations.

The International Paper global ethics and compliance program promotes our culture of ethics, integrity, dignity, respect and compliance with applicable laws and standards in all regions where we operate. The program provides direction, guidance and resources to help our employees and all stakeholders understand our ethical expectations. The program also supports our efforts to conduct our operations in a sustainable and responsible manner by developing policies, training programs and other guidance materials for our employees and third parties with which we do business.

Our compliance and ethics program is the responsibility of the senior vice president, general counsel and corporate secretary, and is directed by the [chief ethics and compliance officer](#), who leads our global ethics and compliance office. The audit and finance committee of the board of directors oversees the compliance program, and the chief ethics and compliance officer has direct access to the committee.

COMPLIANCE APPROACH

RISK-BASED APPROACH

We apply a risk-based approach to manage our compliance risks. We incorporate environmental, social and governance considerations into our everyday processes to ensure we adequately address risks, operate sustainably and responsibly and create long-term value.

CODES OF CONDUCT

The International Paper [Code of Conduct](#) lays the groundwork for how we treat our customers, investors, suppliers, communities and each other in our operations around the world. The principles in our Code of Conduct are supported by policies and best-practice processes that help prevent illegal or unethical conduct, and assess, monitor and mitigate potential risks. All International Paper employees and our board of directors are subject to our Code of Conduct and policies. The board approves each version of the company's Code of Conduct as well as receives periodic updates on ethics and compliance matters, including policy updates. The Code of Conduct is available in multiple languages across our operations and to the public online.

Our [Third Party Code of Conduct \(TPCOC\)](#) sets the expectations of ethical and legal conduct for all third parties with whom we do business.

CORPORATE COMPLIANCE POLICIES

International Paper holds its own employees to the highest standards. Our [Code of Conduct](#) and our company policies provide guidance to our employees on potential conflicts of interest and gifts/hospitality situations that expose them to corruption risks or the appearance of inappropriate conduct.

We require employees to abide by travel, gift and expense policies designed to prevent even the appearance of impropriety in dealings with government officials. International Paper similarly holds third parties to the same standards.

TRAINING

Ethics training is mandatory for all full-time, salaried employees. Job-specific training addresses respective business risks. Training covers topics such as compliance with the U.S. Foreign Corrupt Practices Act (FCPA) and other anti-corruption standards; antitrust and competition law; fair labor practices; conflicts of interest; records management; data privacy and insider trading. We provide ethics and compliance training tailored to the needs of each region.

We train all full-time, salaried employees on the International Paper Code of Conduct and compliance policies, with refresher training conducted periodically. Our training process includes:

- Education of employees through periodic internal messaging.
- Training conducted on our internal learning management system.
- In-person trainings conducted by members of the legal department, the ethics and compliance office and occasionally outside legal counsel.

ANTI-CORRUPTION

International Paper is subject to the U.S. FCPA and anti-corruption regulations of other regions. We honor all applicable laws and treaties wherever we operate, and we expect the same of our business partners.

We conduct risk assessments, which include a focus on corruption, procurement fraud and aspects of business where we directly interact with government officials. Regional risk assessments account for variations in geographic location, specific government interaction and local laws.

We have established due diligence processes, internal control procedures and financial safeguards to maintain accurate books and records. In addition, we provide training to our employees on anti-corruption and other related topics.

CONFLICTS OF INTEREST

We train our employees to recognize and avoid conflicts of interest (COIs), and we plainly address COIs in our Code of Conduct and COI policy. We have a mandatory, ongoing disclosure process whereby employees identify actual or potential conflicts of interest. In addition to our structured disclosure process, we solicit ad hoc COI disclosures, monitor for risk-based conflicts and roll out periodic COI awareness campaigns company-wide. We review each disclosure carefully to ensure it is appropriately managed or the conflict is removed.

DATA PRIVACY

Our global ethics and compliance office leads the company's data privacy program. We follow data privacy laws, and regulatory requirements to safeguard information about individuals. We also have records and information management policies and procedures. These ensure we maintain, store and — when appropriate — destroy company records in compliance with legal and regulatory requirements as well as the company's needs.

ENVIRONMENTAL COMPLIANCE

Our Environmental Health and Safety (EHS) Management System Performance Standard and our Environmental Management System (EMS) Program Elements standardize a basic set of 13 minimum expectations for all our mills. These include, among others, risk identification, goal and metric tracking, documentation, training, evaluation, community outreach and records management. Our continuous EHS audit process is responsible for identifying areas of nonconformance with the EMS requirements.

We hold our leaders responsible to ensure:

- Compliance with all applicable laws and regulations.
- Compliance with global environment, health and safety management systems and performance standards.
- Transparent reporting of our metrics and progress relative to our commitments.

We are subject to extensive federal, state and international environmental regulations. Our primary objectives include:

- Improving and controlling emissions and discharges from our facilities to avoid adverse impacts on the environment.
- Complying with applicable laws and regulations.

Our environmental expenditures include, among other areas, those related to air and water quality, waste disposal and the cleanup of contaminated soil and groundwater — including federal and state remediation matters in which International Paper has been identified as a potentially responsible party (PRP). Many of the remediation matters involve the cleanup of hazardous substances at large commercial landfills that received waste from many different sources. For more information on environmental and legal proceedings, please see [Note 14 in our 2020 Annual Performance Summary](#).

HELPLINE AND REPORTING PROCESS

RAISING A CONCERN

We do not tolerate violations of our Code of Conduct, our policies or any conduct that is illegal or unethical. Anyone who becomes aware of or suspects a violation is expected to report it. We encourage employees who need help or advice to speak with their supervisors. Employees are not required to follow any particular chain of command to report a concern. Depending on the concern, employees are encouraged to contact any trusted manager, a human resources representative, the global ethics and compliance office, the legal department, a member of internal audit or enterprise security management.

USING THE HELPLINE

Employees can always contact the International Paper [HelpLine](#), which offers a confidential method for seeking advice and reporting concerns. Our HelpLine is available to employees and, where permitted, contractors, customers, suppliers and the general public. With our HelpLine, anyone can raise concerns about potential legal violations or other unethical conduct at our company or in our supply chain.

