

# Building on Our Vision to 2030

2022 Sustainability Report



2

3 Introduction 2022 Sustainability Highlights

Who We Are

# Table of Contents

Responsible
Governance

Our Sustainability Strategy

Vision 2030 Goals and Targets

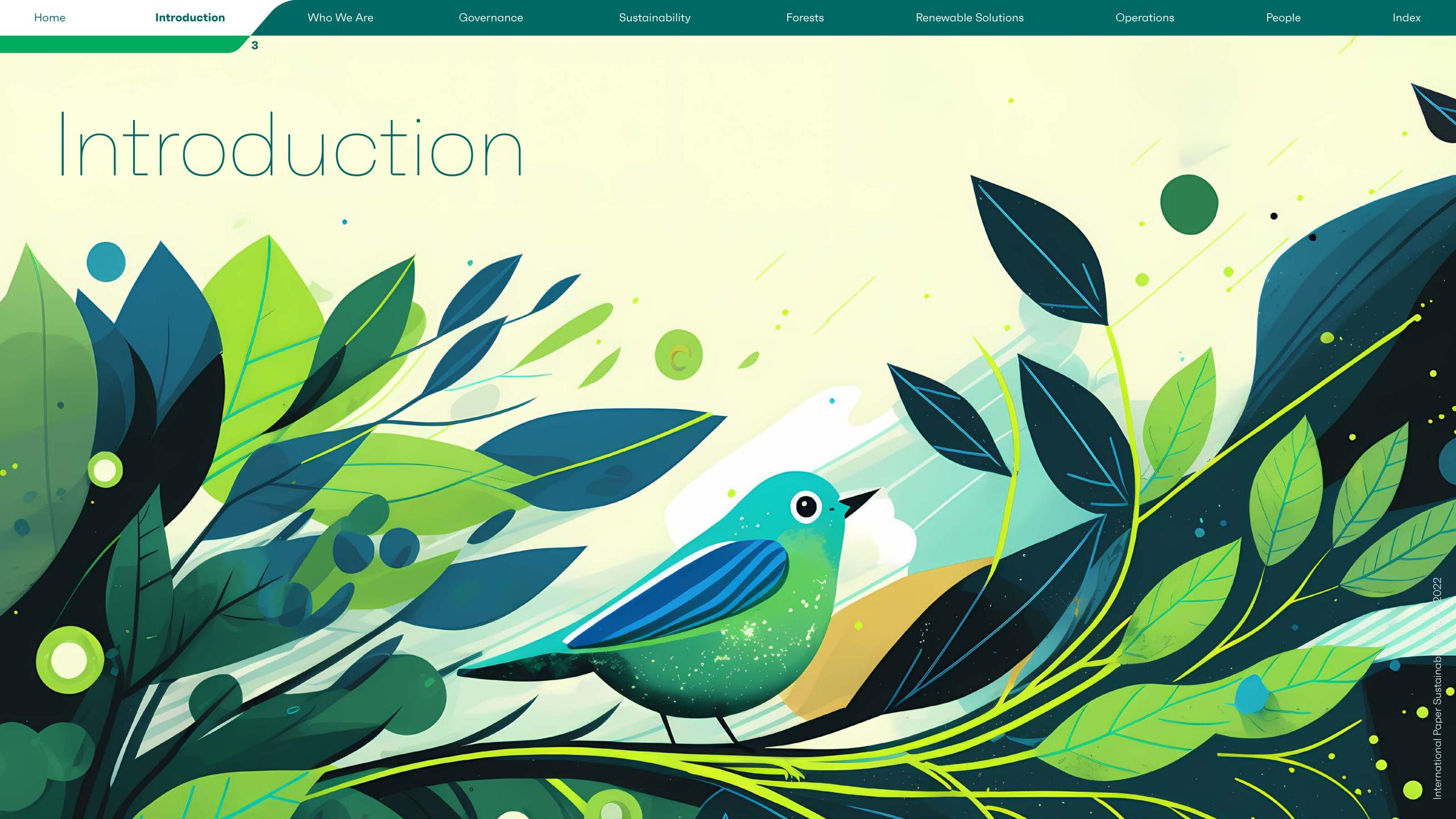
Healthy and Abundant Forests

Renewable Solutions

Sustainable Operations

Thriving
People and
Communities

Index: GRI & SASB



Introduction Home

Index



Every day, the world moves forward with new ideas, new technologies and new priorities. And every day, International Paper is creating what's next. We've been a catalyst for a positive future for 125 years, led by our vision to be among the most successful, sustainable and responsible companies in the world.

