W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

About International Paper:

International Paper (NYSE: IP) is a leading global producer of renewable fiber-based packaging and pulp products with manufacturing operations in North America, Latin America, Europe and North Africa. We produce corrugated packaging products that protect and promote goods, and enable world-wide commerce; and cellulose fiber-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.

We are headquartered in Memphis, Tenn. In the United States, at December 31, 2021, the Company operated 24 pulp and packaging mills, 163 converting and packaging plants, 16 recycling plants and three bag facilities. Production facilities at December 31, 2021 in Canada, Europe, North Africa and Latin America included four pulp and packaging mills, 37 converting and packaging plants, and two recycling plants. We operate a printing and packaging products distribution business principally through six branches in Asia. All our mills are certified to one or more third-party chain of custody standards.

On October 1, 2021, the Company completed the previously announced spin-off of its Printing Papers business along with certain mixed-use coated paperboard and pulp businesses in North America, France and Russia into a standalone, publicly-traded company, Sylvamo Corporation. On August 6, 2021, the Company completed the sale of its Kwidzyn, Poland mill which included the pulp and paper mill in Kwidzyn and supporting functions. As a result of the Sylvamo Corporation spin-off and sale of Kwidzyn, the Company no longer has a Printing Papers business segment, and all current and historical results have been adjusted to reflect the Kwidzyn and the Printing Papers business and other businesses conveyed to Sylvamo Corporation as discontinued operations. As of December 31, 2021, we have approximately 38,200 employees in 10 countries.

Unless otherwise indicated, information is from the 2021 calendar year, and data are accurate as of December 31, 2021. For more information about International Paper, our products and global citizenship efforts, please visit internationalpaper.com.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Reporting year</th>
<th>Start date</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1 2021</td>
<td>December 31 2021</td>
<td></td>
</tr>
</tbody>
</table>

W0.3

(W0.3) Select the countries/areas in which you operate.
- Canada
- Chile
- France
- Italy
- Mexico
- Morocco
- Poland
- Portugal
- Spain
- United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.
- USD
Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which financial control is exercised

Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

Please report the exclusions.

<table>
<thead>
<tr>
<th>Exclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non – pulp and paper packaging mill sites, such as corporate offices,</td>
<td>Our 200+ smaller converting and recycle sites around the world are small water users compared to our pulp and paper packaging mills. The vast majority of our water footprint (over 98% of total water use volume) and water-related risk lies with the mills, thus we focus our efforts and reporting on the mills. We also provide a small relative volume of water to third parties, typically communities or other industrial users. This amounts to less than 1% of our total water intake, and we exclude that volume for the purposes of this report, as it does not pertain to our direct use of water.</td>
</tr>
<tr>
<td>converting facilities and recycle plants are not included in this report.</td>
<td></td>
</tr>
<tr>
<td>We also do not include here data on water which we source and provide for third parties.</td>
<td></td>
</tr>
</tbody>
</table>

Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Yes, an ISIN code

4601461035

Current state

Rate the importance (current and future) of water quality and water quantity to the success of your business.

<table>
<thead>
<tr>
<th>Direct use importance rating</th>
<th>Indirect use importance rating</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient amounts of good</td>
<td>Vital</td>
<td><strong>Water is critical to our operations, we could not make our products without large volumes of good quality, reliably available fresh water. Water is used to preserve wood, to produce steam and energy, transport materials to process equipment, and to produce paper and paperboard. Raw materials essential to our businesses include wood fiber, purchased in the form of pulpwod, wood chips and old corrugated containers (OCC), and certain chemicals, including caustic soda and starch. All of these are water-reliant industries, but our diversified sourcing approach mitigates exposure to water risk in our supply chain. As of today, we have not identified specific water-related risks in the supply chain as having a potential “substantial” impact for our company. Thus, suppliers are not included in our proprietary Facility Water Risk Assessment, which is focused on risk related to process water in our mills, where we have our largest water footprints. Wood fiber is our most critical raw material, and is sourced mainly from private landowners who rely primarily on natural rain irrigation. In the future, these levels of importance will remain constant, as we do not anticipate major business changes that would impact this topic.</strong></td>
</tr>
<tr>
<td>quality freshwater available</td>
<td>Important</td>
<td></td>
</tr>
<tr>
<td>for use</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sufficient amounts of recycled,</td>
<td>Important</td>
<td>Some of our mills use treated water from municipal plants either as a primary or alternative source of water. Without that source of water some sites may not be able to operate normally or in upset conditions. Raw materials essential to our businesses include wood fiber, purchased in the form of pulpwod, wood chips and old corrugated containers (OCC), and certain chemicals, including caustic soda and starch. All of these are water-reliant industries, but our diversified sourcing approach mitigates exposure to water risk in our supply chain. In the future, the importance of engagement and data related to recycled water may increase due to increased pressure on freshwater resources globally, and policies and regulations encouraging industrial water re-use in the US and EU.</td>
</tr>
<tr>
<td>brackish and/or produced water available for use</td>
<td>Neutral</td>
<td></td>
</tr>
<tr>
<td>Water withdrawals – total volumes</td>
<td>100%</td>
<td>We monitor water withdrawal volumes at all of our mills through flow metering, track this data as part of our internal Environmental Management System (EMS), and report as required by our permits at all locations. Mills comprise over 98% of our total water use volume. Our mills, with a few exceptions, typically operate their own water intake and wastewater treatment systems. Site-level monitoring is on a continual basis, with reporting to relevant stakeholders on a monthly or quarterly basis depending on requirements. We report on this topic annually through our Sustainability report.</td>
</tr>
<tr>
<td>Water withdrawals – volumes by source</td>
<td>100%</td>
<td>We monitor water withdrawal volumes at all of our mills through flow metering, track this data as part of our internal EMS, and report as required by our permits at all locations. Mills comprise over 98% of our total water use volume. Our mills, with a few exceptions, typically operate their own water intake and wastewater treatment systems. Site-level monitoring is on a continual basis, with reporting to relevant stakeholders on a monthly or quarterly basis depending on requirements. We report on this topic annually through our Sustainability report.</td>
</tr>
<tr>
<td>Entrained water associated with your metals &amp; mining sector activities – total volumes (only metals and mining sector)</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Produced water associated with your oil &amp; gas sector activities – total volumes (only oil and gas sector)</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Water withdrawals quality</td>
<td>100%</td>
<td>We monitor water withdrawal quality at all of our mills. Mills comprise over 98% of our total water use volume. Our mills, with a few exceptions, typically operate their own water intake and wastewater treatment systems. Each facility continually (daily) monitors a number of different incoming water quality indicators in order to appropriately treat it for our operational use, and also to comply with our wastewater discharge permit requirements as appropriate. Depending on location and water source, our mills may experience quite different risks and treatment costs for incoming water. For example, groundwater tends to require less pre-treatment (i.e., for turbidity) compared to surface sources, but may also be under greater pressure from other users and regulators. Conversely, surface sources may require more pre-treatment and less heating for our operations, but typically are more abundant and accessible resources.</td>
</tr>
<tr>
<td>Water discharges – total volumes</td>
<td>100%</td>
<td>We monitor water discharge volumes at all of our mills through flow metering, track this data as part of our internal EMS, and report as required by our permits at all locations. Mills comprise over 98% of our total water use volume. Our mills, with a few exceptions, typically operate their own water intake and wastewater treatment systems. Site-level monitoring is on a continual basis, with reporting to relevant stakeholders on a monthly or quarterly basis depending on requirements. We report on this topic annually through our Sustainability report.</td>
</tr>
<tr>
<td>Water discharges – volumes by destination</td>
<td>100%</td>
<td>We monitor water discharge by destination at all of our mills through flow metering, track this data as part of our internal EMS, and report as required by our permits at all locations. Mills comprise over 98% of our total water use volume. Our mills, with a few exceptions, typically operate their own water intake and wastewater treatment systems. Our discharge data includes specifying the receiving body at each site: surface or third-party wastewater manager (none of our sites discharge to groundwater). Site-level monitoring is on a continual basis, with reporting to relevant stakeholders on a monthly or quarterly basis depending on requirements. We report on this topic annually through our Sustainability report.</td>
</tr>
<tr>
<td>Water discharges – volumes by treatment method</td>
<td>100%</td>
<td>We monitor water discharge by destination at all of our mills through flow metering, track this data as part of our internal EMS, and report as required by our permits at all locations. Our discharge data includes the type of treatment system at each site – typically Aerated Stabilization Basin (ASB) or Activated Sludge Treatment (AST). Mills comprise over 98% of our total water use volume. Our mills, with a few exceptions, typically operate their own water intake and wastewater treatment systems. Our discharge data includes specifying the receiving body at each site: surface or third-party wastewater manager (none of our sites discharge to groundwater). Site-level monitoring is on a continual basis, with reporting to relevant stakeholders on a monthly or quarterly basis depending on requirements.</td>
</tr>
<tr>
<td>Water discharge quality – by standard efficient parameters</td>
<td>100%</td>
<td>We monitor water discharge quality at all of our mills, track this data as part of our internal EMS, and report as required by our permits at all locations. Mills comprise over 98% of our total water use volume. Our mills, with a few exceptions, typically operate their own water intake and wastewater treatment systems. Our discharge data includes temperature parameters where required by local, state, or national regulators (this does not apply in all cases, but depends on the mill's permit). Our operating permits (under the Clean Water Act in the US, for example) may include seasonal parameters based on the characteristics of the receiving body, and periodic in-stream monitoring is often a requirement of these permits. Site-level monitoring is on a continual basis, with reporting to relevant stakeholders on a monthly or quarterly basis depending on requirements.</td>
</tr>
<tr>
<td>Water discharge quality – temperature</td>
<td>51-75</td>
<td>We monitor water discharge quality at all of our mills, track this data as part of our internal EMS, and report as required by our permits at all locations. Mills comprise over 98% of our total water use volume. Our mills, with a few exceptions, typically operate their own water intake and wastewater treatment systems. Our discharge data includes temperature parameters where required by local, state, or national regulators (this does not apply in all cases, but depends on the mill's permit). Our operating permits (under the Clean Water Act in the US, for example) may include seasonal parameters based on the characteristics of the receiving body, including temperature. Site-level monitoring is on a continual basis, with reporting to relevant stakeholders on a monthly or quarterly basis depending on requirements.</td>
</tr>
<tr>
<td>Water consumption – total volume</td>
<td>100%</td>
<td>We track consumption data (defined as Withdrawals - Discharges) at each site and at the enterprise level. Site-level monitoring is on a continual basis, with reporting to relevant stakeholders on a monthly or quarterly basis depending on requirements.</td>
</tr>
<tr>
<td>Water recycled/ reused</td>
<td>100%</td>
<td>Water re-use is a key feature of the kraft production process in modern pulp &amp; paper packaging manufacturing operations. Research from the National Council for Air and Stream Improvement (NCASI), shows that a unit of water is re-used 10 or more times in a typical mill, we return over 90% of what we withdraw back to the environment, after treatment. We are improving practices and equipment facilitating reuse is an important tactical element of achieving our Vision 2030 target on water use intensity reduction by 25%. We also operate two mills that rely on recycled municipal wastewater for part or all of their operations. One of these is our Madrid, Spain mill which is located in an area of very high water stress; this mill uses 100% reclaimed wastewater in partnership with the local municipal utility, thus our operation does not add any additional demand to the local water stress challenges.</td>
</tr>
<tr>
<td>The provision of fully-functioning, safely-managed WASH services to all workers</td>
<td>100%</td>
<td>We adhere to local law and globally-applicable standards for WASH services at all of our sites. We do not anticipate business changes that would change this or present any new challenges. Employee safety is a core value and top priority for IP. Each facility regularly solicits employee feedback on areas for improvement, and our annual company-wide engagement surveys also support this effort. Our company also operates an anonymous hotline available to employees for grievances, which may include occupational health &amp; safety topics.</td>
</tr>
</tbody>
</table>
W1.2d) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