Where permitted by law, anonymous reports may be made to the HelpLine by phone or at [EthicsIP.com](#). Our HelpLine is managed by a third-party vendor and is accessible 24 hours a day, seven days a week, 365 days a year. We provide HelpLine awareness through our Code of Conduct, training, posters, internet and intranet websites, internal newsletters and other promotional materials.

We take all reports seriously and investigate each allegation. We have a strict no-retaliation policy so employees can make good-faith reports without fear of negative repercussions. Our expectations of employees when conducting business and our reporting standards and procedures are detailed in our Speak Up! Ethical Business Conduct policy.

HOW THE HELPLINE WORKS

International Paper provides a confidential HelpLine for employees and, where permitted, contractors, business partners and the general public. Subject to local laws, they can raise concerns about illegal activities or unethical behavior, including any violations or suspected violations of the law and, in many locations, the Code of Conduct or any company policy.

- 1** You report a concern to the HelpLine by telephone or through [EthicsIP.com](https://ethicsip.com). In many locations, you do not have to give your name if you don't want to.
- 2** Reports go to the Ethics office for investigation and resolution.
- 3** We look into every report. During the investigation process, if you have given your name, an investigator may interview you, along with others.
- 4** If we uncover a violation of the law, the Code or any company policy, or weakness in a company process or policy, we will address it.
- 5** You may follow up on your report by phone or online. International Paper prohibits retaliation against anyone who makes a report in good faith, even if no violation has actually occurred.

THIRD PARTY PARTNERSHIPS

We have detailed global sourcing processes that include screening third parties for a wide variety of risks. We seriously consider the results of those assessments and manage risks appropriately. We communicate our expectations for ethical supplier behavior through our [Third Party Code of Conduct](#), which specifically prohibits improper payments as well as offering gifts, favors or entertainment where they are intended to obligate the receiver. We also require compliance with all applicable laws and treaties.

Government Relations

PUBLIC POLICY

We believe that public policy and legislation have a significant impact on our success. We stay informed on significant domestic and foreign policies such as energy, environment, recycling, supply chain, tax, trade, transportation and others. We have a government relations team in Washington, D.C., various state capitals across the U.S. and in other countries where we operate. We regularly meet with public officials and policy makers and engage trade and business associations, customers, suppliers, employees, communities and non-governmental organizations on issues of mutual concern.

Learn more about [our positions on policy issues](#).

2020 PUBLIC POLICY FOCUS AREAS

ENERGY DIVERSITY AND EFFICIENCY

We support policies that promote energy diversity and economic development, consistent with our principles of responsible, efficient and sustainable use of natural resources.

BIOMASS RESIDUALS CARBON NEUTRALITY

Biomass energy is integral to manufacturing our products and biomass residuals are the primary source of energy in our mills. We urge policymakers to recognize our biomass use as carbon neutral and sustainable forest management as an important lever for mitigating climate change through carbon storage in forests and products.

RECYCLING

As one of the world's largest recyclers of paper and corrugated packaging, we focus on ensuring that legislation does not hinder our ability to collect, market or process recycled materials.

GLOBAL TRADE

As a major exporter of packaging, pulp and paper, we have a long history of support for global rules-based trade agreements that provide substantive economic benefits, strong enforcement and greater market access for our products. We support the United States-Mexico-Canada Agreement (USMCA) that went into effect in July 2020.

CORPORATE TAX REFORM

We believe that government corporate tax policy should create and sustain long-term economic growth.

INFRASTRUCTURE

We support government and private investments to upgrade energy, water and transportation infrastructure where we operate.

COMBATING ILLEGAL LOGGING

We are a strong proponent of global efforts to suppress illegal logging and trade. We support the forest sustainability language included in USMCA and will work to ensure the inclusion of similar language in future trade agreements.

TRANSPORTATION

As a leading shipper of freight, we support policies that make our truck, port and rail shipments more efficient and competitive.

EXTENDED PRODUCER RESPONSIBILITY

We are committed to market-driven paper and paper-based packaging recovery and recycling efforts. We oppose government mandates that hold producers financially responsible for managing waste from products sold or that require manufacturers to take back products and packaging introduced into the marketplace.

POSTAL REFORM

A healthy, vibrant U.S. Postal Service (USPS) is important to our industry. Significant reforms are critically needed to improve USPS's balance sheet. We want to ensure that service standards and the predictability and stability of postage rates are critical components of postal reform.

PRODUCT BANS

We oppose policies that limit consumer choice by placing a ban or fee on paper products.

WORKFORCE

We support diversity and inclusion as well as efforts at both the state and federal levels of government to focus on, fund and implement programs that address workforce education, the skills gap and training opportunities.

POLITICAL CONTRIBUTIONS

We sponsor the International Paper Political Action Committee (IP-PAC) in the U.S., which allows eligible employees to voluntarily support political candidates and committees. All IP-PAC reports are available on the [Federal Election Commission website](#).

The Center for Political Accountability publishes an annual report called the [CPA-Zicklin Index](#) of Corporate Political Disclosure and Accountability that measures the political transparency and oversight practices of the entire S&P 500. For the fourth year in a row, International Paper earned the designation of CPA-Zicklin Trendsetter. We are also one of 79 companies in the S&P 500 to receive the top ranking for political disclosure and accountability due to our voluntary reporting efforts.

We also publish a voluntary report of political contributions on a semi-annual basis. Learn more about [contribution information](#). Explore our [positive impact](#) on people and communities around the world.