We're proud to be a global leader in sustainable business practices. Guided by our Vision 2030 strategy and driven by our people, we believe in being a force for good in our communities and creating a positive impact.

That means using resources responsibly and efficiently, and ensuring that our business is safe, successful and sustainable today and for future generations. In 2022, we emphasized putting our Vision 2030 goals into action—in the workplace and around the planet.

All the people we serve can rely on us, as we move forward together to build a better future.

**Mark S. Sutton** 

Chairman of the Board and Chief Executive Officer

Index

# A Conversation

with our CSO

Introduction



Sophie Beckham
Vice President and Chief
Sustainability Officer



How does International Paper view its role and responsibility as a business responding to the demands of a changing world?



Over the past 125 years, International Paper has continually evolved to meet new challenges, anticipating and acting upon what's next. As a company, we believe our business model should drive sustainable outcomes. In order to deliver on that ambition, integrating sustainability principles into our day-to-day business activities is critical.

By carefully considering our impacts and dependencies, and assessing risks and opportunities associated with our value chain, we are advancing progress on our Vision 2030 goals and addressing challenges in real time. We're committed to improving our impact because we know that's what's needed for a livable world and a thriving society.



How does International Paper continue to make an impact that extends beyond our forests and into local and global communities?



Our Vision 2030 Thriving People and Communities target challenges us to improve the lives of 100 million people by 2030 through initiatives that build community resilience by addressing critical needs. Our efforts, through employee volunteerism, product donations and financial contributions, are having a meaningful impact in the places where our employees live and work.

In 2022, International Paper contributed nearly \$20 million worldwide to support charitable organizations aligned with our signature causes, positively impacting more than 10 million lives.



What sustainability topics do you see emerging across your industry? What is International Paper doing to respond to this?



We recognize that our business model is entirely dependent on nature, and therefore biodiversity and climate are high on the agenda for International Paper and our broader industry.

These two topics are inextricably linked, and our work on Healthy and Abundant Forests addresses the intersection in order to advance nature and climate positive actions. We can't do this work alone; International Paper is committed to engaging with partners to share knowledge, develop tools to foster adoption of conservation approaches, and constantly challenge ourselves to go further.

# 2022 Sustainability Highlights

#### From vision to action

International Paper is committed to being a force for good in our communities. In 2022, we began to put our strategy into action and made steady improvements towards our Vision 2030 Goals. We believe that by using resources responsibly and efficiently and creating renewable solutions, we will ensure our business is safe, successful and sustainable for generations to come.

tons of new and recycled wood purchased each year

tons of recovered fiber collected, consumed and marketed each year

reduction in GHG emissions between 2010 and 2022

acres of ecologically significant forestland conserved and restored since 2020

of manufacturing waste diverted for beneficial uses, and kept out of landfills, in 2022

contributed to charitable organizations, benefiting 10+ million people worldwide in 2022

Home Introduction Who We Are Governance Sustainability Forests Renewable Solutions Operations People Index

# 



Home Introduction Who We Are Governance Sustainability Forests Renewable Solutions Operations People

# Our vision

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

# Our mission

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

# The IP Way

We do the right things, in the right ways, for the right reasons, all of the time.

# Our core values

International Paper's core values guide us in achieving our vision and mission. They are:

#### Safety

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

#### **Ethics**

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

#### Stewardship

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

#### **Think the Customer**

We will deliver on Our Customer Promise to do the right things for our customers, at every moment, in every experience.

#### **Include and Engage**

We strive to intentionally build a culture in which each employee feels a sense of belonging and experiences an environment in which to do their best work every day.