<table>
<thead>
<tr>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total withdrawals 455897.35</td>
<td>About the same</td>
<td>2021 withdrawals were about the same as 2020. In the coming years we plan to reduce our water use in proportion to our total production volumes under our Vision 2030 plan to reduce our water use intensity by 25% from a 2019 baseline. Our context-based approach means we will focus our water use reduction efforts on the mills experiencing the most significant water risks today and in the future. For the purposes of this response we consider 0-5% change “about the same,” 5-25% change “higher” or “lower,” and greater than 25% change “much higher” or “much lower.”</td>
</tr>
<tr>
<td>Total discharges 600529.93</td>
<td>Higher</td>
<td>2021 discharges were higher vs. 2020. The increase reflects general fluctuations in water discharge year-over-year due to plant operations, products produced, weather events, and other factors. In the coming years we plan to reduce our water use in proportion to our total production volumes under our Vision 2030 plan to reduce our water use intensity by 25% from a 2019 baseline. Our context-based approach means we will focus our water use reduction efforts on the mills experiencing the most significant water risks today and in the future. For the purposes of this response we consider 0-5% change “about the same,” 5-25% change “higher” or “lower,” and greater than 25% change “much higher” or “much lower.”</td>
</tr>
<tr>
<td>Total consumption 45067.42</td>
<td>Much lower</td>
<td>2021 consumption is much lower compared to 2020. This reflects the water-reduction best practices we began to focus on in 2021, such as improved flow-metering, internal tracking and reporting, and building a culture of water stewardship within our facilities. We have also implemented several capital projects that have reduced our overall water consumption, as part of our Vision 2030 goal of reducing our water use in proportion to our total production volumes. For the purposes of this response we consider 0-5% change “about the same,” 5-25% change “higher” or “lower,” and greater than 25% change “much higher” or “much lower.”</td>
</tr>
</tbody>
</table>

W1.2d

W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

<table>
<thead>
<tr>
<th>Withdrawals % withdrawn from areas with water stress</th>
<th>Comparison with previous reporting year</th>
<th>Identification tool</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row Yes 1 1-10</td>
<td>About the same</td>
<td>WRI Aqueduct</td>
<td>Two of our mills are located in basins considered to be water-stressed (ie., “High” or greater level of Baseline Water Stress (BWS) per WRI Aqueduct). Both draw their process water from surface sources, and together comprise about 7% of our mills’ total water intake. One mill is located on the US south-eastern Atlantic coast, which has not experienced water supply challenges to date. The second mill is located in Madrid, Spain and is considered to be a “Very High” level of BWS. This recycled containerboard mill uses 100% reclaimed wastewater (original source is surface water) in partnership with the local municipal utility, and thus our operation does not add any additional demand to the local water stress challenges. This mill comprises less than half of one percent of our company’s total water intake. We do not anticipate major business changes that would impact this % in the near future. However, the underlying data from WRI’s BWS modeling is likely to be updated in the coming year, which will impact the results of our internal Facilities Water Risk Assessment. For the purposes of this response we consider 0-5% change “about the same,” 5-25% change “higher” or “lower,” and greater than 25% change “much higher” or “much lower.”</td>
</tr>
</tbody>
</table>

W1.2h

W1.2h) Provide total water withdrawal data by source.

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water, including rainwater, water from streams, rivers, and lakes Relevant</td>
<td>494872</td>
<td>About the same</td>
<td>Surface water is considered relevant for our company, as 77% of our water intake is from surface sources. 2021 surface water use was less than 5% changed compared to 2020. This difference reflects general fluctuations in water use year-over-year due to plant operations, products produced, weather events, equipment maintenance, and other factors. In the future, we expect overall water use to fall relative to production, as part of our Vision 2030 target on water use reduction. Our context-based approach means we will focus our water use reduction efforts on the mills experiencing the most significant water risks today and in the future. Our water use may also decrease due to increased pressure on freshwater resources globally, and policies and regulations encouraging industrial water re-use in the US and EU. For the purposes of this response we consider 0-5% change “about the same,” 5-25% change “higher” or “lower,” and greater than 25% change “much higher” or “much lower.”</td>
</tr>
</tbody>
</table>
| Brackish surface water/Seawater Not relevant | <Not Applicable> | <Not Applicable> | None of our mills source from brackish or seawater. In the future, we expect this % to remain relatively constant, as we do not anticipate major business changes that would impact this %.
| Groundwater – renewable Relevant | 103612 | About the same | Renewable groundwater is considered relevant for our company, as 16% of our water intake is from such sources. 2021 groundwater use was less than 5% changed vs. 2020. This difference reflects general fluctuations in water use year-over-year due to plant operations, products produced, weather events, equipment maintenance, and other factors. In the future, we expect overall water use to fall relative to production, as part of our Vision 2030 target on water use reduction. Our context-based approach means we will focus our water use reduction efforts on the mills experiencing the most significant water risks today and in the future. Our water use may also decrease due to increased pressure on freshwater resources globally, and policies and regulations encouraging industrial water re-use in the US and EU. For the purposes of this response we consider 0-5% change “about the same,” 5-25% change “higher” or “lower,” and greater than 25% change “much higher” or “much lower.” |
| Groundwater – non-renewable Not relevant | <Not Applicable> | <Not Applicable> | None of our sites draw from non-renewable groundwater sources. In the future, we expect this % to remain relatively constant, as we do not anticipate major business changes that would impact this %.
| Produced/Entrained water Not relevant | <Not Applicable> | <Not Applicable> | Produced water in wood fiber and other inputs comprises about 5% of total water volume use across the paper & pulp industry, according to the research by National Council for Air and Stream Improvement (NCASI). We do not consider this a relevant source of water, as we do not track this as a significant source for process water. Unlike surface, ground, and other freshwater sources, produced water is not available for re-use and is non-renewable. In the same way. In the future, we expect this % to remain relatively constant, as we do not anticipate major business changes that would impact this %.
| Third party sources Relevant | 47113 | About the same | Third-party sources are considered relevant for our company, as 7% of our water intake is from such sources, and in such cases we often pay for these services under agreements with providers. In the future, this figure as a % of our overall use may increase due to increased pressure on freshwater resources globally, and policies and regulations encouraging industrial water re-use in the US and EU (ie, re-using municipal graywater as we currently do at two mills). In the future, we expect overall water use to fall relative to production, as part of our Vision 2030 target on water use reduction. Our context-based approach means we will focus our water use reduction efforts on the mills experiencing the most significant water risks today and in the future. For the purposes of this response we consider 0-5% change “about the same,” 5-25% change “higher” or “lower,” and greater than 25% change “much higher” or “much lower.” |
### (W.1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

<table>
<thead>
<tr>
<th>Relevance of treatment level to discharge</th>
<th>Volume (megaliters/year)</th>
<th>Comparison of treated volume with previous reporting year</th>
<th>% of your sites/facilities/operations this volume applies to</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tertiary treatment</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>All of our mills follow strict regulatory requirements on wastewater quality. The vast majority of our mills treat their wastewater on-site via aerobic or anaerobic treatment systems before discharging to the environment. Nearly all of these sites are required to perform secondary-level wastewater treatment. In the future, we expect this to be unchanged, as we do not anticipate major business changes that would impact this practice.</td>
</tr>
<tr>
<td>Secondary treatment</td>
<td>Relevant</td>
<td>596848.88</td>
<td>Higher</td>
<td>91-99</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>All of our mills follow strict regulatory requirements on wastewater quality. The vast majority of our mills treat their wastewater on-site via aerobic or anaerobic treatment systems before discharging to the environment. Nearly all of these sites are required to perform secondary-level wastewater treatment. 2021 secondary treatment volume was 7% changed vs. 2020. This difference reflects general fluctuations in water use year-over-year due to plant operations, products produced, weather events, equipment maintenance, and other factors. In the future, we expect overall water use to fall relative to production, as part of our Vision 2030 target on water use reduction. Our context-based approach means we will focus our water use reduction efforts on the mills experiencing the most significant water risks today and in the future. Our water use may also decrease due to increased pressure on freshwater resources globally, and policies and regulations encouraging industrial water re-use in the US and EU. For the purposes of this response we consider 0-5% change &quot;about the same,&quot; 5-25% change &quot;higher&quot; or &quot;lower,&quot; greater than 25% change &quot;much higher&quot; or &quot;much lower.&quot;</td>
</tr>
<tr>
<td>Primary treatment only</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>All of our mills follow strict regulatory requirements on wastewater quality. None of our mills discharge directly to the environment after primary treatment only. In the future, we expect this to be unchanged, as we do not anticipate major business changes that would impact this practice.</td>
</tr>
<tr>
<td>Discharge to the natural environment without treatment</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>All of our mills follow strict regulatory requirements on wastewater quality. None of our mills discharge directly to the environment without treatment. In the future, we expect this to be unchanged, as we do not anticipate major business changes that would impact this practice.</td>
</tr>
<tr>
<td>Discharge to a third party without treatment</td>
<td>Relevant</td>
<td>831</td>
<td>Lower</td>
<td>1-10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>All of our mills follow strict regulatory requirements on wastewater quality. One of our 100% recycle mills sends untreated wastewater on to a publicly-owned treatment works for further treatment. This volume in 2021 was less than 5% changed vs. 2020. In the future, we expect overall water use to fall relative to production, as part of our Vision 2030 target on water use reduction. Our context-based approach means we will focus our water use reduction efforts on the mills experiencing the most significant water risks today and in the future. Our water use may also decrease due to increased pressure on freshwater resources globally, and policies and regulations encouraging industrial water re-use in the US and EU. For the purposes of this response we consider 0-5% change &quot;about the same,&quot; 5-25% change &quot;higher&quot; or &quot;lower,&quot; greater than 25% change &quot;much higher&quot; or &quot;much lower.&quot;</td>
</tr>
<tr>
<td>Other</td>
<td>Relevant</td>
<td>2851</td>
<td>About the same</td>
<td>1-10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>All of our mills follow strict regulatory requirements on wastewater quality. One of our 100% recycle mills completes primary treatment on-site, then sends wastewater on to a publicly-owned treatment works for further treatment. This volume in 2021 was less than 5% changed vs. 2020. In the future, we expect overall water use to fall relative to production, as part of our Vision 2030 target on water use reduction. Our context-based approach means we will focus our water use reduction efforts on the mills experiencing the most significant water risks today and in the future. Our water use may also decrease due to increased pressure on freshwater resources globally, and policies and regulations encouraging industrial water re-use in the US and EU. For the purposes of this response we consider 0-5% change &quot;about the same,&quot; 5-25% change &quot;higher&quot; or &quot;lower,&quot; greater than 25% change &quot;much higher&quot; or &quot;much lower.&quot;</td>
</tr>
</tbody>
</table>
(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.

<table>
<thead>
<tr>
<th>Revenue Total water withdrawal volume</th>
<th>Total water withdrawal efficiency</th>
<th>Anticipated forward trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 19363000000 645597.35</td>
<td>29992378763982</td>
<td>One of Vision 2030 goal is to reduce our water use intensity by 25% by 2030, so we anticipate trend of increasing water withdrawal efficiency over the next decade</td>
</tr>
</tbody>
</table>

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers
Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

<table>
<thead>
<tr>
<th>Row 1</th>
<th>% of suppliers by number</th>
<th>% of total procurement spend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 1%</td>
<td>1-25</td>
</tr>
</tbody>
</table>

Rationale for this coverage

We conduct a post-contract supplier sustainability assessment through SupplyShift, a third-party software provider for sustainability in our supply chain. The survey provides insight into a supplier’s performance across environmental, social and economic areas, as well as compliance with the principles of our Third-Party Code of Conduct (TPCOC) which includes environmental compliance. The survey includes questions on suppliers’ water risk management, total water use, and water-related sustainability goals. The survey results may lead to targeted Sedex Members Ethical Trade Audits. We work with selected suppliers on any proposed corrective actions resulting from both surveys and audits to ensure they are aligned with our expectations. Our targeted approach allows us to focus our deep risk management efforts on our most critical suppliers, while taking a broader approach to the bulk of our supply base (via TPCOC compliance).

Impact of the engagement and measures of success

Participating suppliers generally find this to be a useful exercise, as it provides them with benchmarking data to understand their performance compared to others in our supply chain, leading to opportunities for improvement on topics like water risk management. We rank participating suppliers against each other, and our goal is year-over-year improvement in overall scores. In 2020 we paused this program, recognizing the significant challenges facing our suppliers (especially the smaller ones) as a result of the COVID-19 pandemic, and opting instead to encourage them focus on safe and timely operations. In 2021, we resumed our supplier engagement through the SupplyShift platform, and 65% of the suppliers we engaged with consistently are improving their ESG scores year-over-year. It is likely we will place a heavier emphasis on supplier water risk in the coming years, as part of our broader water stewardship strategy.

