

Building a Better IP

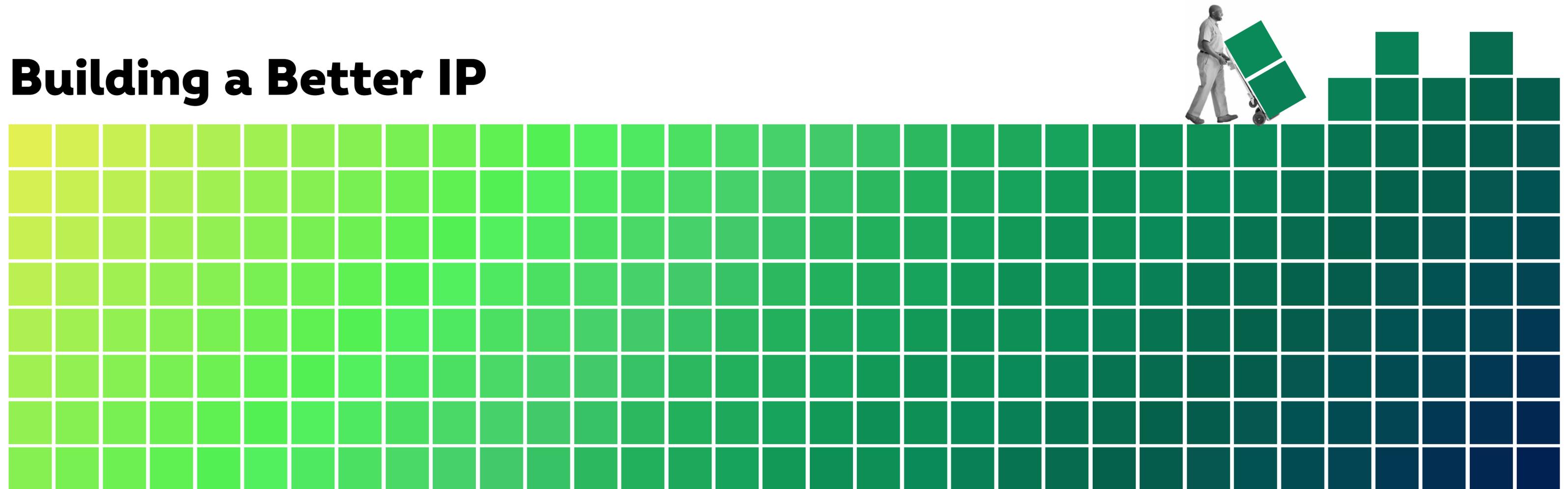


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CEO Letter



Mark S. Sutton

Chairman of the Board and Chief Executive Officer

Building a Better IP is our plan for accelerating improvement and creating long-term, sustainable value for all of our stakeholders. Our Vision 2030 goals are an integral part of this plan. They reflect who we are as a company, our values and our commitment to building a better future for people and the planet.

Our dependence on natural resources has helped cultivate our respect for environmental stewardship. Today, our commitment to sustainability is much broader – it encompasses planet, people and our company’s performance. It is a source of pride for our employees and it’s integrated into how we work every day.

Sustainability at IP means...

- We believe that we have a responsibility to generate long-term value for shareowners while protecting the planet and improving people’s lives.
- We recognize that keeping people safe and healthy, fostering a workplace where our employees have the opportunity to do their best work every day and being a force for good in the communities where we live and work not only makes good business sense, it’s the right thing to do.
- We continue to lead the world in responsible forest stewardship to ensure healthy and productive forest ecosystems for generations to come.
- We deliver sustainable solutions for our customers by transforming renewable resources into recyclable products people depend on every day.

- We are advancing the low-carbon, circular economy by designing products that are 100% reusable, recyclable or compostable, and we collaborate with customers, suppliers, and each other to build circular processes into our work.

There is no doubt that we will continue to learn and grow in our approach to sustainability in the years ahead. I’m proud of our sustainability efforts and results to date and know that the passion and ownership that is imbedded in our culture will continue to drive meaningful and measurable progress across the company and throughout our value chain.

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

CSO Q&A



Sophie Beckham

Chief Sustainability Officer

How does IP’s sustainability strategy – Vision 2030 – align with IP’s enterprise-wide business strategy?

Our sustainability framework is a critical part of our business strategy and our roadmap to delivering long-term value to all of our stakeholders. In our first year of implementing our Vision 2030 goals and targets, we have focused on integrating the goals into our business plans so that delivering sustainable outcomes becomes a part of the way that we work every day.

What was the impetus behind the creation of Vision 2030 goals and targets?

As our Vision 2020 goals concluded, we needed to think more deeply about our impacts and influence, and about what our stakeholders would be expecting of us over the next decade. With that as our starting point, we undertook a process of asking stakeholders – including more than 350 people across the company and our strategic external conservation partners – questions such as, what are the most significant issues for people and the planet, and what is IP’s role in addressing them? This exercise helped us identify priority issues that ultimately became the central themes of our Vision 2030 goals and targets.

How are you delivering on the United Nations Sustainable Development Goals (UNSDGs) through your Vision 2030 goals?

It was important to map our goals against the UNSDGs. We used our engagement with the World Business Council for Sustainable Development in the Forest Solutions Group (a global group of forest product companies) to help inform our thinking about which

UNSDGs we could impact most. Together with other companies, we created a Forest Product Sector Guide to the UNSDGs.

How has IP stayed flexible in order to respond effectively to evolving sustainability science?

A cornerstone of IP’s sustainability approach is engaging directly in the processes that translate science into credible frameworks and verification systems that are actionable for the private sector. It’s been important for us to be part of the conversation when it comes to, for instance, science-based targets for nature, greenhouse gas accounting methodology or industry-specific standards for delivering on the UNSDGs. We have to stay flexible in order to respond to the rapidly changing world around us. We will continue to apply the most credible, science-based tools for delivering on our commitments in our value chain, from raw material sourcing to end-of-use product solutions.

What sustainability issues can you have an impact on at IP?

We have a tremendous opportunity for positive climate impact – including creating alternatives to carbon intensive products – and we have a big job ahead of us. Our work on climate is not just about environmental impact, but also social impact and the way that we are working to help communities. We are focused on climate action beyond our own footprint and outside our four walls, to include people, communities and partner organizations with whom we collaborate in driving forward a sustainable, low-carbon future.

What sustainability issues do your customers care about?

Our customers want to know that by buying our products, they can count on us to deliver the quality and service they need to succeed while supporting a system that is renewable, sustainable, and circular. We are going beyond doing no harm; the expectation now is that we are a force for good. Our Vision 2030 roadmap will guide us to making this a reality at every step of the value chain.

What opportunities are you looking forward to, and what’s next for sustainability at IP?

We are working to advance sustainability throughout our value chain. IP and its products are essential to bigger, broader sustainability outcomes in collaboration with our customers, and ultimately, the end consumer. As we continue to integrate and embed sustainability into the way we operate our businesses, we are on a journey with others to achieve the best outcomes – not just for ourselves, but for our employees, communities and customers. We are thinking about the big picture and how our products are facilitating the change that we all want to see.

2021 Sustainability at a Glance

HEALTHY & ABUNDANT FORESTS

66%

of fiber came from sources that were verified as meeting our Healthy and Abundant Forests Goal

SUSTAINABLE OPERATIONS

35%

greenhouse gas emissions reduction target approved by Science Based Targets initiative (SBTi), placing IP among the first North American pulp and paper producers to receive approval

AWARDS & RECOGNITION

World's Most Admired Companies® 2022 for 19 years
Fortune Magazine

World's Most Ethical Companies® 19 times
Ethisphere Institute

Best Companies to Work For – Diversity & Millennials 2018-2021
Women's Choice Award®

Best Employers for Diversity
Forbes 2022

FTSE4Good Index Series
an equity index series that is designed to facilitate investment in companies that meet globally recognized corporate responsibility standards

RENEWABLE SOLUTIONS

5M

tons of recovered fiber used each year, making IP one of the largest users of recovered fiber in the world

THRIVING PEOPLE & COMMUNITIES

13.6M

people positively impacted through our community engagement programs

Building a Better IP

International Paper is building a better future, guided by our Vision 2030 goals and driven by our people. We are committed to being a force for good in our communities. And we are using resources responsibly and efficiently, ensuring our business is safe, successful and sustainable for generations to come.



BUILDING A BETTER IP

Vision and Core Values

Driving sustainable outcomes is core to our corporate values and business strategy.

Our Vision

To be among the most successful, sustainable and responsible companies in the world

Our Mission

To improve people's lives, the planet and our company's performance by transforming renewable resources into products people depend on every day

Our 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.



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

BUILDING A BETTER IP

Who We Are

International Paper is one of the world's leading producers of renewable fiber-based packaging and pulp products.

We transform renewable resources into recyclable products that people depend on every day, creating long-term value for all International Paper stakeholders.



84%
of total revenue* from industrial packaging

We create fiber-based 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 paper recovered annually in the United States and Mexico, making us one of North America's largest recyclers of recovered office paper and corrugated boxes.

14%
of total revenue* from global cellulose fibers

We create quality cellulose fiber, a sustainable, renewable raw material used in a variety 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.

In 2021, IP's global papers business became a separately owned and operated company, Sylvamo Corporation.

*The remaining 2% of revenue is attributed mostly to fiber supply agreements.

Good Governance

International Paper relies on the daily actions and personal accountability of each of our employees and business partners for our success. We instill trust and respect, the underpinnings of our reputation, through sound governance practices.

Stakeholder Engagement

Our stakeholders span our value chain and include customers, employees, shareholders, communities, governments, non-governmental organizations and suppliers. We regularly engage them to collaborate on solutions, respond to concerns they raise and build trusting relationships. Our ongoing stakeholder engagement helps us to identify the issues that matter most to them, understand what they expect of us and prioritize emerging issues and trends.

Stakeholder input was critical in helping us develop our Vision 2030 goals. We undertook a rigorous engagement process that included dialogue with our senior leaders, a broad group of International Paper employees as well as strategic partners across our value chain. The process set us on a strategic path to tackle the people and planet issues that are most important to our business and to our stakeholders. This year, in response to stakeholder feedback, we are reporting against the Sustainability Accounting Standards Board (SASB) disclosures and Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

We conduct an official stakeholder materiality assessment to identify key issues and their importance to both the business and stakeholders every two to three years and plan to do our next stakeholder materiality refresh in 2022. For more information on our key stakeholders and how we engage them, please see the [Global Reporting Initiative \(GRI\) Index](#) of this report.

Ethics and Integrity

Our commitment to compliance has been a core value for 100+ years and is the foundation for how we run our company.

The International Paper global ethics and compliance program promotes our culture of ethics, integrity, dignity, respect and compliance with applicable laws in all regions where we operate.

Building on this bedrock of compliance, we continued to move the needle on sustainability in manufacturing and responsible forestry, leading the industry in these areas with goals that go above and beyond regulatory compliance.

The program is directed by our Chief Ethics and Compliance Officer, who has direct access to the Audit and Finance Committee of the Board of Directors, which provides oversight.

Our [Code of Conduct](#) defines how we treat customers, shareowners, suppliers, communities and each other in our operations around the world. Our Code is supported by policies, such as our [Human Rights Statement](#), and best-practice processes. These help prevent illegal or unethical conduct, and assess, monitor and mitigate potential risks. All employees and our Board of Directors are subject to our Code of Conduct and policies. Ethics training is mandatory for full-time, salaried employees.

BUILDING A BETTER IP

Good Governance

Responsible Sourcing

Our global network of more than 80,000 suppliers are critical to our business success and to the implementation of our Vision 2030 strategy. We seek out suppliers who align with our commitment to our core values of safety, ethics and stewardship.

We embrace innovation and collaboration with our suppliers. We expect quality products and services that are competitive, sustainable and meet our stakeholders' expectations. Our procurement efforts revolve around specific categories to fulfill International Paper's business needs. Our Third Party Code of Conduct outlines our expectations regarding the workplace standards and business practices we require of our suppliers, along with their affiliates and others who are within their supply chain.

Our global sourcing organization operates robust systems to ensure supplier compliance and to assess, monitor and mitigate supplier risk and advance supply chain transparency:

- Adherence to our **Third Party Code of Conduct** is required by all suppliers and is built into contractual agreements. We screen potential suppliers for a wide variety of risks, including corruption risks.
- Our **Human Rights Statement** reflects our commitment to protect and advance human rights globally, and we seek to do business with suppliers who share our standards.
- Our **Human Rights Policy** provides guidance to employees, leadership and our Board of Directors on understanding the importance of human rights and our impact on human rights in our global operations.
- Our **Global Fiber Procurement Policy** outlines our approach to responsible fiber sourcing and forest certification.
- We assess and monitor key suppliers representing approximately 12% of our annual spend on environmental, social and ethical criteria using a third-party survey platform, Supply Shift. We perform onsite audits when needed in partnership with third parties or with internal resources. We reserve the right to terminate a relationship with a supplier whose values, policies or practices do not align with our expectations.



65% of suppliers engaged through our ESG survey platform have improved their scores year-over-year.

Learn more about what we procure [here](#).



BUILDING A BETTER IP

Good Governance

Environmental, Social and Corporate Governance

Environmental, social and governance considerations (ESG) are incorporated into our everyday processes to help ensure that we track, analyze and address risks, and operate responsibly and sustainably.

Responsibility for global citizenship rests with the Public Policy and Environment Committee of the Board of Directors. The Board's Governance Committee has additional oversight of certain public policy and sustainability matters, including oversight on our progress towards Vision 2030 goal achievement.

At the management level, responsibility for our Global Citizenship Strategy and Leadership rests with our CEO and Senior Lead Team. Our Environment, Health and Safety Council, Stewardship Council (formerly the Global Citizenship Council) and Chief Sustainability Officer report to them on strategic implementation and progress. Other engaged Councils include Enterprise Risk Management and Reputation Management.

We have established a governance model to direct the implementation and monitoring of our sustainability risks and opportunities, as well as our Vision 2030 strategy. Learn more [here](#).

Climate risks

Identifying climate-related risks and opportunities for our company and the communities where we operate is important for International Paper. This year, to better understand our climate risks and resiliency management, and determine the best way to monitor, measure and address those risks, we reported pursuant to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations for the first time.

TCFD is an industry-led organization that provides a framework for companies to analyze and report on climate-related risks, and to provide decision-useful information to investors on their exposure to financial risks related to climate. We intend to continue to report against this framework on an annual basis.

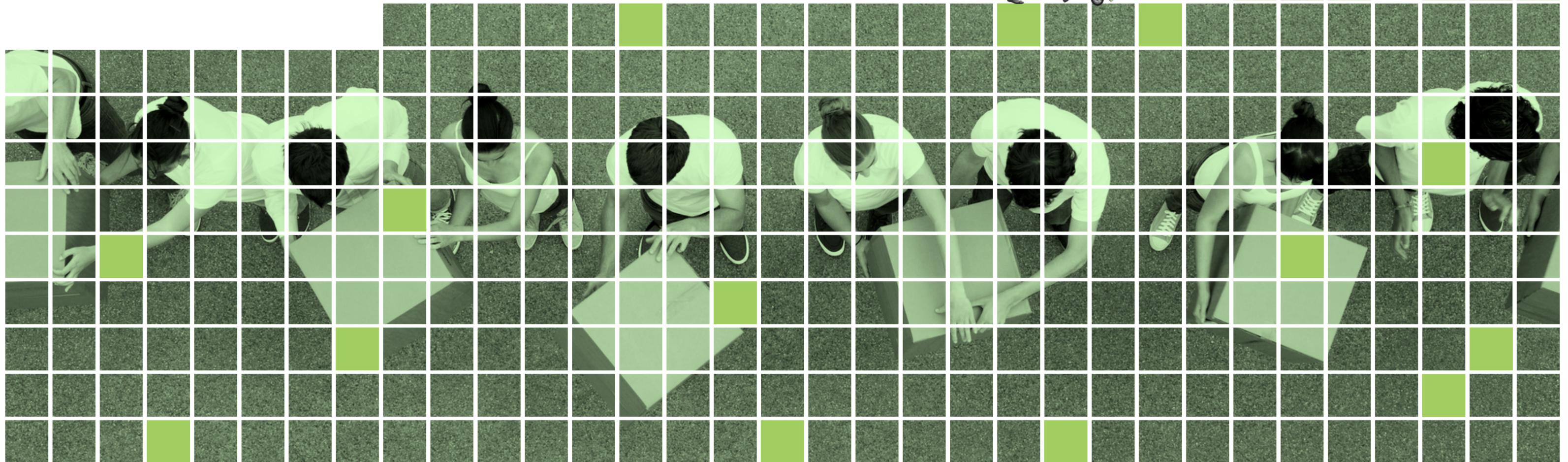
We also respond to [CDP's](#) Climate Change, Forest and Water Security questionnaires to transparently disclose our risks and opportunities in those core areas of sustainability. Learn more about how we address these risks in the [Sustainable Operations](#) and [TCFD Index](#) sections of this report and see our [10-K](#) for more information.



Our Sustainability Strategy

As a leading global producer of renewable fiber-based pulp and packaging products, we recognize our impacts and dependencies on natural and human capital, and our responsibility to promote the health of people and our planet.

Our enterprise-wide Vision 2030 four goals and eight targets define our sustainability strategy for the decade ahead. They embody our commitment to advance a more circular economy and contribute to a low carbon future, while prioritizing community resilience and the safety of our employees.



OUR SUSTAINABILITY STRATEGY

The IP Way Forward

Our strategic framework, The IP Way Forward, guides how we view sustainability in our business and across our value chain.

It is founded on The IP Way, which states we do the right things, in the right ways, for the right reasons, all of the time. Informed by The IP Way Forward, our Vision 2030 goals outline our path to achieve our vision to be among the most successful, sustainable and responsible companies in the world.

The IP Way Forward focus areas – investing in people, innovative products, sustaining forests, improving the planet and inspired performance – are reflected in our Vision 2030 goals and targets. Together, The IP Way Forward and Vision 2030 convey how we are meeting today’s needs for renewable, fiber-based packaging and pulp while sharpening our focus on a renewable future. Together, they assure our position as the supplier of choice for customers, the company of choice for employees and investment of choice for shareholders.



OUR SUSTAINABILITY STRATEGY

Sustainability Oversight

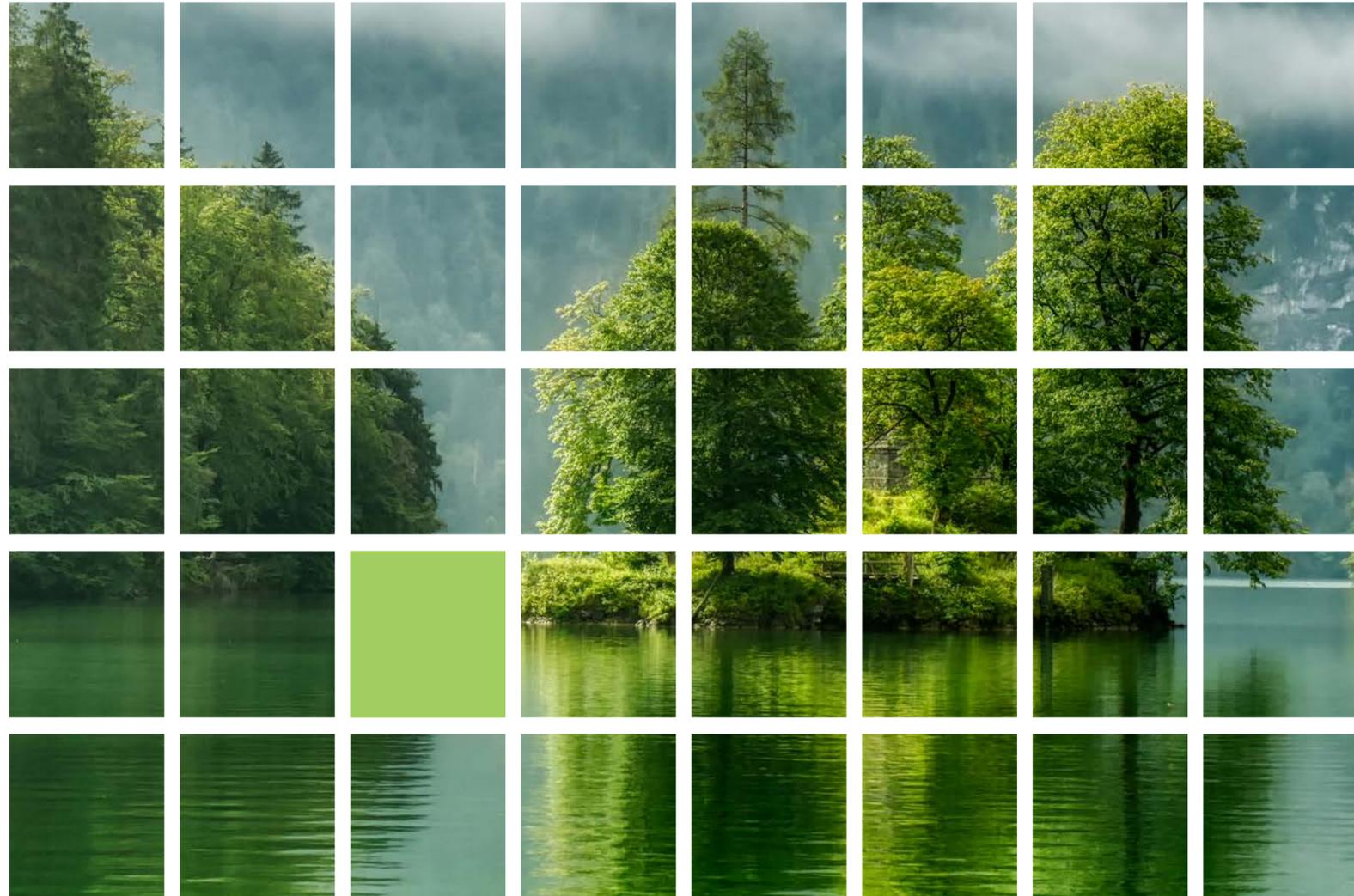
Our Vision 2030 governance model outlines our layered approach to integrating Vision 2030 throughout our organization.



OUR SUSTAINABILITY STRATEGY

Sustainability Across the Value Chain

Our approach to sustainability encompasses our entire value chain.



Source

Source renewable raw materials and other resources, such as wood fiber, chemicals, fuel, manufactured parts and services

Impact:

Source 32% of fiber from forests certified to the FSC®, PEFC™ or SFI® forest management standard

Trace 100% of uncertified wood fiber to origin using our ForSite™ Geographic Information System (GIS) mapping tool.

Maintain FSC or PEFC Chain of Custody certification at more than half of U.S. box plants

Design

Design circular solutions, in collaboration with our customers

Impact:

Deliver connected packaging innovations using traceable digital applications

Supply renewable, recyclable corrugated boxes to help customers, including a growing e-commerce industry, become more sustainable

Transform cellulose fiber into solutions ranging from personal care products to fiber-reinforced concrete applications

Recover

Provide a market for recovered products, in our own facilities and distributed to others

Impact:

One of the top users of recovered fiber in the world

Recover, reprocess or facilitate the sale of 7 million tons of recovered fiber per year

92% of corrugated packaging used in the U.S. was recovered for recycling in 2021*

**American Forest & Paper Association, 2021*

Manufacture

Manufacture renewable, recyclable and compostable products, in safe and inclusive workplaces

Impact:

Responsibly produce 100 million boxes per day

Return 93% of water used back to the environment after treatment

Employ approx. 38,000 people in 10 countries

Generate approximately 70% of mill energy from carbon-neutral biomass residuals

OUR SUSTAINABILITY STRATEGY

Our Vision 2030 Goals

Vision 2030 is our commitment to building a better future for people, the planet and our company.

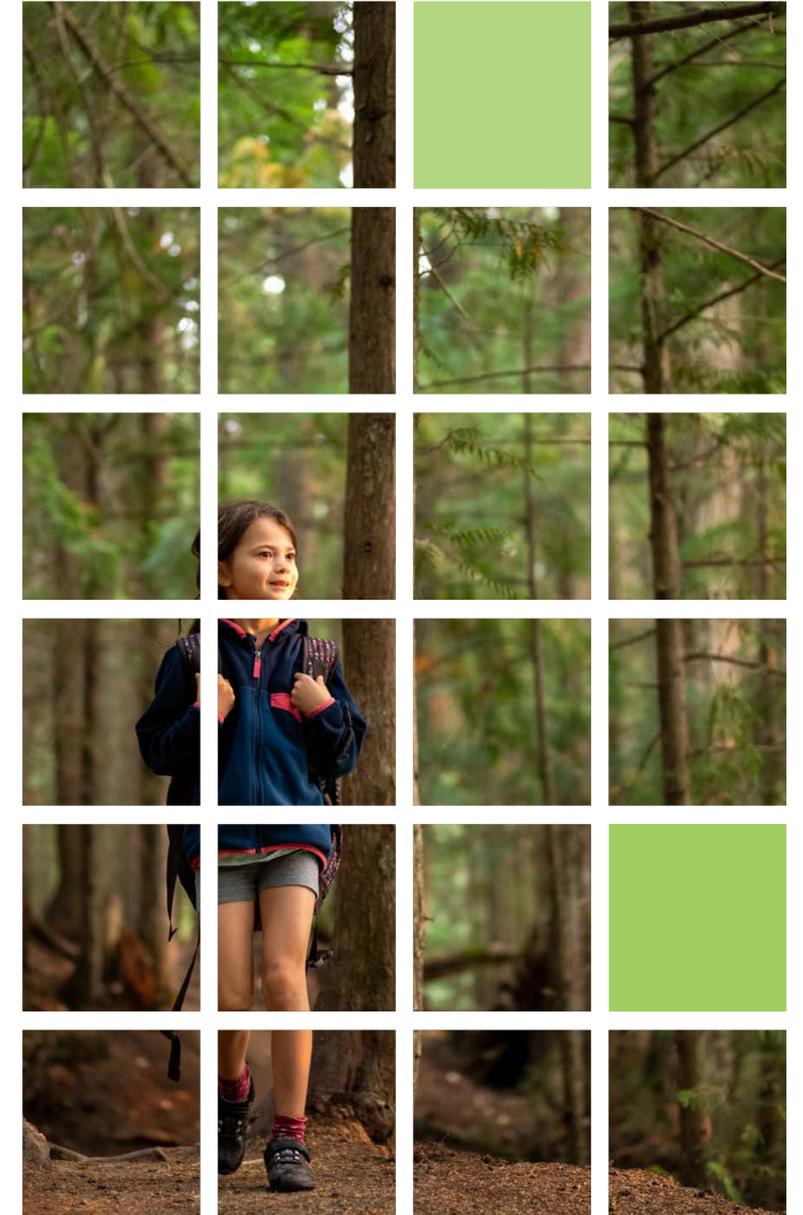
Our Vision 2030 goals are organized across four themes – healthy and abundant forests, sustainable operations, renewable solutions and thriving people and communities. They were designed in anticipation of the social, environment and economic challenges that lie ahead, such as climate change, resource scarcity, demographic shifts and continued technological breakthroughs. Our Vision 2030 framework is our north star for the next decade, guiding our journey to ensure our business delivers sustainable outcomes.

Taking action to improve the climate is central to our strategy and is embedded in our Vision 2030 goals. Our three-pronged approach addresses our impacts across our value chain:

- Our value chain starts with our goal to be a leader on Healthy & Abundant Forests. Every product we make begins in the forest. We invest in sustainable forest management, conservation and restoration to help mitigate climate change through natural climate solutions and to support water quality and biodiversity in ecosystems around the world.
- Improving the environmental impact of our manufacturing operations is fundamental to our strategy. Our Sustainable Operations pillar focuses on key actions to reduce our greenhouse gas (GHG) emissions and water use in line with the best available science.
- Our Renewable Solutions goal encompasses every aspect of our value chain. Our products are made from renewable raw materials, and we are a global leader in fiber recovery and reuse. We aim to create products that are 100% reusable, recyclable or compostable in support of our commitment to advance the circular, low-carbon economy.

Our commitment to a low-carbon economy goes hand in hand with our Vision 2030 goal to help our people flourish and advance healthy, resilient communities. Diversity and inclusion in our workplace are integral to that commitment. A diverse workforce and inclusive culture are helping us attract, engage and retain employees, which creates long-term value.

We are implementing our Vision 2030 goals with the leadership of our employees throughout our entire organization. We have established a governance structure led by senior leadership that integrates environmental, social and governance considerations throughout our organization, from the C-Suite to the facility floor. Our **Stewardship Action Network**, launched in 2021, is built on a shared interest in the International Paper core value of stewardship. The voluntary enterprise-wide network, which is open to all 38,000 employees, aims to be a grassroots driver of Vision 2030.



Our Vision 2030 goals are aligned with the global priorities of the UN Sustainable Development Goals.

OUR SUSTAINABILITY STRATEGY

Goals and Targets



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

ALIGNED UN SUSTAINABLE DEVELOPMENT GOALS



Sustainable Operations

Improve our climate impact and advance water stewardship

TARGETS:

Reduce our Scope 1, 2 and 3 greenhouse gas (GHG) emissions by 35% from a 2019 baseline, aligned with the best-available climate science

Reduce our water use intensity by 25% from a 2019 baseline and implement context-based water management plans at all mills

ALIGNED UN SUSTAINABLE DEVELOPMENT GOALS



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

ALIGNED UN SUSTAINABLE DEVELOPMENT GOALS



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

Achieve 30% overall representation of women and 50% women in salaried positions

Implement regional diversity plans, including 30% minority representation in U.S. salaried positions

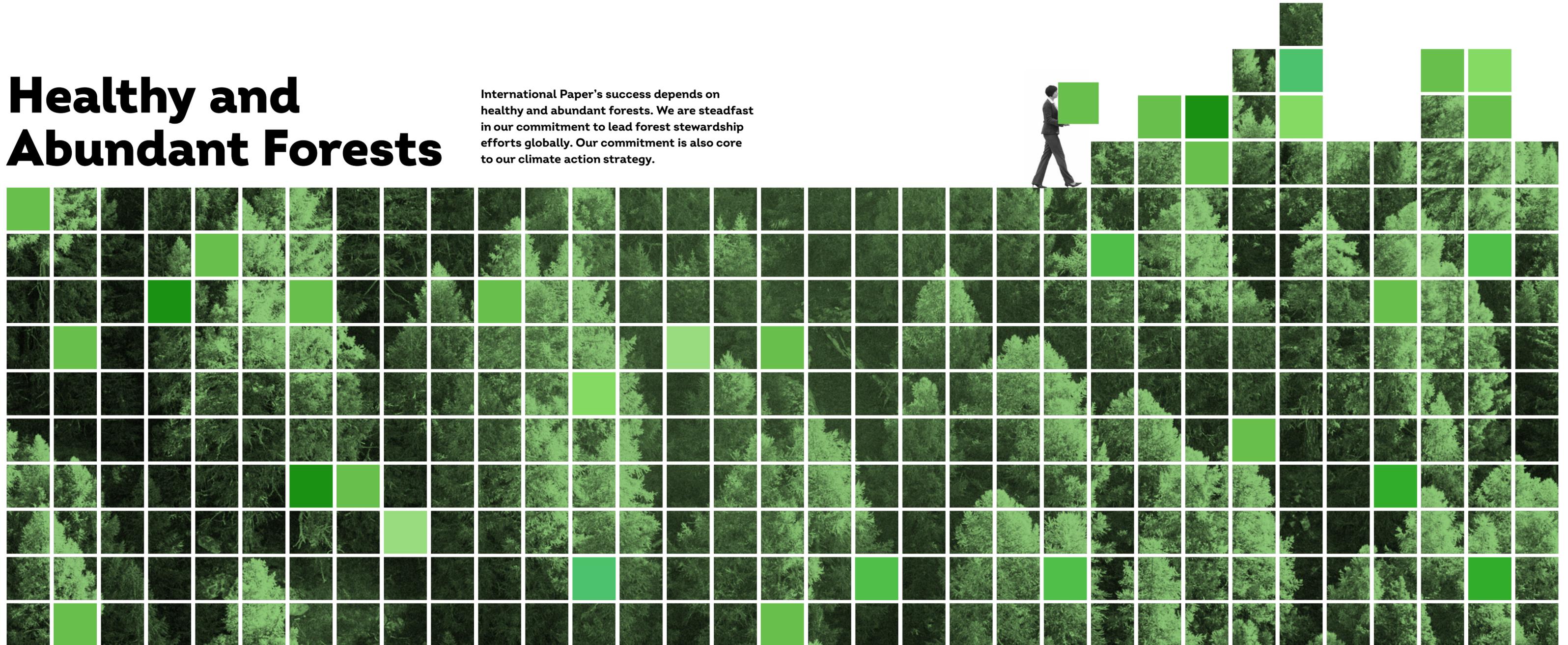
Improve the lives of 100 million people in our communities

ALIGNED UN SUSTAINABLE DEVELOPMENT GOALS



Healthy and Abundant Forests

International Paper's success depends on healthy and abundant forests. We are steadfast in our commitment to lead forest stewardship efforts globally. Our commitment is also core to our climate action strategy.