Index

Home

Introduction

Who We Are

9

Governance

Sustainability

Forests

Renewable Solutions

Operations

People

Index

# At a glance...

International Paper is one of the world's leading producers of renewable fiber-based packaging and pulp products. As we transform renewable resources into products that people depend on every day, we deliver sustainable outcomes to stakeholders worldwide.

net sales in 2022

employees globally

customers worldwide

facilities

Memphis, TN

Global headquarters

Who We Are

# Our global presence

We operate approximately 250 facilities in 35 U.S. states and 10 countries in North America, Latin America, North Africa and Europe.



11

Index

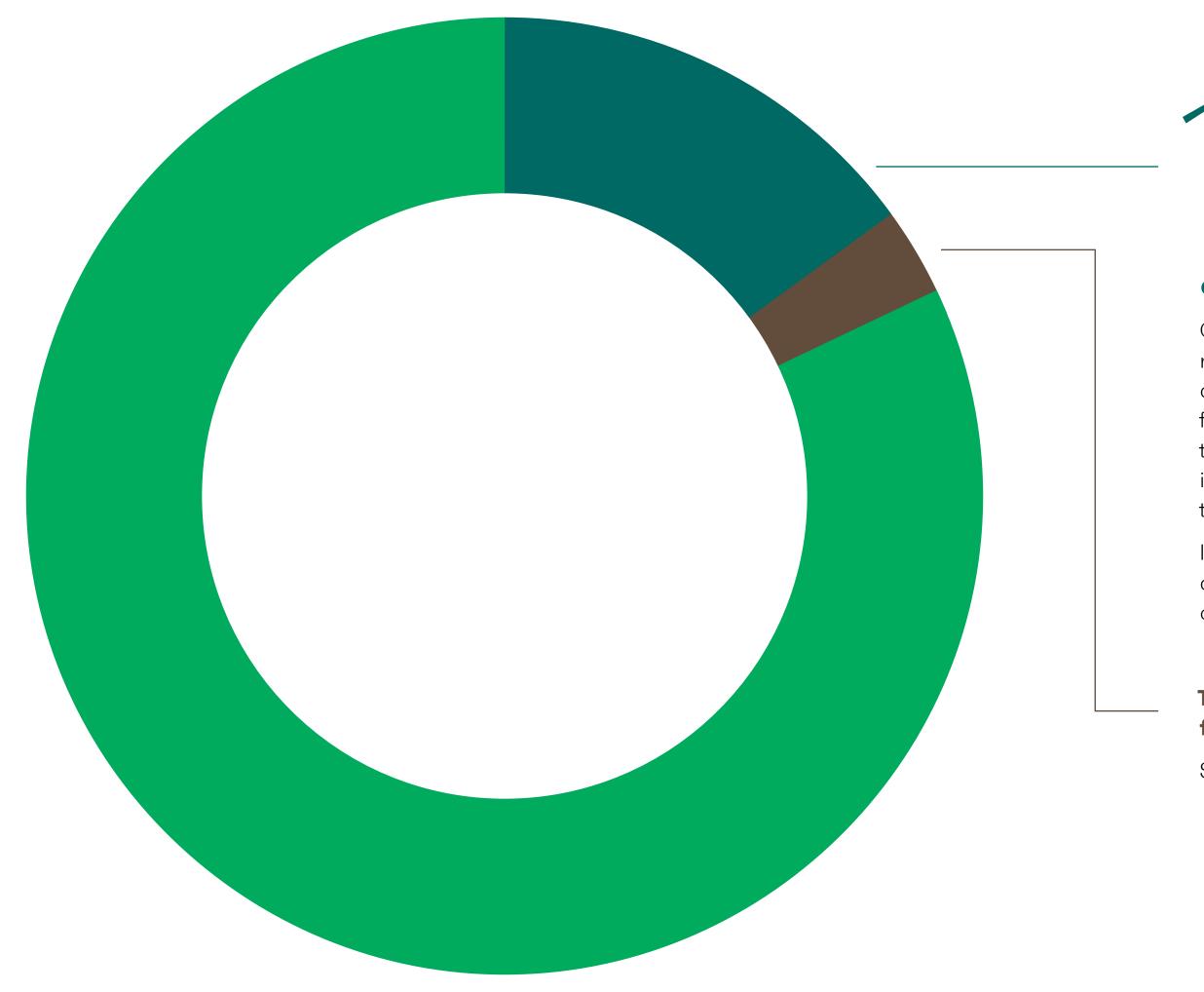
# Our key revenue streams

We are increasingly focused on innovating new product offerings and advancing their sustainability benefits.