Comment

W1.4b
(W1.4b) Provide details of any other water-related supplier engagement activity.

**Type of engagement**
Onboarding & compliance

**Details of engagement**
Requirement to adhere to our code of conduct regarding water stewardship and management
Other, please specify

% of suppliers by number
76-100

% of total procurement spend
76-100

**Rationale for the coverage of your engagement**
We expect our business partners to share the values and principles outlined in our Third Party Code of Conduct (TPCOC), which is our standard for safe and respectful workplace conduct and ethical business practices, including legal and regulatory compliance on water-related issues. These principles include environmental compliance with local law, which incorporates water management. Training is available in eight languages and is required for our global sourcing employees. We also provide our teams with literature and other materials to share with our suppliers. Our TPCOC is on our company website and is available in 12 languages.

**Impact of the engagement and measures of success**
Our TPCOC is designed to transmit our core values of Ethics, Safety and Stewardship upstream into our supply chain. This is a key part of delivering on our mission to be among the most successful, sustainable and responsible companies in the world. It is also critical for managing risk in our supply chain - for both operational continuity and for managing our reputation among our stakeholders. As of 2021 approximately 80 percent of our suppliers are committed to comply with our TPCOC.

**Comment**

---

(W1.4c) What is your organization’s rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

To meet the needs of our customers, NGOs, and other stakeholders on sustainability topics, including water stewardship, we seek opportunities in strategic locations with key stakeholders who can help maximize our impact. For example, since 2018 we have partnered with World Wildlife Fund and other private-sector partners to advance forest restoration in Brazil as part of our work to develop and promote science-based targets for forests. We are supporting outreach, education, and native species restoration in the Mogi Guacu River Basin within the Atlantic Forest, one of the 11 deforestation fronts identified by WWF. It provides water for 60 percent of Brazil’s population and is one of the most biologically diverse watersheds in the world. While International Paper does not operate in the region anymore, we continue to support the project as part of its legacy efforts to restore and conserve this highly biodiversity rich region. We have also been a key partner since 2020 in the Savannah River Clean Water Fund, in partnership with The Nature Conservancy, The Longleaf Alliance, local water utilities and state environmental agencies. This partnership deploys a multi-stakeholder forest conservation model to improve water quality for all users. We are proud to be the first private-sector participant in the Fund, and look forward to continuing this unique partnership. Going forward, as part of our Vision 2030 goal on water stewardship we will seek more opportunities to advance water stewardship, especially where those resources are threatened by overuse and/or quality challenges. We seek to advance positive environmental and societal outcomes at the forest-water nexus where we have extensive expertise as a leading forest products company. Success metrics in these partnerships typically include forest conservation (ie, number of high-priority acres protected/restored per year), aligned closely with our Healthy and Abundant Forests goal area under our Vision 2030 strategy.

---

(W2.1) Has your organization experienced any detrimental water-related impacts?

Yes
(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.

<table>
<thead>
<tr>
<th>Country/Area &amp; River basin</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States of America</td>
</tr>
</tbody>
</table>

**Type of impact driver & Primary impact driver**

| Acute physical | Heavy precipitation (rain, hail, snow/ice) |

**Primary impact**
Reduction or disruption in production capacity

**Description of impact**
The deep freeze during the 2020-2021 winter impacted multiple of our facilities throughout the Southeastern US, temporarily curtailing or shutting down multiple facilities. In many cases this was a result of supply chains for fuel and other inputs being disrupted by extended freezing temperatures and ice. This figure includes costs related to storm damage, lost production and other impacts, less insurance claims in excess of our deductibles which had been paid out through March 2022.

**Primary response**
Improve maintenance of infrastructure

**Total financial impact**
1905488

**Description of response**
We comply with official orders as mandated by public agencies during severe weather events, which may include curtailing or stopping production. Emergency response plans have existed for this site and were reinforced based on this event. All of our facilities are required to have severe weather plans in place to prepare for and manage through a severe weather event such as an earthquake, hurricane, tornado, freezing weather, drought or other similar regional weather event. In the case that other strategies are needed, those are quickly identified and implemented.

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<tr>
<th>Country/Area &amp; River basin</th>
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**Primary response**
Improve maintenance of infrastructure

**Total financial impact**
8912197

**Description of response**
We comply with official orders as mandated by public agencies during severe weather events, which may include curtailing or stopping production. Emergency response plans have existed for this site and were reinforced based on this event. All of our facilities are required to have severe weather plans in place to prepare for and manage through a severe weather event such as an earthquake, hurricane, tornado, freezing weather, drought or other similar regional weather event. In the case that other strategies are needed, those are quickly identified and implemented.

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<th>Country/Area &amp; River basin</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States of America</td>
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</table>

**Type of impact driver & Primary impact driver**

| Acute physical | Heavy precipitation (rain, hail, snow/ice) |

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**Description of impact**
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<table>
<thead>
<tr>
<th>Primary response</th>
<th>Improve maintenance of infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total financial impact</td>
<td>1396763</td>
</tr>
<tr>
<td>Description of response</td>
<td>We comply with official orders as mandated by public agencies during severe weather events, which may include curtailing or stopping production. Emergency response plans have existed for this site and were reinforced based on this event. All of our facilities are required to have severe weather plans in place to prepare for and manage through a severe weather event such as an earthquake, hurricane, tornado, freezing weather, drought or other similar regional weather event. In the case that other strategies are needed, those are quickly identified and implemented.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country/Area &amp; River basin</th>
<th>United States of America</th>
<th>Mississippi River</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of impact driver &amp; Primary impact driver</td>
<td>Acute physical</td>
<td>Heavy precipitation (rain, hail, snow/ice)</td>
</tr>
<tr>
<td>Primary impact</td>
<td>Reduction or disruption in production capacity</td>
<td></td>
</tr>
<tr>
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<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Country/Area &amp; River basin</th>
<th>United States of America</th>
<th>Other, please specify (Sipsey Fork)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of impact driver &amp; Primary impact driver</td>
<td>Acute physical</td>
<td>Heavy precipitation (rain, hail, snow/ice)</td>
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Description of impact
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Primary response
Improve maintenance of infrastructure

Total financial impact
1901993

Description of response
We comply with official orders as mandated by public agencies during severe weather events, which may include curtailing or stopping production. Emergency response plans have existed for this site and were reinforced based on this event. All of our facilities are required to have severe weather plans in place to prepare for and manage through a severe weather event such as an earthquake, hurricane, tornado, freezing weather, drought or other similar regional weather event. In the case that other strategies are needed, those are quickly identified and implemented.

Country/Area & River basin

| United States of America | Other, please specify (Upper Tombigbee) |

Type of impact driver & Primary impact driver

| Acute physical | Heavy precipitation (rain, hail, snow/ice) |

Primary impact
Reduction or disruption in production capacity

Description of impact
The deep freeze during the 2020-2021 winter impacted multiple of our facilities throughout the Southeastern US, temporarily curtailing or shutting down multiple facilities. In many cases this was a result of supply chains for fuel and other inputs being disrupted by extended freezing temperatures and ice. This figure includes costs related to storm damage, lost production and other impacts, less insurance claims in excess of our deductibles which had been paid out through March 2022.

Primary response
Improve maintenance of infrastructure

Total financial impact
1911344

Description of response
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W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations? No

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment? Yes, water-related risks are assessed

W3.3a
(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

**Value chain stage**
- Direct operations
- Supply chain
- Other stages of the value chain

**Coverage**
- Full

**Risk assessment procedure**
- Water risks are assessed as a standalone issue

**Frequency of assessment**
- Annually

**How far into the future are risks considered?**
- 3 to 6 years

**Type of tools and methods used**
- Tools on the market

**Tools and methods used**
- WRI Aqueduct
- Other, please specify (Public and company data sources and proprietary methodology)

**Contextual issues considered**
- Water availability at a basin/catchment level
- Water quality at a basin/catchment level
- Stakeholder conflicts concerning water resources at a basin/catchment level
- Implications of water on your key commodities/raw materials
- Water regulatory frameworks
- Status of ecosystems and habitats
- Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**
- Customers
- Employees
- Investors
- Local communities
- NGOs
- Regulators
- Suppliers
- Water utilities at a local level
- Other water users at the basin/catchment level

**Comment**
(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

We conduct periodic surveys of our internal and external stakeholders on the importance of sustainability issues and the impact of and on IP. This materiality assessment helps guide our strategy and specific focus areas. The latest results showed both Water Management and Watershed Stewardship as high importance to our business, thus reinforcing our continued focus on these topics. Our Global Citizenship team manages our Facility Water Risk Assessment in conjunction with our EHS, Government Relations, & other functions. This includes data-driven analysis of physical, regulatory, financial, and reputational risks related to our water use at each site. Data sources include facility responses to an annual water stewardship survey, internal subject matter experts’ evaluation of sites’ water risk exposure (current and future), wastewater quality risk indicators, WRI baseline water stress data, and other public databases. We combine these inputs in a proprietary model that serves as a key foundation for our water stewardship strategy, including facility-level plans for context-based water stewardship and risk-based water use reduction under our Vision 2030 goals. Roughly 60% of a facility’s risk score is based on internal data, while 40% is externally-sourced; this combination allows us to use the best available data, both quantitative and qualitative. Our methodology was developed with support from WRI and follows widely-accepted best practice. Additionally, our Environmental Management System (EMS) and associated processes use a standardized set of 13 minimum expectations for all our mills. These include risk identification, goal and metric tracking, documentation, training, evaluation, community outreach and records management, among others. Water and wastewater concerns are included in this process. Our continuous EMS audit process is responsible for identifying areas of non-conformance with the EMS requirements. All mills were internally certified to these standards by the end of 2017.

We hold our leaders responsible to ensure compliance with all applicable regulations; global environment, health and safety management systems and performance standards; and transparent reporting of our metrics and progress relative to our commitments. Non-conformances discovered through this process trigger an internal corrective action plan involving facility leadership and enterprise support functions. Externally, we expect our business partners to share the values and principles outlined in our Third Party Code of Conduct (TPCOC), which is our standard for safe and respectful workplace conduct and ethical business practices, including legal and regulatory compliance on water-related issues. Our sourcing teams conduct a pre-contract risk screening based on the principles of our TPCOC and other risk factors. The assessment provides transparency and highlights areas of potential social, environmental and financial risk. After contracting with a supplier, we further assess their potential risks through a robust internal risk assessment process, and then annually evaluate risks related to highly strategic suppliers via a third-party survey platform. Based on the findings of this process, we may initiate a third-party on-site supplier audit. We use feedback from these surveys and audits to help suppliers create action plans for continuous improvement.

Our Global Fiber Procurement Policy outlines our expectations and process for evaluating environmental compliance with all wood suppliers. Further, 66% of our fiber sourced in 2021 was verified as being derived from a sustainably managed forest or third-party certified to a forest management standard such as FSC®, PEFC™ or SFI® including strict requirements for water resource protection in working forests, including Best Management Practices for water quality protection in North America. We reserve the right to terminate a relationship with a supplier whose values, policies or practices are not aligned with our expectations.

More broadly, our Enterprise Risk Management Council has responsibility for ensuring that the people and processes are in place to identify, understand and mitigate material risk to our business. The council is made up of senior leaders representing each IP business and certain critical staff functions. With regard to procedures for managing risks and opportunities related to environmental issues, IP evaluates risk and opportunities considering potential impact and likelihood of occurrence within our strategic planning period of 4 years. Beyond 4 years, certain risks may be considered emerging in nature. If the likelihood and impact are significant enough to meet IP’s “enterprise” criteria, then actions are taken to ensure that IP is able to mitigate those risks. Water risks are a consideration, and although they have not yet been formally identified as a material risk to the company, this topic is currently on a ‘watch list’ of emerging risks to be monitored.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

For the purposes of CDP reporting we define substantive financial or strategic impact as something with the potential to affect our net profits by 1% or more in a given year. For example, a major drought across the Southeastern US that were to cut off the supply of process water to several of our large mills simultaneously for an extended period (ie, more than one month) could have a substantive aggregated impact. Note that this is an extreme hypothetical, and is not something we’ve experienced or anticipate in the coming years. Such an event impacting a single mill would be unlikely to reach the threshold defined above.