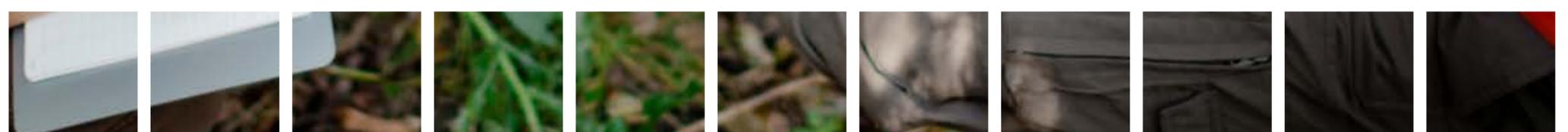
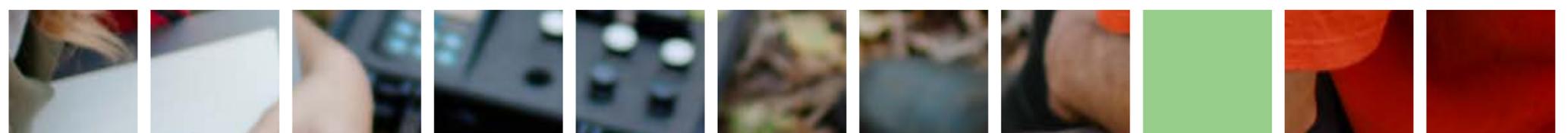
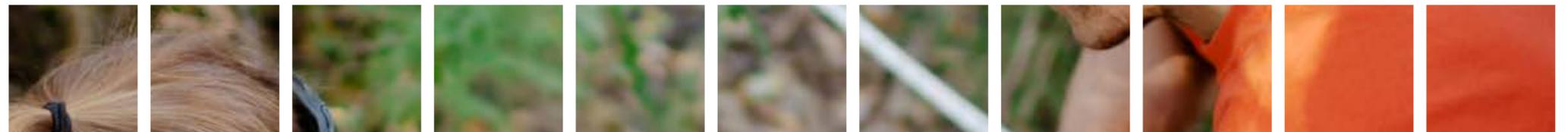


How We Manage Healthy and Abundant Forests

Our leadership in forest stewardship centers on two targets that are driving our progress toward our Vision 2030 goal.

The first target, to source 100% of our fiber from sustainably managed forests or recovered fiber, applies to the fiber we buy from a network of landowners and suppliers.

The second target, to conserve and restore 1 million acres – about 400,000 hectares – of ecologically significant forestland, is one we are pursuing both within and outside of our supply chains. Conservation and restoration are two areas where we can have a significant global impact through our long-standing partnerships with nonprofits such as World Wildlife Fund (WWF), the National Fish and Wildlife Foundation (NFWF) and The Nature Conservancy.



HEALTHY AND ABUNDANT FORESTS

Vision 2030

Goal: Lead forest stewardship efforts globally



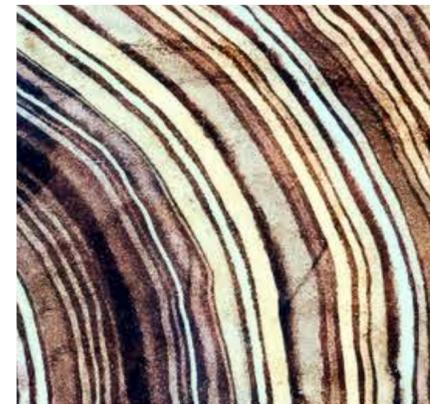
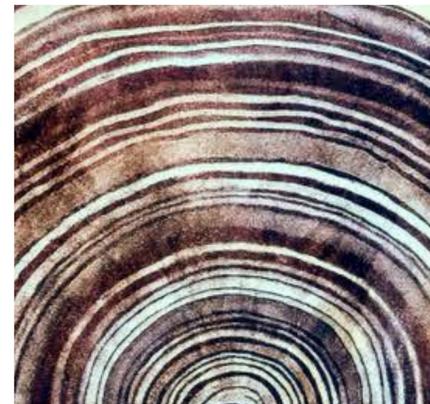
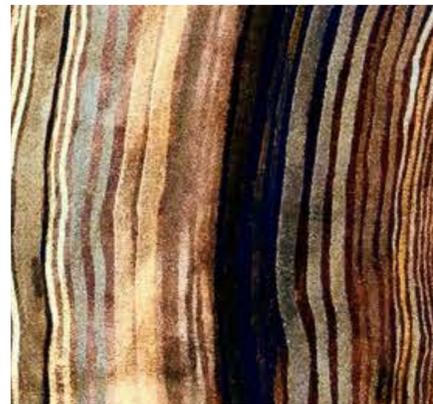
Awarded inaugural Forest Excellence Awards, recognizing the exceptional contributions of fiber supply employees to environmental stewardship

66% of fiber sourced verified as being derived from a sustainably managed forest or is third-party certified to a forest management standard such as FSC®, PEFC™ or SFI®

All fiber we source directly mapped to the forest of origin using our ForSite™ mapping software

TARGET:
100%

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



236,696 acres (23%) of ecologically significant forestland have been conserved and restored since 2019.

Expanded strategic partnerships, such as joining Forests Forward, a World Wildlife Fund initiative to deliver effective nature-based strategies for forests around the world

Advanced collaboration to enhance or restore over **220,000 acres** through our Forestland Stewards Partnership with U.S. National Fish and Wildlife Foundation

Continued our partnership with WWF to restore **250 acres of tropical forestland** in Brazil's Mogi Guacu River Basin by the end of 2022

Improved forest management on **16,446 acres** as part of due diligence efforts in ForSite™

TARGET:
1 M

Conserve and restore 1 million acres (400,000 hectares) of ecologically significant forestland*



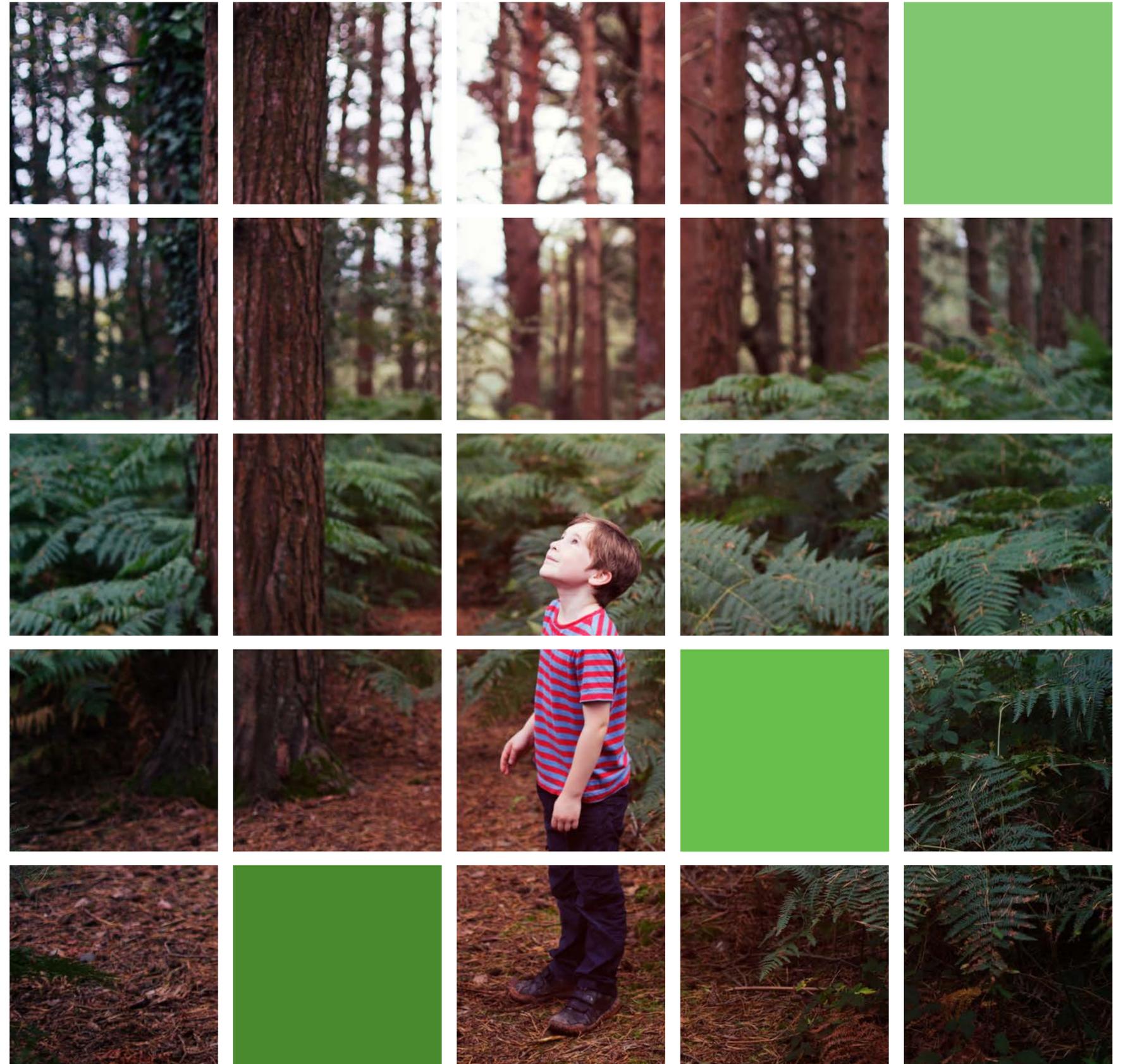
HEALTHY AND ABUNDANT FORESTS

Our Approach to Healthy and Abundant Forests

International Paper's Global Fiber Procurement Policy is the foundation of our commitment to healthy and abundant forests. We recognize that sustainably managed forests maintain and enhance economic, social and environmental value for the benefit of present and future generations. We are committed to producing the products our customers need while being a responsible steward of the world's natural resources.

Our approach begins with responsible fiber sourcing, including performing due diligence, validating origin, performing second party verification through ForSite™ and engaging our wood suppliers and forestland owners on sustainable management practices. We operate a transparent fiber procurement system consistent with our Core Values of Safety, Ethics and Stewardship.

Collaboration is also central to our commitment to support forest ecosystems globally. We engage stakeholders in the communities where we operate to ensure forest ecosystem health, work directly with landowners to promote responsible forestry practices and collaborate with conservation organizations to enhance ecologically important areas and restore forests worldwide. For example, in 2021, we continued our partnership with the American Bird Conservancy to provide critical habitat conditions for at-risk bird species by engaging our fiber supply teams, forestry experts, wood suppliers and landowners in our mill basins in the U.S. South. Our initiatives included bird surveys, academic research collaborations, implementation of bird-friendly forest management practices and workshops with consortia of landowners, conservation organizations and community partners.



HEALTHY AND ABUNDANT FORESTS

Sustainable Forest Management

International Paper purchases approximately 52 million tons of virgin wood, approximately four million tons of fiber fuel and approximately five million tons of recovered fiber annually for our manufacturing. We recognize we need to leverage a broad range of tools to ensure responsible sourcing as we deliver on our Vision 2030 fiber sourcing target.

ForSite™ Mapping and Monitoring

To guide our responsible fiber procurement on uncertified forestlands, International Paper built ForSite™, a proprietary GIS-based mapping and due diligence system. The unique technology lets us assess a tract of forestland prior to harvest to identify ecological attributes – such as rare or endangered species, priority forest types, or areas of significant biodiversity or landscape connectivity. Armed with this information, we can better ensure that we maintain or enhance the forests where we are sourcing fiber.

Using ForSite™ technology, we have identified more than 23 million acres where we can apply due diligence prior to harvest to ensure that the fiber we purchase

is sourced responsibly and our actions make a positive impact on nature. Since 2020, we have made on-the-ground improvements to over 25,000 acres of forestland. For example, our South Carolina fiber purchasing team worked with IP fiber suppliers to create wildlife corridors – five-mile lengths of unharvested forest that connect larger forest areas together – to maintain the ecosystems that are home to white-tailed deer, wild turkey and numerous species of birds, reptiles and amphibians. Our fiber team in Rome, Georgia improved a planned harvest area to include non-harvest buffers for the protection of granite outcrops, where rare plant species are known to thrive. Since the inception of ForSite™, we have also declined to purchase fiber where we felt the sourcing risk was either too high, or could not be properly mitigated.

In 2021, we continued to expand the application of our mapping system to advance transparency, due diligence and field verification in our fiber sourcing:

- **Transparent Sourcing:** All uncertified roundwood we received was mapped to the forest of origin using ForSite™

Additional Verification:

- Due diligence was performed on 987 purchases that were identified as being at risk of non-compliance with our Global Fiber Procurement policy
- Over 400 second-party verification field visits occurred on tracts to document active sustainable forest management being implemented by the landowner

In addition to the due diligence being performed and documented through ForSite™, which builds on a commitment to halt nature loss and transparently report results, we commit to evaluating and reporting on Nature Positive solutions in the coming years.

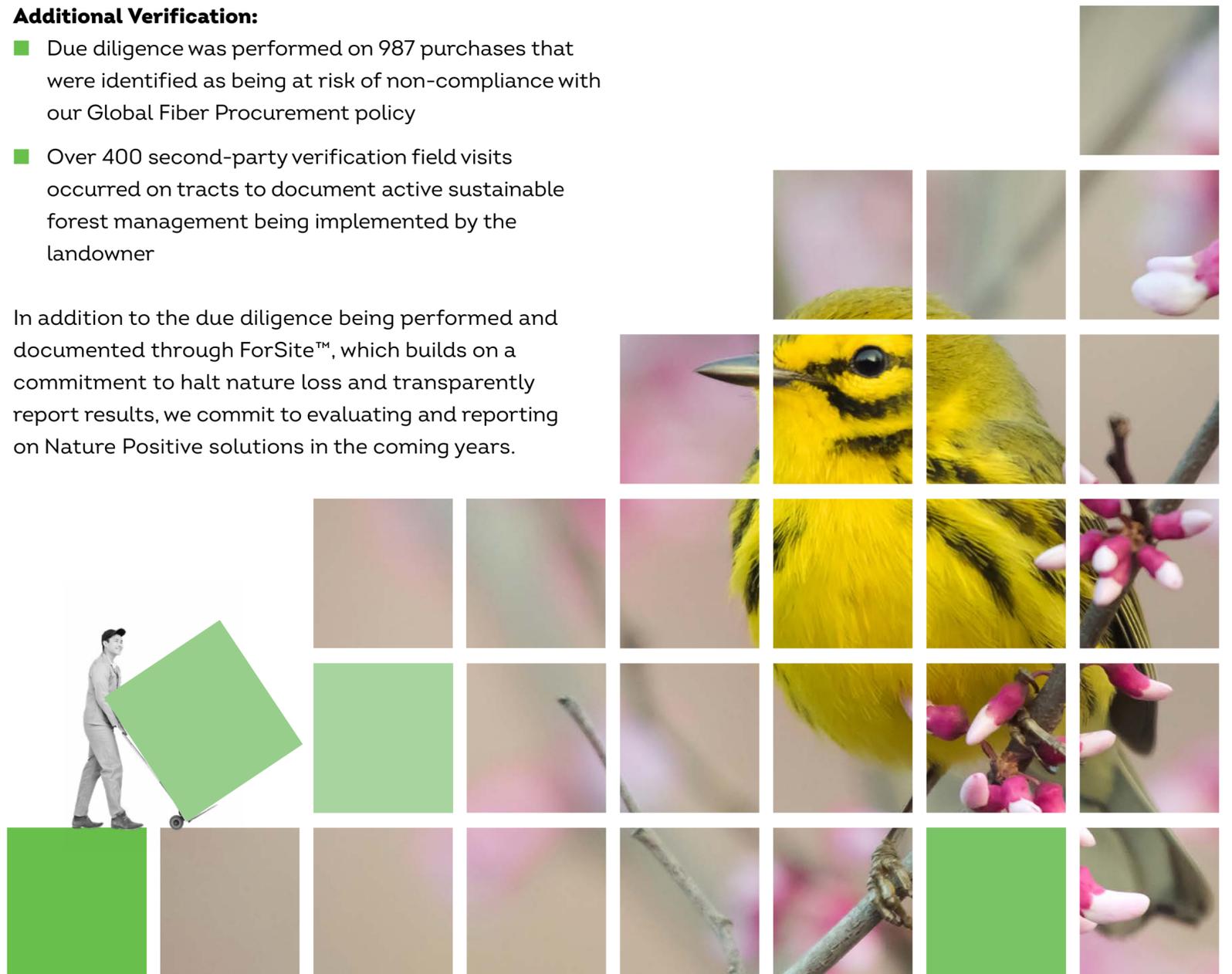


Photo by Jason Yoder in cooperation with American Bird Conservancy

HEALTHY AND ABUNDANT FORESTS

Sustainable Forest Management

How Does ForSite™ work?

ForSite™ uses GIS technology in conjunction with risk-based due-diligence procedures enabling our fiber buyers to make informed decisions on individual forest tracts. Our spatial data includes an array of environmental attributes including:

- Rare, threatened and endangered species
- Priority forest types and landscapes
- Soil types, topography and hydrology



HEALTHY AND ABUNDANT FORESTS

Focus on Supply Chain:

Third-party Certification and Engagement with Family Forest Owners

We also use third-party certification systems, including the Forest Stewardship Council® (FSC®), Programme for the Endorsement of Forest Certification™ (PEFC), and Sustainable Forestry Initiative® (SFI®) to verify sourcing from sustainably managed forests. In 2021, 32% of fiber sourced by our mills was sourced from a third-party forest management standard such as FSC, PEFC or SFI. All other material sourced met the FSC Controlled Wood standard, SFI sourcing standard, and underwent due diligence through our mapping tool ForSite™

Following a growing customer demand for certified products, we formed Certified Forest Management LLC (CFM) in 2012. CFM is our own FSC forest management group, which provides a cost-effective option for small, private landowners to become FSC certified. Since 2012, CFM has enrolled and maintained FSC forest management certification for 488 properties in 11 states, encompassing approximately 994,000 acres. In 2021, 105 new properties were added to our CFM group including new sourcing areas near our Pensacola, Florida and Flint River, Georgia mills.

International Paper Fiber Certifications

- Sustainable Forestry Initiative (SFI) Procurement
- Due Diligence System (DDS) Verification Certificate
- Sustainable Forestry Initiative (SFI) Chain of Custody
- Programme for the Endorsement of Forest Certification (PEFC) Chain of Custody
- Forest Stewardship Council (FSC) Chain of Custody
- Sustainable Forestry Initiative (SFI) Certified Sourcing

97% of the fiber International Paper purchased in 2021 was sourced in the U.S. and 3% in Canada.



HEALTHY AND ABUNDANT FORESTS

Sustainable Forest Management

IP Launches Fiber Supply Recognition Program

International Paper presented its inaugural Award for Vision 2030 Healthy and Abundant Forest Excellence in October 2021. The awards recognize employees who make exceptional contributions to our progress to achieve our Vision 2030 Healthy and Abundant Forests goal through risk mitigation, compliance checks and contributions to our conservation partnerships.



HEALTHY AND ABUNDANT FORESTS

Sustainable Forest Management

Conserve and Restore Through Collaboration

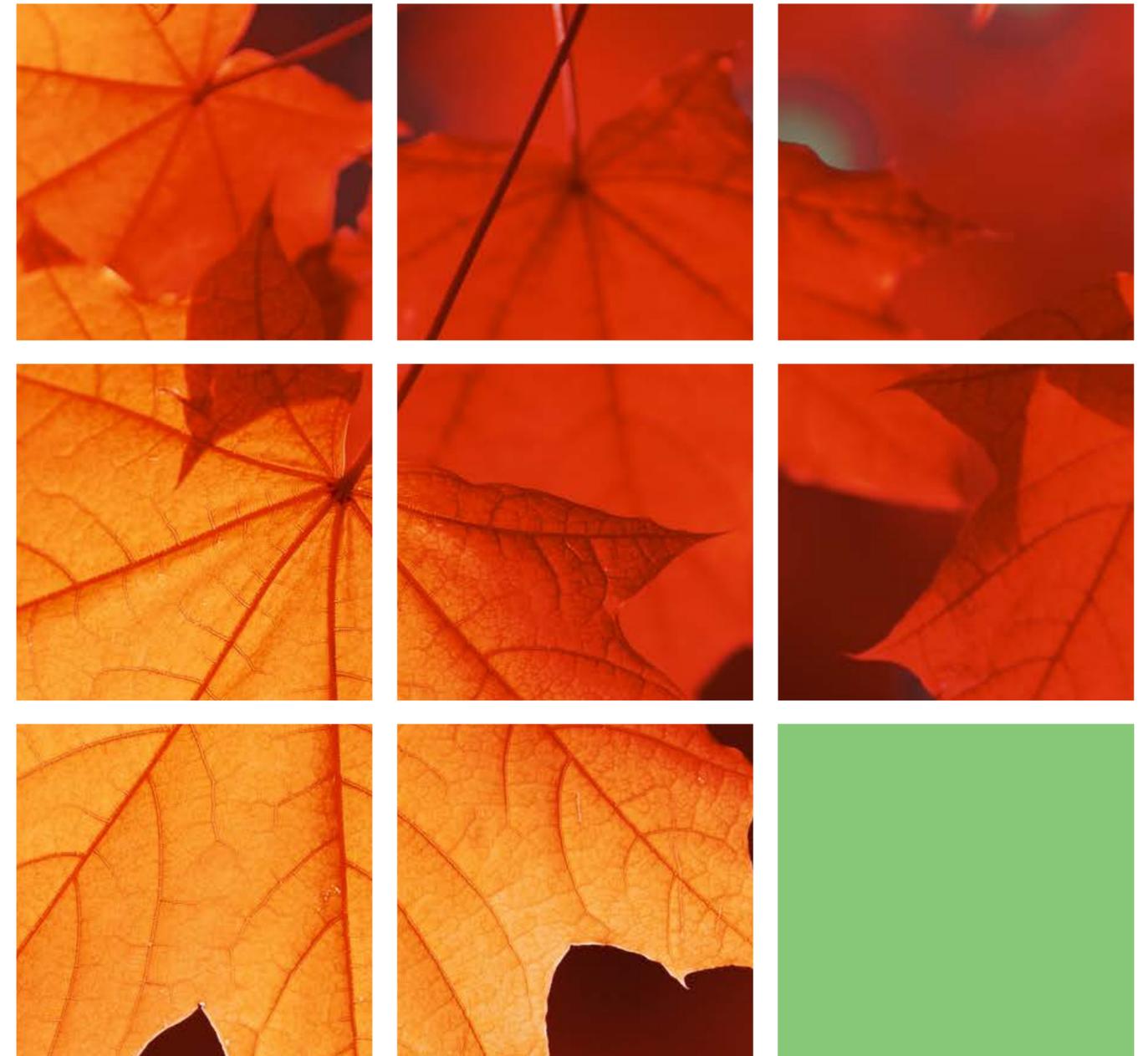
International Paper engages in strategic collaborations to help advance our progress toward our target to conserve and restore 1 million acres of ecologically significant forestland by 2030. Our long-standing partnerships help us broaden our sustainability efforts for greater impact.

We joined the WWF Forests Forward initiative in 2021, one of the first five U.S. companies to do so. Forests Forward is a global program that engages companies and other stakeholders to deliver effective nature-based strategies for forest sustainability. We are partnering with WWF and others to support the development of science-based targets for forests and restoration of the Atlantic Forest in the Mogi Guacu River Basin in Brazil.

In 2021, we joined global efforts, through our membership in the World Business Council for Sustainable Development’s Forest Solutions Group, to support the United Nations Decade on Ecosystem Restoration. Our support champions the critical role healthy forest ecosystems play in water quality, clean air, biodiversity, mitigating climate change and in supporting the estimated 300 million people worldwide who depend on forestland for their livelihoods. Our sustainable forest management practices and reforestation efforts are an important way we support this global effort.

Strategic Partnerships in Forest Sustainability

- American Bird Conservancy
- American Forest Foundation
- Arbor Day Foundation
- Celebrate Planet Earth
- Forest Solutions Group
- Forestland Stewards, with National Fish and Wildlife Foundation
- The Nature Conservancy
- WWF Forests Forward



HEALTHY AND ABUNDANT FORESTS

Our Global Impact: Forestry Highlights

Conservation and Restoration of Southern U.S. Forests

We invested \$2 million in habitat restoration in 2021 through our Forestland Stewards Partnership with U.S. National Fish and Wildlife Foundation to protect and enhance ecologically important forestlands and coastal savannahs in 10 Southern U.S. states. Our contributions to the Lower Mississippi Alluvial Valley, historic Longleaf Pine Range and Cumberland Plateau ecosystem leveraged \$13.7 million in matching funds and helped enhance or restore 224,686 acres.

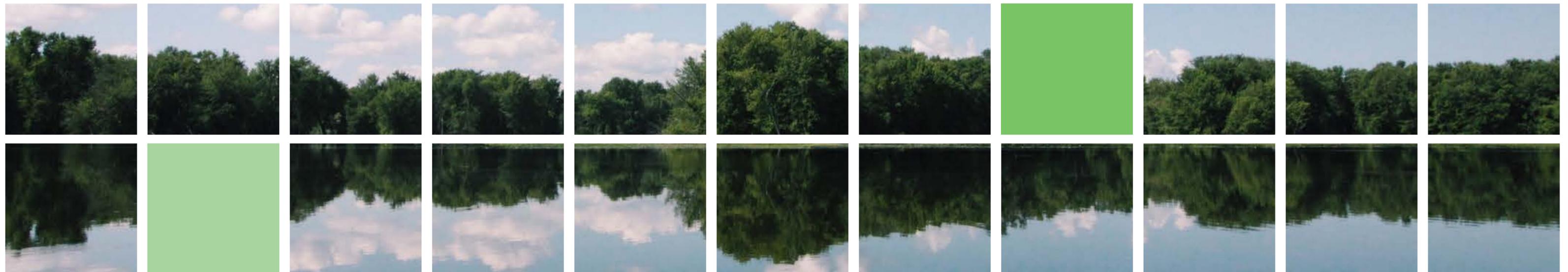
Mogi Guacu River Basin Restoration

Since 2018, we have partnered with WWF to restore 250 acres of tropical forestland in the Mogi Guacu River Basin. With the project on pace to restore 250 acres by the end of 2022, we are exploring a new financing fund to extend our restoration model in this high-impact landscape.

Partnership with the American Bird Conservancy

International Paper and American Bird Conservancy (ABC) continued our partnership in 2021 – a shared commitment to forest sustainability as the foundation for providing critical goods and services for people and habitat conditions necessary for recovery of at-risk bird species. We effectively engaged IP fiber supply teams, wood suppliers and landowners with a focus on mill basins in southern U.S.

Specifically, in the Georgetown Mill basin, with expertise from scientists with Avian Research and Conservation Institute, we captured three swallow-tailed kites that were outfitted with GPS transmitters. Data on kite movements enhanced data layers already in ForSite™ and directly influenced harvest plans on tracts associated with kite activity centers. Kite trapping engaged people throughout the IP fiber supply chain including IP foresters, external wood suppliers and corporate partners.





Spotlight:

Family Forest Carbon Program

Forests cover more than 750 million acres in the U.S., about one-third of the country's landmass. They represent the country's largest terrestrial carbon sink, continuously taking carbon out of the atmosphere and storing it in trees. Yet forests offer significantly greater potential to mitigate the country's carbon impacts through carbon-smart forest management.

Enter family forest landowners – the families and individuals who own and manage nearly 40% of America's forestlands. Forest landowners, whose tracts measure between 30 acres and 2,400 acres, care deeply about the health of their woods, the future of their land and the planet. They want to play an active role in protecting forests, but often struggle to realize the full potential of their land for carbon sequestration.

The Family Forest Carbon Program, developed by the American Forest Foundation and The Nature Conservancy, with financial and technical support from International Paper, enables family forest owners to access climate finance from carbon markets – empowering them to help address climate change while earning income from their land.