#### of total revenue from packaging

We create fiber-based packaging products that protect and promote goods, enable worldwide commerce and help keep consumers safe. We meet our customers' most challenging sales, shipping, storage and display requirements with sustainable solutions.

In addition, our Recycling business collects, consumes and markets more than 7 million tons of all paper recovered annually in the U.S. and Mexico. We are one of North America's largest recyclers of recovered office paper and corrugated boxes.



#### of total revenue from pulp

Cellulose fiber is a sustainable, renewable raw material used in a variety of products people depend on every day. We create quality pulp for a wide range of applications like diapers, towel and tissue products, and feminine care, incontinence and other personal care products that promote health and wellness.

In addition, our innovative specialty pulps serve as a sustainable raw material used in textiles, construction material, paints, coatings and more.

The remaining 3% of revenue is attributed to fiber supply agreements.

See 10-k for details.

Who We Are

# Company awards and recognition



# FORTUNE Magazine

World's Most Admired Companies® 2023, 20th time



## Women's Choice Award®

Best Companies to Work For Women, Diversity & Millennials 2018-2023



### Ethisphere Institute

World's Most Ethical Companies® 2023, 17th straight year



## The American Forest & Paper Association

recognition in its Diversity, Equity and Inclusion Award for our Fighting Period Poverty in Our Communities program