W4.1b

(W4.1b) What are the potential effects of these risks on your business? (Select all that apply)

Impact to our business value chain
(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

<table>
<thead>
<tr>
<th>Total number of facilities exposed to water risk</th>
<th>% company-wide facilities this represents</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>1-25</td>
<td>Here we focus on risks and cost impacts to our facilities in the Savannah River Basin. As referenced in W1.2d, two of our mills are located in basins considered to be water-stressed (i.e., “High” or greater level of Baseline Water Stress (BWS) per WRI Aqueduct). However we do not include those mills here as representing substantive financial or strategic impact on our business. Both draw their process water from surface sources, and together they comprise about 7% of our mills’ total water intake. One mill is located along the US Southeastern Atlantic coast, which has not experienced water supply challenges to date. The second mill is located in Madrid, Spain and is considered to have a “Very High” level of BWS; this mill uses 100% reclaimed wastewater (original source is surface water) in partnership with the local municipal utility, and thus our operation does not add any additional demand to the local water stress challenges. This mill comprises less than half of one percent of our company’s total water intake.</td>
</tr>
</tbody>
</table>

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

<table>
<thead>
<tr>
<th>Country/Area &amp; River basin</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States of America</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of facilities exposed to water risk</th>
<th>% company-wide facilities this represents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>1-25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Production value for the metals &amp; mining activities associated with these facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>% company’s annual electricity generation that could be affected by these facilities</td>
</tr>
<tr>
<td>% company’s global oil &amp; gas production volume that could be affected by these facilities</td>
</tr>
<tr>
<td>% company’s total global revenue that could be affected</td>
</tr>
<tr>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>1-10</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Comment</th>
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</tr>
</tbody>
</table>
Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

United States of America

Savannah River

Type of risk & Primary risk driver

Regulatory

Regulation of discharge quality/volumes

Primary potential impact

Increased compliance costs

Company-specific description

We operate two mills situated on a 303(d) impaired stream (per US EPA under the Clean Water Act) in a highly-industrialized shipping zone, which are subject to stringent effluent quality regulations. Total maximum daily loading (TMDL) regulation for specific wastewater quality indicators has required us to make significant capital investments at these sites. Both mills purchase some or all of their process water from the local municipal provider (original source is surface water), and the supplementary groundwater withdrawal permit at one of these mills has been progressively reduced in recent years, with further incremental reductions anticipated. Not meeting these regulatory requirements could impact these facilities' ability to meet production targets and customer needs.

Timeframe

1-3 years

Magnitude of potential impact

Medium

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

200000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

This figure represents an illustrative estimate of the additional annual water cost to the mill whose groundwater permit is being reduced, if we were to begin purchasing an equivalent amount of additional water from the local utility rather than reducing our operational water use. Note that this is a hypothetical scenario; our Vision 2030 goals include a 25% water use intensity reduction target and this mill has multiple water reduction projects ongoing, led by a local task team of experts and supported by our enterprise staff.

Primary response to risk

Comply with local regulatory requirements

Description of response

We strive to operate our facilities in compliance with applicable rules and regulations and take measures to minimize the risks of disruption at our facilities. These mills' leadership are actively engaged with local basin management authorities regarding water use allocations and water quality issues. Wastewater treatment system upgrades were completed in 2021 to comply with TMDL effluent quality limits, under the sites' NPDES wastewater permits; these capital projects will significantly reduce each mill's final effluent loading (up to 80% BOD reduction). Additionally, these mills are implementing process improvements to reduce water use in compliance with water intake permits and/or water supply arrangements with the local water utility. Our Vision 2030 goals include a 25% water use intensity reduction target; in 2021 we set initial water use reduction targets for each mill, and formed a network of mill water champions who are leading facility-level water use efficiency efforts. Our context-based approach means we will focus our water use reduction efforts on the mills experiencing the most significant water risks - physical (supply and/or quality), regulatory, reputational, and/or financial risk – and where reducing water use can help mitigate this risk. A complementary response also underway is our support of the Savannah River Clean Water Fund, in partnership with The Nature Conservancy and other local organizations. Through this partnership we are aligning with key stakeholders including local water utilities, state agencies, and land trusts to financially support upstream forest conservation efforts and sustainable forest management practices that provide water quality and water flow benefits to all users. This is another instance of our context-based approach, in which we are strengthening local water resources through investments both to sustain the ecosystem services upon which we rely, and to improve the impacts of our own operations.

Cost of response

34000000

Explanation of cost of response

A significant portion of our environmental capital spend in recent years has been dedicated to the projects described, thus we reference an estimate from our publicly-disclosed figures: the Company spent approximately $34 million in 2021 for capital projects to control environmental releases into the air and water, and to assure environmentally sound management and disposal of waste. It is possible that our capital expenditure assumptions and project completion dates may change, and our projections are subject to change due to items such as the finalization of ongoing engineering projects or changes in environmental laws and regulations. For the purposes of this response we define “substantive financial or strategic impact” as something with the potential to affect our revenues by 1% or more in any given year, a threshold which here we refer to as “high” magnitude of impact, with the magnitude of impact for each risk or event scaled accordingly from that starting point. Similarly, here we define short (0-5 years), medium (5-10 years), long (10+ years) term horizons for risks and opportunities.
(W4.3c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risks exist, but no substantive impact anticipated</td>
<td>Our Vision 2030 targets focus mainly on operational water use at our mills, but our broader water stewardship strategy includes watershed and supply chain water impact considerations. As of today, we have not identified specific water-related risks in the supply chain as having a potential “substantial” impact for our company. Thus, suppliers are not included in our proprietary Facility Water Risk Assessment, which is focused on risk related to process water in our mills, where we have our largest water footprint. However, it is likely we will place a heavier emphasis on supplier water risk in the coming years, as part of our broader water stewardship strategy. Wood fiber is our most critical raw material, and is sourced mainly from private landowners who rely primarily on natural rain irrigation. As disclosed in our annual financial filings and TCFD report, we are incorporating climate-driven fiber supply risk into our Enterprise Risk Management (ERM) model, as our operations and the operations of our suppliers are subject to climate variations which can impact the productivity of forests, the frequency and severity of wildfires, the distribution and abundance of species, and the spread of disease or insect epidemics. Changes in precipitation could make wildfires more frequent or more severe, and could adversely affect timber harvesting. It requires that wood fiber suppliers implement best management practices (BMPs) that address impacts to water quality within the forests that we source from. Beyond fiber supply, we conduct a post-contact supplier sustainability assessment across all supply departments through SupplyShift, a third-party software provider, for insight into a supplier’s performance across environmental, social and economic areas, as well as its compliance with our Third Party Code of Conduct principles. This includes questions on suppliers’ water risk management, total water use, and water-related sustainability goals. The survey results may lead to targeted Sedex Members Ethical Trade Audits. We work with selected suppliers on any proposed corrective actions resulting from both surveys and audits to ensure they are aligned with our expectations. Our targeted approach allows us to focus our deep risk management efforts on our most critical suppliers, while taking a broader approach to the bulk of our supply base (via TPCOC compliance).</td>
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</table>

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/ all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

<table>
<thead>
<tr>
<th>Type of opportunity</th>
<th>Primary water-related opportunity</th>
<th>Other, please specify (Cost avoidance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>Company-specific description &amp; strategy to realize opportunity</td>
<td>Our Vision 2030 targets a 25% reduction in manufacturing water use intensity (measured as water intake volume per ton of production), within a context-based strategy to focus reduction efforts in the places where water supply is most at risk. As we begin implementation we will continue to find opportunities to improve water efficiency within our manufacturing sites, with an initial focus on operational changes to save water. Over time, such effort will likely have a cost reduction impact, both internally and externally. Related to our internal operations, many manufacturers and industry peers have found cost savings resulting from reduced treatment costs and energy savings on heating and pumping when overall water use is reduced, and when opportunities for water re-use are implemented. In terms of externally-imposed costs, reducing our water use may bring savings over time as the long-term trend on water pricing increases, particularly in areas exposed to water challenges. For instance, we operate two mills in the Savannah River watershed, situated on a 303(d) impaired stream (per US EPA under the Clean Water Act) in a highly-industrialized shipping zone, which are subject to stringent effluent quality regulations. Total maximum daily loading (TMDL) regulation for specific wastewater quality indicators has required us to make significant capital investments at these sites. Both mills purchase some or all of their process water from the local municipal provider (original source is surface water), and the supplementary groundwater withdrawal permit at one of these mills has been progressively reduced in recent years, with further incremental reductions anticipated. Not meeting these regulatory requirements could impact these facilities’ ability to meet production targets and customer needs. Estimated timeframe for realization 1 to 3 years Magnitude of potential financial impact Low-medium Are you able to provide a potential financial impact figure? Yes, a single figure estimate Potential financial impact figure (currency) 200000 Potential financial impact figure – minimum (currency) &lt;Not Applicable&gt; Potential financial impact figure – maximum (currency) &lt;Not Applicable&gt; Explanation of financial impact This figure represents an illustrative estimate of the additional annual water cost to one mill whose groundwater permit is being reduced, if we were to begin purchasing an equivalent amount of additional water from the local utility rather than reducing our operational water use. Note that this is a hypothetical; our Vision 2030 goals include a 25% water use intensity reduction target and this mill has multiple water reduction projects ongoing, led by a local task team of experts and supported by our enterprise staff. Thus, we consider this estimate as potential cost avoidance under a scenario where our water use reduction efforts at this facility yield the anticipated outcomes and we do not have to purchase additional process water. For the purposes of this response we define “substantive financial or strategic impact” as something with the potential to affect our revenues by 1% or more in any given year, a threshold which here we refer to as “high” magnitude of impact, with the magnitude of impact for each risk or event scaled accordingly from that starting point. Similarly, here we define short (0-5 years), medium (5-10 years), long (10+ years) term horizons for risks and opportunities.</td>
</tr>
</tbody>
</table>
Customers are increasingly concerned with the environmental footprint of their products. Suppliers that are able to provide compelling environmental improvements will have an advantage in the marketplace, while suppliers unable to provide such results will face decreased demand for their products. Improving our water footprint could lead to increased sales and/or increased margins on products marketed in a way that reflects these improvements in our operations. We anticipate shifting consumer preference to more sustainable and low-carbon products, as our marketing teams identify opportunities to meet increasing demand for renewable fiber-based products. Our Renewable Solutions strategy challenges us to advance circularity across our value chain to help lead the transition to a circular, low-carbon economy. Our Vision 2030 Renewable Solutions goal is to Advance circular solutions throughout our value chain and create innovative products that are 100% reusable, recyclable or compostable.

Estimated timeframe for realization
1 to 3 years

Magnitude of potential financial impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
83000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact
The figure provided as financial impact is the cost of acquisition of two modernized converting facilities located in Spain, which we completed in 2021. Most of the containerboard inputs for these box plants are supplied by our state-of-the-art Madrid recycled containerboard mill. This mill uses 100% reclaimed wastewater (original source is surface water) in partnership with the local municipal utility, thus not adding any additional demand to local water stress challenges. In this way, the water savings from our resource-efficient recycled containerboard operation are passed on to our customers in the life cycle of the corrugated boxes produced in our converting plants.

For the purposes of this response we define “substantive financial or strategic impact” as something with the potential to affect our revenues by 1% or more in any given year, a threshold which here we refer to as “high” magnitude of impact, with the magnitude of impact for each risk or event scaled accordingly from that starting point.

Similarly, here we define short (0-5 years), medium (5-10 years), long (10+ years) term horizons for risks and opportunities.

Type of opportunity
Resilience

Primary water-related opportunity
Increased supply chain resilience

Company-specific description & strategy to realize opportunity
Avoiding water-related supply disruptions could have a potentially significant positive impact on our operations and cost avoidance. We do not anticipate such disruptions in the near term, but include them here as a longer-term possibility. Many of our key inputs (including wood fiber, chemicals, and energy) rely on a sustainable supply of water for operations, and could be exposed to water-related risks. Supplier water risk exposure is not yet linked to site-specific operational water risk in our facilities water risk assessment, but in the future it may be incorporated as these risk areas mature. We are working to manage the risks and costs from the effects of climate change, including the availability of energy and water resources, to us, our customers and our vendors. These risks include the potentially adverse impact on forestlands, which are a key resource in the production of our products. As of today, we have not quantified these risks as having a potential “substantial” impact. Wood fiber is our most critical input, and is sourced mainly from private landowners. These working forests mainly rely on natural rain irrigation. IP requires that all wood fiber suppliers implement best management practices (BMPs) addressing impacts to water quality within the forests that we source from. Beyond fiber supply, we conduct a post-contract supplier sustainability assessment across all supply departments through Supply Shift, a third-party software provider. The survey provides insight into a supplier’s performance across environmental, social and economic areas, as well as its compliance with our Third Party Code of Conduct (TPCOC) principles. This includes questions on suppliers’ water risk management, total water use, and water-related sustainability goals. The survey results may lead to targeted Sedex Members Ethical Trade Audits. We work with selected suppliers on any proposed corrective actions resulting from both surveys and audits to ensure they are aligned with our expectations. Our targeted approach allows us to focus our deep risk management efforts on our most critical suppliers, while taking a broader approach to the bulk of our supply base (via TPCOC compliance).