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Engagement Method by Stakeholder

COMMUNITIES

IMPORTANCE

- Our company succeeds when our communities succeed
- Maintaining strong relationships with our communities gives us social license to operate
- Our business is a key component of the economic success of our local communities
- Our communities each face unique challenges

HOW WE ENGAGE

- Economic and charitable relationships
- Employee-led fundraising
- Plant tours
- Community Advisory Councils
- Volunteerism
- Media
- Product donations

KEY TOPICS

- Air emissions
- Economic impact
- Community engagement
- Sustainable jobs
- Water use and water quality

OUR RESPONSE

- Mobilizing our people, products and resources to address critical needs in the communities where our employees live and work
- Ensuring that our Community Advisory Councils meet regularly and maintain open dialogue about community concerns and opportunities for collaboration and improvement
- Proactively engaging with community stakeholders to address water-related issues within the watershed
- Reducing our air emissions by:
 - Implementing efficient manufacturing technologies
 - Investing in energy efficiency improvements
 - Fuel switching
 - Operating our mills with nearly 75% renewable biomass residuals energy rather than fossil fuels

CUSTOMERS

IMPORTANCE

- Without our customers, we would not exist
- Customer expectations and needs influence our product and service innovation
- Changing technology and consumer demands present an opportunity for renewable, recyclable products to provide sustainable solutions

HOW WE ENGAGE

- Sales relationships
- Regular site visits
- Meetings
- Surveys
- Special events
- Online communications
- Onsite/forestry tours

KEY TOPICS

- Air + GHG emissions
- Certified fiber content
- Climate change
- Life cycle impact
- Operational efficiency
- Recovered fiber content
- Waste reduction

OUR RESPONSE

- Creating useful, sustainable and recyclable products that help customers achieve their objectives
- Working with customers to meet sustainability objectives through technology and innovation collaborations
- Having our subject-matter experts meet regularly to discuss product and service innovation
- Measuring progress against our targets related to efficiency and energy consumption, GHG, water stewardship, fiber loss, waste and workplace safety
- Establishing goals to purchase and use more third-party certified wood fiber and increase the recovery of corrugated packaging and paper — all to improve our watersheds and to grow our community involvement
- Ensuring that our goals affect all areas of our value chain
- Mapping our alignment and progress against UN SDGs
- Actively engage and respond to surveys and questionnaires regarding our environmental impacts and GHG emissions

EMPLOYEES

IMPORTANCE

- International Paper is the most successful and competitive when our employees are safe, engaged and appreciated
- Engaged employees drive significant and sustainable outcomes, and good leaders inspire colleagues to drive team success
- Employee well-being and capabilities influence our operational performance and value creation

HOW WE ENGAGE

- Safety programs
- Safety Leadership Training
- Diversity and functional forums
- Employee training
- Intranet sites
- Presentations
- Engagement surveys
- Company-wide communications

KEY TOPICS

- Diversity and inclusion
- Employee development
- Employee engagement
- Safety
- Global webcasts
- Team meetings

OUR RESPONSE

- Looking out for our people each day to ensure everyone returns home safely
- Achieving injury-free operations by providing safe work conditions, promoting accountability and responsibility and using a number of safety indicators to ensure safe work actions
- Executing our LIFE (Life-Changing Injury and Fatality Elimination) initiative
- Striving for a collaborative workplace that engages all employees
- Providing the tools and opportunities for employees to develop and succeed
- Measuring employee engagement with a formal third-party survey every two years, and creating team improvement plans based on employee feedback
- Conducting diversity and inclusion training and hosting inclusion forums, mentoring boards and team-level courses.

GOVERNMENTS

IMPORTANCE

- Public policy and regulations created at national, regional and local levels impact our business, forests and communities

HOW WE ENGAGE

- Legislative meetings
- Formal hearings
- One-on-one meetings
- Trade associations meetings
- Policy-based organizations collaboration
- Facility visits

KEY TOPICS

- Health and safety
- Paper recycling and recovery
- Taxes and environmental policy
- Transportation
- Trade and export

OUR RESPONSE

- Advocating at all levels of government, including policymakers and legislators, to inform and influence legislative and regulatory issues
- Committing to meet or exceed legal requirements to uphold our high ethical standards and to do the right things, in the right ways, for the right reasons — all of the time
- Educating policy makers on our commitment to sustainable forestry, third-party fiber certification, reduced emissions, responsible resource management and efficient use of renewable biomass and recycling

NON-GOVERNMENTAL ORGANIZATIONS

IMPORTANCE

- Non-Governmental Organizations (NGOs) update us on social and environmental impact issues so that we can work continuously to improve our performance
- They encourage us to increase transparency and communication of our sustainability performance
- NGOs provide opportunities for us to align our global citizenship strategy with other interested organizations
- NGOs serve as a powerful partner to help accelerate positive sustainability outcomes

HOW WE ENGAGE

- External communications
- InternationalPaper.com
- Corporate email forms
- Participation in conferences and forums
- Public-private partnerships and engagement on select topics
- Strategic partnerships and consultation on material issues

KEY TOPICS

- Air + GHG Emissions
- Climate change
- Disaster relief
- Education
- Health and wellness
- Hunger (food insecurity)
- Recycling
- Sustainable forestry
- Water stewardship

OUR RESPONSE

- Incorporating feedback in developing internal environmental and social programs
- Working continuously to reduce our global manufacturing emissions — including GHG, SO₂, NO_x and particulate matter — in order to improve our impact on the planet
- Establishing strategic partnerships to help us identify areas where we can make the greatest impact in sustainability

SHAREHOLDERS

IMPORTANCE

- Our investors provide financial, institutional and various other types of support that enable International Paper to continue to thrive as a global business
- Accountability to investors requires us to monitor both financial and non-financial performance and issues material to our business
- Communicating performance to investors strengthens our reputation

HOW WE ENGAGE

- Annual Shareholders Meeting
- Quarterly earnings conference calls
- Regular calls and in-person meetings
- Business strategies
- Financial returns
- Financial stewardship
- Risk mitigation

KEY TOPICS

- Business strategies
- Financial returns
- Financial stewardship
- Risk mitigation

OUR RESPONSE

- Ensuring we are doing our part to address environmental and social issues material to our business
- Continually driving meaningful business results by setting goals and targets and monitoring the changing landscapes