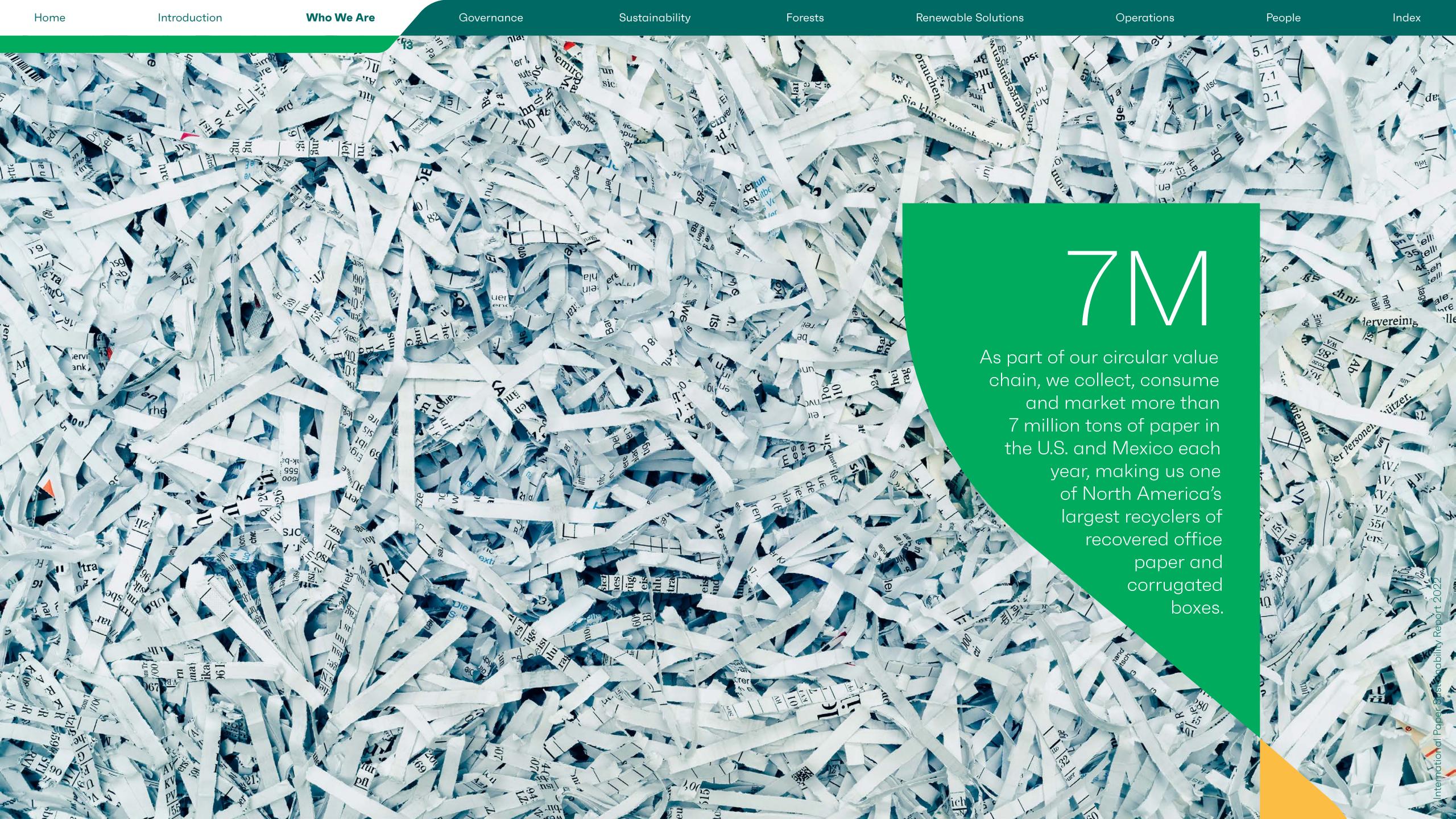
## American Opportunity Index

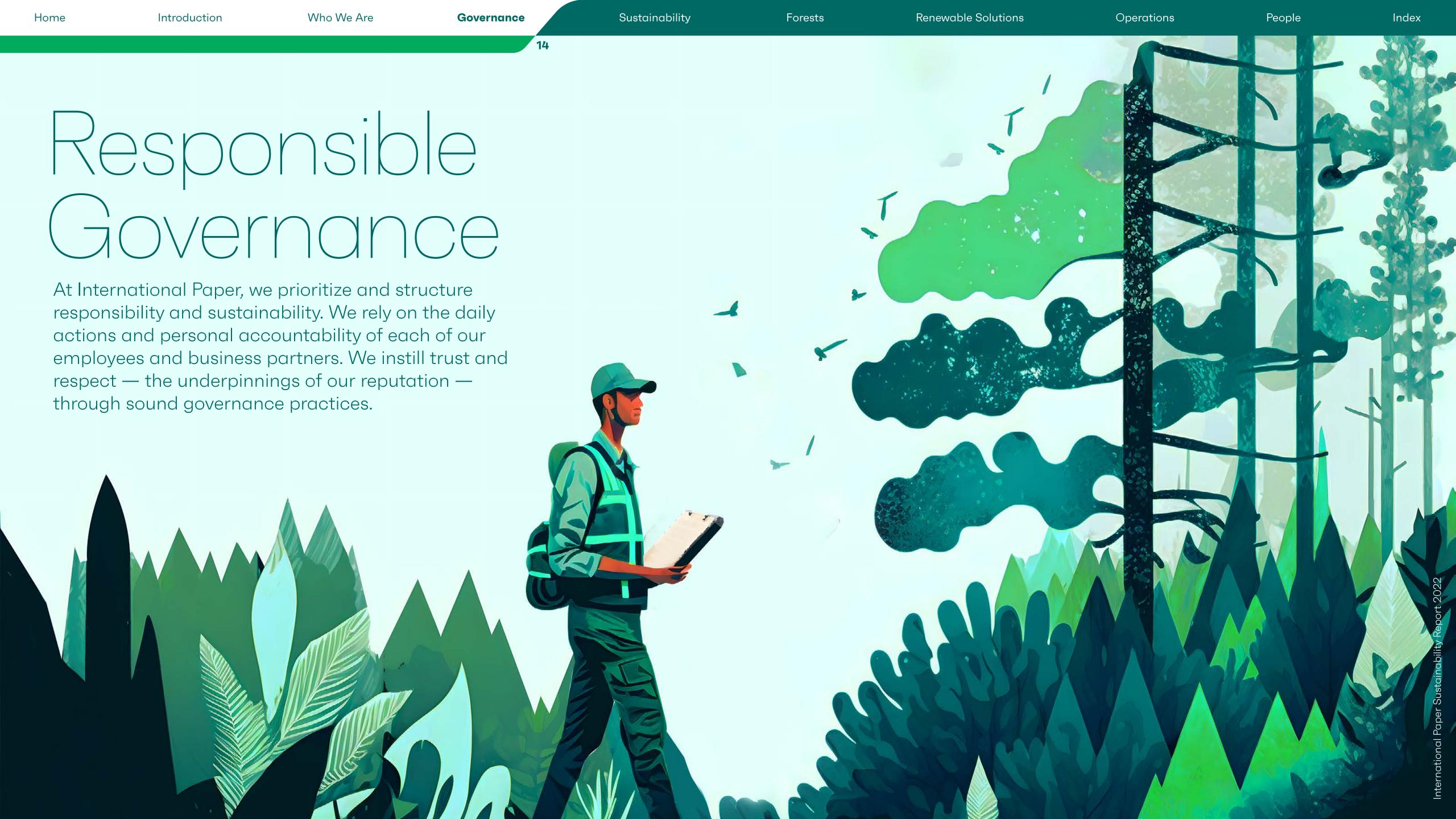
Top Ten Overall, First in Sector, Leader in Career Stability and Growing Talent