Estimated timeframe for realization
1 to 3 years

Magnitude of potential financial impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact
For the purposes of this response we define “substantive financial or strategic impact” as something with the potential to affect our revenues by 1% or more in any given year, a threshold which here we refer to as “high” magnitude of impact, with the magnitude of impact for each risk or event scaled accordingly from that starting point.

Similarly, here we define short (0-5 years), medium (5-10 years), long (10+ years) term horizons for risks and opportunities.

Type of opportunity
Markets

Primary water-related opportunity
Strengthened social license to operate

Company-specific description & strategy to realize opportunity
We recognize our important role as a water steward in the areas where we operate, and work closely with communities to protect water resources and human health in the...
areas where we operate. It is impossible to quantify the financial value of these initiatives, but they are an important part of maintaining our social license to operate. One example is in the Savannah River basin in the US, where we operate two mills. In 2020 we joined the Savannah River Clean Water Fund, in partnership with The Nature Conservancy and other partners. Through this partnership we are aligning with key stakeholders including local water utilities, state agencies, and land trusts to support conservation and forest management practices that provide water quality and water flow benefits to all users. Additionally, we provide targeted support to conservation partners such as local land trusts in high-priority basins in the US where we operate. Other examples include our 2021 investment of $2 million in habitat restoration with our Forestland Stewards partnership focused on forest conservation and sustainable management throughout the Southeastern US. We also partnered with the World Wildlife Fund to develop science-based targets for forests and demonstrate implementation tactics on the ground in strategic locations like Brazil’s Mogi Guçu River basin. Both of these large-scale partnerships include important water-related impacts for local ecosystems and communities. Going forward, as part of our Vision 2030 goal on water stewardship we will seek more opportunities to advance water stewardship in the places where we operate, especially where those resources are threatened by overuse and/or quality challenges.

Estimated timeframe for realization
1 to 3 years

Magnitude of potential financial impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
2000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact
Maintaining a social license to operate and positive relations with our local communities is critical to achieving our vision to be among the most successful, sustainable and responsible companies in the world. The figure reported refers to our latest round of investment in our Forestland Stewards partnership with U.S. National Fish and Wildlife Foundation. We invested $2 million in habitat restoration in 2021 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. Recognizing the important connections between healthy forests and water resources in the Southeastern US, these projects provide important benefits for water supply and water quality for our ecosystems and communities. For the purposes of this response we define “substantive financial or strategic impact” as something with the potential to affect our revenues by 1% or more in any given year, a threshold which here we refer to as “high” magnitude of impact, with the magnitude of impact for each risk or event scaled accordingly from that starting point. Similarly, here we define short (0-5 years), medium (5-10 years), long (10+ years) term horizons for risks and opportunities.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number
Facility 1

Facility name (optional)

Country/Area & River basin

United States of America

Latitude
32.08091

Longitude
-81.09119

Located in area with water stress
No

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
32536

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0
Withdrawals from groundwater - renewable
17579
Withdrawals from groundwater - non-renewable
0
Withdrawals from produced/entrained water
0
Withdrawals from third party sources
14958
Total water discharges at this facility (megaliters/year)
31081
Comparison of total discharges with previous reporting year
About the same
Discharges to fresh surface water
30291
Discharges to brackish surface water/seawater
0
Discharges to groundwater
0
Discharges to third party destinations
0
Total water consumption at this facility (megaliters/year)
1456
Comparison of total consumption with previous reporting year
Lower

Please explain
This mill purchases a significant portion of its process water from the local municipal provider (original source is surface water), and its supplementary groundwater withdrawal permit has been progressively reduced in recent years, with further incremental reductions anticipated. Not meeting these regulatory requirements could impact our ability to meet production targets and customer needs. In the future, we expect overall water use to fall relative to production, as part of our Vision 2030 target on water use reduction. Our water use may also decrease due to increased pressure on freshwater resources globally, and policies and regulations encouraging industrial water reuse in the US and EU. The Company spent approximately $34 million in 2021 for capital projects to control environmental releases into the air and water, and to assure environmentally sound management and disposal of waste. A significant portion of this expenditure in recent years was directed towards capital projects at our facilities in the Savannah River basin. Additionally this mill has multiple water reduction projects ongoing, led by a local task team of experts and supported by our enterprise staff. For the purposes of this response we consider 0-5% change “about the same,” 5-25% change “higher” or “lower,” and greater than 25% change “much higher” or “much lower.”

Facility reference number
Facility 2
Facility name (optional)

Country/Area & River basin

<table>
<thead>
<tr>
<th>United States of America</th>
<th>Savannah River</th>
</tr>
</thead>
</table>

Latitude
32.14753
Longitude
-81.16243
Located in area with water stress
No
Primary power generation source for your electricity generation at this facility
<Not Applicable>
Oil & gas sector business division
<Not Applicable>
Total water withdrawals at this facility (megaliters/year)
18831
Comparison of total withdrawals with previous reporting year
About the same
Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0
Withdrawals from brackish surface water/seawater
0
Withdrawals from groundwater - renewable
0
Withdrawals from groundwater - non-renewable
0
Withdrawals from produced/entrained water
0
Withdrawals from third party sources

18831

Total water discharges at this facility (megaliters/year)

16254

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

16254

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

2577

Comparison of total consumption with previous reporting year

Higher

Please explain

This mill purchases a significant portion of its process water from the local municipal provider (original source is surface water). Year-to-year changes in these data may reflect general fluctuations in water use. Higher consumption in 2021 vs 2020 represents a relatively small volume, as we return over 90% of our water to the environment after treatment. In the future, we expect overall water use to fall relative to production, as part of our Vision 2030 target on water use reduction. Our context-based approach means we will focus our water use reduction efforts on the mills experiencing the most significant water risks today and in the future. Our water use may also decrease due to increased pressure on freshwater resources globally, and policies and regulations encouraging industrial water re-use.. The Company spent approximately $34 million in 2021 for capital projects to control environmental releases into the air and water, and to assure environmentally sound management and disposal of waste. A significant portion of this expenditure in recent years was directed towards capital projects at our facilities in the Savannah River basin. Additionally this mill has multiple water reduction projects ongoing, led by a local task team of experts and supported by our enterprise staff. For the purposes of this response we consider 0-5% change “about the same,” 5-25% change “higher” or “lower,” and greater than 25% change “much higher” or “much lower.”

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified

76-100

Verification standard used

Our water use and effluent quality at these mills are closely monitored by the relevant state environmental agency, the Georgia Environmental Protection Department. The mills are subject to strict permits on which we report regularly on water use (e.g., groundwater intake and final effluent volume) and final effluent quality (BOD loading, among other required parameters). One of these mills is ISO-140001 certified. Furthermore, both mills purchase water for operations from the local water utility, which is closely monitored in that we pay a per-unit fee for use. The data reported here originates from the same internal monitoring systems used to report to these public regulatory entities.

Please explain

<Not Applicable>

Water withdrawals – volume by source

% verified

76-100

Verification standard used

Our water use and effluent quality at these mills are closely monitored by the relevant state environmental agency, the Georgia Environmental Protection Department. The mills are subject to strict permits on which we report regularly on water use (e.g., groundwater intake and final effluent volume) and final effluent quality (BOD loading, among other required parameters). One of these mills is ISO-140001 certified. Furthermore, both mills purchase water for operations from the local water utility, which is closely monitored in that we pay a per-unit fee for use. The data reported here originates from the same internal monitoring systems used to report to these public regulatory entities.

Please explain

<Not Applicable>
Water withdrawals – quality by standard water quality parameters

% verified
76-100

Verification standard used
Our water use and effluent quality at these mills are closely monitored by the relevant state environmental agency, the Georgia Environmental Protection Department. The mills are subject to strict permits on which we report regularly on water use (eg, groundwater intake and final effluent volume) and final effluent quality (BOD loading, among other required parameters). One of these mills is ISO-140001 certified. Furthermore, both mills purchase water for operations from the local water utility, which is closely monitored in that we pay a per-unit fee for use. The data reported here originates from the same internal monitoring systems used to report to these public regulatory entities.

Please explain
<Not Applicable>

Water discharges – total volumes

% verified
76-100

Verification standard used
Our water use and effluent quality at these mills are closely monitored by the relevant state environmental agency, the Georgia Environmental Protection Department. The mills are subject to strict permits on which we report regularly on water use (eg, groundwater intake and final effluent volume) and final effluent quality (BOD loading, among other required parameters). One of these mills is ISO-140001 certified. Furthermore, both mills purchase water for operations from the local water utility, which is closely monitored in that we pay a per-unit fee for use. The data reported here originates from the same internal monitoring systems used to report to these public regulatory entities.

Please explain
<Not Applicable>

Water discharges – volume by destination

% verified
76-100

Verification standard used
Our water use and effluent quality at these mills are closely monitored by the relevant state environmental agency, the Georgia Environmental Protection Department. The mills are subject to strict permits on which we report regularly on water use (eg, groundwater intake and final effluent volume) and final effluent quality (BOD loading, among other required parameters). One of these mills is ISO-140001 certified. Furthermore, both mills purchase water for operations from the local water utility, which is closely monitored in that we pay a per-unit fee for use. The data reported here originates from the same internal monitoring systems used to report to these public regulatory entities.

Please explain
<Not Applicable>

Water discharges – volume by final treatment level

% verified
76-100

Verification standard used
Our water use and effluent quality at these mills are closely monitored by the relevant state environmental agency, the Georgia Environmental Protection Department. The mills are subject to strict permits on which we report regularly on water use (eg, groundwater intake and final effluent volume) and final effluent quality (BOD loading, among other required parameters). One of these mills is ISO-140001 certified. Furthermore, both mills purchase water for operations from the local water utility, which is closely monitored in that we pay a per-unit fee for use. The data reported here originates from the same internal monitoring systems used to report to these public regulatory entities.

Please explain
<Not Applicable>

Water discharges – quality by standard water quality parameters

% verified
76-100

Verification standard used
Our water use and effluent quality at these mills are closely monitored by the relevant state environmental agency, the Georgia Environmental Protection Department. The mills are subject to strict permits on which we report regularly on water use (eg, groundwater intake and final effluent volume) and final effluent quality (BOD loading, among other required parameters). One of these mills is ISO-140001 certified. Furthermore, both mills purchase water for operations from the local water utility, which is closely monitored in that we pay a per-unit fee for use. The data reported here originates from the same internal monitoring systems used to report to these public regulatory entities.

Please explain
<Not Applicable>

Water consumption – total volume

% verified
76-100

Verification standard used
Our water use and effluent quality at these mills are closely monitored by the relevant state environmental agency, the Georgia Environmental Protection Department. The mills are subject to strict permits on which we report regularly on water use (eg, groundwater intake and final effluent volume) and final effluent quality (BOD loading, among other required parameters). One of these mills is ISO-140001 certified. Furthermore, both mills purchase water for operations from the local water utility, which is closely monitored in that we pay a per-unit fee for use. The data reported here originates from the same internal monitoring systems used to report to these public regulatory entities.