SUPPLIERS

IMPORTANCE

- We view suppliers as an extension of our company and their responsibility and performance as a reflection of our own
- Poor supplier performance limits our own capabilities for value creation and is a significant risk
- We take a partnership approach to maintaining transparency with suppliers to promote responsible best practices throughout our global supply chains

HOW WE ENGAGE

- Supplier relationships
- Audits
- Onsite visits
- Strategic meetings and partnerships
- Requests for information
- Supplier scorecards

KEY TOPICS

- Environmental impact
- Governance practices
- Labor rights
- Supplier assessments

OUR RESPONSE

- Outlining our expectations for workplace standards and business practices of our suppliers and others who are within their supply chains with our [Third Party Code of Conduct](#)
- Supporting our supply chain sustainability strategy with three complementary drivers: promoting transparency, enhancing risk and strengthening partnerships

Materiality Assessment

Sustainability at International Paper goes beyond forests and encompasses our entire value chain — from fiber procurement, operations and products to our communities, employees and suppliers. Through internal and external analysis, we identify a broad range of relevant issues that inform our sustainability strategy. Determining materiality includes consideration of economic, environmental, social and governance matters that affect our ability to create value for stakeholders, now and in the future.

We have traditionally conducted a bi-annual materiality assessment by surveying stakeholders. As we began to develop our Vision 2030 goals in 2018, we shifted our approach to assessing materiality through more direct engagement and robust benchmarking with internal and external stakeholders.

All stakeholder groups — which include communities, customers, employees, government, non- governmental organizations, shareholders and suppliers — were represented in our assessment. Learn more about our [Stakeholder Engagement](#).

We will continue to regularly engage stakeholders to ensure we are addressing emerging trends and new priorities.

Material Issues

We mapped our stakeholders’ priority issues across our value chain, which helps us identify and address key impacts where they occur.

HEALTHY & ABUNDANT FORESTS			
Deforestation	Fiber sourcing & certification	Forest ecosystem	Land use rights
Sustainable forestry			
SUSTAINABLE OPERATIONS			
Energy consumption	Renewable energy	GHG emissions	Air emissions
Water management	Watershed stewardship	Chemical use	Waste management
Responsible sourcing practices	Climate change	Supplier diversity	
RENEWABLE SOLUTIONS			
Product design for circular economy	New product innovation	Recovered fiber & fiber efficiency	Product end-of-use
Product material innovation	Product stewardship		
THRIVING PEOPLE & COMMUNITIES			
Charitable donations	Community engagement	Compensation	Diversity & equal opportunity
Employee engagement	Employee volunteerism	Human rights	Indirect economic value
Public safety	Training & development	Worker health & safety	Labor relations
Talent attraction & retention	Product safety	Responsible marketing	Stakeholder engagement
Stakeholder responsiveness			
RESPONSIBLE BUSINESS PRACTICES			
Business ethics, bribery & corruption	Transparency & disclosure	Government relations & public policy advocacy	Cyber security
Financial performance			

2020 Diversity of Governance Bodies

	MALE	FEMALE
Board of Directors*	73%	27%
Senior Lead Team**	83%	17%
Officers***	83%	17%

* 11 members, including Mark Sutton

** 12 members, including Mark Sutton

***40 appointed members, excludes SLT

	UNDER 30	31-50	OVER 51
Board of Directors	0%	0%	100%
Senior Lead Team	0%	8%	92%
Officers	0%	35%	65%

Employee Diversity

EMPLOYEES 2020 – REGION BY GENDER

	MALE	FEMALE	TOTAL
North America	83%	17%	33,658
EMEA	76%	24%	9,869
South America	82%	18%	5,019
Asia	32%	68%	140

EMPLOYEES 2020 – REGION BY AGE

	UNDER 31	31-40	41-50	51-60	OVER 61
North America	16%	22%	22%	27%	13%
EMEA	11%	26%	30%	27%	6%
South America	1%	20%	34%	29%	16%
Asia	16%	39%	32%	11%	2%

NEW HIRES IN 2020 – REGION BY GENDER

	MALE	FEMALE
North America	83%	17%
EMEA	62%	38%
South America	69%	31%
Asia	0%	100%

EMPLOYEE TURNOVER IN 2020 – REGION BY GENDER

	MALE	FEMALE
North America	14%	13%
EMEA	4%	4%
South America	11%	14%
Asia	0%	1%

Forty-three percent of our employees have worked at International Paper for more than 10 years.

Giving Structure and Governance

ORGANIZATION	ESTABLISHED	GOVERNANCE	FUNDING
Instituto AIPI (Brazil)	2007	International Paper Leaders	Annual company contributions
	The Instituto AIPI (formerly known as Instituto International Paper) is a Public Interest Civil Society Organization, responsible for developing, coordinating and executing initiatives and programs related to global citizenship efforts in Brazil. IIP was created in late 2007 to develop, coordinate and execute initiatives and programs related to corporate social responsibility at International Paper Brazil.		
Russia Social Council (Russia)	2001	International Paper Officers and Non-officer Employees	Company funded
	Based in Svetogorsk, this council was established in 2001 and provides local community support in the target areas of healthcare, education, sport and cultural activities. The council seeks to provide long-term benefits for the people in the community by building strategic partnerships with local non-profit organizations, while supporting the retention of the local workforce and key talent.		
Employee Relief Fund (ERF)	2001	International Paper Officers and Non-officer Employees	Employee donations and company matching contributions
	When a crisis occurs, our employees rise to the occasion to help their fellow workers and communities. Our Employee Relief Fund was created in 2001 to support International Paper employees who are impacted by a natural disaster or personal emergency by providing cash for basic needs such as food, medicine, clothing and shelter.		