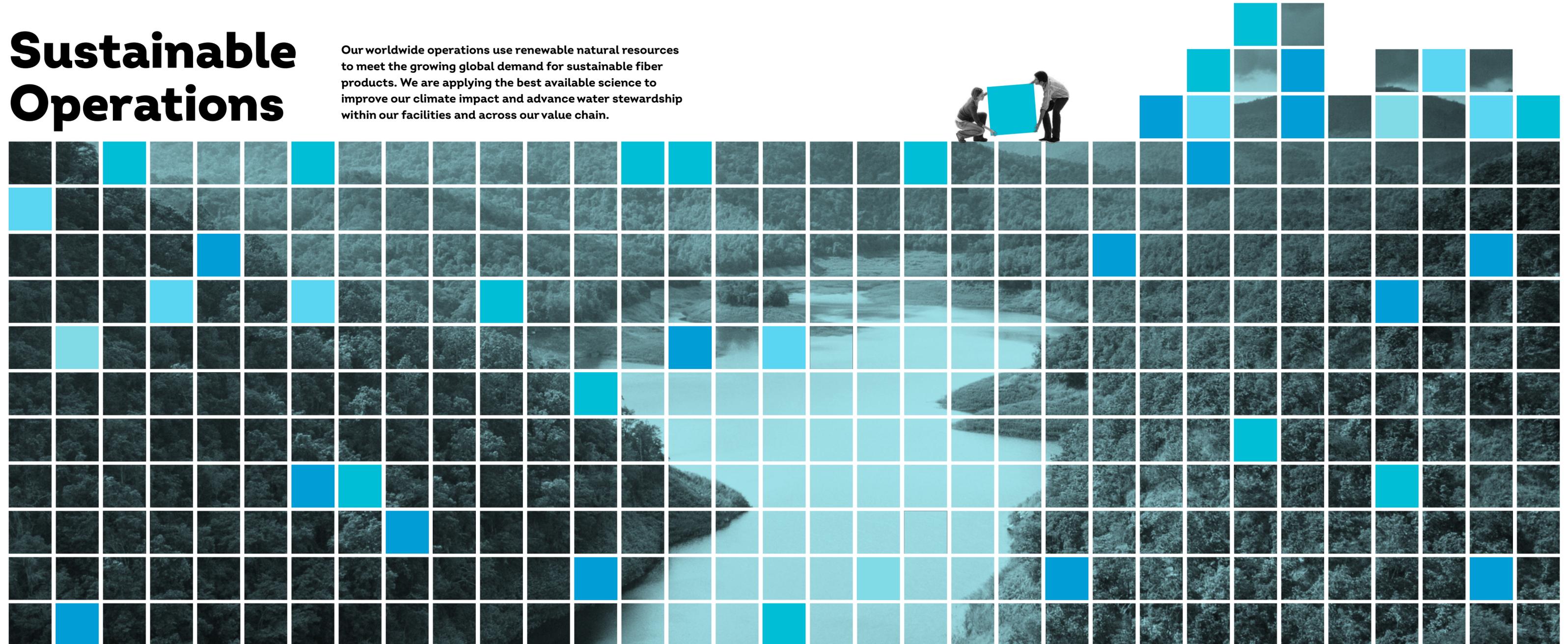
2021 represented a significant milestone for the Program, when it scaled up its ambitious goal to engage small, family forest landowners in large-scale natural climate solutions, implementing it widely in the Central Appalachian area of the U.S.

Launching in Pennsylvania, West Virginia, and Maryland in 2021, the program engaged 90 landowners representing 14,735 acres with a total anticipated carbon benefit of 471,520 metric tons of CO₂e removed through the end of their 20-year contracts.

More than 90% of International Paper's fiber supply in the U.S. comes from privately owned forests, most of which are small and family owned.

Sustainable Operations

Our worldwide operations use renewable natural resources to meet the growing global demand for sustainable fiber products. We are applying the best available science to improve our climate impact and advance water stewardship within our facilities and across our value chain.



How We Manage Sustainable Operations

Our Sustainable Operations goal addresses some of our most important environmental impacts and reflects our renewed commitment to improving our footprint across our businesses, operations and value chain.

We are committed to reducing our absolute greenhouse gas (GHG) emissions by 35% by 2030 across all three Scopes (1, 2 and 3). Directed by a high-level, cross-functional steering team, we are investing in energy efficiency and fuel-switching initiatives in our operations. Our aim is to expand our use of renewable energy and to engage with our value chain in pursuit of ambitious GHG emissions reductions.

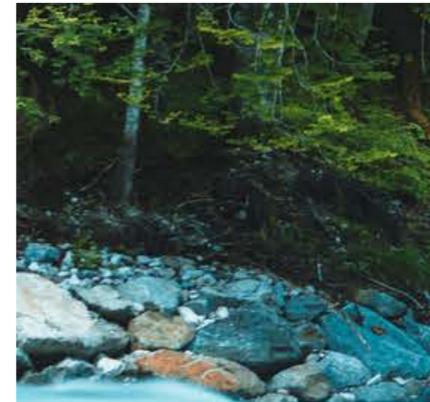
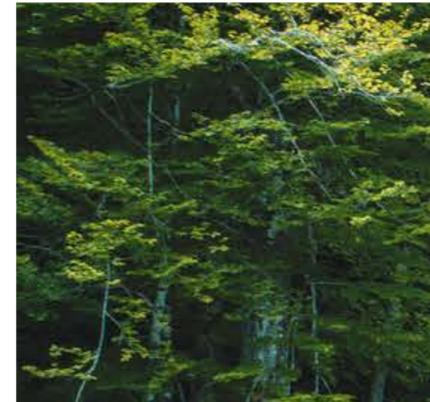
Our water use target – the first for International Paper – commits us to reduce our operational water use intensity by 25% by 2030 while taking into consideration the broader context of the watersheds where we operate. We are mapping water use and water risk at each of our facilities to inform local water stewardship strategies.

International Paper is among the first North American pulp and paper producers to have our 35% GHG emissions reduction target approved by the Science Based Targets initiative (SBTi)

SUSTAINABLE OPERATIONS

Vision 2030

Goal: Improve our climate impact and advance water stewardship



TARGET:

35%

Reduce our Scope 1, 2 and 3 GHG emissions by 35% aligned with the best-available climate science

- Formed high-level, cross-functional steering team to lead our GHG reduction strategy
- Developed initial pathway of opportunities to reduce GHG emissions by 35% across Scopes 1, 2 and 3
- Received approval of our science based GHG emissions reduction target from the Science Based Targets initiative



TARGET:

25%

Reduce our water use intensity by 25% and implement context-based water management plans at all mills

- Set initial water reduction targets at each of our mills
- Established a network of water champions spearheading each mill's efforts
- Initiated development and testing of a Context-Based Water Management framework
- Expanded our watershed partnership with the Savannah River Clean Water Fund where we operate two mills

SUSTAINABLE OPERATIONS

Our Approach to Sustainable Operations

We recognize that we have a responsibility to manage our climate-related risks and an opportunity to advance a low-carbon economy in support of decarbonizing the planet.

Our climate target – to achieve a 35% absolute reduction in our Scope 1, 2 and 3 GHG emissions by 2030 – was approved in December 2021 by SBTi.

Building on our significant GHG emissions reductions through 2020, we continued to evaluate opportunities and projects in 2021. To address Scope 3 GHG emissions, we are assessing our supply chain to identify areas of significant impact, and will engage our suppliers and customers to drive innovation, and GHG emissions reductions, across our value chain.

Reducing our operational GHG emissions is just one of the actions we’re taking to improve the climate. Our efforts extend across our value chain, through our sustainable forestry and renewable products initiatives.

We are also taking a holistic approach to water stewardship, recognizing that all water issues are local and every watershed has unique characteristics, threats and opportunities. We have analyzed water use and water risk at each of our facilities to inform local plans to reduce the amount of water we withdraw, maintain regulatory compliance and improve the long-term sustainability of the water resources we share.



SUSTAINABLE OPERATIONS

Improving our Climate Impact

International Paper plays a significant role in responding to the global climate challenge, and our commitment to improve our climate impact is considerable in its potential.

We have a track record of reducing our Scope 1 and Scope 2 GHG emissions at our operations. Now, with our Vision 2030 goal, we are also engaging across our value chain to track, report on and, ultimately, reduce our Scope 3 emissions.

Addressing Scope 1 and 2 GHG Emissions

For more than a decade, we have reported the carbon impact of our operations and our initiatives to reduce our Scope 1 and 2 GHG emissions. We reduced our GHG emissions by approximately 20% between 2010 and 2020, while cutting our use of coal and fuel oil in half. We know we have much more work to do.

Today, approximately 70% of the energy we use in our mills is derived from carbon-neutral biomass residuals, with the remainder from purchased energy, including natural gas, electricity and steam from utilities, and smaller amounts of coal, fuel oil and other fuels.

We are committed to making the capital investments necessary to substantially reduce Scope 1 GHG emissions in our facilities over the next decade. We are evaluating and pursuing investments in energy efficiency and

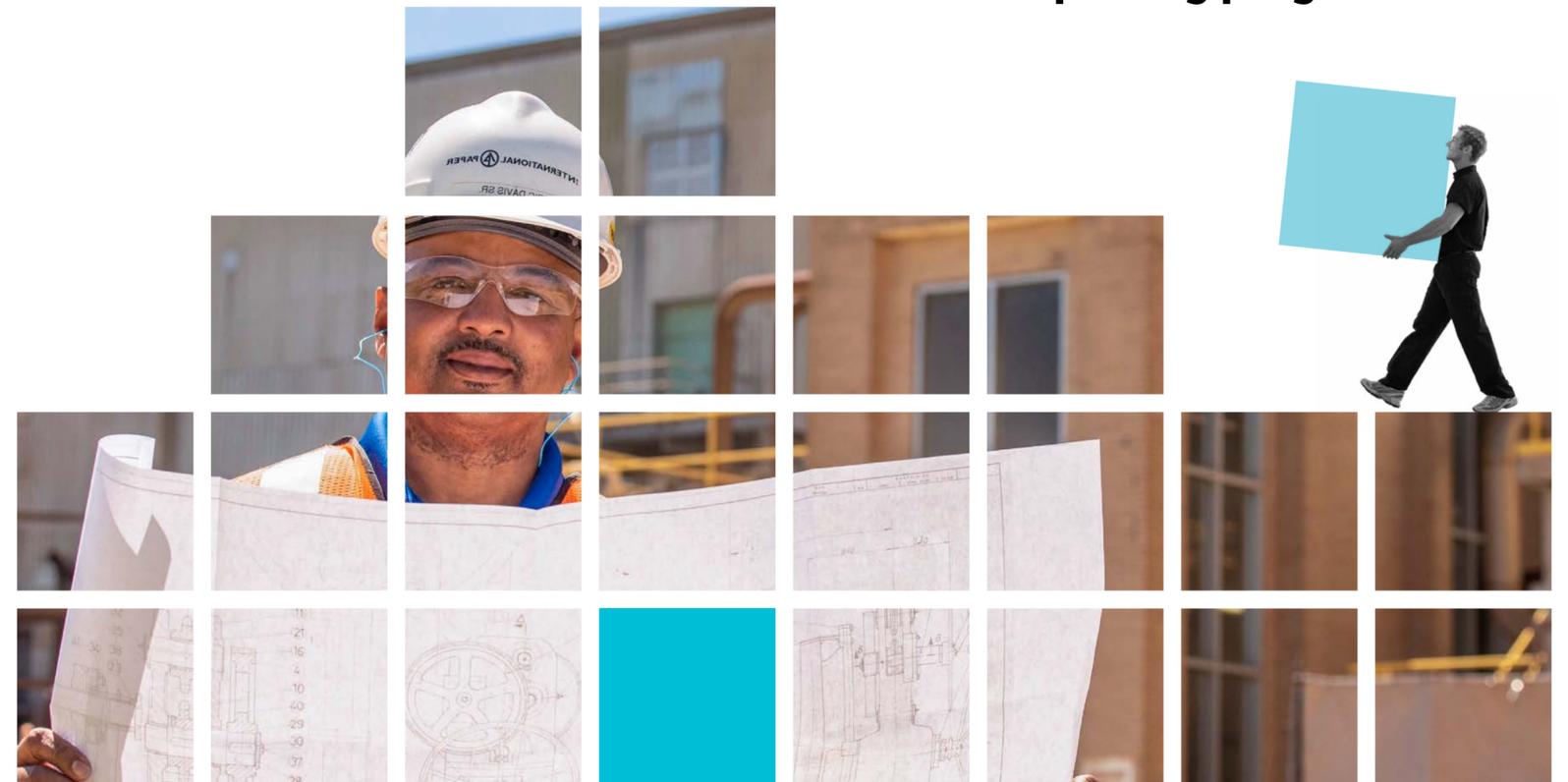
fuel-switching for lower-carbon power generation in our operations. Additionally, our manufacturing technology experts continue to identify operational efficiency opportunities at facilities across our business and regions. These initiatives often result in both cost savings and GHG emission reductions by optimizing processes, upgrading equipment and advancing energy conservation measures.

We also recognize the opportunities we have to reduce our Scope 2 GHG emissions through participation in renewable power development. We are exploring mechanisms such as virtual power purchase agreements, which support renewable energy suppliers and the “greening” of the electricity grid.

We currently do not use carbon offsets in our GHG emissions reduction strategy. We are engaging with a number of strategic partners to advance our understanding of GHG emissions accounting via natural climate solutions, including the Greenhouse Gas Protocol’s upcoming Land Sector and Removals Guidance and SBTi’s Forest, Land and Agriculture project, to help us advance this strategy in the coming years. We also continue to explore opportunities for forestland owners to employ practices that improve forest management for carbon sequestration.

As a partner in the US Department of Energy’s (DOE) **Better Climate Challenge**, International Paper is one of more than 80 organizations across the US economy collaborating to drive real-world action toward a low-carbon future. As we pursue our ambitious GHG targets, we will count on DOE and participating industrial companies for technical assistance, peer-to-peer learning opportunities and a platform to demonstrate our commitment to being part of the solution to climate change.

We track and report on our global GHG emissions through our participation in CDP, the U.S. Environmental Protection Agency’s Mandatory Reporting Rule, the European Union Emissions Trading System and various state, regional and national reporting programs.



SUSTAINABLE OPERATIONS

Improving our Climate Impact

Addressing Scope 3 GHG Emissions

Scope 3 GHG emissions include the GHG impacts generated within our upstream and downstream value chain, but outside of our direct operations. These include, for example, the carbon footprint of input materials like wood fiber and chemicals, GHG emissions related to our distribution networks, and from the further processing, reuse and final disposal of our products.

Measuring and reporting our Scope 3 GHG emissions is relatively new for International Paper. We are collaborating with our suppliers and customers to understand their GHG emissions footprint and decarbonization plans in order to develop strategic reduction pathways. In 2021, we developed a supply chain GHG emissions calculator tailored to our industry, in partnership with the National Council for Air and Stream Improvement (NCASI), to establish a detailed Scope 3 GHG emissions baseline and to track progress over time. In parallel, we began gathering supplier-specific GHG emissions and climate strategy data by participating in CDP's Supply Chain program, which we intend to expand to more suppliers in coming years. Our Scope 3 work is closely linked to our goal for Renewable Solutions, which is focused on how we design and how our customers use and dispose of our products.

Setting Science-based Targets

Our GHG emissions reduction target was derived using a methodology approved by the Science Based Targets initiative (SBTi), a global collaboration of non-governmental organizations and experts that has defined best practices and a scientifically informed methodology for emissions reductions. Our GHG emissions target is in line with the Paris Climate Agreement goal to limit global temperature rise to well below 2°C above pre-industrial levels.

SUSTAINABLE OPERATIONS

Improving our Climate Impact

Scope 1 & 2 Greenhouse Gas Emissions¹

Million metric tons carbon dioxide equivalent (CO₂e)

Scope 1 ■
 Scope 2 ■

Scope 1 + Scope 2 (market-based)



0.12
% Change from baseline (Vision 2030 progress)

Scope 3 Greenhouse Gas Emissions

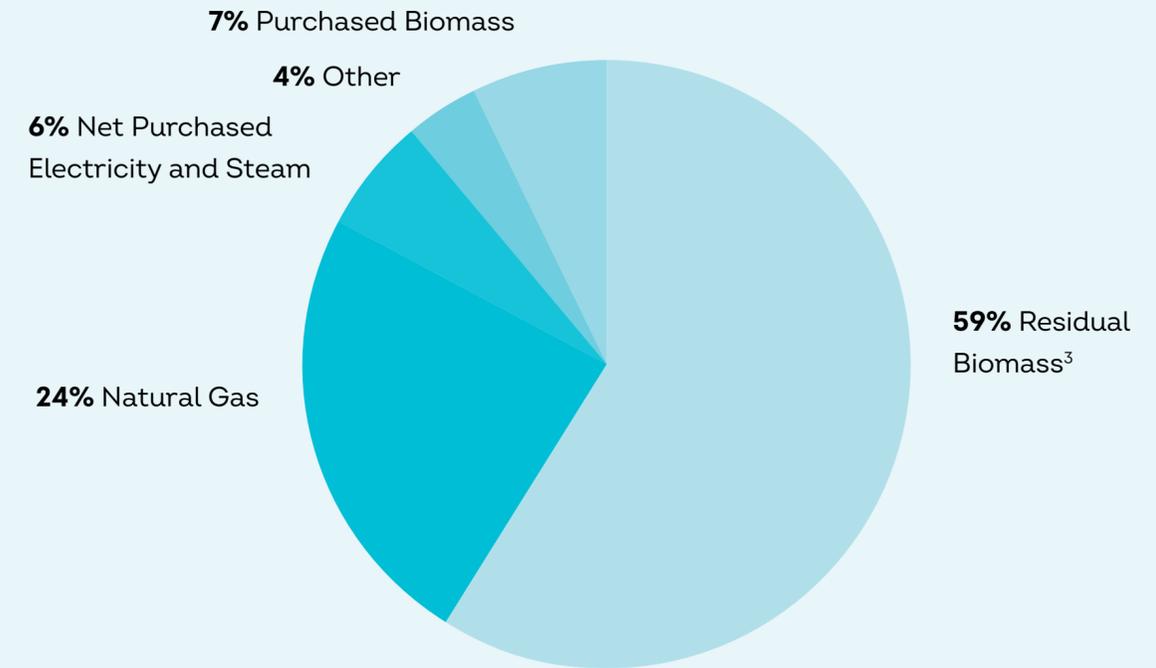
Million metric tons carbon dioxide equivalent (CO₂e)

Scope 3 ■



0
% Change from baseline (Vision 2030 progress)

Energy Consumption by Source²



We have seen little net change in our combined Scope 1 and Scope 2 emissions from 2019 to 2021. This is largely due to increased mill production over this period, along with other factors driven by COVID-19 disruptions, mill operations, weather events and energy supplies. Our slight increase in Scope 1 emissions was largely offset by lower sales of Renewable Energy Certificates (RECs) at certain mills, resulting in lower Scope 2 emissions.

Approximately
70%
of mill energy derived from carbon-neutral biomass residuals

1. Consistent with the GHG Protocol, our reported Scope 1 GHG emissions and associated targets do not include biogenic GHG emissions, which were approximately 24.7 million metric tons in 2021.

2. Includes all fuel and energy sources at all manufacturing facilities.

3. Residual Biomass is leftover material originally purchased as wood fiber, such as tree limbs and bark, and black liquor generated during the production process that is beneficially reused as a carbon-neutral energy source.

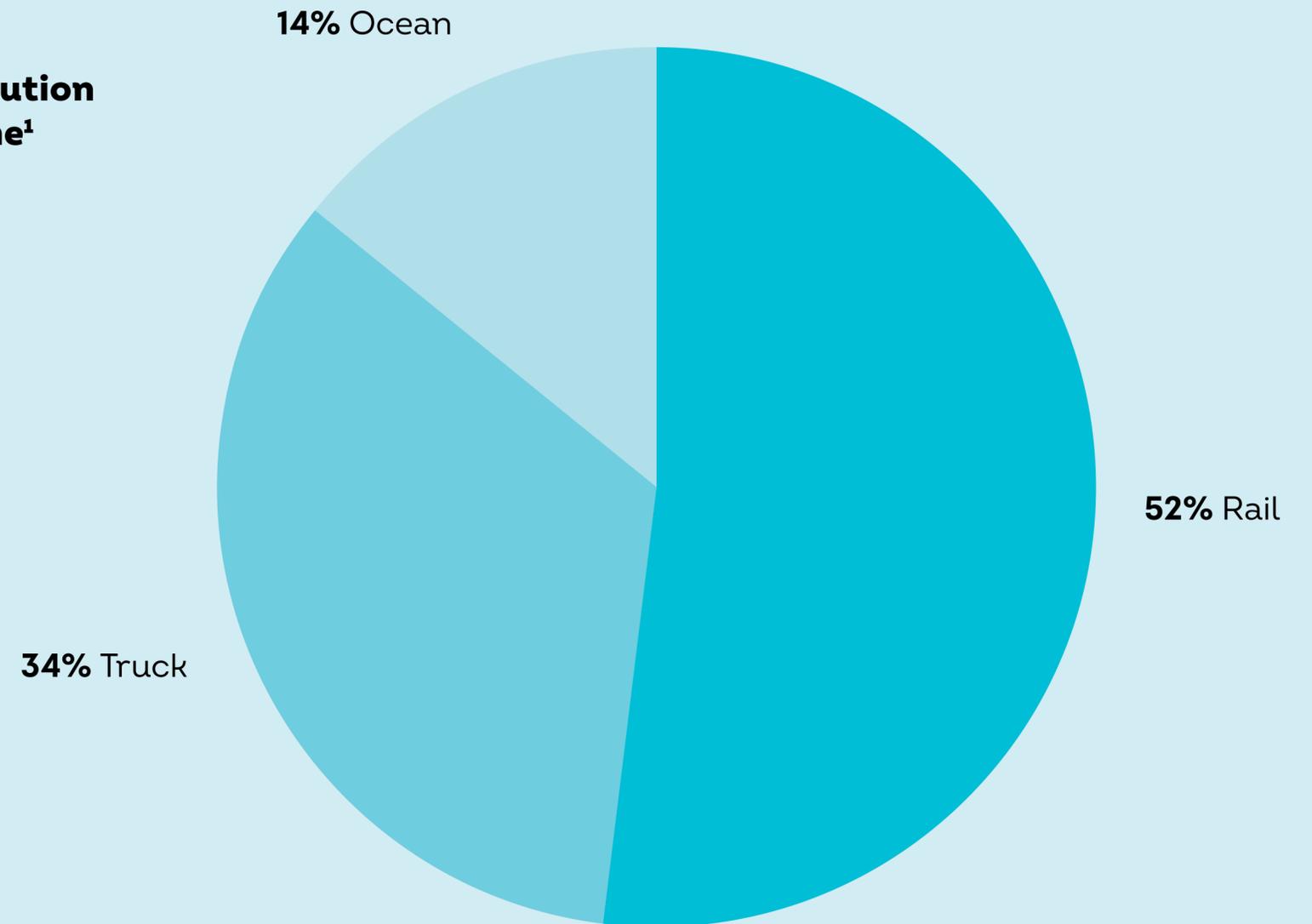
SUSTAINABLE OPERATIONS

Focus on Supply Chain:

Transportation

Being among the world's largest commodities shippers, we engage transportation carriers who share our commitment to quality and responsibility. We aim to be the "shipper of choice" and work closely with our carriers on safety, risk management and sustainability, especially related to efficiency in load weights, fuels and routes. We are a registered SmartWay® shipper. SmartWay is a U.S. Environmental Protection Agency program that helps improve freight transportation efficiency. 95% of our outbound ton-miles from North American mills are with SmartWay carriers.

Product Distribution Modes by Volume¹



1. North American mill outbound shipments only.

SUSTAINABLE OPERATIONS

Advance Water Stewardship

Water is a critical input to our manufacturing process, and we can play a key role in conserving and protecting local water resources. We are assessing the characteristics of each watershed where we operate in order to address the most important water issues for our company, local communities, other water users and the environment. We are committed to reducing our water use per ton by 25% by 2030.

Our approach is built on a foundation of regulatory compliance, strong internal governance and transparency. Our strategy is led by a high-level, cross-functional leadership team and implemented through a task team of technical experts from across the company.

We conduct a comprehensive facilities water risk assessment through an in-house methodology combining relevant internal and third-party data, including the World Resource Institute's (WRI) Aqueduct Baseline Water Stress indicator. This assessment serves as the foundation for our water stewardship strategy, and guides our prioritization of sites for water-related operational improvements and watershed protection efforts.

In 2021, we completed detailed surveys at each of our mills to help us understand water use, water management systems and practices by location. The effort was led by our mill water champions in coordination with subject matter experts across each mill. Informed by the findings, we launched an internal Water Wise campaign to propel

initial water reduction efforts at our operations through the implementation of no- and low-cost best practices. Initial results are promising. In 2021, we reduced water use intensity by nearly 2% from 2019.

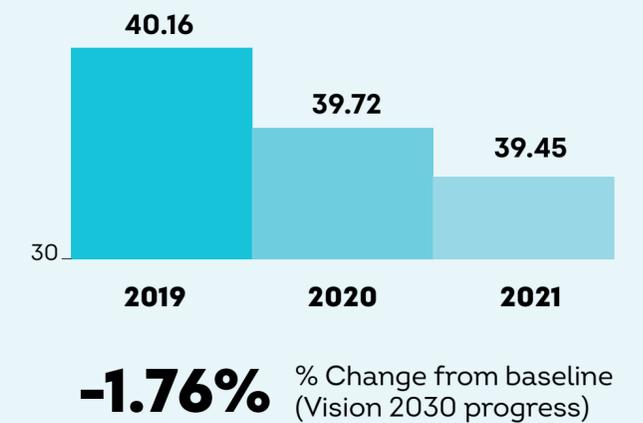
The water management survey findings are also informing the development of context-based water management plans for each of our mills. The plans focus on water use reduction and wastewater improvements within our mills and, with input from local stakeholders, developing watershed partnerships to improve the long-term sustainability of our shared water resources.

Our approach is aligned with cross-sector best practice such as Alliance for Water Stewardship standard, and adapted to address industry-specific priorities. In parallel, we are working closely with our industry association, American Forest and Paper Association (AF&PA), to develop a framework promoting common approaches to water stewardship among North American paper and pulp producers. Finally, our partnership with the World Resources Institute through its Aqueduct Alliance program keeps us connected to the latest research, tools and best practices across industries, which inform our strategy on a continual basis.

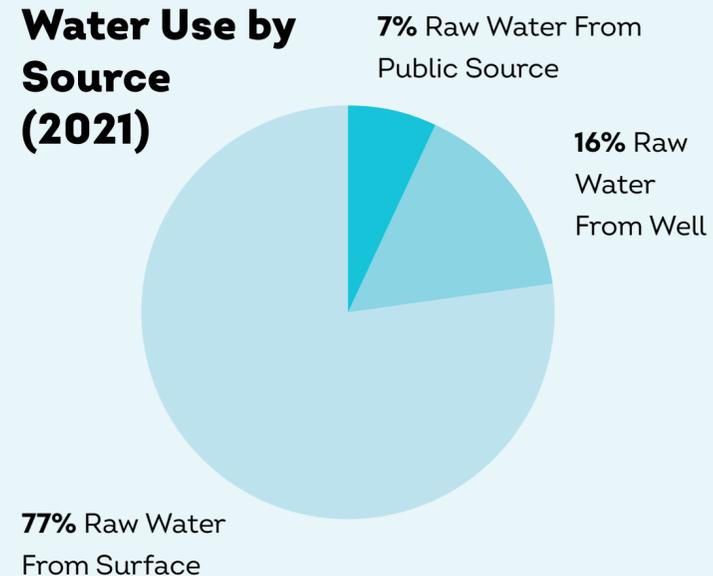
Water Use FAQ

- Water is essential to nearly every process in the mill – for pulping, steam generation, papermaking, box making 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 more than 93% of the water we use to the environment after treatment.
- Reducing water use can also reduce energy and other operational costs

Water Use Intensity¹



Water Use by Source (2021)



93%
Of water used in our mill manufacturing was returned to the environment

1. Measured as cubic meters of process water intake per ton of paper & pulp produced

SUSTAINABLE OPERATIONS

Our Global Impact:

Operational Sustainability Highlights

Mill Water Champions

Our mill-based water champions are leading day-to-day efforts at our large manufacturing facilities to identify opportunities, implement projects and track progress on water use reduction in our operations. This network of process engineers and environmental experts is critical in translating our enterprise-level targets into meaningful change at the local level. The group shares best practices and lessons learned through an internal project database and regular meetings.

Water Stewardship at Valliant, Oklahoma Mill

Our Valliant, Oklahoma containerboard mill reduced its water use intensity by 17% in 2021, largely through improved flow-metering, internal tracking and reporting, and building a culture of water stewardship at the facility. Efforts like these across the company are contributing meaningfully to our 25% water use reduction target.

Savannah River Clean Water Fund

The Savannah River is a critical water resource for communities in South Carolina and Georgia, providing drinking water to over half a million people and a key process input to local industries like ours. **The Savannah River Clean Water Fund** deploys a multi-stakeholder forest conservation model to improve water quality for all users. Partners include The Nature Conservancy, The Longleaf Alliance, local water utilities and state environmental agencies. We are proud to be the first private-sector participant in the Fund, and look forward to continuing this unique partnership.

Water Is Wonderful Classroom Curriculum

Water is Wonderful is a brand new curriculum designed by IP to teach students how to be good stewards of water in their communities. Using coloring and activity sheets, along with items necessary to carry out an experiment to teach the properties of water, teachers can use the curriculum to show students exactly where water is in their own communities. The program also teaches how pollution of water happens, how they can protect water and other critical lessons about this important resource.





Spotlight:

Reducing our GHG Emissions Across all 3 Scopes

We are committed to investing strategically in pursuit of our Vision 2030 goals. In 2021, for example, we converted the coal-fired power boiler system at our Rome, Georgia Mill to natural gas. According to the International Energy Agency, natural gas produces about 40% fewer GHG emissions per unit of energy compared to coal; the gas-fired boiler will reduce the mill's GHG emissions by nearly 90,000 metric tons per year.

This \$2.36 million project is just one example of the strategic, sustainable investments we are making on the road to 2030.

40%

fewer GHG emissions per unit of energy

90,000

tons of GHG emissions reduction per year

Renewable Solutions

Circularity wraps around everything we do at International Paper, from the renewable resources we rely on for our raw materials, to the products we make that can be recycled over and over. Now, our Renewable Solutions strategy challenges us to advance circularity across our value chain to help lead the transition to a circular, low carbon economy.