# 3BL 100 Best Corporate Citizens

recognizing outstanding environmental, social and governance (ESG) transparency and performance among the 1,000 largest U.S. public companies





Index

engagement

Home

Our stakeholders span our entire value chain: customers, employees, shareholders, communities, governments, non-governmental organizations and suppliers. By consistently engaging with them, we identify <u>material issues</u> that are important to us and prioritize emerging global issues and industry trends.

# Ethics and integrity

We've codified our ethics in the International Paper Code of Conduct, which serves as an ethical compass to keep us on course as we pursue our vision to be among the most successful, sustainable and responsible companies in the world. The Code helps us successfully navigate ethical challenges as they occur in the course of our day-to-day job duties. Our policies, guidelines and best-practice processes support the messaging in the Code by reinforcing our values and standards, including our commitment to treat each other with respect and dignity, act fairly and honestly in all our business dealings, safeguard natural resources, and protect and advance human rights around the world. Our commitment to

integrity and excellence is at the heart of our business operations and relationships, and we seek out partnerships with suppliers and other third parties who share our high standards.

Governance

15

# Responsible sourcing

Our global fiber procurement policy is the foundation of our commitment to healthy and abundant forests and states, "We will not knowingly accept fiber from illegally logged forests or from forests where high conservation values are threatened by management activities."

To that end, we engage in responsible fiber sourcing, which includes:

- Conducting due diligence throughout our supply chain
- Validating origin on direct uncertified purchases
- Using best-in-class digital mapping systems to monitor harvest activities and policy compliance via ForSite™, our innovative, GIS-based mapping system

#### A critical supplier network

Our global network of more than 80,000 suppliers is critical to our business success and the implementation of our Vision 2030 strategy. So we seek out suppliers who are as committed as we are to our core values.

We embrace innovation and collaboration with these suppliers, and expect quality products and services that are competitive, sustainable and meet our stakeholders' expectations. To ensure that commitment, our Third Party Code of Conduct is built into contractual agreements. It outlines expectations regarding the workplace standards and business practices required of suppliers, their affiliates and others in their supply chain. In addition, we screen potential suppliers for a wide variety of risks, including corruption risks.

To track, analyze and address risks and operate responsibly and sustainably, we incorporate environmental, social and governance considerations (ESG) into our everyday processes. See the Sustainability Oversight section on page 17 for details.



# Our Sustainability Strategy: Vision 2030

To achieve our vision of being among the world's most successful, sustainable and responsible companies, we recognize our impacts and dependencies on both natural and human capital. International Paper's sustainability strategy is embodied in an ambitious, enterprise-wide initiative called Vision 2030, a decade-long commitment to building a better future for our company, our people and our communities.