ORGANIZATION	ESTABLISHED	GOVERNANCE	FUNDING
International Paper Kwidzyn Charity Foundation (Poland)	1994	International Paper Leaders	Annual company and employee contributions
	The International Paper Kwidzyn Charity Foundation was established in 1994 based on the International Paper Foundation model in the U.S. The foundation raises its funds from voluntary donations from employees and a fixed donation from the company. Funds provide assistance to the victims of disasters, individuals suffering from a variety of disabilities and people suffering from poverty, as well as provide support for sports activities and financing school equipment.		
IP Foundation (United States)	1952	International Paper Leaders	Company endowments
	Established in 1952, the foundation annually provides millions in grants to 501(c)(3) non-profit organizations to address critical needs in the communities where our employees live and work. In 2020, the International Paper Foundation contributed \$4 million to address critical community needs in the U.S.		
International Paper Corp.	1898	International Paper Officers and Leaders	Company funded
	See Our Company		

External Initiatives

We are committed to excellence in environmental, health and safety practices and in overall performance. Below is a list of entities/initiatives to which we subscribe or endorse.

ENTITY OR INITIATIVE	PURPOSE/COMMITMENT
826 National	We support the largest youth writing network in the U.S., helping fund 826 National free writing programs that serve more than 38,000 under-resourced students ages six to 18 in eight cities and an additional 46,000 students nationwide through 826 Digital.
American Forest Foundation Carolinas Working Forest Conservation Collaborative	We participate in this joint initiative focused on the Coastal Carolinas Plain to educate and engage family woodland owners in sustainable forestry, forest certification, the enhancement of habitat for at-risk species and the conservation of bottomland hardwood forests.
American Forest Foundation Family Forest Carbon Program in coordination with The Nature Conservancy	American Forest Foundation Family Forest Carbon Program is a program that empowers family forest owners to actively manage and care for their forests to sequester and store more carbon, through a carbon market.
American Red Cross Annual Disaster Giving Program	Our commitment builds upon our company's long-time support of American Red Cross disaster relief programs helping more than 100 communities across the country.
Arbor Day Foundation Community Tree Recovery Program and Time for Trees Initiative	The Community Tree Recovery Program promotes community resilience by helping homeowners recover the beauty and benefit of trees after a natural disaster, as well as helping to restore forestlands impacted by natural disasters. The Time for Trees initiative is a commitment to plant 100 million trees in forests and communities worldwide by 2022.
CDP	We report annually to CDP questionnaires on climate, forests and water.
Celebrate Planet Earth	Our support helps distribute butterfly kits and sunflower kits to kindergarten through third grade in classrooms across the U.S.
The Circular Economy Accelerator	An initiative of The Recycling Partnership, the Circular Economy Accelerator™ aims to advocate for sustainable funding; inspire policy to incentivize recycling over disposal; and develop new models to expedite public-private solutions for circular systems.

ENTITY OR INITIATIVE	PURPOSE/COMMITMENT
Coaching For Literacy	We are working together to support the Fight for Literacy Games initiative benefiting school children from kindergarten through third grade. The Fight for Literacy Games empower NCAA basketball coaches, their teams and fans to participate in literacy awareness efforts, volunteer work and fundraising activities.
Environmental Protection Agency (EPA) SmartWay®	This is a U.S. public-private initiative to reduce GHG and air pollution created by freight transportation.
Feeding America®	Through Feeding America, the U.S.'s largest domestic hunger-relief organization, we help feed the hungry and support its national disaster relief efforts.
Forestland Stewards	National Fish and Wildlife Foundation and International Paper created Forestland Stewards in 2013.
Natural Capital Coalition	We participate in a global multi-stakeholder collaboration that brings together leading global initiatives and organizations to harmonize approaches to natural capital.
National Conference of State Legislators (NCSL)	The NCSL represents the legislatures in the states, territories and commonwealths of the U.S. Its mission is to advance the effectiveness, independence and integrity of legislatures — as well as to foster interstate cooperation and facilitate the exchange of information among legislatures. We support the work of NCSL through our contribution to the NCSL Foundation.
North American Forest Partnership #ForestProud initiative	The initiative was formed by a diverse community of forest stewards. It aims to build trust and support in order to manage, harvest, conserve and play in North America's forests in ways that address key societal challenges.
Reading is Fundamental	We support Reading is Fundamental's Books for Ownership program, which gives age-appropriate books to first-graders in school districts where our employees live and work — with the goal of building their own home libraries.
The Global FoodBanking Network	We are working with The Global FoodBanking Network (GFN) to expand child-focused programming to feed food-insecure and undernourished children in Brazil, Canada, Poland and Spain.
The Nature Conservancy (TNC)®	TNC is a collaborative, science-based non-governmental organization working to conserve the lands and waters on which all life depends. Our support makes several of TNC's forest sustainability, water stewardship and responsible sourcing projects possible — including a global project focused on reduced-impact logging for carbon (RIL-C) in Indonesia and Gabon.
The Recycling Partnership	One of more than 40 leading companies in the program, we are funding partners of this rapidly growing national non-profit. The Recycling Partnership leverages corporate investment to transform recycling for good in hundreds of communities across the country.
Third Way	Third Way is a national think tank that champions modern center-left ideas. Its work is grounded in the mainstream U.S. values of opportunity, freedom and security.
United Way	We annually conduct more than 80 local United Way campaigns in the U.S. and Canada, enabling employees to donate to their communities in a meaningful way.
World Wildlife Fund (WWF) — Global Forest & Trade Network	We participate in the Global Forest & Trade Network, which is focused on eliminating illegal logging and driving improvements in environmentally and socially responsible forest management. We also support WWF's initiative to advance the concept of science-based targets for forests. In addition, our support is enabling a restoration project in the Mogi Guaçu River basin in Brazil.

Associations Membership

These memberships provide platforms for the company to learn and share information about sustainability and related issues. We consider membership and engagement with the following entities as strategically critical. Beyond membership, we have indicated our level of participation.