How We Manage Renewable Solutions

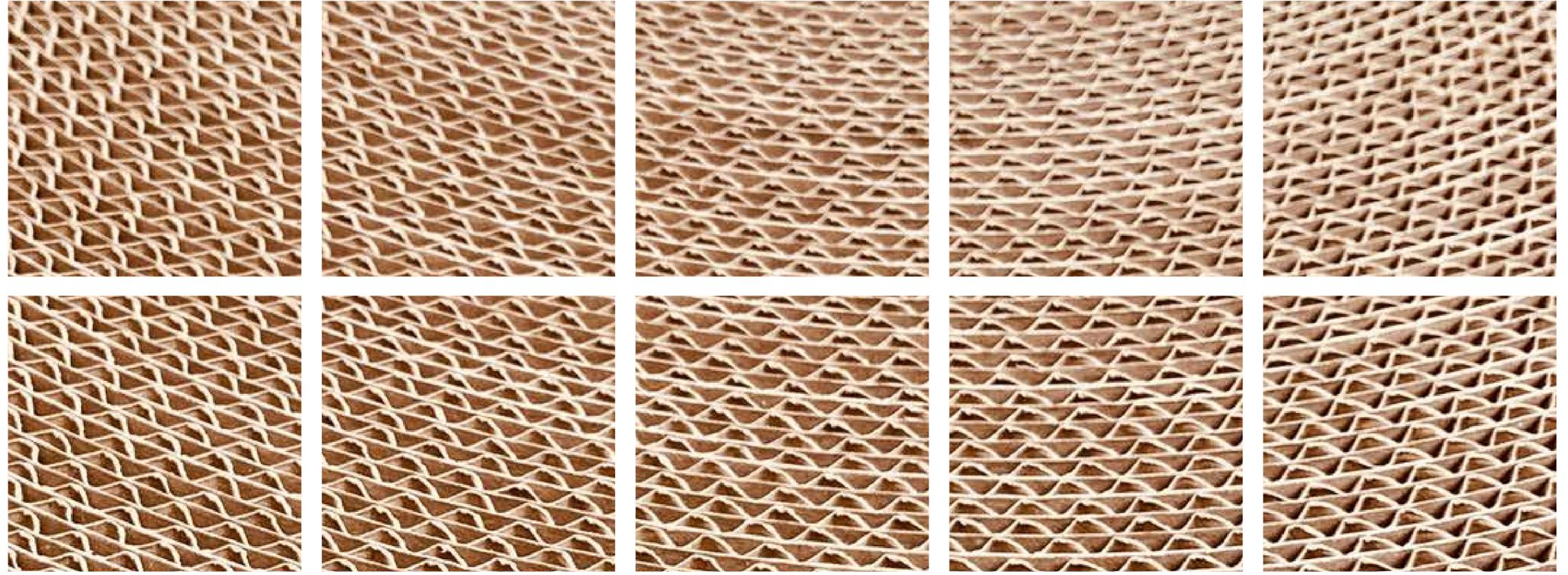
To achieve our Renewable Solutions goal, our strategy centers on creating innovative products that contribute to a more sustainable, low-carbon future and help our customers achieve their objectives. We do this by:

- Creating innovative, 100% reusable, recyclable or compostable products that help our customers achieve their objectives.
- Sourcing sustainably by investing in circular raw materials, sustainable forestry and in renewable and recycled fiber
- Using circular manufacturing processes to maximize resources and minimize impacts through the reuse of recovered fiber and all materials and residuals
- Collaborating with customers, suppliers and circular economy leaders on solutions to contribute to a low carbon economy at every stage of our value chain

RENEWABLE SOLUTIONS

Vision 2030

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



Developed business-specific **roadmaps and targets**, identifying opportunities to advance circular systems across our value chain

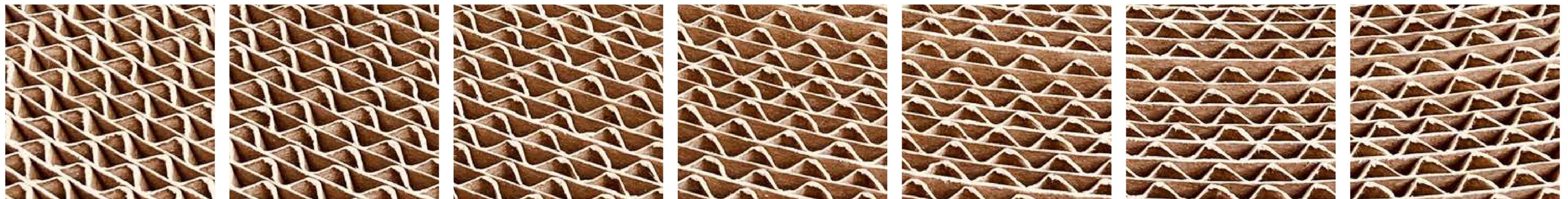
Strengthened our understanding of circularity opportunities through new membership in the **Ellen MacArthur Foundation Network**, the world's leading circular economy network

95% of IP products are recyclable, reusable, or compostable with **100% compostability** of IP pulp products and **93% recyclability** of corrugate packaging

TARGET:

100%

Advance circular solutions throughout our value chain and create innovative products that are 100% reusable, recyclable or compostable



RENEWABLE SOLUTIONS

Our Approach to Renewable Solutions

Create Innovative Products

Products are the primary mechanism through which International Paper can contribute to a low carbon, circular economy. They are the start and endpoint of any life-cycle analysis, and every decision we make along that continuum will influence value chain inputs, efficiencies and recovery.

We are designing circular solutions to turn our decision points into innovative products that are:

- Designed to be made efficiently and sustainably, from sourcing to production to transportation
- Designed with end-of-life in mind
- Easily recovered, recycled, reused or composted

Learn more about our 2021 product innovations [here](#).

Our strategy is shaped by the vision and principles of the Ellen MacArthur Foundation, the world's leading circular economy network, which we joined in 2021. Through our membership, we are working with the Foundation and its Network partners to advance our contributions to circular, low-carbon solutions.

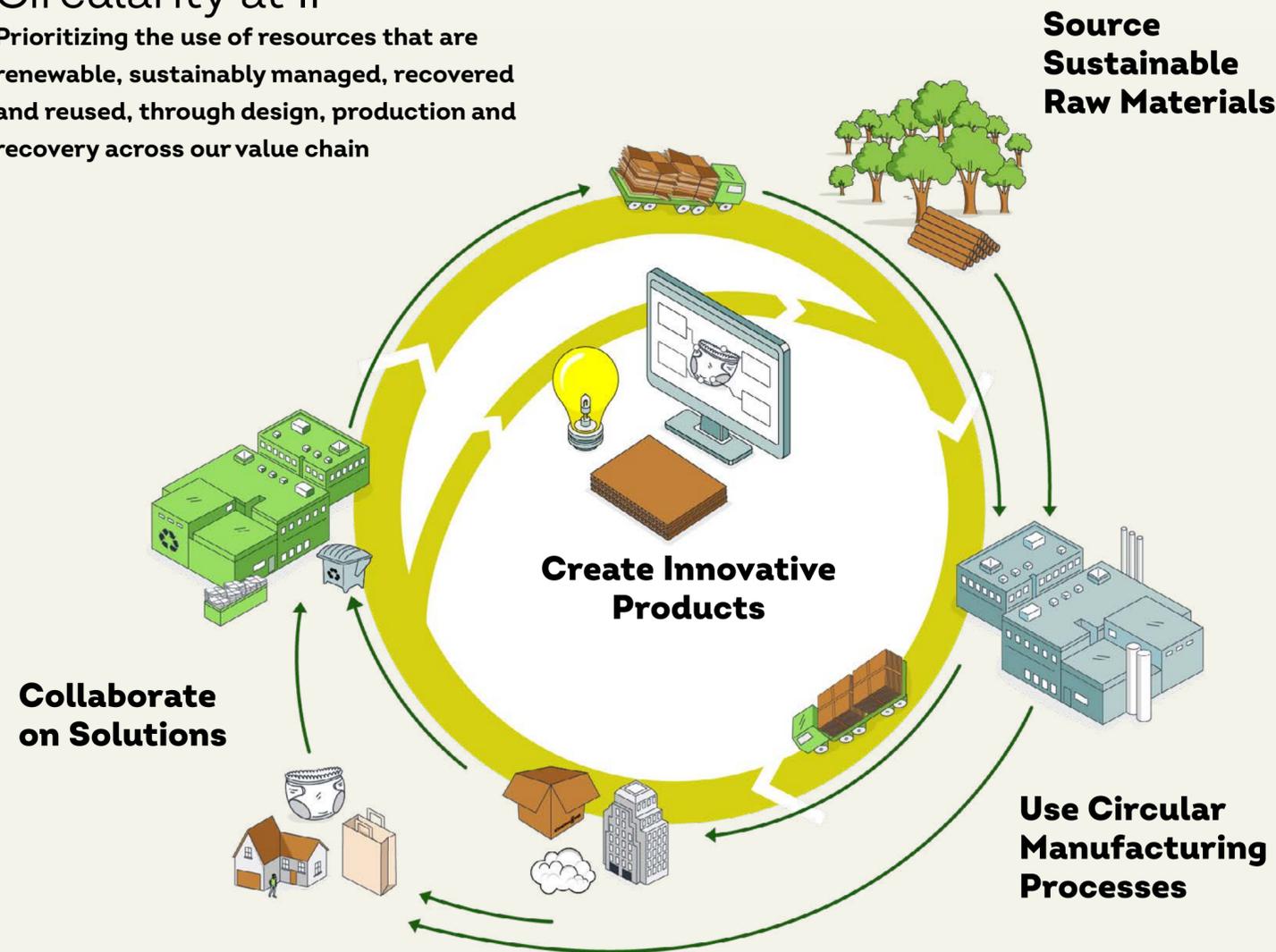


RENEWABLE SOLUTIONS

Our Approach to Renewable Solutions

Circularity at IP

Prioritizing the use of resources that are renewable, sustainably managed, recovered and reused, through design, production and recovery across our value chain



Source Sustainable Raw Materials

We source raw materials for our products that are:

- Renewable and sustainable
- Sourced from sustainable sources
- Recycled or recyclable

Our largest raw material is fiber. We source both renewable virgin fiber from trees grown in sustainably managed forests and recycled fiber. We collaborate with foresters and non-governmental organizations to implement best practices that promote forest sustainability and protect ecosystems. Our commitment links back to one of the three principles of circularity – to regenerate natural systems. Because our products are made out of renewable resources and hold carbon during their life, they can replace less sustainable, carbon intensive, non-renewable products.

We want to use renewable, recycled or recyclable materials as much as we can. Across our manufacturing process we want to ensure that, wherever we are not using renewable materials, we are using recyclable or recycled materials. Every year, our operations recycle 5 million tons of recovered fiber to make new fiber-based products

Learn more about our sustainable forestry practices [here](#) and more about our use of recovered fiber [here](#).

RENEWABLE SOLUTIONS

Our Approach to Renewable Solutions

Use Circular Manufacturing Processes

Circular manufacturing processes describe our efforts to shift to lower carbon operations, by:

- Designing out waste and pollution from our manufacturing processes
- Maximizing the use and reuse of all materials, resources, byproducts and residuals

We advance circular solutions in our manufacturing processes by cutting the waste we send to landfills to reduce energy use and associated GHG emissions. We can maximize resources in our manufacturing processes by 1) designing out waste and pollution and 2) by making the most of our use and reuse of all materials, resources, byproducts and residuals.

In 2021, 48% of our manufacturing waste was diverted from the landfill for beneficial uses. For example, the ash created when we burn tree bark and other residuals is used to stabilize pH levels in farmland. Dry ash can be used in road construction and the manufacture of concrete. Certain wood byproducts are used to make everyday products such as paints, fabrics, lubricants and even cosmetics.

Nearly 70% of the energy we use in our mills was derived from carbon-neutral biomass generated from the residual components of trees that cannot be used to make our products – a circular process. You can read about our ongoing initiatives to increase our use of renewable energy in our Sustainable Operations chapter.

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.

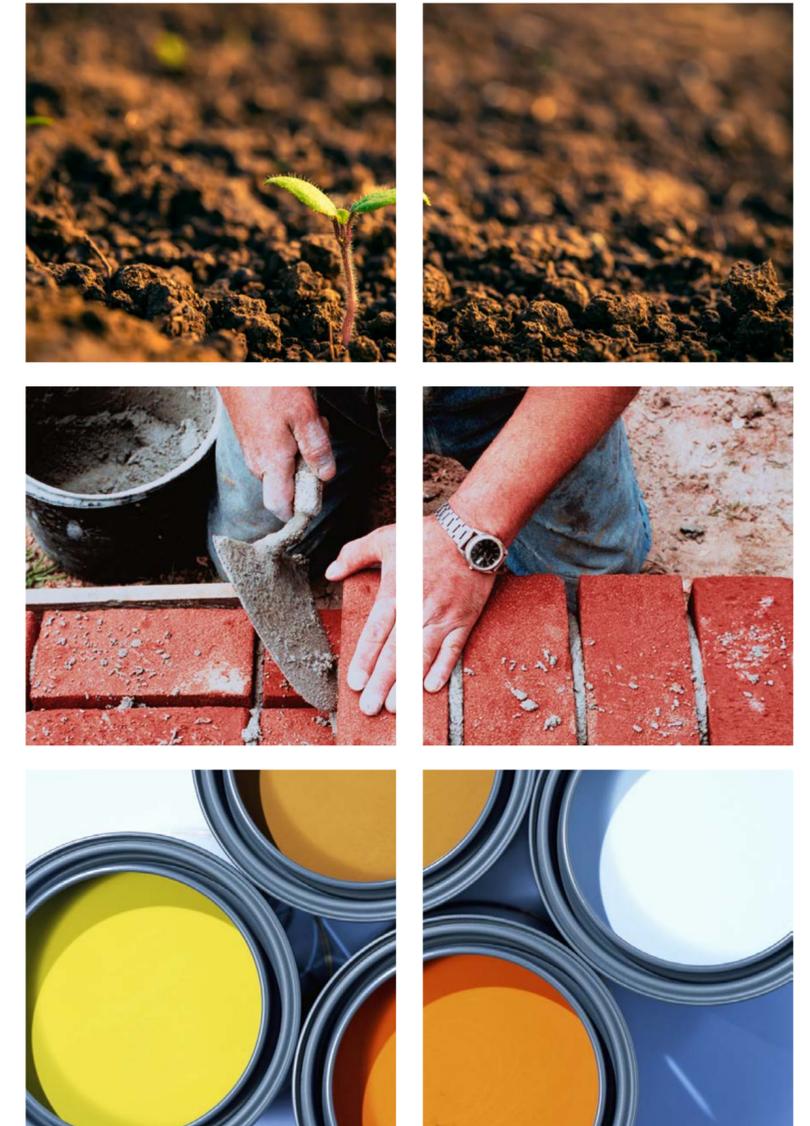
Collaborate on Solutions

Collaboration across our value chain, with its emphasis on driving innovative thinking through diverse points of view, is core to our success. We collaborate on solutions with customers, our supply chain and thought leaders to:

- Generate value through innovative, circular product solutions to meet customer needs
- Respond to changing market conditions and consumer demands
- Partner with others to ensure final products enjoy multiple lives through repeated cycles of reuse, recovery and recycling

The teams at our research and development centers are at the forefront of our creative solutions for customers.

Learn more about some of our 2021 collaborations [here](#).



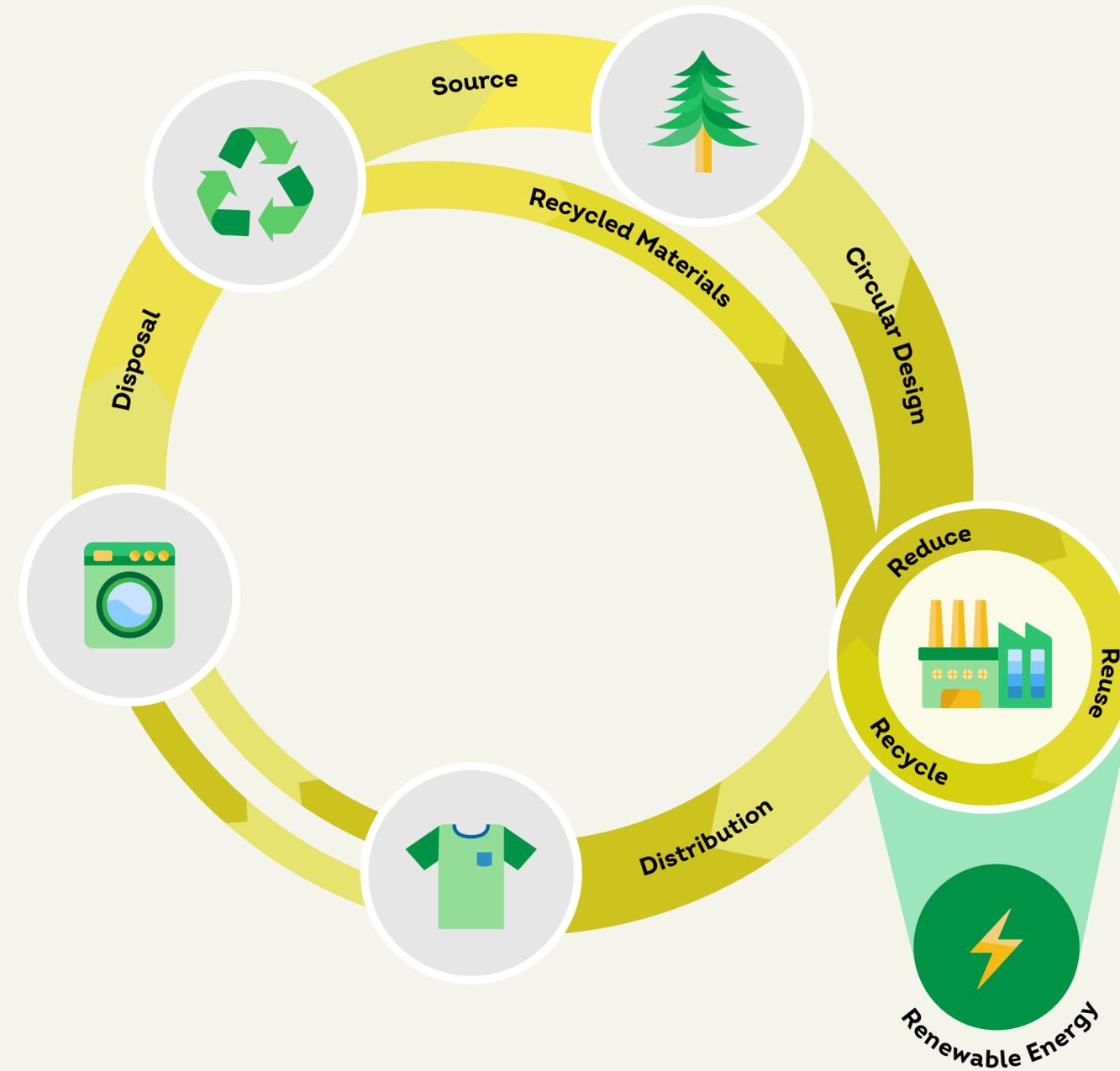
RENEWABLE SOLUTIONS

Our Approach to Renewable Solutions

What is the Circular Economy?

The circular economy is an economic system based on recovering, recycling and reusing products and materials. Often referred to as “circularity”, the key principles of the system include:

- Designing out waste and pollution
- Keeping products and materials in use
- Regenerating natural systems



A circular economy minimizes waste and makes the most of resources with continual points of recovery, reuse or recycling. This is the opposite of a linear, or “take-make-waste,” model of production and use, where a product is used once and thrown away. More than basic recycling, participating in the circular economy means we start with the design of our products so that every byproduct of the manufacturing process is put to good use and the final products can enjoy multiple lives through repeated cycles of reuse, recovery and recycling. By designing out waste and designing in efficient processes across our value chain, we are able to reduce our GHG emissions and contribute to a low-carbon economy.

RENEWABLE SOLUTIONS

Mapping Our Progress

In 2021, our Renewable Solution teams completed Vision 2030 roadmaps, which identified business-specific targets to guide delivery against our renewable solutions goal. These include:



Industrial Packaging Group 2030 Roadmap

Achieve improvements through innovation and redesign, material replacement and reduction, and recycling and recovery by:

- Achieving 100% recyclability of all manufactured packaging products
- Integrating circularity considerations into key business checkpoints
- Tracking product sustainability impacts and opportunities for material replacements
- Setting a Vision 2030 waste strategy based on key waste reduction opportunities
- Expanding partnerships to improve circularity and recycling and evolve circularity education

Global Cellulose Fiber 2030 Roadmap

Align with customers and deliver market needs by:

- Replacing plastic and petroleum based materials
- Reducing life cycle impacts, including GHG emissions, waste and water use
- Allowing for less raw material consumption overall
- Improving end of life solutions, including compostability and recyclability

Europe, Middle East and Africa Packaging 2030 Roadmap

Apply innovation, redesign, and material replacement, reduction, recycling and recovery by:

- Eliminating all non-recyclable materials in finished product
- Further developing product range and capabilities to substitute fiber products for plastics
- Reducing waste to landfill by targeting key areas for improvement across our operations
- Expanding partnerships to improve circularity and recycling
- Contributing to improve industry recycling rate and quality of recovered fiber

RENEWABLE SOLUTIONS

Focus on Supply Chain:

Recovery and Reuse of Fiber

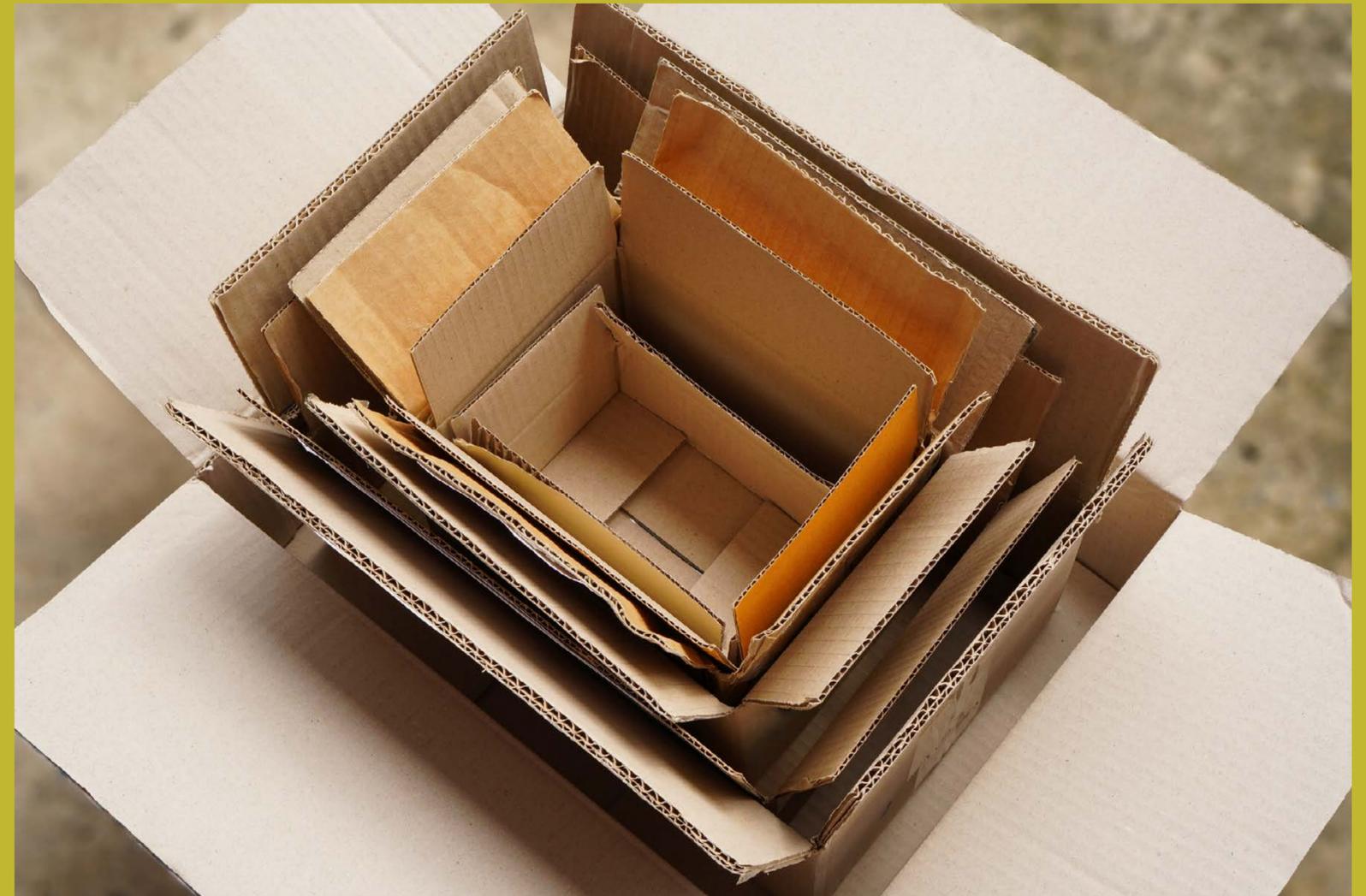
International Paper is one of the world's largest users of recovered fiber. Recovering and reusing fiber after consumer use helps to extend the usefulness of natural resources and to reduce materials to landfills. Every year, our operations recycle 5 million tons of recovered fiber to make new fiber-based products. We also facilitate the sale of an additional 2 million tons for reuse. The recovery and reuse of fiber is core to our business, and we make concerted efforts to continually increase its global recovery.

Q&A on Recycled Content

If recycling is a vital part of International Paper's strategy to improve our environmental impact, why doesn't IP make boxes with 100% recycled material?

The answer is a function of the nature of fiber. While fiber is remarkable in that it can be reused many times, it cannot be recycled indefinitely. Each time a carton is recycled, the fiber becomes shorter and more brittle – in essence, it ends up being too insubstantial to make sturdy new cartons on its own. That's why making fiber products requires both responsibly grown new fiber as well as recovered fiber.

In our manufacturing processes, we combine new fiber that comes from responsibly managed forests with recycled fiber that we collect through household and industrial recycling programs. Together, this combination of new and renewed creates an infinitely repeatable closed-loop system that become the products our customers can depend on for the long-term.



92%
of North America's
corrugate is recycled

RENEWABLE SOLUTIONS

Our Global Impact:

Renewable Solutions Highlights

93%

containerboard recyclable as of 2021

100%

pulp compostable as of 2021

77%

of projects in our GCF innovation pipeline support the renewable solutions goal

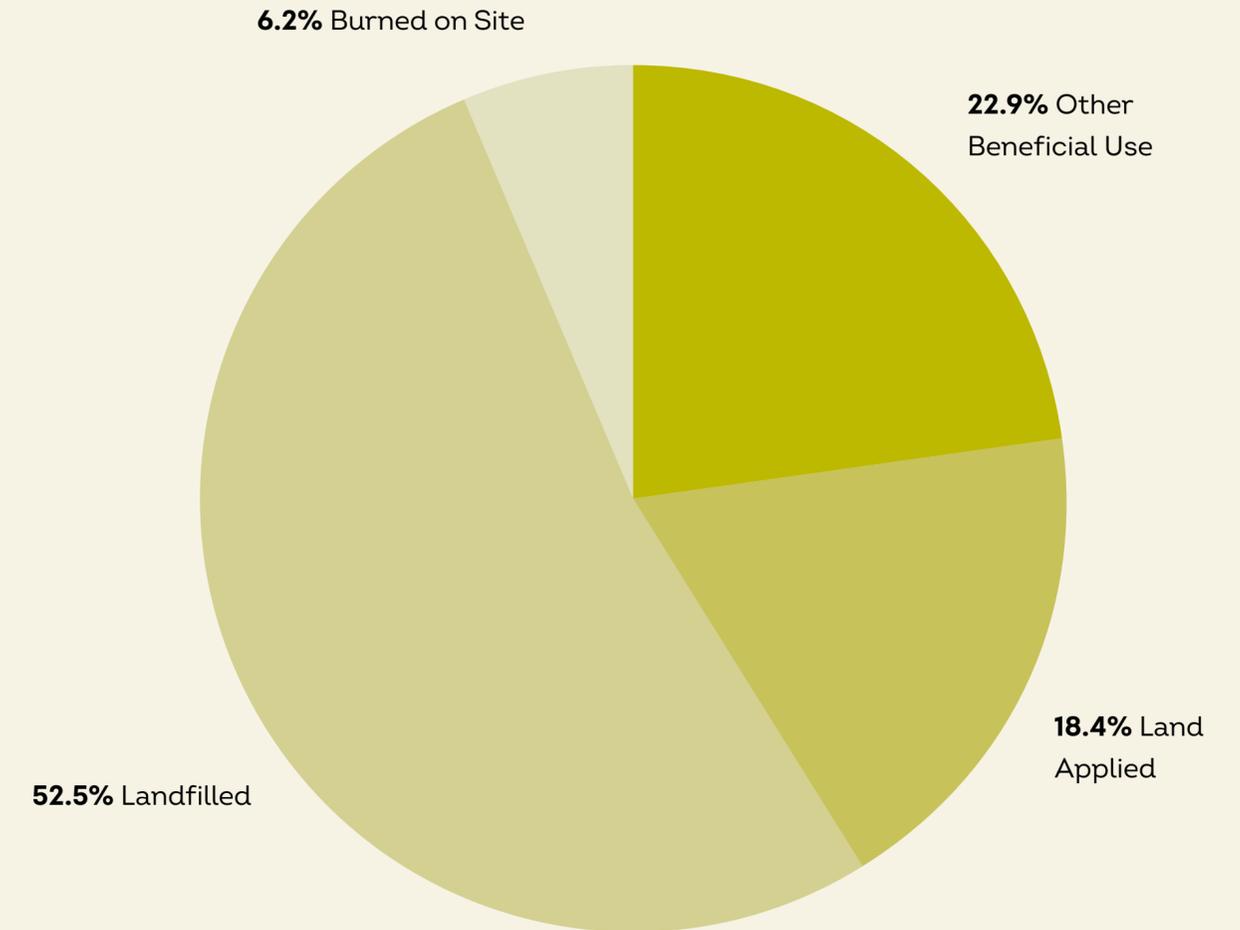
48%

waste diverted from landfill for a beneficial use

35.5%

average recycled content in our North American corrugated packaging products, including 29.8% post-consumer fiber

Waste by Disposal in 2021



RENEWABLE SOLUTIONS

Our Global Impact: Renewable Solutions Highlights

Award-winning OneBox

International Paper’s OneBox packaging, designed and produced at our Chalon, France facility, won the 2021 French Packaging Innovation Award (organized by G.I.S.I) in the corrugated board category. OneBox – a wine-shipping container – was lauded for its innovative functional features, which include maximum protection of the product it is shipping, and its sustainability advantages, which include the recyclability of its corrugated board construction.

Connective Packaging Solutions

Through our collaboration with OHMEGA™ + Touchcode™, we offer a connected packaging solution that lets vendors turn a shipping package into a portal to exclusive digital customer experiences. IP’s OHMEGA™ Ink prints a unique code on packages that are ready to be shipped and, on receipt, the customer unlocks their customized interactive content to enjoy. The unique code is also the gateway to enhanced package security, providing a platform for authentication and anti-counterfeiting protection.

Fiber Cement and Concrete

Our Global Cellulose Fiber team is continuously exploring opportunities to improve our fiber innovations to serve the needs of our customers. Our Matrix® portfolio is

designed for use as reinforcement fiber in a wide range of concrete applications. Sustainably sourced cellulose fiber, like the southern softwood pulp used in Matrix Impact, offers exceptional length and tensile strength that results in reduced shrinkage and cracking and increased durability compared to concrete containing polypropylene fibers.

Award-winning EMEA Recycling

International Paper’s Europe, Middle East and Africa recycling business, located at our Madrid Mill, is one of the largest collectors of old corrugated containers and other waste fiber in the Madrid region, collecting approximately 12,000 metric tons each month. The waste fiber is turned into new containerboard at the mill and then into new boxes by our packaging plant network. In 2021 International Paper was recognized by the Community of Madrid Sustainability Awards and El Suplemento Sustainability Awards for our commitment to bring the circular economy to life.

Logistic Optimization of Waste

In Pomezia, Italy our team collaborated with our customer Colgate Anzio to create a closed loop packaging system that cuts 20,990 kilograms of GHG emissions annually with a simple shift to a regional waste-processing vendor linked by a network contract. Our Pomezia plant ships 5,000 tons of

corrugated packaging to Colgate Palmolive. Colgate Palmolive recycles 874 tons of packaging. Our waste-processing vendor transforms recycled waste into material for new cardboard and packaging, which is shipped back to Pomezia.

Localization:

Benefits of Colgate-Palmolive waste management within the same region





Spotlight:

Integrating Renewable Solutions Into our Business Model

Integrating Renewable Solutions into our business model and every day operations is critical to our success. We are committed to advancing circular solutions across our value chain and developing innovative, sustainable fiber-based products that are 100% reusable, recyclable or compostable.

We know our customers want products that contribute to a more sustainable, low-carbon future, including fiber-based alternatives to carbon-intensive products. Our products can offer a more sustainable alternative, and opportunities to advance a circular, low-carbon economy abound across every aspect of our value chain.