Please explain
<Not Applicable>
W6. Governance

W6.1

(W6.1) Does your organization have a water policy?
Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company-wide</td>
<td>Description of business dependency on water</td>
</tr>
<tr>
<td></td>
<td>Description of business impact on water</td>
</tr>
<tr>
<td></td>
<td>Description of water-related performance standards for direct operations</td>
</tr>
<tr>
<td></td>
<td>Reference to international standards and widely-recognized water initiatives</td>
</tr>
</tbody>
</table>

Please explain:

Our annual Sustainability Report, attached, follows GRI guidelines and contains a section dedicated to Water Stewardship, summarized below, in which we provide an overview of our approach and report on our targets to reduce our water use intensity and develop context-based water management plans, and progress against those targets. We also maintain a general EHS&S policy on our website. Our Vision 2030 goals are to reduce our water use intensity by 25% from a 2019 baseline and setting context-based water management plans at all mills. Healthy watersheds and sustainable use of water resources are essential to communities, the environment and manufacturing our products. We are committed to improving the long-term sustainability of shared water resources and are working to understand the characteristics of each basin where we operate in order to address the most important water issues for our company, local communities, other water users and the environment. Freshwater is a critical input to our manufacturing process. The vast majority of our mills use surface water as their primary source, and discharge treated wastewater to receiving streams. Our water use is largely non-consumptive; we return more than 90 percent of the water we use to the environment after treatment. We conduct a robust internal facilities water risk assessment to guide our approach, drawing from both internal and third-party data sources to develop context-based water management plans at all mills. 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. This process includes robust internal standards and auditing. Beyond our manufacturing operations, we recognize that most of the available freshwater in the world originates in forests, so by promoting responsible forestry practices – management, conservation, and restoration – we are also supporting critical water resources. Recognizing the importance of collective action, we support Savannah River Clean Water Fund in partnership with The Nature Conservancy, The Longleaf Alliance, local water utilities and state environmental agencies. Our approach is aligned with cross-sector best practice such as Alliance for Water Stewardship standard, a working group of leading companies, governments and foundations supporting WRI's Aqueduct Water Risk Atlas tool and exchanging practices and research on water stewardship.

2021 IP Sustainability Report.pdf

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?
Yes

W6.2a
(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

<table>
<thead>
<tr>
<th>Position of individual</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board-level committee</td>
<td>Our Board and its committees receive regular reports from senior managers on areas of material risk, including operational, financial, strategic, competitive, reputational, legal and regulatory risks, and how those risks are managed. The Public Policy and Environment (PPE) Committee of the Board has overall responsibility for Global Citizenship and sustainability/environmental issues, including water-related issues and major investments in water-related regulatory compliance. This Committee reviews and assesses environmental sustainability (including water-related issues), public policy, legal, health and safety and technology issues. It also reviews the Company’s policies and procedures for complying with certain of its legal and regulatory obligations, including our internal Code of Conduct, and charitable and political contributions. This committee has its own charter, which is reviewed annually to assure ongoing compliance with applicable law and sound governance practices. Meeting agendas are development by the committee chair in consultation with committee members and senior leaders, who regularly attend the meetings. In 2021 this committee met 4 times (quarterly) and had a 95% attendance rate. Our Chief Sustainability Officer briefs this committee twice annually. The Board’s Governance Committee also has oversight of certain public policy and sustainability matters. Internal Performance evaluations of the full Board and its committees are conducted annually.</td>
</tr>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>Global Citizenship is a key element of our corporate governance, promoted by our CEO, Board of Directors and Senior Lead Team. We incorporate sustainability considerations into our everyday processes to ensure that we adequately address risks, operate sustainably and responsibly, and create long-term value. Our Board upholds our company mission and ensures effective organizational planning, focusing on strategy and risk management while monitoring strategic initiatives. Our CEO reports monthly to the Board on material issues, risks and opportunities, including environmental sustainability, and water-related topics. The Board has adopted Corporate Governance Guidelines which require the Board to exercise oversight of the company’s strategic, operational, financial, compliance and legal risks. We currently combine the role of Chairman and CEO and believe this is the most effective leadership structure for the Company at this time. Our Senior VP of Global Citizenship and Human Resources, the highest-ranking non-board company executive with direct oversight of climate-related issues, reports directly to the CEO. Our Chief Sustainability Officer in turn, reports directly to this Senior Vice President.</td>
</tr>
</tbody>
</table>

(W6.2b) Provide further details on the board’s oversight of water-related issues.

<table>
<thead>
<tr>
<th>Frequency that water-related issues are scheduled agenda items</th>
<th>Governance mechanisms into which water-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled meetings - some meetings</td>
<td>Global Citizenship is a key element of our corporate governance, promoted by our CEO, Board of Directors and Senior Lead Team, and integrated into governance structures and processes across the enterprise. Water is critical to our operations; we could not make our products without large volumes of good quality, reliably available fresh water. Thus water-related considerations are a key focus area for specific teams and individuals. The Company spent $34 million in 2021 for capital projects to control environmental releases into the air and water, and to assure environmentally sound management and disposal of waste. We expect to spend $37 million in 2022 for environmental capital projects. Capital expenditures on environmental projects for 2023 and 2024, respectively, are anticipated to be approximately $45 million and $35 million. The Board has a role in vetting large capital projects like these, such as the wastewater treatment system upgrades ongoing at our mills in the Savannah River basin, which will reduce our effluent BOD loading by approximately 80% . The PPE Committee provides oversight of environmental issues as related to strategic company decisions including acquisitions and divestitures. Board approval is required for large strategic partnerships of $1 million or more. Examples include our investment of $2 million in habitat restoration in 2021 with our Forestland Stewards partnership focused on forest conservation and sustainable management throughout the Southeastern US. We also partnered with the World Wildlife Fund to develop science-based targets for forests and demonstrate implementation tactics on the ground in strategic locations like Brazil’s Mogi Guçu River basin. Both of these partnerships include important water-related impacts for local ecosystems and communities. Our Global Citizenship team is responsible for strategy and reporting on water-related risk management, with substantial collaboration with our EHS, Technology, and facility teams. This team also coordinates several cross-functional working groups which provide oversight and support of our environmental strategy, including our Stewardship Council and Water Stewardship Steering Team. At the operational level, 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. Teams and individuals are held accountable for their unique contributions towards our company’s five Key Drivers: Responsible Forestry, Improving the Planet, Investing in People, Innovative Products, and Inspired Performance. Water-related topics for the relevant teams are included in the Planet driver.</td>
<td></td>
</tr>
<tr>
<td>Monitoring implementation and performance</td>
<td>Reviewing and guiding annual budgets</td>
<td>Global Citizenship is a key element of our corporate governance, promoted by our CEO, Board of Directors and Senior Lead Team, and integrated into governance structures and processes across the enterprise. Water is critical to our operations; we could not make our products without large volumes of good quality, reliably available fresh water. Thus water-related considerations are a key focus area for specific teams and individuals. The Company spent $34 million in 2021 for capital projects to control environmental releases into the air and water, and to assure environmentally sound management and disposal of waste. We expect to spend $37 million in 2022 for environmental capital projects. Capital expenditures on environmental projects for 2023 and 2024, respectively, are anticipated to be approximately $45 million and $35 million. The Board has a role in vetting large capital projects like these, such as the wastewater treatment system upgrades ongoing at our mills in the Savannah River basin, which will reduce our effluent BOD loading by approximately 80% . The PPE Committee provides oversight of environmental issues as related to strategic company decisions including acquisitions and divestitures. Board approval is required for large strategic partnerships of $1 million or more. Examples include our investment of $2 million in habitat restoration in 2021 with our Forestland Stewards partnership focused on forest conservation and sustainable management throughout the Southeastern US. We also partnered with the World Wildlife Fund to develop science-based targets for forests and demonstrate implementation tactics on the ground in strategic locations like Brazil’s Mogi Guçu River basin. Both of these partnerships include important water-related impacts for local ecosystems and communities. Our Global Citizenship team is responsible for strategy and reporting on water-related risk management, with substantial collaboration with our EHS, Technology, and facility teams. This team also coordinates several cross-functional working groups which provide oversight and support of our environmental strategy, including our Stewardship Council and Water Stewardship Steering Team. At the operational level, 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. Teams and individuals are held accountable for their unique contributions towards our company’s five Key Drivers: Responsible Forestry, Improving the Planet, Investing in People, Innovative Products, and Inspired Performance. Water-related topics for the relevant teams are included in the Planet driver.</td>
</tr>
</tbody>
</table>

W6.2d
(W6.2d) Does your organization have at least one board member with competence on water-related issues?

<table>
<thead>
<tr>
<th>Board member(s)</th>
<th>Criteria used to assess competence of board member(s) on water-related issues</th>
<th>Primary reason for no board-level competence on water-related issues</th>
<th>Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Our Board and the Governance Committee have assembled a Board comprised of experienced directors who are currently, or have recently been, leaders of major companies and institutions, are independent thinkers, and bring to the boardroom a diverse range of backgrounds, tenures and skills. The Board believes that such diversity enhances the quality of its deliberations and decisions. Our Board believes that its membership should include individuals with a diverse background in the broadest sense, and is particularly interested in maintaining a mix of skills and experience that includes the following: Current or Former CEO; Diversity; Environment, Sustainability, Public Policy; Finance, Accounting; International Operations; Manufacturing; Marketing; Strategic planning; Supply Chain; and Technology. The Governance Committee Charter specifically directs the Committee to seek qualified candidates with diverse backgrounds including, but not limited to, such factors as race, gender, and ethnicity. One of our board members is a leading climate scientist and former Administrator of the National Oceanic and Atmospheric Administration, and brings experience in natural resource conservation. Another of our board members has unique knowledge of environmental and sustainability issues globally, combined with experience in a global environmental engineering consulting business. Through these skills and experiences of our board members, we get a valuable perspective on climate-related issues, including those revolving around water, as they pertain to our business.</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

**Name of the position(s) and/or committee(s)**

Chief Sustainability Officer (CSO)

**Responsibility**

Assessing water-related risks and opportunities
Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Half-yearly

**Please explain**

Our Chief Sustainability Officer (CSO) is the company officer responsible for guiding and executing our sustainability strategy, including the development and implementation of our Vision 2030 goals. The CSO reports directly to the Senior Vice President (SVP) of Global Citizenship and HR, who reports directly to the CEO. Water Stewardship is one of the two key focus areas under our "Sustainable Operations" strategic pillar, and the CSO who leads our Global Citizenship team has day-to-day responsibility for the company's Water Stewardship strategy. The CSO's regular reporting to the Board (twice annually) includes updates and discussion on our corporate sustainability strategy and voluntary goals (ie, Vision 2030): goal-setting and revision, progress against targets, challenges and opportunities, and partnerships development. To monitor and track our progress across the above-mentioned areas, we annually collect, review and validate company-wide environmental performance data.

**Name of the position(s) and/or committee(s)**

Other, please specify (Senior Vice President of Human Resources and Global Citizenship)

**Responsibility**

Assessing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

Our Senior Vice President (SVP) of Global Citizenship and Human Resources is the highest-ranking non-board company executive with direct oversight of water-related issues. This officer chairs our Stewardship Council, and reports directly to the CEO. Our Chief Sustainability Officer reports directly to this SVP.

**Name of the position(s) and/or committee(s)**

Other committee, please specify (Water Stewardship Steering Team (WSST))

**Responsibility**

Assessing water-related risks and opportunities
Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Not reported to board

**Please explain**

The WSST was formed in 2018 to guide the development of a comprehensive Water Stewardship strategy and goals/targets. This cross-functional group is made up of global company leaders (Vice Presidents and Directors) who are key internal stakeholders on water, either from a technical or business standpoint. The WSST is chaired by the Senior Vice President for Enterprise Operational Excellence, and its members serve as advocates for our Water Stewardship strategy within their functional groups (eg, Manufacturing, EHS, Corporate Technology, Capital Effectiveness, Businesses, Risk Management, and Legal). In 2019 we created a sub-team of technical experts to guide Water Stewardship strategy implementation, including Vision 2030 goals. This Enterprise Task Team meets several times per year, and its members are engaged on specific aspects of the work. This group is managed by the Chief Sustainability Officer (CSO) and the CSO's direct report with Water Stewardship responsibility.

**Name of the position(s) and/or committee(s)**


Sustainability committee

Responsibility
Assessing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Not reported to board

Please explain
Our Stewardship Council guides the company’s sustainability strategy, including topics related to climate and water, and monitors progress. The Council is made up of cross-functional leaders of global business and staff groups, and meets quarterly. The Council is chartered by the Senior Lead Team of the company and chaired by our SVP. The Global Citizenship department, led by our CSO, has responsibility for developing and executing our sustainability strategy, and leading corporate communications. Designated staff at the corporate, business and facility levels help identify, prioritize and manage sustainability-related risks and opportunities. Key business units have embedded sustainability experts to support their operations. The roles of individuals in the Stewardship Council include monitoring of progress made against the Vision 2030 goals (which includes our target of reducing water use intensity by 25%) among other business-specific global citizenship priorities.