ORGANIZATION	DESCRIPTION	PARTICIPATION AT THE GOVERNANCE LEVEL	PARTICIPATION IN PROJECTS OR COMMITTEES
American Forest and Paper Association	National trade association of the forest products industry that advances public policies that promote a strong and sustainable U.S. forest products industry	✓	✓
Association of Russian Pulp and Paper Companies	Non-commercial association established in 1999 by the Russian pulp and paper enterprises and institutes		✓
Blue Green Alliance	Unites the U.S.'s largest labor unions and its most influential environmental organizations to identify ways today's environmental challenges can create and maintain quality jobs and build a stronger, fairer economy		✓
Brazil-U.S. Business Council	Part of the U.S. Chamber of Commerce, an advocacy organization for U.S. and Brazilian companies with interest in the economic relationship and in conducting business in both markets	✓	✓
Brazilian Forest Certification Programme	Brazilian third-party forest certification system that issues Programme for the Endorsement of Forest Certification (PEFC)		✓
Brazilian Industry of Trees (Industria Brasileira de Arvores)	Industry association in Brazil responsible for the planted tree production chain from the field to the industry	✓	✓
Business Roundtable	Association of chief executive officers of leading U.S. companies working to promote sound public policy and a thriving U.S. economy	✓	✓
Confederation of European Paper Industries	Nonprofit organization that represents the paper industry with EU institutions	✓	✓
Corporate Eco Forum	An invitation-only network of Global 500 executives driving innovation in corporate sustainability		✓
Envelope Manufacturers Association (EMA)	A non-profit that promotes the value of paper-based communications and, in particular, envelopes and printed products	✓	✓
Fibre Box Association	Trade association representing North American corrugated packaging manufacturers	✓	✓
Forest Resources Association	Promotes the interests of forest products industry members in the economical, efficient and sustainable use of forest resources	✓	✓

ORGANIZATION	DESCRIPTION	PARTICIPATION AT THE GOVERNANCE LEVEL	PARTICIPATION IN PROJECTS OR COMMITTEES
Forest Stewardship Council®	Promotes environmentally sound, socially beneficial and economically prosperous management of the world's forests	✓	✓
International Conservation Caucus Foundation	Promotes the projection of U.S. leadership for international conservation worldwide	✓	✓
National Association of Manufacturers	The largest manufacturing industrial trade association in the U.S., representing 11,000 small and large manufacturing companies in every industrial sector and in all 50 states		✓
National Council for Air and Stream Improvement	Independent, non-profit research institute that focuses on environmental and sustainability topics relevant to forest management and the manufacture of forest products	✓	✓
National Fish and Wildlife Foundation	Works with both the public and private sectors to protect and restore fish, wildlife, plants and habitats		✓
National Industrial Transportation League	The largest manufacturing industrial trade association in the U.S., representing the voice of the nation's shippers in legislative and regulatory advocacy matters pertaining to truck, rail, ports and infrastructure	✓	
ORCHSE Strategies, LLC	Premier global family of health, safety and environmental networks for industry leaders		✓
Paper and Packaging Board	A commodity checkoff program overseen by the U.S. Department of Agriculture (USDA), overseeing the work of the "Paper & Packaging – How Life Unfolds" campaign designed to increase demand for paper and paper-based products	✓	✓
Programme for the Endorsement of Forest Certification	International non-profit, non-governmental organization dedicated to promoting sustainable forest management	✓	✓
Pulp and Paper Safety Association	Non-profit international organization devoted to the continuous improvement of safety throughout all aspects of the paper industry		✓
Sustainable Forestry Initiative®	Promotes sustainable forest management, improved forestry practices and responsible purchasing of forest products	✓	✓
Sustainable Packaging Coalition (SPC)	A membership-based collaborative with the mission of bringing packaging sustainability stakeholders together to improve packaging systems and lend an authoritative voice on issues related to packaging sustainability		✓

ORGANIZATION	DESCRIPTION	PARTICIPATION AT THE GOVERNANCE LEVEL	PARTICIPATION IN PROJECTS OR COMMITTEES
Two Sides, North America and Europe	Promotes the sustainability of the graphic communications industry and dispels common environmental misconceptions by providing users with verifiable information	✓	✓
U.S.-China Business Council (USCBC)	A private, nonpartisan, nonprofit organization with the mission of expanding the U.S.-China commercial relationship to the benefit of its membership and, more broadly, the U.S. economy		✓
U.S.-Poland Business Council	An organization that strives to expand U.S.-Poland trade and investment to a wide variety of business sectors	✓	✓
U.S.-Russia Business Council (USRBC)	A Washington, D.C.-based trade association with the mission to expand the U.S.-Russian commercial relationship	✓	✓
U.S.-Turkey Business Council	Part of the U.S. Chamber of Commerce, a business advocacy organization established to expand the bilateral commercial relationship and increase trade and investment between the U.S. and Turkey	✓	✓
Women's Business Enterprise National Council	A non-profit that advocates for women-owned businesses as suppliers of U.S. corporations		✓
World Business Council for Sustainable Development	CEO-led organization of forward-thinking companies that works with the global business community to create a sustainable future for business, society and the environment	✓	✓
World Environment Center	Global non-profit, non-advocacy organization that advances sustainable development through the business practices of member companies and other stakeholders		✓

Glossary

ASSURANCE

The outcome of an independent verification process usually based on specific assurance standards or frameworks. The term is often used interchangeably with the term “verification.”

BIOECONOMY

An industry and economic model that uses renewable biological resources from land and sea — such as crops, forest, fish, animals and microorganisms — to produce food, materials and energy.

BIOLOGICAL OXYGEN DEMAND (BOD)

A measure of water quality. Specifically, the amount of oxygen that bacteria will consume while decomposing biologically available organic matter.

BIOMASS RESIDUALS ENERGY

Fuel that is developed from organic materials, a renewable and sustainable source of energy used to create electricity or other forms of power.

BRITISH THERMAL UNITS (BTU)

The amount of heat energy needed to raise the temperature of one pound of water by one degree Fahrenheit.

THE CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT 2010

A U.S. law of the state of California that requires large retailers and manufacturers doing business in California to disclose on their websites their efforts to eradicate slavery and human trafficking from direct supply chains — whether in the U.S. or overseas.