We recognize that to best discover and leverage these opportunities, we need to collaborate with customers, suppliers and each other to build circular processes into the work we do every day. And so we are.

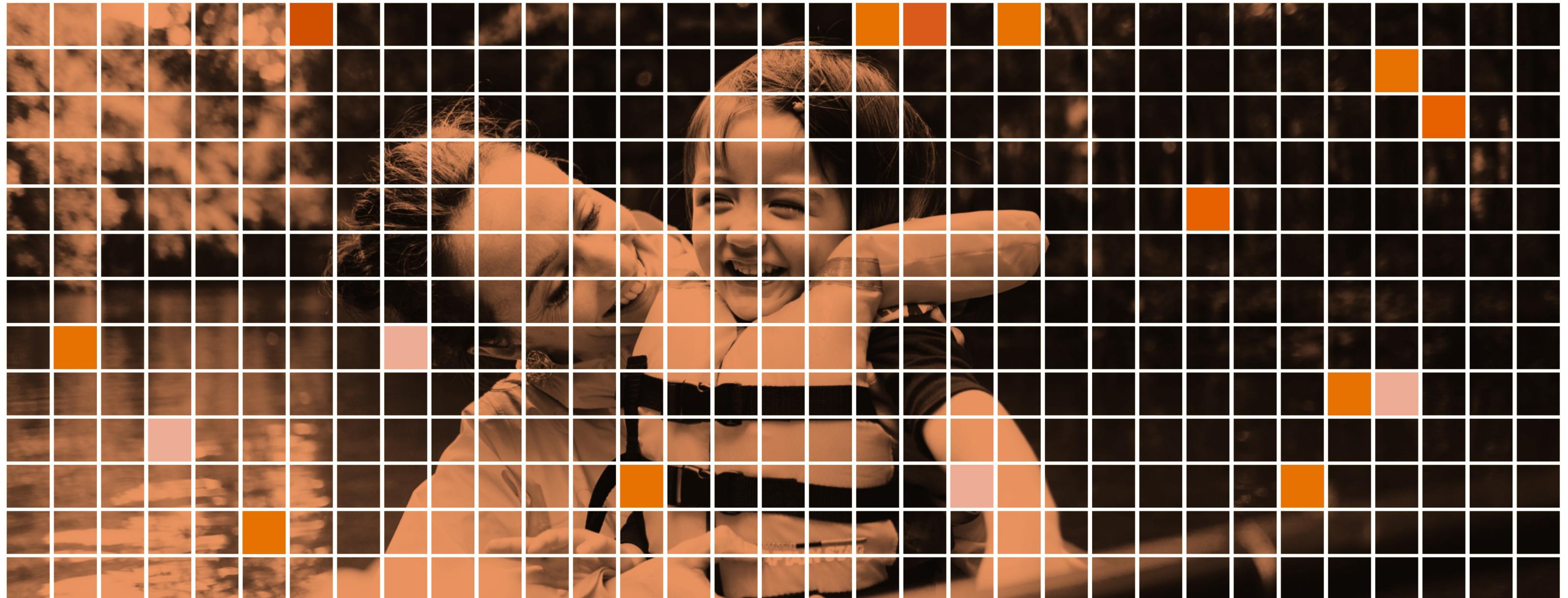
Our Global Cellulose Fiber team led a two-part event in September 2021 to introduce the concepts of a circular economy, align them with our cellulose fiber business and brainstorm to discover more ways to contribute to the circular economy and provide renewable solutions for our customers. We engaged more than 100 employees from our innovation, technology, marketing, Customer Technical Service and sustainability teams in the sessions, surfacing 100+ innovative concepts that we are testing for feasibility and that focus on:

- Replacing plastic and petroleum-based materials for absorbent and specialty product groups
- Reducing lifecycle impacts including GHG emissions, waste and water use,
- Improving end of life solutions, through compostability and recyclability, and
- Allowing for less raw material consumption overall

Thriving People and Communities

International Paper employees are the heart of our business and the foundation of our success. We are tireless in our efforts to foster a safe, inclusive and collaborative culture where each of us can thrive.

Beyond our workplace, we are investing to strengthen the resilience of our communities so that they, too, can prosper.



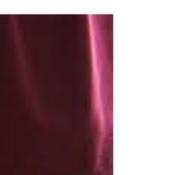
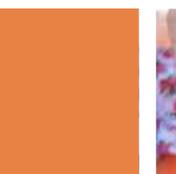
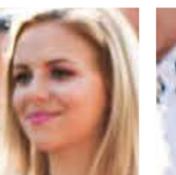


How We Manage Thriving People and Communities

Our workforce is made up of more than 38,000 people in communities across 10 countries. Our Vision 2030 goal, and our first-ever diversity targets, embrace our global culture and commit us to build on it.

Our diversity and inclusion strategy, with initiatives across our employee attraction, retention and engagement programs, is driving our efforts to create a culture where all individuals are valued, engaged and contributing to our success.

Diversity and inclusion inform our community engagement strategy as well. Our Vision 2030 target challenges us to improve the lives of 100 million people by 2030 through initiatives that address unmet basic needs. We engage our employees and partners across our four signature areas – education, hunger, health and wellness and disaster relief – to deliver on our promise.



THRIVING PEOPLE AND COMMUNITIES

Vision 2030

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



TARGET:

30%

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

- 35% women in salaried positions globally
- 22% minority representation in U.S. salaried positions
- 17% overall representation of women globally



TARGET:

100 Million

Improve the lives of 100 million people in our communities

Contributed to community literacy through the Rally to Read 100 campaign, reaching first-graders in 415 schools across International Paper's business footprint

Provided 7.9 million meals through our partnership with Feeding America

Donated 17,000 co-branded, customized boxes from our Graneros box plant in Chile to CRUZ ROJA (Red Cross), a humanitarian aid organization



TARGET:

0

Achieve zero injuries for employees and contractors

Continued focus on building a resilient safety culture through programs such as LIFE (Life-changing Injury and Fatality Elimination) which is our commitment to eliminate life-changing injuries in our workplace



THRIVING PEOPLE AND COMMUNITIES

Our Approach to Thriving People and Communities

We believe that investments in our people and communities are investments in our success.

Our approach to employee well-being begins with safety. Above all else, it is our highest responsibility.

Our diversity and inclusion framework – Workforce, Workplace, Marketplace – embraces diversity within our workforce and across our supply chain. Our comprehensive diversity and inclusion strategy drives our efforts to develop our employees’ capabilities, ensure diverse talent pools, improve retention and increase engagement. Paired with our training and development programs, and employee benefits, we aim to create a culture where all individuals are valued, engaged and contributing to our success.

Our community engagement and giving strategy mobilizes our people, products and resources to address critical needs in the communities where our employees live and work. We implement initiatives to address our signature causes – education, hunger, health and wellness, and disaster relief – through a combination of locally driven support, grant funding and national and global collaborations.



THRIVING PEOPLE AND COMMUNITIES

Promote Employee Well-Being

Occupational health and safety

We are committed to achieving zero serious injuries for employees and contractors. Our safety target, which we restated in our Vision 2030 goals, is non-negotiable, and is a shared responsibility: We look out for each other to ensure everyone returns home safely every day.

Our Life-changing Injury and Fatality Elimination (LIFE) program engages employees and fosters a learning culture to advance an injury-free workplace. By focusing on five key areas of workplace risk – slips, trips and falls; machine safeguarding; harmful substance exposure; motorized equipment accidents; and driver safety – our goal is to eliminate serious injuries and reduce all injuries to zero.

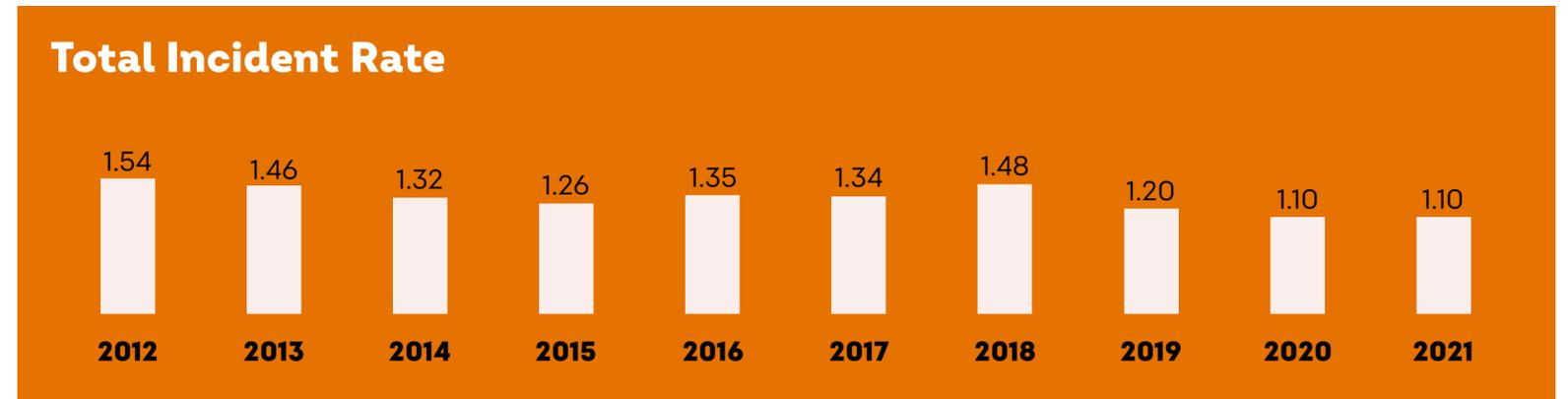
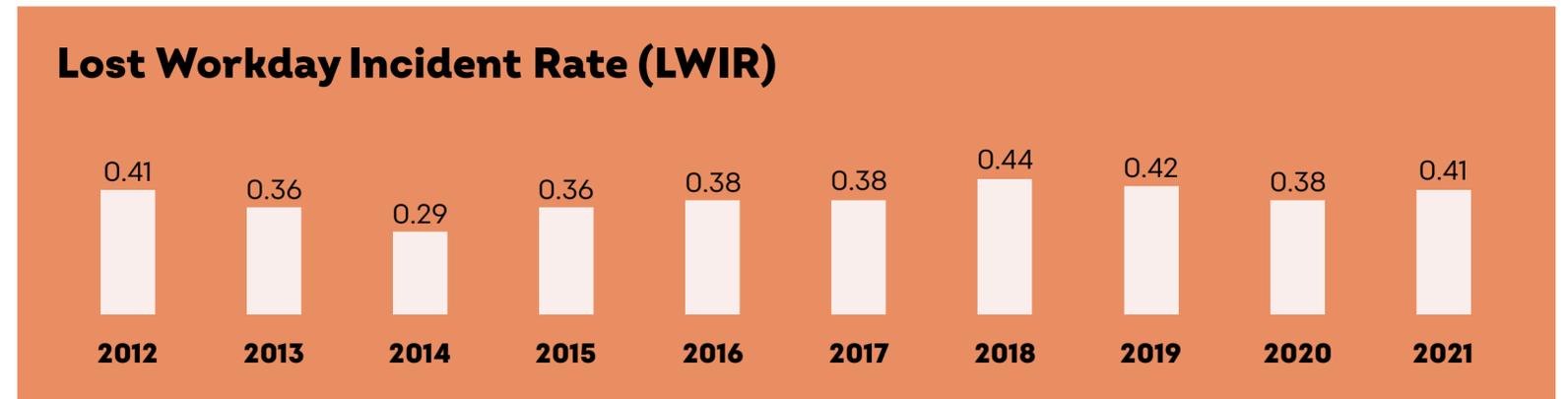
Our global operations report quarterly on safety leading indicators to all employees, including our senior lead team. With this data, we are able to measure the effectiveness of our health and safety initiatives and allocate resources to areas of safety that need to be improved. In 2021, International Paper continued actions tracked against the safety leading indicators, such as contact coordinator training and safe work observations to maintain LIFE performance year-over-year, despite ongoing distractions created by the global pandemic.

In 2021, 94% of our sites operated without a serious injury, reinforcing the positive impact of our programs. Still, we are committed to continuing to find safe ways to practice safety leadership, ensure layers of protection and take the necessary steps to keep ourselves and each other safe and healthy.

Safety leadership

Our safety culture reflects our belief that every employee is a safety leader regardless of his or her role. This means that each of us is required to:

- Maintain an active safety mindset
- Anticipate, recognize and remove hazards
- Intervene in unsafe conditions
- Contribute to a learning culture where we learn from events and near misses
- Integrate layers of protection – devices, systems and actions that combine to reduce the likelihood and severity of an unsafe event in our work
- Take responsibility and be accountable



In 2021	
Number of fatalities for directly employed	0
Number of fatalities for contractors	1
Number of lost time accidents	179
Frequency Rate (Lost Workday Incidence Rate)	2.05
Severity Rate (Lost Workday Rate)	118.3

The numbers reported in the charts above have been adjusted to exclude global printing papers business. This data also excludes COVID-19 cases.

THRIVING PEOPLE AND COMMUNITIES

Promote Employee Well-Being

Our Response to the Continuing COVID-19 Crisis

The COVID-19 pandemic continued to generate global health and economic challenges in 2021. Our commitment to keep our colleagues safe, meet the critical needs of our communities and deliver essential products to our customers never wavered. Our initiatives included:

- On-site vaccination clinics where possible as well as information on community clinics
- Education materials explaining the benefits of vaccination to employees and links to where they could learn more
- Video interviews with subject matter experts to address COVID-19 facts and myths, with topics such as herd immunity and vaccine development
- Continued implementation of pandemic preparedness plans, including processes and procedures for proper personal protective equipment requirements, social distancing and enhanced cleaning



THRIVING PEOPLE AND COMMUNITIES

Diversity and Inclusion

Diversity and inclusion are critical components of our sustainability strategy. We believe that a diverse and inclusive workforce strengthens our organization and creates long-term value. Diversity, in our view, is a driver for collaboration, with its emphasis on teamwork, innovative thinking and equal participation, and therefore critical to our success.

Our commitment to supplier diversity enables us to tap new perspectives, unique talents and innovative solutions to meet the growing and varied needs of our global customer base.

Putting our Strategy to Work

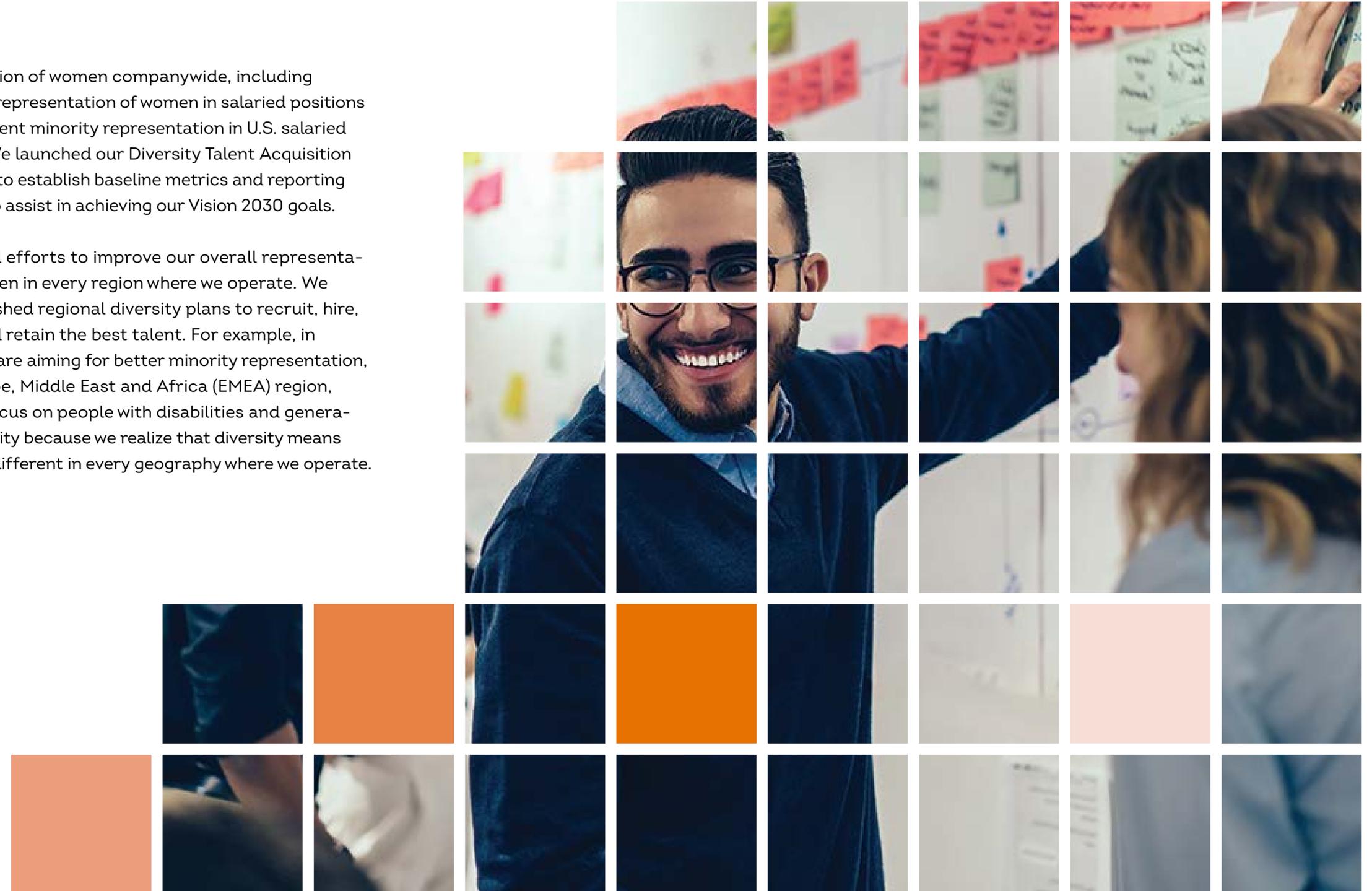
Our Global Diversity & Inclusion Council leads our global efforts to build and sustain a workplace that embraces individuality and collaboration to drive exceptional results. We expanded membership in the Council in 2021 to better represent the multiple dimensions of diversity we embrace. Our diversity and inclusion framework – Workforce, Workplace, Marketplace – embraces diversity within our company’s culture, our employees’ careers and the communities where our team members live and work.

Using our Strategy to Meet our Diversity and Inclusion Targets

Our Vision 2030 Thriving People & Communities goal includes three targets, or metrics, that measure success. One of these targets is to reach 30 percent overall

representation of women companywide, including 50 percent representation of women in salaried positions and 30 percent minority representation in U.S. salaried positions. We launched our Diversity Talent Acquisition Framework to establish baseline metrics and reporting measures to assist in achieving our Vision 2030 goals.

We initiated efforts to improve our overall representation of women in every region where we operate. We also established regional diversity plans to recruit, hire, develop and retain the best talent. For example, in the U.S., we are aiming for better minority representation. In the Europe, Middle East and Africa (EMEA) region, there is a focus on people with disabilities and generational diversity because we realize that diversity means something different in every geography where we operate.



THRIVING PEOPLE AND COMMUNITIES

Diversity and Inclusion

Our Targets

Our Vision 2030 targets are what we call “lagging indicators,” which are measurable results after deliberate actions have been taken. These targets are backed by a series of enterprise-wide “leading indicators,” which inform our actions. These include:



DEVELOP PEOPLE CAPABILITY

Fostering Learning & Development: In previous years, we rolled out Courageous Conversations training in Global Cellulose Fibers (GCF). Courageous Conversations help employees communicate their experiences and hear from others on complex issues of race and privilege in the workplace. In 2021, we implemented this training in our Industrial Packaging Group (IPG), including 15 mills and 175 box plants. In 2021, we implemented phase 1 of the Cultivating Inclusion program among our global salaried workforce; phase 2 expands to our global hourly team members in 2022.

ENSURE DIVERSE TALENT POOLS

We continued to focus on hiring diverse talent through college and military veteran recruiting and to implement team member training and development programs to prepare the right candidates for key positions. For example, we have increased representation of women engineers in our REACH (Recruit, Engage, Align College Hires) program by 39% with the Class of 2022, compared to the Class of 2021.

INCREASE ENGAGEMENT

We advanced our efforts to create a trusting and open environment where team members can express their ideas without fear of negative consequences. We initiated team-driven workplace flexibility plans that meet the needs of our team members and our company. We also continue to take active steps to improve the employee experience by utilizing team member feedback provided during pulse surveys.

IMPROVE RETENTION

We expanded our Employee Networking Circles (ENCs) to 15, including:

Global enterprise level: IPride – LGBTQ+ & Allies, IPVets – Veterans, IPMOVE – African American, and Women in IP – Women

Departmental and business level: GS NOW – Global Sourcing Networking Organization for Women, IT Inclusion Council, GCF D&I Council, and Global Sourcing D&I Council

Local level: LatAm Women in IP, NAC Northern Illinois Women’s ENC, Riverdale Women’s ENC, Orange Mill Diversity, Georgetown Women’s ENC Savannah Mill’s Supporting Women in the Mill (SWIM), and IP Wise in Federal Way.

We believe ENCs impact inclusion and engagement, which directly influences retention. For example, the Savannah Mill’s SWIM ENC is a part of their overall diversity and inclusion strategy because the mill workforce is made up of 9.7% women, an increase of 2.6% from 2017. The ENC was created to increase engagement and retention throughout the mill.

THRIVING PEOPLE AND COMMUNITIES

Focus on Supply Chain:

U.S. Supplier Diversity Program

International Paper values the contributions of businesses that are owned by individuals of diverse backgrounds in order to deliver the best products, with the greatest value, to an increasingly diverse marketplace. At International Paper, supplier diversity extends well beyond our commitment to being a good corporate citizen. We fully understand that a diverse supplier base must be an integral part of our supply chain. Our engagement with value-driven and diverse suppliers creates job opportunities, fosters success in local communities and ensures that our suppliers reflect our customer base and values.

In 2021, we purchased more than \$930 million in supplies from more than 3,600 small, minority-owned, women-owned and veteran-owned businesses.

We continue to expand our presence and role at industry-related business conferences, opening the door to generate opportunities that are more visible for diverse business owners. We also target partnerships with national, regional and local business development organizations, such as the Mid-South Minority Business Council and Women's Business Enterprise National Council, to help us identify new qualified diverse suppliers, expand our support of customers' diversity effort, and champion our commitment to serve diverse communities.

The total economic impact of our 2021 purchases from small and diverse suppliers equaled \$1.6 billion in contributions to the U.S. economy and more than 9,600 jobs supported, generating \$469 million in wages.

For more information on International Paper's workforce diversity, visit the [Index](#).



THRIVING PEOPLE AND COMMUNITIES

Employee Attraction, Retention and Development

We believe our people are our greatest competitive advantage. We regularly offer leadership development opportunities through formal training, educational benefits and on-the-job training to unleash every person's full potential. We regularly listen to employee views and act on the feedback to improve the employee experience.

Attract the Best Talent

In 2021, we launched a revamped, mobile-friendly Careers website and simplified our application process. This resulted in an 80% application completion rate, which drove a 200% increase in applicants for both hourly and salaried positions. We also enhanced our internal processes, maximizing our recruiting expertise to more efficiently attract and hire new and diverse talent.

We recruit co-operative students, interns and recent graduates from more than 45 schools, with a focus on 11 core universities. Core universities are those with which International Paper has an established relationship and invests considerable time and resources across multiple disciplines or in programs core to the paper and packaging industry.

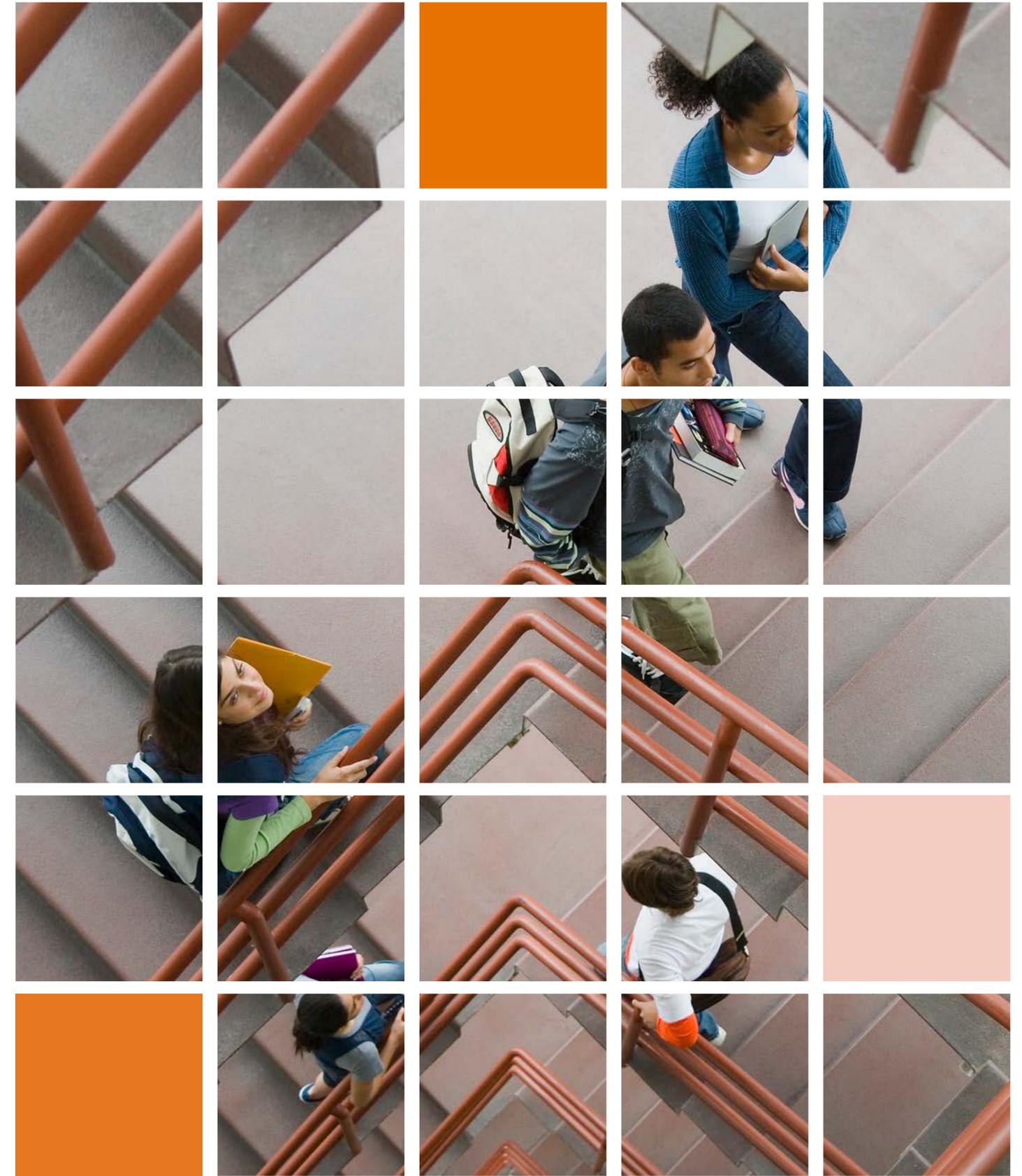
In 2021, International Paper hired approximately 285 interns and co-op placements in our operations, Typically lasting six months for co-op placements and three months for other internships, students apply their

academic know-how to our businesses, in engineering, global supply chain, information technology and other disciplines.

In 2021, our college recruiting efforts resulted in 115 full-time hires, of which 86% were from our internships and co-op programs.

2022 IP Core Schools

- The University of Alabama
- The Georgia Institute of Technology
- Mississippi State University
- The University of Tennessee
- Auburn University
- Louisiana State University
- North Carolina Agricultural and Technical State University
- University of South Carolina
- Florida Agricultural and Mechanical University
- University of Memphis
- North Carolina State University



THRIVING PEOPLE AND COMMUNITIES

Employee Attraction, Retention, and Development

Retain our Workforce

Our employee retention strategy focuses on employee engagement and providing competitive compensation and benefit offerings. Our overall goal is to ensure that our workforce feels valued for their contributions and knows that IP is looking after their health and well-being.

Employee Engagement

We believe that everyone – employees, managers and senior leaders – plays a role in creating a great work environment where we value mutual respect, active listening, open communication and the contributions of all. We engage employees by:

- Enabling them to pursue purpose and meaning through an understanding of how their strengths fit into our mission and vision
- Sustaining a workplace culture that facilitates efficiency, teamwork, collaboration and innovation
- Cultivating a sense of pride and commitment through meaningful experiences that are safe, open and trusting and that contribute to personal and professional growth and development

We value employee feedback and perspective, which contribute to continuous improvement across our business. We conduct regular organization-wide engagement surveys, pulse surveys to quickly capture employee sentiment at a moment in time, employee

listening sessions and focus groups on specific work-related topics, as well as robust 1:1 engagement facilitated through our performance and career development reviews.

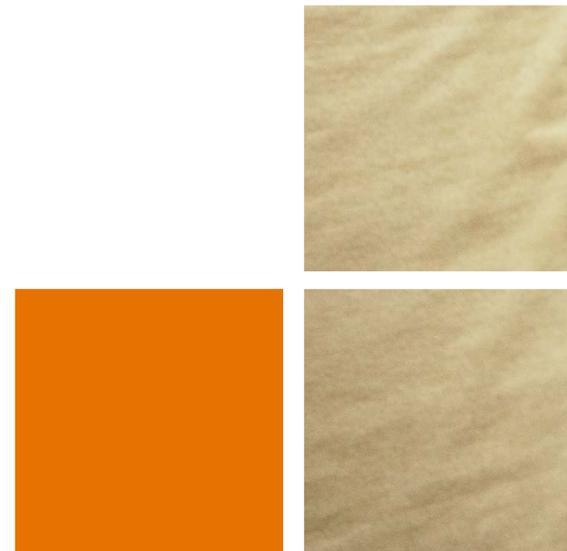
Compensation and Benefits for Full-Time Employees

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 programs and strive to be the employer of choice in the areas where we operate.

Stewardship Action Network

One way we engage employees is through our Stewardship Action Network (SAN), a voluntary group through which we strive to leave everything in better shape for future generations. SAN's three objectives include learning, networking and action. And woven throughout these is a committee focused on effectively communicating the network's programming and resources across the company.

- **Learning:** Educate our employees on stewardship concepts (both environmental and social), the links among them, and the role they play in our work and lives
- **Networking:** Connect like-minded employees from across the company to share ideas and experiences
- **Action:** Empower our employees as advocates for Vision 2030 within their roles at work, and in their lives away from work



THRIVING PEOPLE AND COMMUNITIES

Employee Attraction, Retention, and Development

Develop our Employees

International Paper's people underpin our success. We are committed to helping every employee reach their full potential through a range of training and development programs, as well as individual on-the-job coaching and performance reviews.