Name of the position(s) and/or committee(s)
Sustainability committee

Responsibility
Assessing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Not reported to board

Please explain
Our Stewardship Council guides the company’s sustainability strategy, including topics related to climate and water, and monitors progress. The Council is made up of cross-functional leaders of global business and staff groups, and meets quarterly. The Council is chartered by the Senior Lead Team of the company and chaired by our SVP. The Global Citizenship department, led by our CSO, has responsibility for developing and executing our sustainability strategy, and leading corporate communications. Designated staff at the corporate, business and facility levels help identify, prioritize and manage sustainability-related risks and opportunities. Key business units have embedded sustainability experts to support their operations. The roles of individuals in the Stewardship Council include monitoring of progress made against the Vision 2030 goals (which includes our target of reducing water use intensity by 25%) among other business-specific global citizenship priorities.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

<table>
<thead>
<tr>
<th>Provide incentives for management of water-related issues</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>We are committed to being leaders in environmental, social and governance (ESG) performance. As such, ESG performance is considered when applying the individual performance modifier. We currently consider the following ESG metrics for members of our Senior Leadership Team, Named Executive Officers (NEOs), Officer Corps and their direct reports when determining their individual payout under the Management Incentive Plan: Health &amp; Safety, Environment &amp; Sustainability, Human Capital &amp; Culture, Governance, and Diversity &amp; Inclusion.</td>
</tr>
</tbody>
</table>

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

<table>
<thead>
<tr>
<th>Role(s) entitled to incentive</th>
<th>Performance indicator</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary reward</td>
<td>Other, please specify (Environmental performance is a consideration for leadership incentives)</td>
<td>We are committed to being leaders in environmental, social and governance (ESG) performance. As such, ESG performance is considered when applying the individual performance modifier. We currently consider the following ESG metrics for members of our Senior Leadership Team, Named Executive Officers, Officer Corps and their direct reports when determining their individual payout under the Management Incentive Plan: Health &amp; Safety, Environment &amp; Sustainability, Human Capital &amp; Culture, Governance, and Diversity &amp; Inclusion</td>
</tr>
<tr>
<td>Non-monetary reward</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
</tbody>
</table>

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?
Yes, direct engagement with policy makers
Yes, trade associations
Yes, funding research organizations

W6.5a
(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

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, combating 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. 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 also publish a voluntary report of political contributions on a semi-annual basis.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

<table>
<thead>
<tr>
<th>Are water-related issues integrated?</th>
<th>Long-term business objectives (years)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, water-related issues are integrated</td>
<td>5-10</td>
<td>Our mill operations rely on a sustainable supply of good quality freshwater, and thus water-related issues (water availability and quality, regulations, cost of water, etc.) must be considered in any future business planning. The success of our business strategy relies on maintaining, operating, and potentially acquiring physical locations that meet these criteria. Further, wood is our most essential raw material input, and although the managed forestland from which we source is under natural (rain-fed) irrigation, we recognize the increasing risks of climate change that can impact these forests in the form of increased and/or more severe droughts, storms, and chronic water stress issues. It is not surprising, then, that water-related issues are ranked as highly relevant by both internal and external stakeholders in our materiality assessments. This recognition has led us to prioritize water stewardship in our Vision 2030 goals, for which our businesses have ultimate accountability. Our water-related goals for 2030 are to reduce our water use intensity by 25% from a 2019 baseline and implement context-based water management plans at all mills. Our business strategic planning is set on a four-year cycle, thus for this response we consider ‘long-term’ to be anything beyond that time span.</td>
</tr>
<tr>
<td>Yes, water-related issues are integrated</td>
<td>5-10</td>
<td>In order to remain competitive and grow our business in the future, we recognize the need to mitigate water-related risks and capitalize on water-related opportunities, particularly in the places where issues such as water stress and water quality are currently or may become significant. We conduct water risk assessments and stakeholder engagement in support of our Vision 2030 targets of reducing water use intensity by 25% from a 2019 baseline and implement context-based water management plans at all mills. In a world of increasing demand on water resources and shifting hydrological patterns, we believe this contextual approach to water stewardship will enable us to remain resilient to change and operationally competitive in the coming decade, by using less water per unit of production and by implementing water stewardship plans to manage site-specific risk and opportunity at each facility (including collective action within the watersheds where we operate). Our business strategic planning is set on a four-year cycle, thus for this response we consider ‘long-term’ to be anything beyond that time span.</td>
</tr>
<tr>
<td>Yes, water-related issues are integrated</td>
<td>5-10</td>
<td>Water-related considerations in our financial planning typically center on anticipated costs of regulatory compliance. All of our mills are subject to strict regulations on water use and/or wastewater quality. These permits are based on indicators established and enforced by regulatory agencies (for example, NPDES permits under the Clean Water Act in the US, and similar regulations flowing down from the EU Water Directive and BAT/BREF in Europe). Our continuing objectives include controlling emissions and discharges from our facilities to avoid adverse impacts on the environment, and maintaining compliance with applicable laws and regulations. In addition to regulatory compliance, we also consider capital investment potentially required to secure supply of clean water for business continuity without any operational disruptions. This involves considerations of local regulations that limit our ability to withdraw or discharge water as well as infrastructure required to meet our target to reduce water use intensity. The Company spent approximately $34 million in 2021 for capital projects to control environmental releases into the air and water, and to assure environmentally sound management and disposal of waste. We expect to spend approximately the same range per year in the next four years.</td>
</tr>
</tbody>
</table>

W7.2

(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

| Water-related CAPEX (+/- % change) | 26 |
| Water-related OPEX (+/- % change) | 9 |

Anticipated forward trend for CAPEX (+/- % change)

Anticipated forward trend for OPEX (+/- % change)

Please explain

We spent approximately $34 million in 2021 for capital projects to control environmental releases into the air and water, and to assure environmentally sound management and disposal of waste. A significant portion of this expenditure in recent years was toward water-related infrastructure at our mills located in the Savannah river basin. The projects include wastewater treatment system upgrades to comply with TMDL effluent quality limits under the sites’ NPDES wastewater permits, and process improvement projects to improve water use efficiency. We expect to spend $37 million in 2022 for environmental capital projects. Capital expenditures on environmental projects for 2023 and 2024, respectively, are anticipated to be approximately $45 million and $35 million. Our capital expenditure assumptions, project completion dates and projections are subject to change due to items such as the finalization of ongoing engineering projects or changes in environmental laws and regulations.
**W7.3**

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

<table>
<thead>
<tr>
<th>Use of scenario analysis</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Beginning in 2020 we convened 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 and key support functions such as government relations and EHS. Quantitative climate impact modeling from our partner The Climate Service (TCS) has informed these discussions and our strategy and public disclosures. Our Global Citizenship team performs ongoing research and risk identification as climate issues, including those related to water, evolve, and we leverage expertise and best practice guidance from trusted consultants and forest sector-focused groups such as the National Council on Air and Stream Improvement and the WBCSD. We perform ongoing climate-related scenario analysis using TCS quantitative modeling and qualitative input from internal and external industry experts. Many of the physical risks identified through the scenario analysis are water related risks, such as floods and droughts. We are using 3 commonly-cited scenarios based on the latest climate research: Paris Ambition-RCP2.6; Stabilization-RCP4.5; and Business as Usual-RCP8.5. Our scenario analysis incorporates data based on the CMIP5 model, developed in support of the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR5). Our scenarios consider short (0–5 years), medium (5–10 years), long (10+ years) term risks &amp; opportunities, as well as continued risks &amp; opportunities through 2100; for climate impacts we use a discount rate based on our corporate weighted average cost of capital. Our initial analysis is focused on potential impacts to our operations, supply chains and businesses through 2030. We have focused our modeling on our 28 mills operating across 5 countries and associated supply chains, with the United States as the primary country of operations. In our inaugural 2021 TCFD report we outline our financial condition, as well as the potential climate-related risks and opportunity areas, and the manifestations of these possible impacts. Possible adaptive measures against such climate-related risk we have identified through climate-related scenario analysis is the impact of physical risks including water related risks such as flooding and droughts. In our inaugural 2021 TCFD report we outline our potential material climate and water-related risks and opportunities, along with corresponding mitigation and adaptation strategies. Through our ongoing climate-related scenario analysis, we seek to understand the major climate-related risks and opportunities that may impact our company, their magnitude and likelihood under various climate scenarios, and how we as a responsible business can best respond through mitigation and adaptive measures to build resilience in the face of those risks. We are also evaluating strategies which may help us materialize business opportunities arising from climate change. One of the broad areas of potential climate-related risk we have identified through climate-related scenario analysis is the impact of physical risks including water related risks such as flooding and droughts. In our inaugural 2021 TCFD report we outline our potentially material climate and water-related risks and opportunities, along with corresponding mitigation and adaptation strategies. Through our climate-related scenario analysis, we are identifying potential risks and opportunities related to both mitigating and adapting to climate impacts within our operations. An example of how climate-related risks have impacted our operational strategy is our water conservation efficiency measures and our goal of reducing water use intensity by 25% by 2030, through which we will mitigate and adapt to potential risks from climate-driven fluctuations in water availability, and minimize the risks of disruption at our facilities. In 2021 we set initial mill targets and established a network of facility water champions who are implementing improved flow-metering, internal tracking and reporting, and are building a culture of water stewardship at facilities. <strong>A MATERIAL DISRUPTION AT OUR CORPORATE HEADQUARTERS OR ONE OF OUR MANUFACTURING FACILITIES could reduce our sales and/or negatively impact our financial condition. Through our climate-related scenario analysis, we have been able to identify potential risks that could impact our businesses, such as floods, earthquakes, hurricanes or other catastrophes; drought or reduced rainfall, the effect of rising temperatures on employees working at facilities. Possible adaptive measures against such climate-driven impacts, are outlined in our 2021 TCFD report, may include increasing operational cooling capacity as appropriate, and investing in natural and built infrastructure improvements at our highest-risk facilities.</strong></td>
</tr>
</tbody>
</table>

**W7.3a**

**(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization’s business strategy.**

<table>
<thead>
<tr>
<th>Type of scenario analysis used</th>
<th>Parameters, assumptions, analytical choices</th>
<th>Description of possible water-related outcomes</th>
<th>Influence on business strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water-related Climate-related</td>
<td>Beginning in 2020 we convened 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 (TCS) has informed these discussions and our strategy and public disclosures. Our Global Citizenship team performs ongoing research and risk identification as climate issues, including those related to water, evolve, and we leverage expertise and best practice guidance from trusted consultants and forest sector-focused groups such as the National Council on Air and Stream Improvement and the WBCSD. We perform ongoing climate-related scenario analysis using TCS quantitative modeling and qualitative input from internal and external industry experts. Many of the physical risks identified through the scenario analysis are water related risks, such as floods and droughts. We are using 3 commonly-cited scenarios based on the latest climate research: Paris Ambition-RCP2.6; Stabilization-RCP4.5; and Business as Usual-RCP8.5. Our scenario analysis incorporates data based on the CMIP5 model, developed in support of the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR5). Our scenarios consider short (0–5 years), medium (5–10 years), long (10+ years) term risks &amp; opportunities, as well as continued risks &amp; opportunities through 2100; for climate impacts we use a discount rate based on our corporate weighted average cost of capital. Our initial analysis is focused on potential impacts to our operations, supply chains and businesses through 2030. We have focused our modeling on our 28 mills operating across 5 countries and associated supply chains, with the United States as the primary country of operations. In our inaugural 2021 TCFD report we outline our potentially material climate and water-related risks and opportunities, along with corresponding mitigation and adaptation strategies. We have focused especially on the short and medium term scenario outputs to help inform our implementation approach under our Vision 2030 goals.</td>
<td>Through our ongoing climate scenario analysis, we seek to understand the major climate-related risks and opportunities that may impact our company, their magnitude and likelihood under various climate scenarios, and how we as a responsible business can best respond through mitigation and adaptive measures to build resilience in the face of those risks. We are also evaluating strategies which may help us materialize business opportunities arising from climate change. One of the broad areas of potential climate-related risk we have identified through climate-related scenario analysis is the impact of physical risks including water related risks such as flooding and droughts. In our inaugural 2021 TCFD report we outline our potentially material climate and water-related risks and opportunities, along with corresponding mitigation and adaptation strategies.</td>
<td>Through our climate-related scenario analysis, we are identifying potential risks and opportunities related to both mitigating and adapting to climate impacts within our operations. An example of how climate-related risks have impacted our operational strategy is our water conservation efficiency measures and our goal of reducing water use intensity by 25% by 2030, through which we will mitigate and adapt to potential risks from climate-driven fluctuations in water availability, and minimize the risks of disruption at our facilities. In 2021 we set initial mill targets and established a network of facility water champions who are implementing improved flow-metering, internal tracking and reporting, and are building a culture of water stewardship at facilities. <strong>A MATERIAL DISRUPTION AT OUR CORPORATE HEADQUARTERS OR ONE OF OUR MANUFACTURING FACILITIES could reduce our sales and/or negatively impact our financial condition. Through our climate-related scenario analysis, we have been able to identify potential risks that could impact our businesses, such as floods, earthquakes, hurricanes or other catastrophes; drought or reduced rainfall, the effect of rising temperatures on employees working at facilities. Possible adaptive measures against such climate-driven impacts, are outlined in our 2021 TCFD report, may include increasing operational cooling capacity as appropriate, and investing in natural and built infrastructure improvements at our highest-risk facilities.</strong></td>
</tr>
</tbody>
</table>