CARBON NEUTRAL

A process where there is no net release of carbon dioxide. For example, growing biomass takes carbon dioxide out of the atmosphere, while burning it releases the gas again. The process would be carbon neutral if the amount taken out and the amount released were identical over a certain timeframe.

CDP

Formerly known as the Carbon Disclosure Project, a non-profit organization to which International Paper and other companies report their GHG and water use.

CO₂e, CARBON DIOXIDE EQUIVALENT

A measure used to compare the emissions from different GHG in terms of their warming potential relative to carbon dioxide.

CHAIN OF CUSTODY

Chain of Custody Certification for wood/fiber material and products. Chain of Custody is an information trail about the path taken by products from the forest or, in the case of recycled materials, from the reclamation site to the consumer, including each stage of processing, transformation, manufacturing and distribution where progress to the next stage of the supply chain involves a change of ownership.

CIRCULAR ECONOMY

An economic system in which products and services are traded in closed loops or cycles. A circular economy is regenerative by design, allowing for the remanufacturing and recycling of products and materials.

CLIMATE CHANGE

Long-term changes in global temperatures attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods. Global warming is one aspect of climate change.

COMMUNITY ENGAGEMENT

A voluntary action or contribution by International Paper, beyond the scope of our normal commercial operations, intended to strengthen the communities in ways that are sustainable.

CONTAINERBOARD

Paperboard specially manufactured for the production of corrugated board. The term encompasses both linerboard and corrugating medium, the two types of paper that make up corrugated board.

DIRECT (SCOPE 1) EMISSIONS

All GHG emissions from sources that are directly controlled by International Paper.

EGRID

The Emissions & Generation Resource Integrated Database is a comprehensive source of data on the environmental characteristics of almost all electric power generated in the U.S.

EHS

Environment, Health and Safety. International Paper has a global EHS department that identifies significant environmental impacts, sets standards, manages audits and assurance programs and recommends targets to management.

EMPLOYMENT CLASSIFICATIONS – U.S.

Exempt Employee:

An employee who is classified as exempt under the Fair Labor Standards Act and does not have to be paid overtime when they work more than 40 hours in a workweek. The three major general exemptions relate to executives, administrative and professional employees and are based on actual job duties and responsibilities.

Hourly Employee:

An employee who is paid by the hour for the number of hours he or she works per week up to 40 hours at a determined rate. Per federal law, hourly workers are entitled to overtime pay for hours worked over 40 hours per work week.

Nonexempt Employee:

An employee classified as nonexempt is entitled to overtime pay under the Fair Labor Standards Act at a rate of one and one-half the employee's regular rate of pay for each hour worked in excess of 40 hours per week.

ENERGY EFFICIENCY

Using less energy to provide the same outcome, often at a lower cost and with reduced environmental impact.

EU TIMBER REGULATION

The EU Timber Regulation helps to reduce illegal logging by ensuring that no illegal timber or timber products can be sold in the European Union (EU). It prohibits operators in Europe from placing illegally harvested timber and products derived from timber on the EU market.

FAIR LABOR STANDARDS ACT (FLSA)

The U.S. federal law known as the Fair Labor Standards Act (FLSA) establishes, among other things, the federal minimum wage and hour requirements for employee work time and eligibility for overtime pay for certain types of employees. Under the FLSA, employees are divided into two groups: exempt employees and non-exempt employees. Exempt employees are exempt from the time-keeping rules and are not eligible for overtime pay under the FLSA. Non-exempt employees are entitled to overtime pay and are subject to the time-keeping rules of the FLSA. The FLSA is enforced by the U.S. Department of Labor.

FLUFF PULP

A chemical pulp that is usually made of bleached cellulose fiber obtained from wood that has long fibers. This pulp is used as the absorbent core in products like baby diapers, sanitary pads and incontinence pads.

FOSSIL FUELS

Solid, liquid or gaseous fuels formed in the ground over millions of years by chemical and physical changes in plant and animal residues under high temperature and pressure (i.e., gas, oil, coal, peat and lignite).

GLOBAL REPORTING INITIATIVE (GRI)

A multi-stakeholder process and independent institution whose mission is to develop and disseminate globally applicable sustainability reporting guidelines.

GREENHOUSE GAS (GHG)

A gas in the atmosphere that absorbs infrared radiation, traps heat in the atmosphere and contributes to the greenhouse effect.

INDIRECT (SCOPE 2 & 3) EMISSIONS

Emissions that result from the activities of International Paper, but are generated at sources owned or controlled by another organization. Scope 2 emissions refer to GHG emissions from the generation of electricity, heat or steam that is imported and consumed by International Paper. Scope 3 emissions are all other indirect emissions that occur in our value chain (e.g., transportation of our products).

INTERNATIONAL PAPER APPM LIMITED

Commonly referred to as IP India. In 2011, International Paper established a presence in India by acquiring 75% shareholding in International Paper APPM Limited (IP APPM), formerly known as The Andhra Pradesh Paper Mills Limited.

THE IP WAY

We do the right things, in the right ways, for the right reasons, all of the time — this is The IP Way.

THE IP WAY FORWARD

Our strategic framework to pursue our vision to be among the most successful, sustainable and responsible companies in the world. The IP Way Forward is how we go beyond just doing the right things; it's how we create value for all stakeholders for generations to come.

LIFE

An International Paper safety initiative that is an acronym that stands for Life-changing Injury and Fatality Elimination. Our LIFE program is designed to eliminate serious, life-changing injuries and fatalities.

LOST WORK DAY INCIDENTS

A work-related injury where the injured employee cannot return to work on their next scheduled work day, due to the nature and/or severity of the injury. Only regularly scheduled workdays are measured as lost days.

MATERIAL ASPECTS

Issues that reflect the organization's significant economic, environmental and social impacts or that would substantially influence the assessments and decisions of stakeholders.

MATERIALITY ANALYSIS

An analysis that scans, identifies and reviews sustainability issues that are of the highest concern to our stakeholders and that could significantly affect our company's ability to execute its business strategy.