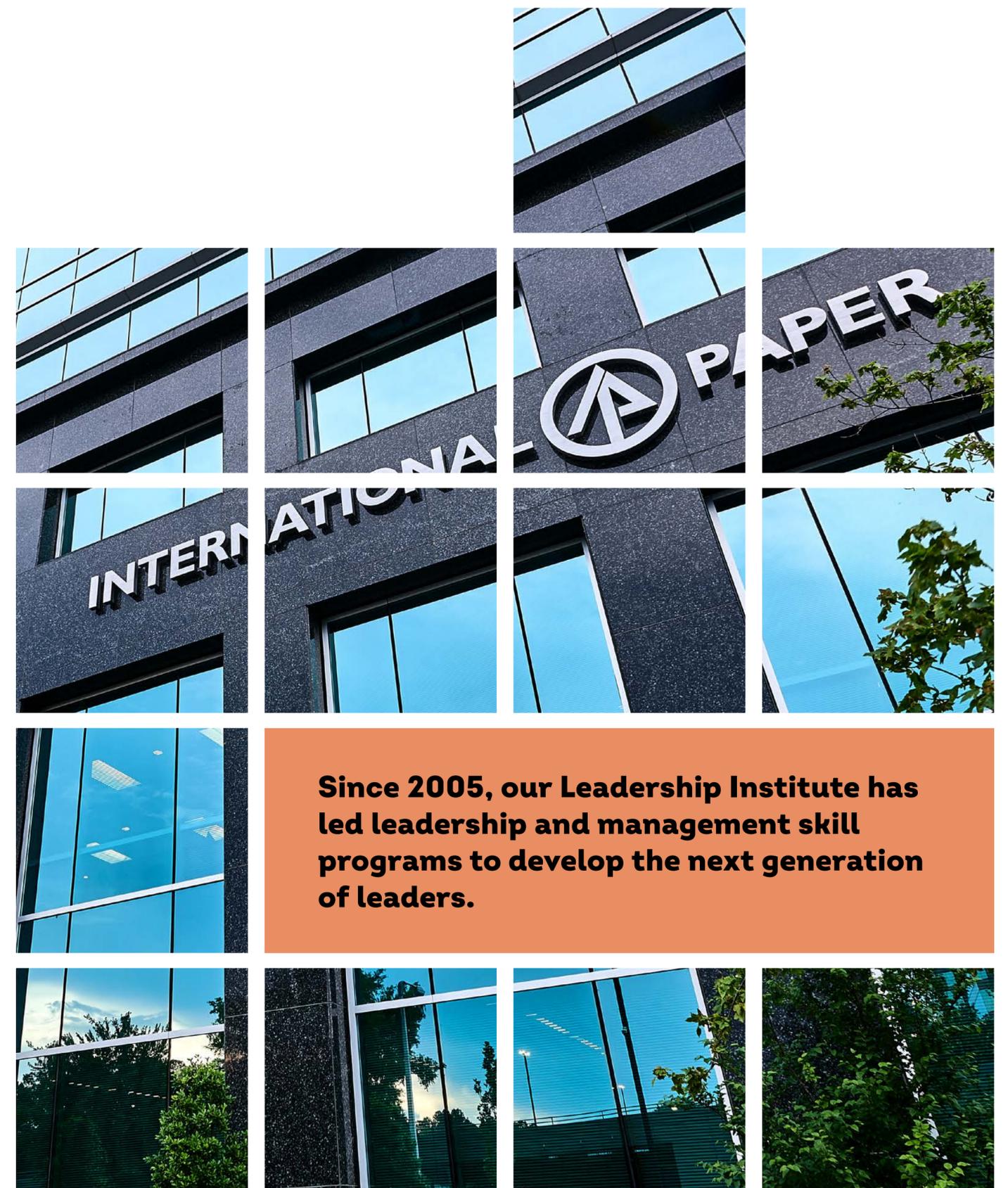
Employee development is based on individual interests and capabilities as well as the needs of our company. Mandatory and voluntary training help our employees develop new skills and expand on existing knowledge.

Training, Education and Leadership Development Programs

Our MyLearning platform is a foundational part of our training and development efforts, providing employees access to on-demand online courses. With the pandemic persisting in 2021, we continued to optimize our virtual learning platforms to ensure employees received the best possible learning experiences, from new-hire orientation and onboarding to essential skills designed to improve the way our employees think and work together. In 2021:

- 2,500 new e-courses were created
- 2.3 million courses were completed by employees, including learning activities to develop technical skills and essential leadership and interpersonal skills

Our Leadership Institute programs build management skills and leadership capacity through multi-day immersive experiential programs that provide skills development, assessment, feedback and coaching. In 2021, we continued to refine our leadership development programming including several new courses that we will deliver virtually in 2022.



Since 2005, our Leadership Institute has led leadership and management skill programs to develop the next generation of leaders.

THRIVING PEOPLE AND COMMUNITIES

Employee Attraction, Retention and Development

Building Supervisory Leadership Skills

The International Paper Leadership I and II program equips new and experienced first and second level leaders in our manufacturing operations with the leadership skills they need to build an engaged team, develop their skills and enable an inclusive culture. In 2021, 87 first line leaders completed the Leadership I component and 73 the Leadership II. In 2022, we are launching an exciting redesign of these programs for a more accessible and flexible approach to leadership development.

We also offer a series of capability-specific training initiatives to help IP prepare for long-term success. These include:

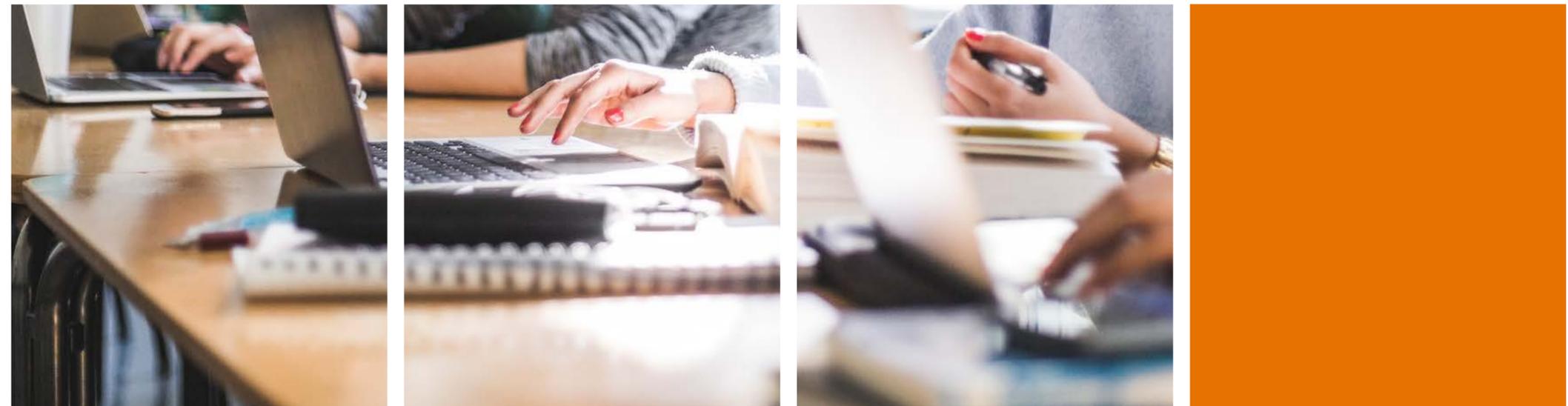
- Global Manufacturing Training Initiative
- Finance Training Initiative
- IT University
- HR University
- Supply Chain University

Our education benefits offer employees another avenue to broaden their knowledge and acquire skills. Our education assistance program provides tuition support to employees who want to take external classes to prepare for other positions within IP. Since 2017, we have offered student loan assistance up to \$9,000 to help new recruits repay outstanding qualified student loans. In 2021, more than 950 employees took advantage of this program.



Performance and Career Development Reviews

We conduct annual performance reviews of all employees to guide decisions related to compensation and rewards. Throughout the year, managers provide employees with ongoing feedback, coaching, training and on-the-job development.



THRIVING PEOPLE AND COMMUNITIES

Strengthen Community Resilience

International Paper mobilizes our people, products and resources to address critical needs in the communities where our employees live and work.

Our four signature causes – education, hunger, health and wellness, and disaster relief – address basic needs to build stronger, more resilient communities. Often, the underserved and vulnerable populations that most need this support include people who are Latinx, African American, Native American, refugees, LGBTQ+, and children and women. By addressing the most basic needs of these populations, we can help eliminate or reduce barriers that impede self-sufficiency, resilience and opportunity.

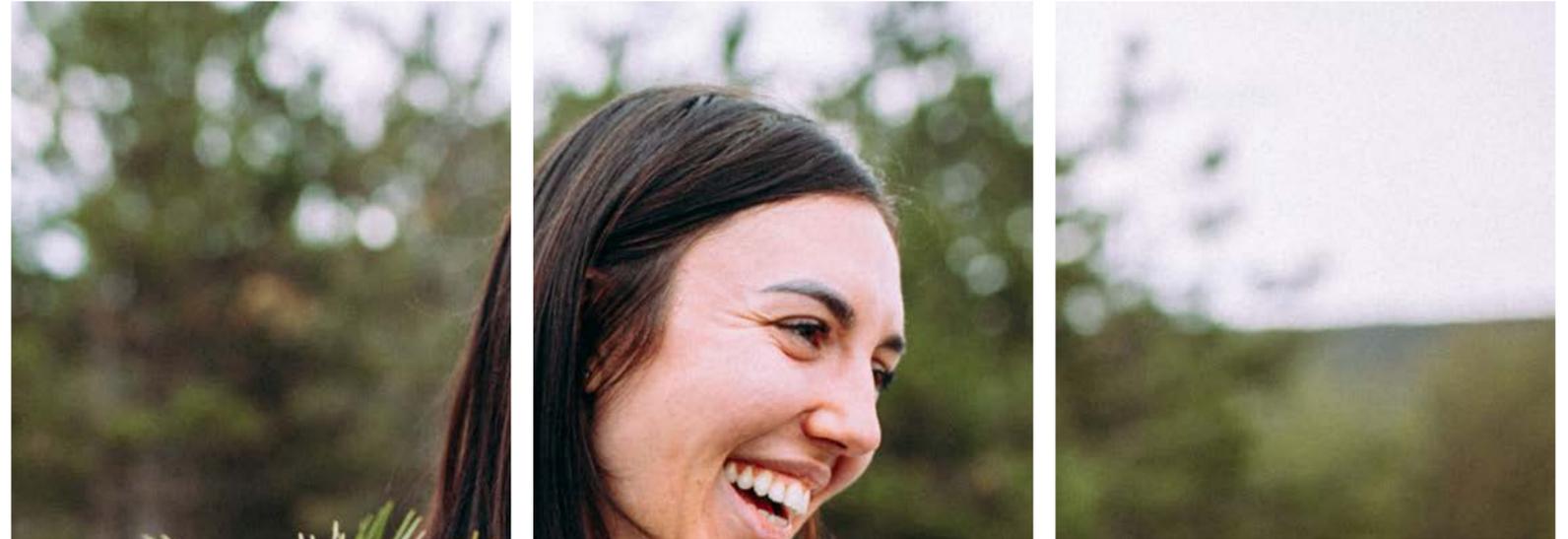
Through our community giving strategy, we aim to improve the lives of 100 million people by 2030.

Empowering Employees to Support Communities and Causes

Despite the ongoing pandemic, we found ways to engage and connect our employees to support our communities and signature causes. Our initiatives included:

- Day of Caring volunteer kits delivered for six separate initiatives to interested employees
- 100,000+ trees planted in 10 International Paper communities through our partnership with Arbor Day Foundation, including an environmental equity event to improve the urban tree canopy in Chicago and tree planting in Cedar River to restore the area following a devastating derecho
- 14 facilities participating in packing Period Poverty contributions for local community distribution

While our overall volunteer hours were down due to pandemic restrictions, we are proud of the contributions our International Paper volunteers made, and especially pleased to welcome the increased participation by our hourly employees, made more accessible with our shift to virtual volunteerism.



In 2021, International Paper contributed more than \$23.3 million worldwide to support charitable organizations aligned with our signature causes, positively impacting more than 13.6 million people

84,626 people of that total were reached in Sylvamo communities



THRIVING PEOPLE AND COMMUNITIES

Strengthen Community Resilience

Tracking our Progress to 100 Million Lives

Working collaboratively with our non-profit partners, we can quantify our impact on people in our communities. Standardized metrics and reporting enable us to track each organization's impact and quantify the number of lives improved through our volunteers and contributions.



\$23.3M
in IP Global Giving in 2021




\$3.4M
employee giving and
company match combined



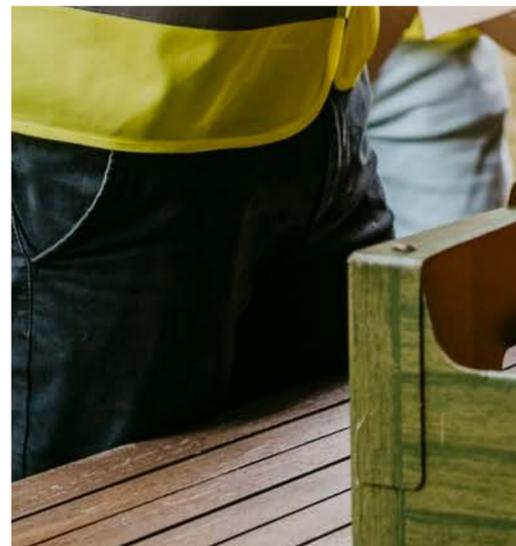

13.6M
people reached




2,800+
IP employee volunteers



160,000
corrugated products, boxes,
bags, paper and absorbent
pulp products donated




approx
13,500
volunteer hours across
32 states and 8 countries



THRIVING PEOPLE AND COMMUNITIES

Our Global Impact:

Thriving People and Communities Highlights

Promoting Literacy

International Paper is a proud sponsor of Rally to Read 100, a six-month initiative launched in September 2021 to inspire children across the U.S. to read 100 books over the school term. Organized by nonprofit Reading is Fundamental, which champions children's literacy, the inaugural event engaged more than 64,000 children who pledged to read a total of 272,000 books.

Tackling Hunger

Through our long-standing partnership with Feeding America, we contributed more than \$890,000 to food banks in each of our more than 200 U.S. communities. The contributions helped support millions of people through the distribution of over 7.9 million meals they need to thrive every day and in times of disaster. We also continued to support the Global FoodBanking Network (GFN). In the final year of our 4-year, \$1 million commitment, our contribution helped GFN support 175 food banks across Canada, Mexico, Brazil, Poland, Spain Italy and Guatemala distributing 1.5 million kilograms of food to people in need.

Addressing Period Poverty

We doubled our feminine care kit packing program to address Period Poverty, with more than 14 facilities packing kits to donate in their communities. We put in place plans to continue to expand this program in 2022 in conjunction with International Women's Day and Menstrual Hygiene Day.

Offering Disaster Relief

In 2021, locally and internationally, our teams helped build resilient communities:

- Our team in our Europe, Middle East and Africa Region provided €10,000 in disaster relief funding following July's devastating flash floods in Germany and Belgium, as well as 12,000 Euros in disaster relief funding after the devastating volcano eruption in La Palma/Canary Islands, Spain.
- Through the IP Foundation, the Savannah, Georgia, Mill donated \$15,000 and partnered with local agencies and businesses to prepare 1,500 buckets of emergency supplies ahead of hurricane season
- In Orange, Texas, our team donated pallets of water and personal care items to assist local communities impacted by Hurricane Ida
- More than \$200,000 was donated in response to disasters to Feeding America, American Red Cross, United Way Worldwide and Team Rubicon for disasters including winter storms across Texas, Louisiana and Mississippi, and tornadoes in the U.S. Midwest



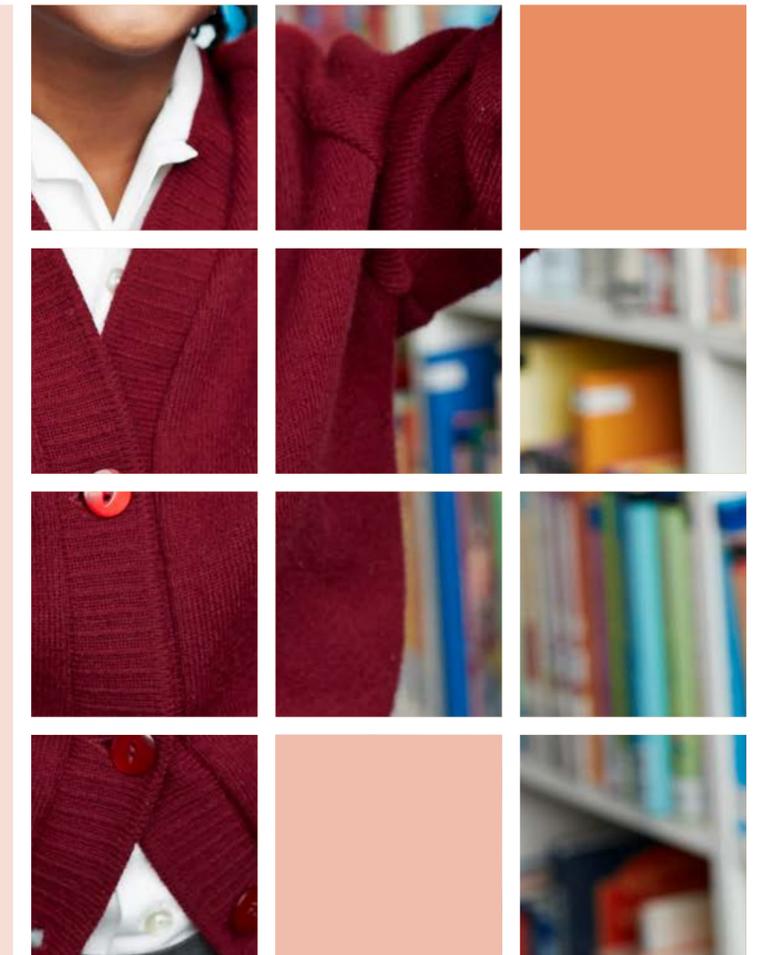
Our Community Partners

U.S. Collaborations

- American Red Cross
- Coaching for Literacy
- Celebrate Planet Earth
- Feeding America
- National Fish and Wildlife Foundation
- Reading is Fundamental
- United Way
- Wreaths Across America

Global Collaborations

- Arbor Day Foundation
- The Global FoodBanking Network
- The Nature Conservancy
- World Wildlife Fund





Spotlight:

The Morton Arboretum STEM Pathways Program

Trees play an immeasurable role in the health of our ecosystems. They produce oxygen, improve air quality, store carbon, stabilize soil and offer wildlife a home. In addition, as a walk in the park will attest, they also make humans feel better. Yet, today, trees face more threats than ever.

The Morton Arboretum is a tree champion. Over the last century, the Chicago-area arboretum has built a 1,700-acre living collection of nearly 5,000 different kinds of plants that offer a forest of opportunities for people to understand the vital role trees play in our ecosystems. Its STEM Pathways Program opens the door for young people to appreciate, learn about and protect trees, perhaps through a lifetime career.

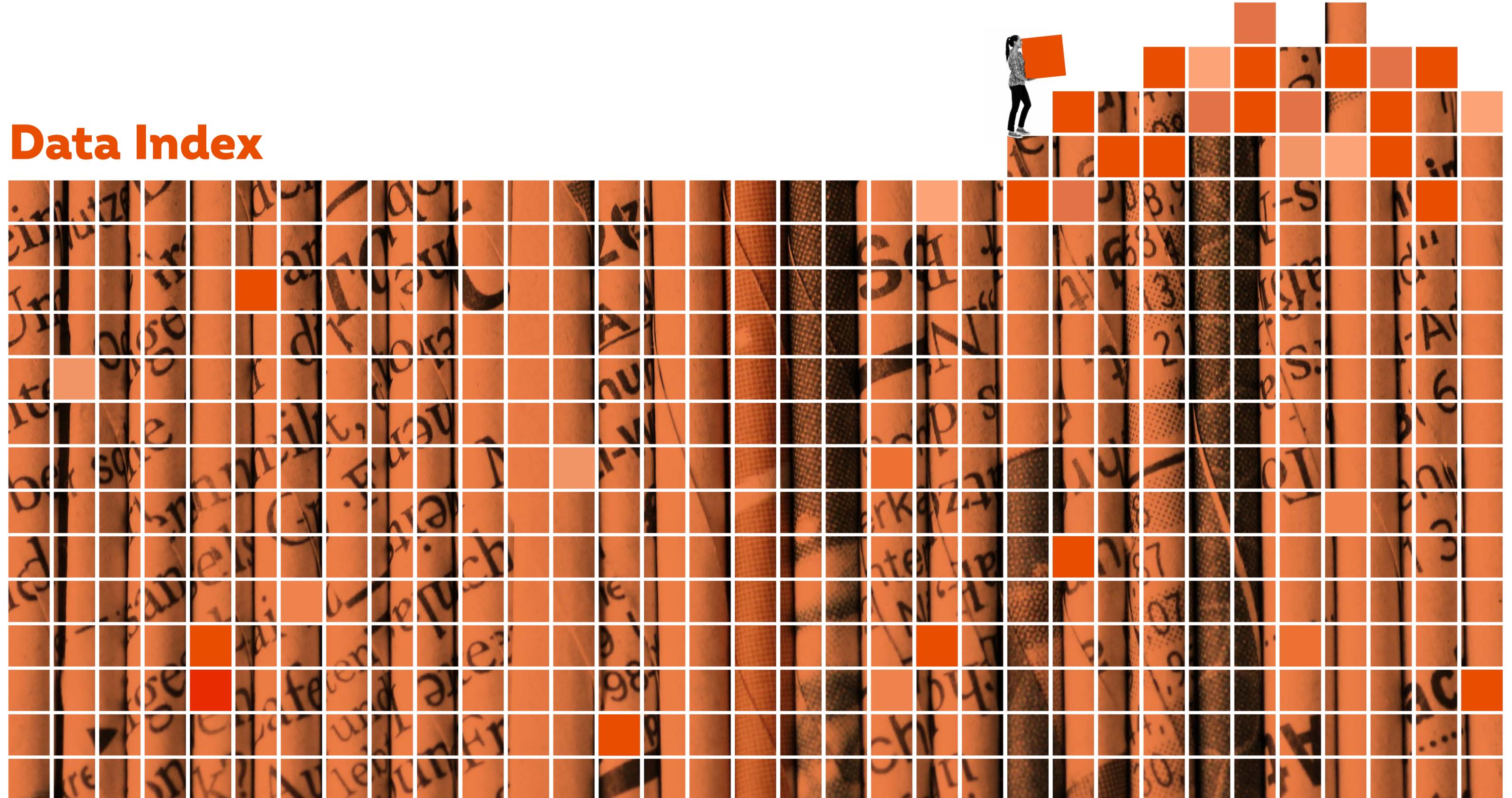
The Arboretum STEM Pathways Program serves a broad constituency, from pre-school through high school and college students to parents, educators, and conservation and horticultural professionals. Engaging its audience through day programs, summer camps, classroom resource bins, college-level botany courses, teacher training and more, its aim is to increase plant knowledge and improve science literacy through hands-on planting and caring for trees, working in natural areas and, for students, exploring STEM as a future career path. For example, its Youth Volunteer Program engages young people in experiences to support the Arboretum's summer family program while also providing citizen science education, opportunities

to explore STEM careers with Arboretum tree science staff and community service hours. Over a five-year period, 211 youth volunteers, most volunteering multiple years, contributed more than 15,000 hours (about 3,000 hours each year).

International Paper's contributions to the Morton Arboretum STEM program include:

- Supporting 165,000 engagements with children and youth focused on creating lifelong connections to trees and nature
- Expanding staff capacity to build and deliver new experiences for Arboretum visitors
- Helping to shape the next generation of STEM professionals.
- Donating more than \$240,000 since 2014

Data Index



DATA INDEX

Sustainability Accounting Standards Board (SASB) Index

This index aligns with the recommended disclosures as outlined in the SASB Containers & Packaging sector standard.

SASB Code	Metric	Unit	Response
Greenhouse Gas Emissions			
RT-CP-110a.1	Gross global Scope 1 GHG emissions	Metric tons of carbon dioxide equivalent (MT CO ₂ e)	6,718,568 ¹
	% of global Scope 1 emissions covered under emissions-limited regulations	%	4% ²
RT-CP-110a.2	Discussion of long and short term plan to manage Scope 1 emissions		2021 Sustainability Report, " Addressing Scope 1 and 2 GHG Emissions " pg. 33
	Emissions reduction targets and analysis of performance against those targets		Reduce our Scope 1, 2 and 3 GHG emissions by 35% from 2019-2030, aligned with the best-available climate science (SBTi-approved as "well-below 2-degree C" pathway). 2021 Sustainability Report, " Addressing Scope 1 and 2 GHG Emissions " pg. 33
Air Quality³			
RT-CP-120a.1	NO _x (excluding N ₂ O)	MT	22,341
	SO _x	MT	12,886

1. Consistent with the GHG Protocol, our reported Scope 1 GHG emissions and associated targets do not include biogenic GHG emissions, which were approximately 24.7 million metric tons in 2021
 2. Our Madrid, Spain recycled containerboard mill and Grande Prairie mill in Canada operate under federal or regional emissions trading systems.
 3. Calculation methodology: Data for air emissions are from mill operations only and are consistent with regional regulatory requirements for reporting data.

DATA INDEX

Sustainability Accounting Standards Board (SASB) Index

SASB Code	Metric	Unit	Response
	volatile organic compounds (VOCS)	MT	21,450
	Particulate Matter 10 (PM10)	MT	3,043
Energy Management³			
RT-CP-130a.1	Total energy consumed	GJ	2021: 411,263,863 2020: 405,060,922 2019: 386,739,850
	Percentage grid electricity	%	5.8%
	Percentage renewable	%	66% ³
	Total self-generated energy	GJ	384,957,603 ⁴
Water Management			
RT-CP-140a.1	Water withdrawn ⁵	Thousands of Cubic meters	2021: 646,135 2020: 636,318 2019: 632,750
	Water effluent	Thousands of Cubic meters	2021: 600,832 ⁶ 2020: 563,183 2019: 579,876
	Water consumed	Thousands of Cubic meters	2021: 45,303 2020: 73,135 2019: 52,874
	Water withdrawn in locations with High or Extremely High Baseline Water Stress as a percentage of the total water withdrawn	%	7%

3. Includes all fuel and energy sources at all IP manufacturing facilities.

4. Total energy consumption minus net purchased electricity.

5. This represents process water withdrawn for mill operations, which constitutes over 98% of our water use.

6. We returned 93% of water we withdrew in 2021. The remaining 7% was lost to evaporation in the process or remained as moisture in product.

DATA INDEX

Sustainability Accounting Standards Board (SASB) Index

SASB Code	Metric	Unit	Response
	Water consumed in locations with High or Extremely High Baseline Water Stress as a percentage of the total water withdrawn	%	1%
RT-CP-140a.2	1) Description of water management risk and 2) discussion of strategies and practices to mitigate those risks		Water is a critical input for our process. 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. This assessment serves as the foundation for our water stewardship strategy, including facility-level plans for context-based water stewardship under our Vision 2030 goals. Specifically, we use the assessment to prioritize sites for water-related operational improvements and watershed protection efforts. 2021 Sustainability Report, “ Advance Water Stewardship ” pg. 37 2021 Sustainability Report, “ GRI 303-2 ” pg. 95 CDP Water Security Response , “W4. Risk and Opportunities”
RT-CP-140a.3	Number of incidents of non-compliance associated with water quality permits, standards, and regulations		Zero significant incidents of non-compliance associated with water quality permits, standards, and regulations in the reporting year.
Waste Management			
RT-CP-150a.1	Amount of hazardous waste generated & recycled	MT	We have a global data collection system for key indicators including Environment, Health and Safety. Through this system we also monitor hazardous/special waste generated in our mills annually. Our facilities strive to reduce hazardous waste generation in order to reduce disposal costs and compliance management requirements. We do not disclose hazardous waste volume data publicly.
Product Safety			
RT-CP-250a.1	Number of recalls issued, total units recalled		None

DATA INDEX

Sustainability Accounting Standards Board (SASB) Index

SASB Code	Metric	Unit	Response
RT-CP-250a.2	Discussion of process to identify and manage emerging materials and chemicals of concern		<p>International Paper operates under a global Product Stewardship Performance Standard to ensure that all products sold meet applicable regulatory and chemical of concern requirements, and are safe for their intended end use. The elements of that standard include product hazard assessments; good manufacturing practices; raw material conformance and acceptability; representative product testing; product event tracking and corrective actions; product declarations; employee training and possible audits.</p> <p>Conformance and acceptability of raw materials is carried out using a matrix of raw material requirements that vary by end use application, regulatory jurisdiction and applicable industry standards. Requirements include regulatory compliance and substance of concern prohibitions or use restrictions as appropriate. New raw materials are assessed for conformance prior to use in our products. Existing raw materials are subject to regular reassessment as regulations change and new chemicals of concern emerge.</p> <p>Chemical of concern, regulatory and exposure assessment testing (i.e. food contact migration testing and skin irritation or sensitization testing) of representative products is carried out regularly to demonstrate ongoing acceptability and safety of our products.</p> <p>Raw material conformance and acceptability is also a key component of our process for development of new products. Potential raw materials are evaluated early in the process to quickly rule out unacceptable materials and identify appropriate screening needs. New products under development may be screened for chemicals of concern or to evaluate impact of exposures.</p>
Product Lifecycle Management			
RT-CP-410a.1	% of raw materials from recycled content	% by weight	10% of our sourced fiber is recovered fiber
	% of raw materials from renewable resources	% by weight	100% of our sourced wood and recovered fiber are from renewable resources
	% of raw materials from renewable and recycled content	% by weight	10% of our sourced fiber is recovered fiber, all of which is from renewable resources
RT-CP-410a.2	Revenue from products that are reusable, recyclable, and/or compostable	% by weight	95% of our products are reusable, recyclable, and/or compostable
RT-CP-410a.3	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Not applicable – comprehensive	2021 Sustainability Report, “ Sustainability Across the Value Chain ” pg. 15 2021 Sustainability Report, “ Renewable Solutions ” pg. 40

Sustainability Accounting Standards Board (SASB) Index

SASB Code	Metric	Unit	Response
Supply Chain Management			
RT-CP-430a.1	Total weight (in metric tons) of wood-fiber-based raw materials procured	MT	48,288,856 ⁷
	Total wood fiber procured, percentage from certified sources	%	34.5% of our fiber is sourced from forests certified to the FSC®, PEFC™ or SFI® forest management standards
RT-CP-430a.2	Total aluminum purchased, percentage from certified sources	tCO ₂ e, %	Not Applicable
Activity Metrics			
RT-CP-000.A	Amount of production, by substrate in 2021	MT	2021 10-K , “Sales Volume by Product” pg. 4
RT-CP-000.B	Percentage of production as: (1) paper/wood, (2) glass, (3) metal, and (4) plastic	% by revenue	100% paper/wood
RT-CP-000.C	Number of employees		38,200

7. Total roundwood and chips purchased for paper & pulp production.

Global Reporting Initiative (GRI) Index

This GRI Content Index is provided to assist readers in understanding how our report aligns with the GRI Sustainability Reporting Standards. 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.