**W7.4**

**(W7.4) Does your company use an internal price on water?**

**Row 1**

**Does your company use an internal price on water?**

No, but we are currently exploring water valuation practices

**Please explain**

We have used the Natural Capital Protocol framework in recent years to assess the true value of water as an input for strategic decision-making. The methodology is designed to seek values for various impacts and dependencies as they related to IP and local stakeholders. The analysis may help us make more informed decisions on water as we seek to take a rigorous approach to valuing the resource. We used the results to model potential future return on investment for the 25% water use intensity reduction target that is part of our Vision 2030 goals. The mill water management surveys we undertook in 2021 include a detailed section intended to better quantify each mill’s total cost of use including energy and chemical costs for water treatment and use. This data will inform a more rigorous approach to linking water use reductions with cost savings opportunities at the facility level.

**W7.5**
(W7.5) Do you classify any of your current products and/or services as low water impact?

<table>
<thead>
<tr>
<th>Products and/or services classified as low water impact</th>
<th>Definition used to classify low water impact</th>
<th>Primary reason for not classifying any of your current products and/or services as low water impact</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1, Yes</td>
<td>Our water use is largely non-consumptive, as part of a circular manufacturing process which translates into low-carbon, low-water consumption products. Our water stewardship efforts are closely linked to our Vision 2030 Renewable Solutions goal to advance circular solutions throughout our value chain and create innovative products that are 100% reusable, recyclable or compostable. We are designing circular solutions through innovative products that are easily recovered, recycled, reused or composted. Research by the National Council for Air and Stream Improvement has shown that a unit of water is re-used 10 or more times in a typical mill, as a company we return over 99% of what we use back to the environment after treatment. Our Vision 2030 target is to reduce our water use intensity by 25% from a 2019 baseline. Water re-use is a key feature of the kraft production process in modern pulp &amp; paper manufacturing operations. Furthermore, we operate two mills that rely on recycled municipal wastewater for part or all of their operations. One of these is our Madrid, Spain, production process in modern pulp &amp; paper manufacturing operations. Furthermore, we operate two mills that rely on recycled municipal wastewater for part or all of their operations. One of these is our Madrid, Spain, which uses 100% reclaimed wastewater in partnership with the local municipal utility, thus our operation does not add any additional demand to the local water stress challenges. Thus, the water savings from our resource-efficient recycled containerboard operation are passed on to our customers in the life cycle of the corrugated boxes produced in our converting plants.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

<table>
<thead>
<tr>
<th>Levels for targets and/or goals</th>
<th>Monitoring at Corporate level</th>
<th>Approach to setting and monitoring targets and/or goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1, Company wide targets and goals</td>
<td>Targets are monitored at the corporate level. Goals are monitored at the corporate level.</td>
<td>Our Vision 2030 goals are to reduce our water use intensity by 25% from a 2019 baseline and setting context-based water management plans at all mills. We take 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. This process involved extensive research to understand the key impact areas and level of ambition needed to achieve our Company vision of being among the most successful, sustainable, and responsible companies in the world. This work built on our latest materiality exercise, and incorporated many additional perspectives, both internal and external including a series of brainstorming sessions and interviews, as well as extensive benchmarking with peers and customers. The UN SDGs provided an important guiding framework, as well. Critically, our Senior Lead Team including our CEO was engaged from the beginning, and ultimately signed off on the goals. All of the Vision 2030 goals and targets go far beyond compliance-related concerns. On water stewardship specifically, for the first time we are adopting the Alliance for Water Stewardship (AWS) definition to guide our strategic direction: “The use of water that is socially and culturally equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that involves site- and basin-level actions.” Within that strategy, we worked closely with WRI and other partners to develop a process, goal, and targets consistent with a “context-based” approach, which we define as “informed by sustainable thresholds or limits of a given basin based on science; respects the basin's environmental, economic, and social needs; and current and future conditions” per the UN CEO Water Mandate. We recognize the importance of setting a water use reduction target in order to make significant improvements first in the largest impact area which we can most directly control, which is the water use in our manufacturing operations. Our context-based approach means we will focus our water use reduction efforts on the mills experiencing the most significant water risks today and in the future. Our broader strategy also includes watershed and supply chain water impact considerations. Finally, our partnership with the WRI 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. We will be reporting annually on our progress against these goals in our annual sustainability report and will continue to do so through the 2030 reporting year.</td>
</tr>
</tbody>
</table>

W8.1a
(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number
Target 1

Category of target
Water withdrawals

Level
Company-wide

Primary motivation
Water stewardship

Description of target
Reduce our water use intensity by 25% from a 2019 baseline

Quantitative metric
% reduction per unit of production

Baseline year
2019

Start year
2021

Target year
2030

% of target achieved
2

Please explain
In 2021 we set initial water reduction targets at each of our mills and established a network of water champions spearheading each mill’s efforts. Our initial efforts towards our water use intensity reduction target have been primarily dedicated to operational efforts, for example to ensure continuous improvement of internal tracking, monitoring and reporting of our water use as well as to build a culture of water stewardship at all facilities. In 2021, we completed detailed surveys at each of our mills to help us understand water use, water management systems and practices by location. Informed by the findings, we launched an internal campaign to propel initial water reduction efforts at our operations through the implementation of no- and low-cost best practices. As of 2021 each of our mills has established an initial water use intensity reduction target based on its specific operating context, and as a result, we reduced water use intensity by nearly 2% from 2019.

W8.1b
(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

**Goal**
Other, please specify (Implement context-based water management plans at all mills)

**Level**
Company-wide

**Motivation**
Water stewardship

**Description of goal**
Implement context-based water management plans at all mills

**Baseline year**
2019

**Start year**
2021

**End year**
2030

**Progress**
We take 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. In 2021 we initiated development and testing of a Context-Based Water Management framework. The methodology is developed based on best practices including the AWS standard and published guidance from WRI, CDP, UN CEO Mandate, WWF, TNC and others on the context-based approach to water stewardship, which we define as “informed by sustainable thresholds or limits of a given basin based on science; respects the basin’s environmental, economic, and social needs, and current and future conditions” per the guidance. The plans will 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. This approach enables each mill to understand local basin-level considerations including physical, regulatory, and community-based risks, as well as opportunities for improvement and engagement with local stakeholders. As a result, each mill will develop and execute a unique site-specific action plan based on local factors.

**Goal**
Other, please specify (Water stewardship)

**Level**
Company-wide

**Motivation**
Water stewardship

**Description of goal**
Integrate water stewardship into regular facility assessment and proactively engage with stakeholders in communities to address water-related issues within the watershed

**Baseline year**
2019

**Start year**
2021

**End year**
2030

**Progress**
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.

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**W9. Verification**

**W9.1**

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, we do not currently verify any other water information reported in our CDP disclosure

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**W10. Sign off**

---

**W-FI**

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.
W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Sustainability Officer</td>
<td>Chief Sustainability Officer (CSO)</td>
</tr>
</tbody>
</table>

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate’s Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

SW. Supply chain module

SW0.1

(SW0.1) What is your organization’s annual revenue for the reporting period?

<table>
<thead>
<tr>
<th>Annual revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>19363000000</td>
</tr>
</tbody>
</table>

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

This is confidential

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

<table>
<thead>
<tr>
<th>Are you able to provide geolocation data for your facilities?</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, not currently but we intend to provide it within the next two years</td>
<td>Please see our publicly-available facilities map available at: <a href="https://map.ipaper.com/Map.aspx">https://map.ipaper.com/Map.aspx</a></td>
</tr>
</tbody>
</table>

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1
(SW3.1) Provide any available water intensity values for your organization’s products or services.

<table>
<thead>
<tr>
<th>Product name</th>
<th>Pulp and paper packaging</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water intensity value</strong></td>
<td>0.0333</td>
</tr>
<tr>
<td><strong>Numerator: Water aspect</strong></td>
<td>Water withdrawn</td>
</tr>
<tr>
<td><strong>Denominator</strong></td>
<td>Revenue</td>
</tr>
<tr>
<td><strong>Comment</strong></td>
<td>We do not allocate water use on a product or customer basis. We produce a variety of pulp and paper grades and types at our mills. This makes it extremely difficult to allocate water use by paper machine. Our 200+ smaller converting and recycle sites around the world are small water users compared to our pulp and paper mills. The vast majority of our water footprint (over 98% of total water use volume) and water-related risk lies with the mills, thus we focus our efforts and reporting on the mills. We also provide a small relative volume of water to third parties, typically communities or other industrial users. This amounts to less than 1% of our total water intake, and we exclude that volume for the purposes of this report, as it does not pertain to our direct use of water. We also disclose our water withdrawal intensity in our 2021 Sustainability Report published on our website: <a href="https://www.internationalpaper.com/reports">https://www.internationalpaper.com/reports</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Product name</th>
<th>Pulp and paper packaging</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water intensity value</strong></td>
<td>0.031</td>
</tr>
<tr>
<td><strong>Numerator: Water aspect</strong></td>
<td>Other, please specify (Water discharged)</td>
</tr>
<tr>
<td><strong>Denominator</strong></td>
<td>Revenue</td>
</tr>
<tr>
<td><strong>Comment</strong></td>
<td>We do not allocate water use on a product or customer basis. We produce a variety of pulp and paper grades and types at our mills. This makes it extremely difficult to allocate water use by paper machine. Our 200+ smaller converting and recycle sites around the world are small water users compared to our pulp and paper mills. The vast majority of our water footprint (over 98% of total water use volume) and water-related risk lies with the mills, thus we focus our efforts and reporting on the mills. We also provide a small relative volume of water to third parties, typically communities or other industrial users. This amounts to less than 1% of our total water intake, and we exclude that volume for the purposes of this report, as it does not pertain to our direct use of water.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Product name</th>
<th>Pulp and paper packaging</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water intensity value</strong></td>
<td>29.91</td>
</tr>
<tr>
<td><strong>Numerator: Water aspect</strong></td>
<td>Other, please specify (mg of OXYGEN-DEPLETING SUBSTANCES DISCHARGED TO RECEIVING STREAMS)</td>
</tr>
<tr>
<td><strong>Denominator</strong></td>
<td>Liters total effluent discharge to receiving streams</td>
</tr>
<tr>
<td><strong>Comment</strong></td>
<td>We do not allocate wastewater quality on a product or customer basis. We produce a variety of pulp and paper grades and types at our mills. This makes it extremely difficult to allocate water use by paper machine. Our 200+ smaller converting and recycle sites around the world are small water users compared to our pulp and paper mills. The vast majority of our water footprint (over 98% of total water use volume) and water-related risk lies with the mills, thus we focus our efforts and reporting on the mills. We also provide a small relative volume of water to third parties, typically communities or other industrial users. This amounts to less than 1% of our total water intake, and we exclude that volume for the purposes of this report, as it does not pertain to our direct use of water.</td>
</tr>
</tbody>
</table>

Submit your response

In which language are you submitting your response?

- English

Please confirm how your response should be handled by CDP

<table>
<thead>
<tr>
<th>I understand that my response will be shared with all requesting stakeholders</th>
<th>Response permission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Public</td>
</tr>
</tbody>
</table>

Please confirm below

I have read and accept the applicable Terms