NATURAL CAPITAL PROTOCOL

A standardized framework that offers a comprehensive approach to identify, measure and value our impacts and dependencies on natural resources.

NON-GOVERNMENTAL ORGANIZATION (NGO)

A not-for-profit group, principally independent from government, which is organized on a local, national or international level.

NO_x

A generic term for the mono-nitrogen oxides NO and NO₂ (nitric oxide and nitrogen dioxide). NO_x form when fuel is burned. In the atmosphere, NO_x can contribute to the formation of photochemical ozone (smog) and have health consequences.

OLD CORRUGATED CONTAINERS (OCC)

Recovered corrugated boxes that can be used to make recycled containerboard and other products.

OSHA

The Occupational Safety and Health Administration is a federal agency of the U.S. that regulates workplace safety and health.

PAC

Political Action Committee. A group or committee formed to financially support political candidates for ballot initiatives or legislation in the U.S.

PAPERBOARD

Paper to which a coating has been applied on one or both sides, using a mix of clay or carbonates and latex to create a high quality printing surface.

PARIS CLIMATE AGREEMENT

(French: Accord de Paris)

An agreement within the United Nations Framework Convention on Climate Change (UNFCCC) dealing with GHG emissions mitigation, adaptation and finance starting in the year 2020.

PARTICULATE MATTER (PM)

Mixture of solid particles and liquid droplets found in the air. Examples include dust, dirt, soot and smoke. They have impacts on climate and precipitation that adversely affect human health.

PRECAUTIONARY PRINCIPLE

The approach whereby any possible risk associated with the introduction of a new technology or innovation is avoided, until a full understanding of its impact on health, environment and other parameters is available. We apply a risk-based approach to help prevent negative outcomes.

PRODUCT STEWARDSHIP

The responsible management of the health, safety and environmental aspects of a product throughout all stages of its life cycle — raw materials, design, production, sale, usage and end-of-life — to prevent or minimize negative impacts and maximize value.

REDUCED IMPACT LOGGING FOR CLIMATE – MITIGATION (RIL-C)

A set of climate-smart forestry practices together with a practical methodology developed by The Nature Conservancy to measure and verify reductions in GHG emissions. This methodology strengthens the link between good forest management and forest protection by:

- Clarifying the best practices for maximizing living carbon in forests
- Allowing forest managers to access incentives for climate mitigation

RENEWABLE RESOURCES

Any natural resource that can replenish itself naturally over time, such as wood or solar energy.

SCIENCE-BASED TARGETS (SBT)

Targets adopted by companies to reduce GHG emissions that align with what the latest climate science says is necessary to meet the goals of The Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

SO₂

Sulfur dioxide is a gas formed when fuels that contain sulfur, such as oil and coal, are burned. Sulfur dioxide contributes to the acidification of soil and water, and often has a strong smell.

STAKEHOLDERS

Individuals or groups that affect or are affected by the activities of a company.

SUSTAINABILITY

A business model that creates value consistent with the long-term preservation and enhancement of social, financial and natural capital. Meeting the needs of the present without compromising the ability of future generations to meet their needs.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

A set of 17 global targets established by the United Nations in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

TIER ONE SUPPLIER

A Tier 1 supplier diversity 'spend' represents the direct relationship between a company and its diverse supplier.

TURNOVER

The percentage of employees who have voluntarily or involuntarily left their employment during the reporting year.

UK MODERN SLAVERY ACT

An act of the Parliament of the United Kingdom that requires commercial organizations to produce a statement outlining actions taken to combat modern slavery in their supply chains. This applies to commercial organizations supplying either goods or services, carrying on a business or part of a business in the UK, and having an annual turnover of £36 million.

UNITED NATIONS DECLARATION OF HUMAN RIGHTS

A common standard of fundamental human rights that are universally protected for all peoples and all nations, proclaimed by the United Nations General Assembly in 1948.

U.S. FOREIGN CORRUPT PRACTICES ACT

A U.S. federal law that addresses accounting transparency requirements and the bribery of foreign officials.

U.S. LACEY ACT

A U.S. conservation law that prohibits trade in wildlife, fish and plants that have been illegally taken, possessed, transported or sold.

VALUE CHAIN

Our suppliers (and potentially their suppliers), our operations, our distribution channels and our customers, who are the end-users of our products. Our supply chain is a subset of this.

VISION 2020 GOALS

Our 12 voluntary goals with a 2010 baseline, aimed at improving our impact on people and the planet. The goals concluded on December 31, 2020.

VISION 2030 GOALS

The next generation of our goals which demonstrate our commitment to building a better future for people, the planet and our company. Vision 2030 consists of four goals and eight corresponding targets that enable us to measure our progress starting in January 2021.

GRI Content Index

This GRI Content Index is provided to assist readers in understanding how our report aligns with the GRI Sustainability Reporting Standards. This index includes Core indicators as well as a number of additional indicators that we have determined are relevant to our business. This report follows the GRI Standards first updated in 2016. We continue to evaluate issues that are material to our company and expand our disclosures. We report on an annual basis. Our previous report was published in July 2020. Financial information and disclosures can be found in our [2020 Annual Performance Summary](#).

All data are reported as of Dec. 31, 2020, unless otherwise stated. Data is included from all global operations. We do not collect data on any joint venture in which we do not have a controlling interest. In some cases, our 2010 baseline data, as well as other historical data, have been restated to reflect acquisitions and joint ventures where International Paper has a controlling interest. Where appropriate, we report historical data for comparative purposes, as well as data normalized to metric tons of production for a given year. We do not provide external assurance. Data parameters and calculation methods use a combination of international, government, industry and company standards and protocols. International Paper made reasonable effort to ensure the information presented is accurate and complete.

We welcome suggestions and encourage open dialogue about opportunities to improve. Please [contact us](#) to provide feedback or to request more information about topics covered in this report.

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**Investing in people
and strengthening
our communities**

**Using all resources
responsibly and efficiently**

**Ensuring our businesses
are safe, successful and
sustainable for generations
to come**



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