Organizational Profile		
Disclosure	Description	Response
102-1	Name of the organization	International Paper
102-2	Activities, brands, products, and services	2021 Sustainability Report, " Who We Are " pg. 8 Products Company Overview 2021 10-K, "Business" pg. 1
102-3	Location of headquarters	Global Headquarters 6400 Poplar Ave Memphis, TN 38197
102-4	Location of operations	2021 Sustainability Report, " Who We Are " pg. 8 2021 10-K, "Business" pg. 1 and "Properties" pg. 19
102-5	Ownership and legal form	International Paper Company is a New York corporation. Certain operations are conducted by joint ventures that we cannot operate solely for our benefit. International Paper is publicly traded under the ticker symbol IP.
102-6	Markets served	North America Europe, Middle East and Africa South America Asia

Global Reporting Initiative (GRI) Index

Organizational Profile		
Disclosure	Description	Response
102-7	Scale of the organization	2021 Annual Report , "IP at a Glance" pg. 3
102-8	Information on employees and other workers	2021 Sustainability Report, " Diversity and Inclusion " pg. 58 2021 10-K , "Human Capital" pg. 2
102-9	Supply chain	2021 Sustainability Report, " Responsible Sourcing " pg. 10 Suppliers – What We Procure Third Party Code of Conduct Supplier Diversity
102-10	Significant changes to the organization and its supply chain	2021 Annual Report , "CEO Letter" pg. 2 2021 10-K , "Risks Related to the COVID-19 Pandemic" pg. 9, "Note 7 Acquisitions" pg. 61 and "Note 8 Divestitures and Impairments of Businesses" pg. 61
102-11	Precautionary Principle or approach	IP defines a precautionary approach as one 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 and 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.
102-12	External initiatives	Sustainability Collaborations National Collaborations

Global Reporting Initiative (GRI) Index

Organizational Profile																																																																																			
Disclosure	Description	Response																																																																																	
102-13	Membership of associations	<table border="1"> <thead> <tr> <th>Organization</th> <th>Participation At The Governance Level</th> <th>Participation In Projects Or Committees</th> </tr> </thead> <tbody> <tr> <td><u>American Forest and Paper Association</u></td> <td>X</td> <td>X</td> </tr> <tr> <td><u>BlueGreen Alliance</u></td> <td></td> <td>X</td> </tr> <tr> <td><u>Center for Baby & Adult Hygiene Products</u></td> <td></td> <td>X</td> </tr> <tr> <td><u>Business Roundtable</u></td> <td></td> <td>X</td> </tr> <tr> <td><u>Confederation of European Paper Industries</u></td> <td>X</td> <td>X</td> </tr> <tr> <td><u>Corporate Eco Forum</u></td> <td></td> <td>X</td> </tr> <tr> <td><u>Fibre Box Association</u></td> <td>X</td> <td>X</td> </tr> <tr> <td><u>Forest Resources Association</u></td> <td>X</td> <td>X</td> </tr> <tr> <td><u>Forest Stewardship Council®</u></td> <td>X</td> <td>X</td> </tr> <tr> <td><u>Institute of Scrap Recycling Industries (ISRI)</u></td> <td></td> <td>X</td> </tr> <tr> <td><u>International Conservation Caucus Foundation</u></td> <td></td> <td>X</td> </tr> <tr> <td><u>National Association of Manufacturers</u></td> <td></td> <td>X</td> </tr> <tr> <td><u>National Council for Air and Stream Improvement</u></td> <td>X</td> <td>X</td> </tr> <tr> <td><u>National Industrial Transportation League</u></td> <td>X</td> <td>X</td> </tr> <tr> <td><u>ORCHSE Strategies, LLC</u></td> <td></td> <td>X</td> </tr> <tr> <td><u>Paper and Packaging Board</u></td> <td>X</td> <td>X</td> </tr> <tr> <td><u>Programme for the Endorsement of Forest Certification</u></td> <td>X</td> <td>X</td> </tr> <tr> <td><u>Pulp and Paper Safety Association</u></td> <td></td> <td>X</td> </tr> <tr> <td><u>Sustainable Forestry Initiative®</u></td> <td>X</td> <td>X</td> </tr> <tr> <td><u>Sustainable Packaging Coalition (SPC)</u></td> <td></td> <td>X</td> </tr> <tr> <td><u>Two Sides, Two Sides North America</u></td> <td>X</td> <td>X</td> </tr> <tr> <td><u>U.S.-China Business Council (USCBC)</u></td> <td></td> <td>X</td> </tr> <tr> <td><u>U.S.-Poland Business Council (USPBC)</u></td> <td>X</td> <td>X</td> </tr> <tr> <td><u>U.S.-Russia Business Council (USRBC)</u></td> <td>X</td> <td>X</td> </tr> <tr> <td><u>Women's Business Enterprise National Council</u></td> <td></td> <td>X</td> </tr> <tr> <td><u>World Business Council for Sustainable Development</u></td> <td>X</td> <td>X</td> </tr> </tbody> </table>	Organization	Participation At The Governance Level	Participation In Projects Or Committees	<u>American Forest and Paper Association</u>	X	X	<u>BlueGreen Alliance</u>		X	<u>Center for Baby & Adult Hygiene Products</u>		X	<u>Business Roundtable</u>		X	<u>Confederation of European Paper Industries</u>	X	X	<u>Corporate Eco Forum</u>		X	<u>Fibre Box Association</u>	X	X	<u>Forest Resources Association</u>	X	X	<u>Forest Stewardship Council®</u>	X	X	<u>Institute of Scrap Recycling Industries (ISRI)</u>		X	<u>International Conservation Caucus Foundation</u>		X	<u>National Association of Manufacturers</u>		X	<u>National Council for Air and Stream Improvement</u>	X	X	<u>National Industrial Transportation League</u>	X	X	<u>ORCHSE Strategies, LLC</u>		X	<u>Paper and Packaging Board</u>	X	X	<u>Programme for the Endorsement of Forest Certification</u>	X	X	<u>Pulp and Paper Safety Association</u>		X	<u>Sustainable Forestry Initiative®</u>	X	X	<u>Sustainable Packaging Coalition (SPC)</u>		X	<u>Two Sides, Two Sides North America</u>	X	X	<u>U.S.-China Business Council (USCBC)</u>		X	<u>U.S.-Poland Business Council (USPBC)</u>	X	X	<u>U.S.-Russia Business Council (USRBC)</u>	X	X	<u>Women's Business Enterprise National Council</u>		X	<u>World Business Council for Sustainable Development</u>	X	X
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Global Reporting Initiative (GRI) Index

Strategy		
Disclosure	Description	Response
102-14	Statement from senior decision-maker	2021 Sustainability Report, " CEO Letter " pg. 3 2021 Sustainability Report, " CSO Q&A " pg. 4
102-15	Key impacts, risks and opportunities	2021 10-K , "Risk Factors" pg. 8 2021 Sustainability Report, " ESG Governance " pg. 11 2021 Sustainability Report, " Forsite™ Mapping and Monitoring " pg. 22 2021 Sustainability Report, " Our Approach to Sustainable Operations " pg. 32 2021 Sustainability Report, " Occupational Health and Safety " pg. 56 2021 Sustainability Report, " Responsible Sourcing " pg. 10 2021 Sustainability Report, " TCFD Report " pg. 111
Ethics and Integrity		
102-16	Values, principles, standards and norms of behavior	2021 Sustainability Report, " Vision and Core Values " pg. 7 2021 Sustainability Report, " Good Governance " pg. 9 2021 Sustainability Report, " IP Way Forward " pg. 13 Code of Conduct Third Party Code of Conduct
102-17	Mechanisms for advice and concerns about ethics	Code of Conduct Company Ethics Ethics IP 2022 Proxy Statement , "Commitment to Sound Corporate Governance and Ethical Conduct" pg. 29

Global Reporting Initiative (GRI) Index

Governance		
Disclosure	Description	Response
102-18	Governance structure	<p>2021 Sustainability Report, "Sustainability Oversight" pg. 14</p> <p>Governance Documents</p> <p>2022 Proxy Statement, "Corporate Governance" pg. 22</p>
102-19	Delegating authority	<p>2021 Sustainability Report, "Sustainability Oversight" pg. 14</p> <p>2022 Proxy Statement, "How We Build the Right Board for Our Company" pg. 13 and "Corporate Governance" pg. 22</p> <p>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.</p> <p>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.</p>
102-20	Executive-level responsibility for economic, environmental and social topics	<p>2021 Sustainability Report, "Sustainability Oversight" pg. 14</p> <p>2021 Sustainability Report, "ESG Governance" pg. 11</p> <p>2022 Proxy Statement, "Our Commitment to Environmental, Social and Governance Matters" pg. 6</p>
102-21	Consulting stakeholders on economic, environmental and social topics	<p>2021 Sustainability Report, "Stakeholder Engagement" pg. 9</p> <p>2021 Sustainability Report, "GRI 102-43" pg. 83</p>
102-22	Composition of the highest governance body and its committees	<p>2022 Proxy Statement, "Diversity of our Directors" pg. 14</p>
102-23	Chair of the highest governance body	<p>Mark Sutton, Chairman of the Board of Directors and CEO</p>
102-24	Nominating and selecting the highest governance body	<p>2022 Proxy Statement, "Election of 11 Directors" pg. 12</p> <p>Director Qualification Criteria & Independence Standards</p>
102-25	Conflicts of interest	<p>Code of Conduct, "Conflicts of Interest" pg. 20</p> <p>Related Person Transactions Policy and Procedures</p>

DATA INDEX

Global Reporting Initiative (GRI) Index

Governance		
Disclosure	Description	Response
102-26	Role of highest governance body in setting purpose, values and strategy	2021 Sustainability Report, " ESG Governance " pg. 11 2021 Sustainability Report, " Sustainability Oversight " pg. 14 2022 Proxy Statement , "Corporate Governance" pg. 22
102-27	Collective knowledge of highest governance body	2022 Proxy Statement , "Diversity of our Directors" and "Our Nominees" pg. 14-21
102-28	Evaluating the highest governance body's performance	2022 Proxy Statement , "Annual Board, Committee and Individual Director Self-Assessment" pg. 23 Corporate Governance Guidelines
102-29	Identifying and managing economic, environmental and social impacts	2021 Sustainability Report, " Stakeholder Engagement " pg. 9. 2021 Sustainability Report, " Sustainability Oversight " pg. 14. 2022 Proxy Statement , "Our Commitment to Environmental, Social and Governance Matters" pg. 6
102-30	Effectiveness of risk management processes	2021 Sustainability Report, " ESG Governance " pg. 11 2021 Sustainability Report, " Forsite™ Mapping and Monitoring " pg. 22 2021 Sustainability Report, " Our Approach to Sustainable Operations " pg. 32 2021 Sustainability Report, " Occupational Health and Safety " pg. 56 2021 Sustainability Report, " Responsible Sourcing " pg. 10 2021 Sustainability Report, " TCFD Report " pg. 111 2021 10-K , "Risk Factors" pg. 8
102-31	Review of economic, environmental and social topics	2021 Sustainability Report, " Stakeholder Engagement " pg. 9 2021 Sustainability Report, " Our Sustainability Strategy " pg. 12 2022 Proxy Statement , "Our Commitment to Environmental, Social and Governance Matters" pg. 6
102-32	Highest governance body's role in sustainability reporting	Our Disclosure Committee reviews and gives input on IP's sustainability reporting each year. Significant changes to reporting practices are vetted through our corporate councils and steering teams.
102-33	Communicating critical concerns	Code of Conduct Company Ethics Ethics IP 2022 Proxy Statement , "Commitment to Sound Corporate Governance and Ethical Conduct" pg. 29

Global Reporting Initiative (GRI) Index

Governance		
Disclosure	Description	Response
102-35	Remuneration policies	2022 Proxy Statement Management Development and Compensation Committee Charter
102-36	Process for determining remuneration	2022 Proxy Statement Management Development and Compensation Committee Charter
102-37	Stakeholders' involvement in remuneration	2022 Proxy Statement Management Development and Compensation Committee Charter
102-38	Annual total compensation ratio	2022 Proxy Statement , "CEO Pay Ratio" pg. 93
Stakeholder Engagement		
102-40	List of stakeholder groups	2021 Sustainability Report, " Stakeholder Engagement " pg. 9 2021 Sustainability Report, " GRI 102-43 " pg. 83
102-41	Collective bargaining agreements	As of January 1, 2021, of our nearly 38,000 U.S. employees, more than 21,000 were hourly, with unions representing approximately 62% of hourly employees – approximately 47% 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.
102-42	Identifying and selecting stakeholders	2021 Sustainability Report, " Stakeholder Engagement " pg. 9 2021 Sustainability Report, " GRI 102-43 " pg. 83

Global Reporting Initiative (GRI) Index

Stakeholder Engagement		
Disclosure	Description	Response
102-43	Approach to stakeholder engagement	<p>2021 Sustainability Report, "Stakeholder Engagement" pg. 9 2021 Sustainability Report, "CSO Q&A" pg. 4</p> <p>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:</p> <ul style="list-style-type: none"> ■ Valuable partner for customers and suppliers. ■ Sound investment for shareholders. ■ Beneficial employer for our employees. ■ Good neighbor for the communities where we live and work. <p>One such stakeholder engagement method is to conduct wide-ranging dialogues, which allows us to:</p> <ul style="list-style-type: none"> ■ 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. ■ 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. <p>Engagement Method by Stakeholder</p> <p>We mapped our stakeholders' priority issues across our value chain, which helps us identify and address key impacts where they occur.</p>

Global Reporting Initiative (GRI) Index

Stakeholder Engagement		
Disclosure	Description	Response
		<p>COMMUNITIES</p> <p>Importance</p> <ul style="list-style-type: none"> 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 <p>How We Engage</p> <ul style="list-style-type: none"> Economic and charitable relationships Employee-led fundraising Plant tours Community Advisory Councils Volunteerism Media Product donations <p>Our Response</p> <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> Implementing efficient manufacturing technologies Investing in energy efficiency improvements Fuel switching Operating our mills with approximately 70% energy from carbon-neutral biomass residuals rather than fossil fuels <p>Key Topics</p> <ul style="list-style-type: none"> Air emissions Economic impact Community engagement Sustainable jobs Water use and water quality

Global Reporting Initiative (GRI) Index

Stakeholder Engagement		
Disclosure	Description	Response
		<p>CUSTOMERS</p> <p>Importance</p> <ul style="list-style-type: none"> 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 <p>How We Engage</p> <ul style="list-style-type: none"> Sales relationships Regular site visits Meetings Surveys Special events Online communications Onsite/forestry tours <p>Our Response</p> <ul style="list-style-type: none"> Creating innovative, sustainable and circular products that help customers achieve their objectives Establishing goals to produce the products our customers need while being responsible stewards of the world's natural resource and contributing to a more sustainable, low-carbon future Collaborating with customers to meet sustainability objectives through technology and innovation collaborations Measuring progress against our Vision 2030 targets related to key customer focus areas Advancing sustainability throughout our value chain Having our subject-matter experts meet regularly to discuss product and service innovation Actively engage and respond to surveys and questionnaires regarding our environmental impacts and GHG emissions <p>Key Topics</p> <ul style="list-style-type: none"> Forest Conservation Sustainable fiber supply Climate change Water stewardship Circular economy & product sustainability Safety Diversity & Inclusion Community Engagement

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Stakeholder Engagement		
Disclosure	Description	Response
		<p>EMPLOYEES</p> <p>Importance</p> <ul style="list-style-type: none"> 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 <p>How We Engage</p> <ul style="list-style-type: none"> Safety programs Safety Leadership Training Employee Networking Circles (ENCs) Employee training Intranet sites Presentations and Town Halls Engagement surveys Company-wide communications Facility-level communications <p>Our Response</p> <ul style="list-style-type: none"> 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 and inclusive workplace that engages all employees Providing the tools and opportunities for employees to develop and succeed Measuring employee engagement through surveys, and creating team improvement plans based on employee feedback Conducting diversity and inclusion training and fostering employee networking circles (ENCs) <p>Key Topics</p> <ul style="list-style-type: none"> Diversity and inclusion Employee development Employee engagement Safety Ethics Stewardship

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Stakeholder Engagement		
Disclosure	Description	Response
		<p>GOVERNMENTS</p> <p>Importance</p> <ul style="list-style-type: none"> Public policy and regulations created at national, regional and local levels impact our business, forests and communities <p>How We Engage</p> <ul style="list-style-type: none"> Legislative meetings Trade associations meetings Formal hearings Policy-based organizations collaboration One-on-one meetings Facility visits <p>Key Topics</p> <ul style="list-style-type: none"> Health and safety Climate policy Energy diversity and efficiency Supply chain efficiencies Combatting illegal logging Economic and environmental benefits of working forests Paper recycling and recovery Personal care products Workforce Product bans Postal reform Extended producer responsibility Infrastructure Corporate tax reform Global trade Recycling Biomass residuals carbon neutrality <p>Our Response</p> <ul style="list-style-type: none"> 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

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Stakeholder Engagement		
Disclosure	Description	Response
		<p>NON-GOVERNMENTAL ORGANIZATIONS</p> <p>Importance</p> <ul style="list-style-type: none"> 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 <p>How We Engage</p> <ul style="list-style-type: none"> 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 <p>Key Topics</p> <ul style="list-style-type: none"> Air + GHG Emissions Climate change Disaster relief Education Health and wellness Hunger (food insecurity) Recycling Sustainable forestry Water stewardship <p>Our Response</p> <ul style="list-style-type: none"> 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

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Stakeholder Engagement		
Disclosure	Description	Response
		<p>SHAREHOLDERS</p> <p>Importance</p> <ul style="list-style-type: none"> 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 <p>How We Engage</p> <ul style="list-style-type: none"> Annual Shareholders Meeting Quarterly earnings conference calls Regular calls and in-person meetings Business strategies Financial returns Financial stewardship Risk mitigation <p>Our Response</p> <ul style="list-style-type: none"> 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 <p>Key Topics</p> <ul style="list-style-type: none"> Business strategies Financial returns Financial stewardship Risk mitigation

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Stakeholder Engagement		
Disclosure	Description	Response
		<p>SUPPLIERS</p> <p>Importance</p> <ul style="list-style-type: none"> ■ We view suppliers as an extension of our company and their responsibility and performance as a reflection of our own ■ We take a partnership approach to maintaining transparency with suppliers to promote responsible best practices throughout our global supply chains <p>How We Engage</p> <ul style="list-style-type: none"> ■ Supplier relationships ■ Supplier ESG assessments ■ Onsite visits and audits ■ Strategic meetings and partnerships <p>Our Response</p> <ul style="list-style-type: none"> ■ 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 ■ Our approach is driven by three complementary pillars: promoting transparency, mitigating risk and strengthening partnerships <p>Key Topics</p> <ul style="list-style-type: none"> ■ Environmental impact ■ Governance and ethical practices ■ Labor rights
102-44	Key topics and concerns raised	2021 Sustainability Report, " GRI 102-43 " pg. 83
Reporting Practice		
102-45	Entities included in the consolidated financial statements	2021 10-K , "Properties" pg. 19
102-46	Defining report content and topic boundaries	2021 Sustainability Report, " Our Sustainability Strategy " pg. 12 All data are reported as of Dec. 31, 2021, 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. Where appropriate, we report historical data for comparative purposes, as well as data normalized to metric tons of production for a given year. 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.

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Reporting Practice		
Disclosure	Description	Response
102-47	List of material topics	<p>2021 Sustainability Report, “Our Vision 2030” pg. 16 2021 Sustainability Report, “GRI 102-44” pg. 90</p> <p>MATERIAL ISSUES</p> <p>Healthy & Abundant Forests Forest stewardship Deforestation Sustainable forestry Forestland conservation & restoration Fiber sourcing & certification Biodiversity</p> <p>Sustainable Operations Climate change and GHG emissions Energy consumption Renewable energy Water stewardship Air emissions Waste management Chemical use</p> <p>Renewable Solutions Product design for circular economy Product material innovation New product innovation Product stewardship and safety Recovered fiber & fiber efficiency Product end-of-use Responsible marketing</p> <p>Thriving People & Communities Charitable donations Employee engagement Talent attraction & retention Stakeholder responsiveness and engagement Community engagement Diversity & equal opportunity Indirect economic value</p> <p>Training & development Compensation Human rights Health & safety Labor relations</p> <p>Responsible Business Practices Business ethics, bribery and corruption Transparency & disclosure Cyber security Government relations & public policy advocacy Financial performance Responsible sourcing practices Supplier diversity</p>
102-48	Restatements of information	<p>2021 Sustainability Report, “Improving our Climate Impact” pg. 33</p> <p>Where appropriate our historical data have been restated to reflect recent divestitures including the sale of our white papers business; our Kwidzyn, Poland mill; and our Brazil packaging business. We have adjusted our GHG emissions reporting – including 2019 baseline – to be in accordance with the latest GHG Protocol Scope 2 requirements; we now disclose both location-based and market-based emissions, and emissions related to power purchases and power sales are shown as separate line items in our GHG inventory (previously we had reported the net of power purchases less sales from relevant mills). Market-based Scope 2 GHG emissions accounting now forms the basis for our Vision 2030 GHG target. We have also reset the baseline for our GHG and Water Use reduction targets from 2017 to 2019, in order to use the most accurate and recent data available.</p>

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Reporting Practice		
Disclosure	Description	Response
102-49	Changes in reporting	<p>As 2021 was IP's first full year of implementing Vision 2030 goals and targets, we reorganized our Sustainability Report (formerly Global Citizenship Report) to align with our 2030 Vision pillars:</p> <ul style="list-style-type: none"> ■ Healthy & Abundant Forests ■ Sustainable Operations ■ Renewable Solutions ■ Thriving People & Communities
102-50	Reporting period	We report on an annual basis. All data are reported as of Dec. 31, 2021, unless otherwise stated.
102-51	Date of most recent report	Our previous report was published in July 2021.
102-52	Reporting cycle	We report on an annual basis.
102-53	Contact point for questions regarding the report	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.
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. This index includes Core indicators as well as a number of additional indicators that we have determined are relevant to our business.
102-55	GRI content index	2021 Sustainability Report, " GRI Index " pg. 76
102-56	External assurance	We do not provide external assurance.

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Economic		
Disclosure	Description	Response
Economic Performance		
	Management Approach	2021 Annual Report , “CEO Letter” pg. 2
201-1	Direct economic value generated and distributed	2021 Annual Report , “Our Businesses” pg. 6
201-2	Financial implications and other risks and opportunities due to climate change	2021 Sustainability Report, “ TCFD Report ” pg. 111
Indirect Economic Impacts		
	Management Approach	2021 Sustainability Report, “ Strengthen Community Resilience ” pg. 65 Signature Causes Our Renewable Future – Addressing Critical Needs in Our Communities
203-2	Significant indirect economic impacts	2021 Sustainability Report, “ Strengthen Community Resilience ” pg. 65 2021 Sustainability Report, “ Focus on Supply Chain: Our U.S. Supplier Diversity Program ” pg. 60 Our Renewable Future – Addressing Critical Needs in Our Communities
Anti-corruption		
	Management Approach	Code of Conduct , “Anti-Corruption” pg. 22 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.

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Economic		
Disclosure	Description	Response
205-2	Communication and training about anti-corruption policies and procedures	<p>Code of Conduct, “Anti-Corruption” pg. 22</p> <p>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:</p> <ul style="list-style-type: none"> ■ 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. <p>Adherence to our Third Party Code of Conduct is required by all suppliers and is built into contractual agreements. We screen potential suppliers for a wide variety of risks, including corruption risks.</p>
Environmental		
Materials		
	Management Approach	<p>2021 Sustainability Report, “Renewable Solutions” pg. 40</p> <p>2021 Sustainability Report, “Healthy and Abundant Forests” pg. 18</p> <p>Global Fiber Procurement Policy</p> <p>CDP Forests Response, “F4. Governance”</p>
301-1	Materials used by weight or volume	2021 Sustainability Report, “ SASB RT-CP-430a.1 ” pg. 75
301-2	Recycled inputs materials used	2021 Sustainability Report, “ SASB RT-CP-410a.1 ” pg. 74
Energy		
	Management Approach	<p>2021 Sustainability Report, “Sustainable Operations” pg. 29</p> <p>2021 Sustainability Report, “TCFD Report” pg. 111</p> <p>CDP Climate Change Response, “C1. Governance”</p>

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Environmental		
Disclosure	Description	Response
302-1	Energy consumption within the organization	2021 Sustainability Report, " SASB RT-CP-130a.1 " pg. 72
302-3	Energy intensity	25.11 GJ per metric ton of containerboard and pulp production. Note that intensity is calculated using mill annual sellable production figures. Figure includes all fuel and energy sources at all IP manufacturing facilities. 2021 Sustainability Report, " SASB RT-CP-130a.1 " pg. 72
302-4	Reduction of energy consumption	2021 Sustainability Report, " SASB RT-CP-130a.1 " pg. 72
Water and Effluents		
	Management Approach	2021 Sustainability Report, " Advance Water Stewardship " pg. 37 2021 Sustainability Report, " SASB RT-CP-140a.2 " pg. 73 CDP Water Security Response , "W6. Governance"
303-1	Interactions with water as a shared resource	2021 Sustainability Report, " Advance Water Stewardship " pg. 37 CDP Water Security Response , "W6. Governance"
303-2	Management of water discharge-related impacts	<p>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.</p> <p>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.</p>

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Environmental		
Disclosure	Description	Response
303-3	Water withdrawal	2021 Sustainability Report, " Advance Water Stewardship " pg. 37 2021 Sustainability Report, " SASB RT-CP-140a.1 " pg. 72 CDP Water Security Response , "W1. Current State"
303-4	Water discharge	2021 Sustainability Report, " Advance Water Stewardship " pg. 37 2021 Sustainability Report, " SASB RT-CP-140a.1 " pg. 72 CDP Water Security Response , "W1. Current State"
303-5	Water consumption	2021 Sustainability Report, " Advance Water Stewardship " pg. 37 2021 Sustainability Report, " SASB RT-CP-140a.1 " pg. 72 CDP Water Security Response , "W1. Current State"
Biodiversity		
	Management Approach	2021 Sustainability Report, " Healthy and Abundant Forests " p. 18
304-3	Habitats protected or restored	236,696 acres of ecologically significant forestland have been conserved and restored since 2019.
Emissions		
	Management Approach	2021 Sustainability Report, " Sustainable Operations " pg. 29 2021 Sustainability Report, " TCFD Report " pg. 111 Biomass Carbon Neutrality Position 2021 Annual Report , "Climate Change" pg. 5 CDP Climate Change Response , "C1. Governance"

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Environmental		
Disclosure	Description	Response
305-1	Direct (Scope 1) GHG emissions	<p>2021 Sustainability Report, “Addressing Scope 1 and 2 GHG Emissions” pg. 33 2021 Sustainability Report, “SASB RT-CP-110a.1” pg. 71</p> <p>Calculation methodology: Our Scope 1 GHG emissions calculations include combustion and non-combustion-related emissions from all facilities that are fully owned and operated by International Paper. Our GHG emissions are measured and reported in accordance with the GHG Protocol. In the U.S., we follow the requirements for the Environmental Protection Agency’s Mandatory Reporting Rule of Greenhouse Gases (MRR-GHG) to calculate our Scope 1 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. Consistent with the GHG Protocol, our reported Scope 1 GHG emissions and associated targets do not include biogenic GHG emissions.</p>
305-2	Energy indirect (Scope 2) GHG emissions	<p>2021 Sustainability Report, “Addressing Scope 1 and 2 GHG Emissions” pg. 33 Scope 2 location-based emissions: 3.60 million metric tons CO₂ equivalent Scope 2 market-based emissions: 4.33 million metric tons CO₂ equivalent</p> <p>Calculation methodology: Our Scope 2 GHG emissions calculations include all facilities that are fully owned and operated by International Paper. Our GHG emissions are measured and reported in accordance with the GHG Protocol. For Scope 2 reporting, our 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).</p> <p>This year, consistent with the GHG Protocol Scope 2 Guidance, we have adjusted our Scope 2 GHG emissions reporting to include so-called “market-based” GHG emissions, which account for our participation in renewable energy markets including sales of Renewable Energy Certificates (RECs) from green power generation at some of our mills. This implies an adjustment to the 2019 baseline for our GHG emissions reduction target, and our annual reporting will reflect this approach going forward.</p>
305-3	Other indirect (Scope 3) GHG emissions	<p>2021 Sustainability Report, “Addressing Scope 3 GHG Emissions” pg. 34</p> <p>Calculation methodology: We have partnered with the National Council for Air and Stream Improvement (NCASI) to develop a detailed supply chain GHG emissions calculator tailored to our industry, in order to establish a detailed Scope 3 GHG emissions baseline and to track progress over time. The calculator uses internal company data regarding annual consumption and spend on materials and services, combined with publicly available emission factors for each input. Scope 3 emissions should be understood as a detailed estimate; we will continually refine our calculation methods year-over-year. We have evaluated all 15 Scope 3 categories per the GHG Protocol and determined that certain categories comprise a negligible portion of our total. Therefore the following categories are not the focus of our reduction strategy or reporting: employee travel and commuting, use of sold products, leased assets, investments and franchises.</p>
305-4	GHG emissions intensity	<p>Scope 1 & 2 intensity (based on market-based emissions): 0.67 (MT CO₂e) Scope 3 intensity: 1.34 (MT CO₂e)</p>

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Environmental		
Disclosure	Description	Response
305-5	Reduction of GHG emissions	2021 Sustainability Report, " Addressing Scope 1 and 2 GHG Emissions " pg. 33 2021 Sustainability Report, " Addressing Scope 3 GHG Emissions " pg. 34
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	2021 Sustainability Report, " SASB RT-CP-120a.1 " pg. 71
Waste		
	Management Approach	<p>2021 Sustainability Report, "Renewable Solutions" pg. 40 2021 Sustainability Report, "SASB RT-CP-150a.1" pg. 73</p> <p>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.</p> <p>All sites strive to minimize waste generated and ensure proper management and disposal of waste. We have 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.</p>
306-1	Waste generation and significant waste-related impacts	2021 Sustainability Report, " Our Approach to Renewable Solutions " pg. 43
306-2	Management of significant waste-related impacts	2021 Sustainability Report, " Our Approach to Renewable Solutions " pg. 43
306-3	Waste generated	1,076,882 metric tons
306-4	Waste diverted from disposal	48% Land applied: 18% Burned on site: 6% Other beneficial use: 23%

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Environmental		
Disclosure	Description	Response
306-5	Waste directed to disposal	52% 2021 Sustainability Report, " Waste by Disposal in 2021 " pg. 49
Environmental Compliance		
	Management Approach	<p>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.</p> <p>We hold our leaders responsible to ensure:</p> <ul style="list-style-type: none"> ■ 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. <p>We are subject to extensive federal, state and international environmental regulations. Our primary objectives include:</p> <ul style="list-style-type: none"> ■ Improving and controlling emissions and discharges from our facilities to avoid adverse impacts on the environment. ■ Complying with applicable laws and regulations. <p>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 2021 Annual Report.</p>
307-1	Non-compliance with environmental laws and regulations	Remediation costs are recorded in the consolidated financial statements when they become probable and reasonably estimable. International Paper has estimated the probable liability associated with these environmental remediation matters, including those described therein, to be approximately \$182 million (\$191 million undiscounted) in the aggregate as of December 31, 2021.

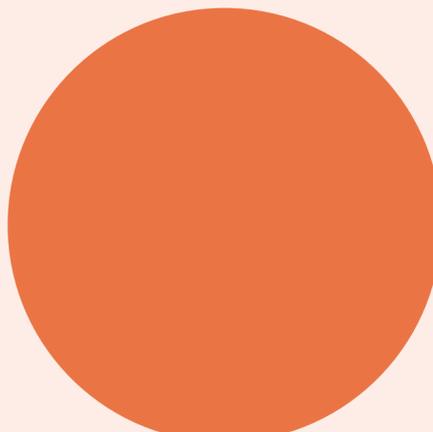
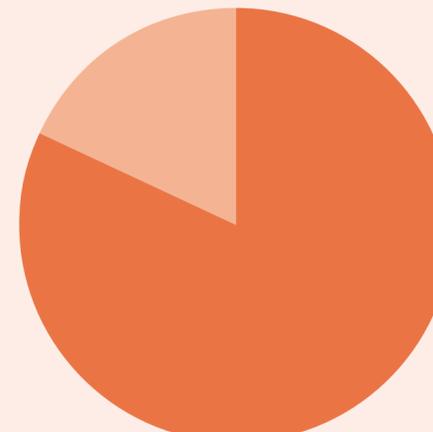
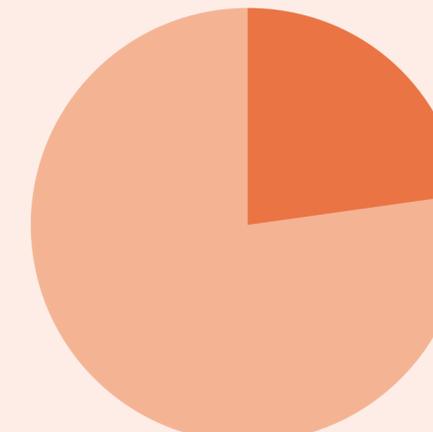
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Environmental																																						
Disclosure	Description	Response																																				
Supplier Environmental Assessment																																						
	Management Approach	<p>Adherence to our Third Party Code of Conduct is required by all suppliers and is built into contractual agreements. We screen potential suppliers for a wide variety of risks, including environmental compliance. Our Global Fiber Procurement Policy and due diligence practices are particularly critical in ensuring environmental stewardship in our fiber supply practices.</p> <p>2021 Sustainability Report, "Responsible Sourcing" pg. 10 2021 Sustainability Report, "Healthy and Abundant Forests" pg. 18</p> <p><u>Responsible Supply Chain</u> <u>Third Party Code of Conduct</u> <u>Global Fiber Procurement Policy</u> <u>Conflict Minerals Policy</u> <u>California Transparency in Supply Chain Act Statement</u></p>																																				
308-1	New suppliers that were screened using environmental criteria	<p>2021 Sustainability Report, "Responsible Sourcing" pg. 10 2021 Sustainability Report, "Healthy and Abundant Forests" pg. 18</p>																																				
Social																																						
Employment																																						
	Management Approach	2021 Sustainability Report, " Thriving People and Communities " pg. 52																																				
401-1	New employee hires and employee turnover	<table border="0"> <thead> <tr> <th colspan="3">New Hires in 2021 – Region by Gender</th> <th colspan="3">Employee Turnover in 2021 – Region by Gender</th> </tr> <tr> <th></th> <th>Male</th> <th>Female</th> <th></th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>North America</td> <td>82%</td> <td>18%</td> <td>North America</td> <td>18%</td> <td>20%</td> </tr> <tr> <td>EMEA</td> <td>76%</td> <td>24%</td> <td>EMEA</td> <td>4%</td> <td>9%</td> </tr> <tr> <td>South America</td> <td>83%</td> <td>17%</td> <td>South America</td> <td>7%</td> <td>0%</td> </tr> <tr> <td>Asia</td> <td>25%</td> <td>75%</td> <td>Asia</td> <td>0%</td> <td>9%</td> </tr> </tbody> </table>	New Hires in 2021 – Region by Gender			Employee Turnover in 2021 – Region by Gender				Male	Female		Male	Female	North America	82%	18%	North America	18%	20%	EMEA	76%	24%	EMEA	4%	9%	South America	83%	17%	South America	7%	0%	Asia	25%	75%	Asia	0%	9%
New Hires in 2021 – Region by Gender			Employee Turnover in 2021 – Region by Gender																																			
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Asia	25%	75%	Asia	0%	9%																																	

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Social		
Disclosure	Description	Response
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2021 Sustainability Report, " Compensation and Benefits for Full-time Employees " pg. 62
Occupational Health and Safety		
	Management Approach	<p>2021 Sustainability Report, "Occupational Health and Safety" pg. 56</p> <p>The health and safety of our employees remains our most important responsibility. Our Vision 2030 goal ambitiously seeks to achieve ZERO injuries for employees and contractors. Working as a team, employees, leaders and contractors are jointly responsible for ensuring all individuals who work at International Paper go home safely each day.</p> <p>In 2021, International Paper built on the long-standing LIFE (Life-changing Injuries and Fatality Elimination) initiative by accelerating efforts to create a <i>resilient safety culture</i>. This approach seeks to anticipate and recognize unexpected events in order to learn, prevent and adapt. By enhancing our previous systems and procedures, building in layers of protection to sustainably mitigate risk and engaging all employees to be a part of the solution, we are confident an injury-free workplace is attainable.</p> <p>2022 Focus Areas</p> <p>Safety leadership: Re-energize safety leadership</p> <p>Brilliant at the basics: Focus on hazard/risk recognition and plan for success</p> <p>Learning culture: Hourly team members actively discovering layers of protection</p>
403-1	Occupational health and safety management system	2021 Sustainability Report, " Occupational Health and Safety " pg. 56

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Social		
Disclosure	Description	Response
403-6	Promotion of worker health	<p>2021 Sustainability Report, "Promote Employee Well-being" pg. 56</p> <p>The global pandemic presented unprecedented challenges that required immense effort and coordination to navigate through successfully. International Paper created a Pandemic Preparedness Plan to help sites manage the emerging threat and protect employee wellness. Additionally, the company utilized a Pandemic Advisory Team and a Pandemic Steering Team comprised of senior leaders, site managers and health experts to monitor, evaluate and advise on CDC guidance and local requirements.</p> <p>Strong leadership and frequent communication helped inform and orient all employees regarding the virus as well as prevention and treatment strategies. International Paper worked with local health departments to host on-site vaccination clinics at many operating locations.</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>100%</p> <p>Facilities able to operate continuously throughout the pandemic</p> </div> <div style="text-align: center;">  <p>82%</p> <p>Vaccinated employees in Memphis headquarters</p> </div> <div style="text-align: center;">  <p>23%</p> <p>Employees infected during the pandemic in-line with community experience</p> </div> </div>

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Social		
Disclosure	Description	Response
403-9	Work-related injuries	<p>2021 Sustainability Report, "Promote Employee Well-being" pg. 56</p> <p>International Paper's focus on eliminating life-changing Injuries and fatalities achieved a step-change improvement in safety performance when compared with data from when the program was introduced in 2010. This was achieved by recognizing safety culture changes, leveraging learnings, expanding employee engagement, verifying job preparation and monitoring job execution.</p> <p>To achieve the Vision 2030 goal, International Paper is implementing a new safety leadership training program to help embrace human and organizational performance concepts. Additionally, we are revising safety leading indicators to incorporate more predicative metrics that can identify risk trends while also driving expanded employee engagement in risk mitigation design and implementation. IP has seen a 34% reduction in serious safety incidents since 2013.</p>
Training and Education		
	Management Approach	2021 Sustainability Report, " Develop Our Employees " pg. 63
404-2	Programs for upgrading employee skills and transition assistance programs	2021 Sustainability Report, " Develop Our Employees " pg. 63
404-3	Percentage of employees receiving regular performance and career development reviews	2021 Sustainability Report, " Performance and Career Development Reviews " pg. 64
Diversity and Equal Opportunity		
	Management Approach	<p>2021 Sustainability Report, "Diversity and Inclusion" pg. 58</p> <p>Diversity and Inclusion</p> <p>Supplier Diversity</p>

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Social											
Disclosure	Description	Response									
405-1	Diversity of governance bodies and employees	2022 Diversity of Governance Bodies				Employee Diversity 1/1/22					
			Male	Female	<i>Employees 2021 – Region by Gender</i>						
		Board of Directors ¹	73%	27%	Male	Female	Total				
		Senior Lead Team ²	88%	13%	North America	83%	17%	33,383			
		Officers ³	82%	18%	EMEA	83%	17%	4,144			
					South America	87%	13%	205			
					Asia	32%	68%	118			
					<i>Employees 2021 – Region by Age</i>						
						Under 31	31-50	51-60	61+		
					Board of Directors	0%	0%	100%	North America	18%	46%
			Senior Lead Team	0%	0%	100%	EMEA	11%	56%	30%	3%
			Officers	0%	27%	73%	South America	19%	63%	14%	4%
							Asia	14%	69%	14%	2%

1. 11 members, including Mark Sutton.

2. Senior Lead Team consists of 8 members, including Mark Sutton.

3. Officers consist of 33 appointed members, excludes SLT

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Social		
Disclosure	Description	Response
Human Rights Assessment		
	<p>Management Approach</p>	<p>2021 Sustainability Report, “Responsible Sourcing” pg. 10</p> <p><u>Code of Conduct</u> <u>Global Fiber Procurement Policy</u> <u>Human Rights Statement</u> <u>Third Party Code of Conduct</u></p> <p>Disclosure Statements <u>California Transparency Act – 2020 Statement</u> <u>UK Modern Slavery Act – 2020 Statement</u> <u>Conflict Minerals Policy</u></p> <p>Human Rights We promote human rights through our actions and values, as noted in our:</p> <ul style="list-style-type: none"> ■ 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. ■ Third Party Code of Conduct – outlining our expectations of suppliers and their employment practices, including the expectation to employ workers who have a legal right to work.
		<p>Our statement, policy and code ensure that as a company, we:</p> <ul style="list-style-type: none"> ■ 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.

DATA INDEX

Global Reporting Initiative (GRI) Index

Social		
Disclosure	Description	Response
412-1	Operations that have been subject to human rights reviews or impact assessments	<p>We participate in customer-driven data requests and facility audits related to human rights and related topics. We are a Sedex member and committed to being a responsible and sustainable business.</p> <p>Using Sedex tools and services helps our company improve our responsible business practices. In 2021, 67 of our mills and plants updated their Sedex Self-Assessment Questionnaires (SAQ) responses, and we completed one Sedex Member Ethical Trade Audit (SMETA). Our facility audit program was suspended from March 2020 – December 2021 due to COVID-19. Prior to this we completed approximately 15 SMETAs per year. We also complete several data requests from customers and investors each year regarding human rights and related topics.</p> <p>Code of Conduct, “Human Rights” pg. 18</p>
Local Communities		
	Management Approach	2021 Sustainability Report, “ Strengthen Community Resilience ” pg. 65
413-1	Operations with local community engagement, impact assessments, and development programs	<p>2021 Sustainability Report, “Strengthen Community Resilience” pg. 65</p> <p>Community Partners</p> <p>Collaborations</p>

Global Reporting Initiative (GRI) Index

Social		
Disclosure	Description	Response
Supplier Social Assessment		
	Management Approach	<p>Adherence to our Third Party Code of Conduct is required by all suppliers and is built into contractual agreements. We screen potential suppliers for a wide variety of risks, including human rights and corruption risks.</p> <p>2021 Sustainability Report, "Responsible Sourcing" pg. 10</p> <p>Responsible Supply Chain</p> <p>Human Rights Statement</p> <p>Third Party Code of Conduct</p> <p>Global Fiber Procurement Policy</p> <p>Conflict Minerals Policy</p> <p>California Transparency in Supply Chain Act Statement</p>
414-1	New suppliers that were screened using social criteria	2021 Sustainability Report, " Responsible Sourcing " pg. 10

Global Reporting Initiative (GRI) Index

Social		
Disclosure	Description	Response
Public Policy		
	Management Approach	<p>Public Policy Issues</p> <p>We believe that public policy has a significant impact on creating the conditions for our success. We advocate and engage on a range of issues including energy efficiency, climate, recycling, supply chain efficiencies, combatting illegal logging, economic and environmental benefits of working forests, safety 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 policymakers and engage trade and business associations, customers, suppliers, employees, communities and labor and environmental groups on issues of mutual concern.</p> <p>Our policy positions are generally consistent with the trade associations, coalitions and other organizations in which we participate. IP consistently advocates our views on issues within organizations recognizing others may hold different policy priorities or solutions. While we may not agree with every position taken by these groups on every issue overall, we believe membership and engagement with trade associations, coalitions and other groups is critical for sharing industry best practices, research and data analysis which drives collaborative action and process improvements across a range of issues. We regularly review our needs and perspectives along with those of our trade associations, coalitions and other membership groups.</p> <p>2021 PUBLIC POLICY FOCUS AREAS</p> <p>Energy Diversity and Efficiency</p> <p>We support policies that promote energy diversity and economic development, consistent with our principles of responsible, efficient and sustainable use of natural resources.</p> <p>Biomass Residuals Carbon Neutrality</p> <p>We support policies that seek to level the playing field for U.S. forest manufacturers with the rest of the world, and that recognize our biomass use as carbon neutral. Sustainable forest management practices help to further reduce carbon dioxide emissions through carbon storage in forests and products as well as replacing the use of fossil fuels with biomass energy.</p> <p>Recycling</p> <p>As one of the world's largest recyclers of paper and corrugated packaging, we focus on ensuring that legislation recognizes that recovered fiber markets are complex, efficient, dynamic and market driven. We support the free and fair trade of both products and materials.</p> <p>Global Trade</p> <p>As a major exporter of packaging and pulp, 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 full implementation of the United States-Mexico-Canada Agreement (USMCA) that went into effect in July 2020.</p> <p>Corporate Tax Reform</p> <p>We believe that government corporate tax policy should create, encourage and sustain long-term economic growth.</p>

Global Reporting Initiative (GRI) Index

Social		
Disclosure	Description	Response
		<p>Infrastructure We support government and private investments to upgrade energy, water, broadband and transportation infrastructure where we operate.</p> <p>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.</p> <p>Supply Chain Efficiency As a leading shipper of freight, we support policies that make our truck, port and rail shipments more efficient to support our global competitiveness.</p> <p>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 of paper-based packaging financially responsible for managing waste from products sold or that require manufacturers to take back products and packaging introduced into the marketplace. Due to private investment and strong market dynamics, paper and paper-based packaging's recovery rates are part of the solution.</p> <p>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 proudly support the Postal Service Reform Act signed into law because significant reforms are critically needed to improve USPS's operations. The law will ensure reliable delivery service standards for businesses that rely on USPS as a supply chain partner and the predictability and stability of postage rates for packages.</p> <p>Products Bans We oppose policies that limit consumer choice by placing a ban or fee on paper products.</p> <p>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.</p> <p>Personal Care Products As one of the largest producers of renewable pulp for diapers and personal care products, like feminine care essentials that promote health and wellness, we support policies focused on product accessibility, consistency for ingredient labeling, product safety and sustainability.</p> <p>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.</p>

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Global Reporting Initiative (GRI) Index

Social		
Disclosure	Description	Response
		<p>International Paper publishes a voluntary report of political contributions on a semi-annual basis. For the fifth year in a row, International Paper earned the designation of CPA-Zicklin Index Trendsetter by the Center for Political Accountability who publishes an annual Corporate Political Disclosure and Accountability report to measure the political transparency and oversight practices of the entire S&P 500. We are one of 87 Trendsetter Companies to receive the top ranking for political disclosure and accountability due to our voluntary reporting efforts.</p> <p>Learn more about contribution information.</p>
415-1	Political contributions	<p><u>2021 Mid-Year Voluntary Report of Political Contributions (Jan-Jun)</u> <u>2021 End of Year Voluntary Report on Political Contributions (July-Dec)</u></p>
Customer Health and Safety		
	Management Approach	<p>International Paper operates under a global Product Stewardship Performance Standard to ensure that all products sold meet applicable regulatory and chemical of concern requirements, and are safe for their intended end use. The elements of that standard include product hazard assessments; good manufacturing practices; raw material conformance and acceptability; representative product testing; product event tracking and corrective actions; product declarations; employee training and possible audits.</p> <p>2021 Sustainability Report, "SASB RT-CP-250a.2" pg. 74</p>
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<p>2021 Sustainability Report, "SASB RT-CP-250a.1" pg. 73</p>
Marketing and Labeling		
	Management Approach	<p>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.</p>
417-1	Requirements for product and service information and labeling	<p>2021 Sustainability Report, "SASB RT-CP-250a.2" pg. 74</p>
417-2	Incidents of non-compliance concerning product and service information and labeling	<p>We had no incidents of non-compliance with product safety regulations or voluntary codes concerning product and service information and labeling in 2021.</p>

Task Force on Climate-related Financial Disclosures (TCFD) Report

Governance

Disclose the organization’s governance around climate-related risks and opportunities.

a) Describe the board’s oversight of climate-related risks and opportunities.

We have an integrated Board of Directors (Board) and executive-level governance structure to oversee sustainability and ESG matters, including climate change. Currently, the Public Policy and Environment Committee of our Board has overall responsibility for overseeing and assessing environmental and sustainability (including climate change), public policy, legal, health and safety, and technology issues and risks. Our Board’s Governance Committee also has oversight of certain public policy and sustainability matters. Our Board – including our Chief Executive Officer (CEO) – receives regular updates regarding environmental, social and governance (ESG) issues, risks and opportunities from multiple Board committees, our Chief Sustainability Officer and members of management.

b) Describe management’s role in assessing and managing climate-related risks and opportunities.

Our vice-president and chief sustainability officer (CSO) lead our sustainability strategy and initiatives day-to-day, including our approach to address climate change. Our CSO leads our Global Citizenship team, which has day-to-day responsibility for the company’s sustainability strategy including implementing our Science Based Targets initiative (SBTi) approved GHG reduction goal. Our stewardship council, a cross-functional leadership team with representatives from businesses and functional teams, guides and supports our sustainability strategy and tactics, including our climate-related strategies. Our Energy and Greenhouse Gas (GHG) Steering Team is a group of topical experts from across our company who provide strategic and technical guidance on our climate strategy and decarbonization plan, including monitoring progress on our science-based GHG emissions reduction targets. At the facility level, company management is responsible for managing day-to-day identification, understanding and mitigation of all risks.

More info:

[2022 Proxy Statement](#), “ESG Oversight” pg. 6

[CDP Climate Change Response](#), “C1. Governance”

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning where such information is material.

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.

If unmitigated, climate change is expected to disrupt society and business as we know it. We will likely face both physical and transition risks¹ in the coming years. As a leading producer of renewable, fiber-based products, we see significant opportunities in the growing low-carbon circular bioeconomy. In the attached matrix, we have mapped our potentially material climate-related risks and opportunities, along with corresponding mitigation and adaptation strategies. This analysis focuses on potential impacts to our operations, supply chains and businesses – primarily in North America and western Europe – through 2030. Over this short-to-medium timescale, we believe that transition risks and opportunities are more likely to impact our company than physical risks. Any physical risks are more likely to be acute impacts rather than chronic during this decade. Longer-term, all risks and opportunities are expected to grow in likelihood and impact, though in differing ways depending on various possible climate scenarios. We are performing climate scenario analyses to help plan for these possible futures. We will continue to refine these analyses in the coming years in order to plan effectively and communicate transparently to our stakeholders.

1. The Task Force divided climate-related risks into two major categories: (1) risks related to the transition to a low-carbon economy and (2) risks related to the physical impacts of climate change. The Task Force identified certain subcategories under each of these categories: Transition Risks – Policy and Legal, Technology, Market, Reputation; Physical Risks – Acute, Chronic. (Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures. October 2021. pg. 74.)

Task Force on Climate-related Financial Disclosures (TCFD) Report

b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.

We are proactively incorporating climate-related considerations into our business and operations. Our Vision 2030 strategies – on Sustainable Operations, Renewable Solutions and Healthy and Abundant Forests – are guided by cross-functional teams evaluating climate-related risks and opportunities at the business, operational and facility levels. For example, extreme weather events worsened by climate change are already impacting our operations, particularly in certain coastal areas. We are continually evaluating such risks, disclosing financial impacts via our annual voluntary and legally required reporting and incorporating mitigation measures into our operational planning and landscape-level environmental resilience efforts.

c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

We are performing ongoing climate-related scenario analysis using quantitative modeling by our partner, The Climate Service, as well as qualitative input from internal and external industry experts. We intend to disclose more detail in the coming years in accordance with applicable reporting rules. We are using three commonly cited scenarios based on the latest climate research.²

- **Paris Ambition** (RCP2.6) – Most stringent pathway with substantial GHG emissions reductions beginning now (1.5-2°C warming by 2100)
- **Stabilization** (RCP4.5) – Consistent with relatively ambitious GHG emissions reductions and GHG emissions increasing slightly before declining around 2040 (2-3°C warming by 2100)
- **Business as Usual** (RCP8.5) – Scenarios that lead to high GHG concentration levels, consistent with a future of no policy changed to reduce emissions and increasing GHG emissions (>4°C warming by 2100)

The attached matrix outlines high-level strategies which will likely apply under any scenario, with emphasis and investment depending on the scenario. In general, we assume that physical risks are likely to lead to greater potential impacts over time under higher-emission scenarios, while transition risks are likely to have greater potential impacts over time under lower-emission scenarios. Climate-related business opportunities are more difficult to quantitatively model, but we believe that we are well-positioned to meet growing demand for sustainable packaging and pulp products as part of the low-carbon, circular economy.³

More info:

2021 Annual Report, “Climate Change” pg. 5

CDP Climate Change Response, “C2. Risks and Opportunities” and “C3. Business Strategy”

2021 Sustainability Report, “**Improving our Climate Impact**” pg. 33

2. “Developed by the IPCC, the representative concentration pathways (RCP’s) are time- and space-dependent trajectories of concentrations of GHGs and pollutants from human activities (including changes in land use). RCP’s provide quantitative descriptions of atmospheric pollutants over time as well as radiative forcing in 2100. The RCPs include a stringent mitigation scenario (RCP2.6), two intermediate scenarios (RCP4.5 and RCP6.0), and one scenario with very high GHG emissions (RCP8.5).” (NCASI WHITE PAPER “Scenario-Based Climate Change Risk Assessment under TCFD and CDP,” JANUARY 2022)

3. This is due in part to our use of carbon-neutral biomass residuals for approximately 70% of our mill energy needs.

Task Force on Climate-related Financial Disclosures (TCFD) Report

Climate-related Risk and Opportunity Matrix						
Category	Chronic	Acute	Impact Type	Potential Impacts	Mitigation Strategy (Decarbonization)	Possible Adaptation Strategies (Resilience Planning)
Physical Risk	X		Facility Impacts: Extreme Temperature	Increased heat-related operational impacts and costs as a result of overall rising temperatures and increasing humidity	Deliver science-based GHG emissions reduction targets (SBTi-approved) across Scopes 1, 2 and 3 via operational improvements, strategic partnerships and nature-based solutions	Increase operational cooling capacity in manufacturing facilities where appropriate
Physical Risk		X	Facility Impacts: Extreme Weather	Asset damage, insurance premium increase, production delays, and related costs and/or revenue loss from weather events including storms, floods, droughts and wildfires of increasing severity and/or frequency		Invest in natural and built infrastructure improvements at highest-risk facilities
Physical and Transition Risk	X	X	Fiber Supply Impacts	Supply interruptions and/or increased input costs from impacts to North American managed forests and recovered fiber supply, including weather and temperature, changing species ranges and growth rates, transport costs and competing demand for wood		<ul style="list-style-type: none"> Support research, policies and landowner efforts on forest management, restoration and afforestation Extend fiber procurement ranges as necessary
Physical and Transition Risk	X	X	Supply Chain Impacts	Supply interruptions and increased input costs from physical and transition impacts on suppliers, energy supply and transportation		<ul style="list-style-type: none"> Improve supply chain monitoring, supplier diversification and resilience planning Leverage high % of energy self-generation
Transition Risk / Opportunity	X		Regulatory Impacts	Carbon pricing and cost of compliance with related climate regulations		Support research and policies: <ul style="list-style-type: none"> for low-carbon industrial technology development to maintain carbon neutrality of biomass residuals
Transition Risk / Opportunity	X		Marketplace Impacts	Influence on competitive position due to customer and end consumer preferences regarding low-carbon, circular products with a high recycling rate		All of the above plus improved reporting methods and direct stakeholder engagement
Transition Risk / Opportunity	X		Financing and Shareholder Impacts	Influence on access to affordable capital and investor goodwill		All of the above plus improved reporting methods and direct stakeholder engagement
Transition Opportunity	X		Impact of Renewable Energy Participation	Increased revenue from sales of Renewable Energy Certificates (RECs) from green power generation		Develop opportunities at specific mills with favorable REC markets

Task Force on Climate-related Financial Disclosures (TCFD) Report

Risk Management

Disclose how the organization identifies, assesses and manages climate-related risks.

a) Describe the organization’s processes for identifying and assessing climate-related risks.

In 2020-2021, we began convening cross-functional internal experts to provide input on our anticipated climate-related risk and opportunity areas; this group includes company leaders representing our businesses, operations, supply chain (including fiber supply) and key support functions such as government relations and environment, health and safety. Quantitative climate impact modeling from our partner The Climate Service has informed these discussions and our strategy and public disclosures. Our Global Citizenship team performs ongoing research and risk identification as climate issues evolve, and we leverage expertise and best practice guidance from trusted consultants and forest sector-focused groups including the National Council on Air and Stream Improvement (NCASI) and the World Business Council for Sustainable Development (WBCSD).

b) Describe the organization’s processes for managing climate-related risks.

We use a robust internal environmental management system to track and report our GHG emissions, and our cross-functional teams stay informed about developments concerning climate-related policies, regulations and emissions standards. We regularly assess whether such developments may have a material effect on our operations or businesses, and incorporate any related disclosures as appropriate. IP senior management with responsibility for environment, health and safety, sustainability, manufacturing, legal and government relations identify and evaluate risks and opportunities that are relevant to IP. If the likelihood and potential impact are significant enough to meet IP’s “enterprise” criteria per our Enterprise Risk Management (ERM) charter, then actions are taken to ensure that IP is able to mitigate those risks. The higher the likelihood and potential impact, the higher the priority to mitigate.

c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management.

Climate-related risks and opportunities are material to our business, and we are working to formally integrate these into our ERM process. Our ERM Council has responsibility for ensuring that the people and processes are in place to identify, assess and mitigate risk. The Council is made up of senior company leaders representing our businesses and major staff functions. We evaluate downside and upside risks considering potential impact and likelihood of occurrence within our strategic planning period of four years. Given the longer-term risks that climate change may present, we are working to incorporate an extended time horizon into our ERM process. Enterprise risks are periodically reviewed with the company Board of Directors and Audit and Finance Committee.

More info:

[2021 Annual Report](#), “Climate Change” pg. 5

[CDP Climate Change Response](#), “C2. Risks and Opportunities” and “C3. Business Strategy”

Metrics & Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

We disclose a number of climate-related metrics reflecting our alignment with regulatory requirements and leading standards such as GRI, CDP, SASB and TCFD. These include annual reporting on GHG emissions, energy use and sources, water use and water stress, sustainable fiber supply, renewable solutions and others.

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Task Force on Climate-related Financial Disclosures (TCFD) Report

b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Our past three years of GHG emissions in millions of metric tons of CO₂ equivalents are as follows:

Greenhouse Gas Emissions (metric tonnes CO ₂ e)	2019	2020	2021
Scope 1 GHG emissions ⁴	6,329,139	6,568,066	6,718,568
Scope 2 GHG emissions (market-based)	4,708,777	4,544,032	4,332,728
Scope 1 + Scope 2 GHG emissions	11,037,915	11,112,098	11,051,296
Scope 3 GHG emissions	21,997,776	21,292,962	21,901,966

We continually assess and incorporate developments in emissions accounting and reporting standards and frameworks including the GHG Protocol, the SBTi and CDP. We are engaged directly in working groups focused on forest sector topics of relevance.

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Our Vision 2030 strategy includes an absolute GHG reduction target of 35% from a 2019 baseline across Scopes 1, 2 and 3; this target was approved by SBTi in 2021. We met and exceeded our previous target of a 20% absolute reduction in Scopes 1 and 2 GHG emissions from 2010-2020, while reducing our use of coal and fuel oil by approximately 50%. Our Vision 2030 also includes a Renewable Solutions target to have 100% of our products be reusable, recyclable or compostable; each business is developing specific objectives to deliver sustainable solutions within the circular bioeconomy. This year, for the first time, we are reporting progress against our Vision 2030 targets in our 2021 Sustainability Report, which we will continue on an annual basis.

More info:

2021 Sustainability Report, "[Improving our Climate Impact](#)" pg. 33

2021 Sustainability Report, "[GRI Index](#)" pg. 76

2021 Sustainability Report, "[SASB Index](#)" pg. 71

[CDP Climate Change Response](#), "C4. Targets and Performance"

4. Consistent with the GHG Protocol, our reported Scope 1 GHG emissions and associated targets do not include biogenic GHG emissions, which were approximately 24.7 million metric tons in 2021

Task Force on Climate-related Financial Disclosures (TCFD) Report

A Note on Materiality

While certain matters discussed in this report may be significant, any significance should not be read as necessarily rising to the level of materiality used for the purposes of complying with the U.S. federal securities laws and regulations. We use the definition of materiality established under U.S. federal securities laws for the purposes of complying with the disclosure rules and regulations promulgated by the U.S. Securities and Exchange Commission (SEC) and applicable stock exchange listing standards. However, in our voluntary ESG disclosures, including those that relate to our climate change-related efforts, we have adapted our approach to materiality based on both the subject matter and purpose of the disclosures. In particular, our approach to these voluntary disclosures often considers broader definitions of materiality promulgated by certain external frameworks and reporting guidelines that take into consideration a wider range of factors relevant to climate and ESG disclosures. For the purposes of discussing climate risks and opportunities in this report, we use an approach to materiality that is consistent with the TCFD recommendations. This approach means that this report and many of our other voluntary disclosures capture details on ESG issues, including climate-related risks and opportunities that may not be, and are not necessary to be, incorporated into our required disclosures with the SEC.

Forward-looking Statements

Certain statements in this report may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on our current expectations, beliefs, plans or forecasts and are typically identified by words or phrases such as “may,” “will,” “could,” “should,” “would,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “prospects,” “potential,” “aim” and “forecast,” and other words, terms and phrases of similar meaning and include, but are not limited to, our Vision 2030 goals. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, targets, assumptions, risks and uncertainties. These statements speak only as of the date they are originally made and are based on management’s current expectations and are subject to known and unknown risks, uncertainties, changes in circumstances, and assumptions that are difficult to predict and are often beyond our control. These statements are not guarantees of future results, occurrences, or performance. Actual results and outcomes may differ materially from those expressed in or implied by any of these forward-looking statements due to a variety of factors, including, among others, global socio-demographic and economic trends, climate-related conditions and weather events, legislative and regulatory changes, and other unforeseen events or conditions. You should not place undue reliance on any forward-looking statement. Factors that could cause actual results to differ materially from those described in forward-looking statements can be found in our filings with the SEC, including, without limitation, the “Risk Factors” section of our 2021 Annual Report on Form 10-K, quarterly reports on Form 10-Q and disclosures available on our corporate website. The Company does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.

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