# Environment, Sustainability, Governance (ESG) focus areas

Home

Our ESG focus areas reflect the integration of stewardship in our business imperatives and priorities. For all parts of our value chain, our most significant impacts and dependencies are captured in a Vision 2030 goal initiative. Our goals reflect our commitment to advance circularity and contribute to a low-carbon future, while prioritizing community resilience and employee safety.

Not only does the Vision 2030 framework outline the path to achieve our mission, but it also aligns with global priorities of the UN Sustainable Development Goals. (See the related index section in this report for details.) These priorities ultimately assure our position as the supplier of choice for customers, the company of choice for employees, and the investment of choice for shareholders.

# Sustainability oversight

To reach our Vision 2030 goals, we're implementing a strategy and governance structure that integrates stewardship considerations from the C-suite to the facility floor.

Management and oversight of ESG matters are enterprise-wide endeavors. It begins with the Public Policy and Environment Committee of our Board of Directors. The Board's PP&E Committee has overall responsibility for overseeing and assessing environmental and sustainability (including climate change), public policy, legal and health and safety issues and risks that could affect the company. At the management level, our CEO and Senior Lead Team are responsible for corporate affairs strategy and leadership, with function-specific councils reporting to them.

Also core to our sustainability effort is an enterprise-wide grassroots approach that empowers all 39,000 of our employees. One example is our Stewardship Action Network, a voluntary enterprise-wide network built on a shared interest in the company's core value of stewardship.

#### Materiality assessment refresh

In 2022, we conducted a stakeholder materiality assessment refresh, identifying key issues to both the business and stakeholders. We collaborated with a third-party consultant to review and refresh our materiality assessment, which is typically conducted every two to three years to help identify and understand the importance of specific Environment, Social and Corporate Governance and sustainability topics for our industry and our company.

The last few years have been particularly transformative, due to the COVID-19 pandemic and the spin-off of our papers business in 2021. Refreshing our materiality assessment helped us understand how recent events have influenced our industry and our company.

Using a standardized, step-by-step procedure with internal and external perspectives, the assessment identified emerging issues, risks and opportunities, and ensured that our current sustainability goals and targets were aligned with those of utmost importance to our key stakeholders.

See a full list of our material issues against our key impact areas. We will continue to refine this process and engage our stakeholders to ensure we address emerging issues and new material priorities.





# Climate risk management

A key priority for International Paper is identifying climate-related risks and opportunities for our company and the communities where we operate. We're working to better understand these risks and determine the best way to monitor, measure and address them.

To that end, our reporting follows the <u>Task</u>
<u>Force on Climate-related Financial Disclosures</u>
(TCFD), a framework for companies to analyze and report on climate-related risks, and to inform investors on exposure to financial risks related to climate change.

We also respond to <u>CDP's Climate Change</u>, <u>Forest</u> and <u>Water Security</u> questionnaires to transparently disclose our risks and opportunities in those core areas of sustainability.

Learn more in this report's <u>Climate</u> section and our <u>Climate Change Statement</u>.



35%

IP's commitment to reduce greenhouse gas emissions by 35% by 2030 was recognized by the **U.S. Department of Energy's** Better Climate Challenge.

# Vision 2030 Goals and Targets

#### Goal:

Sustainability

# Healthy and Abundant Forests

Lead forest stewardship efforts globally

#### **Targets:**

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

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

#### Goal:

## Renewable Solutions

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

#### **Target:**

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

#### Goal:

# Sustainable Operations

Improve our climate impact and advancing water stewardship

#### **Targets:**

Reduce our Scope 1, 2 and 3 greenhouse gas (GHG) emissions by 35%

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

#### Goal:

# Thriving People and Communities

People

Index

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

#### **Targets:**

Achieve zero injuries for employees and contractors

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

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

Improve the lives of 100 million people in our communities

20

Forests play a vital role in the health of our ecosystems. They produce oxygen, clean water, improve air quality, store carbon, stabilize soil and provide wildlife habitat.

The sustainability of forests is not only integral to our business model, but also essential to the planet's ecosystems and climate health. It's no wonder, then, that we are steadfast in our commitment to global forest stewardship as a key to building a better future. International Paper sources fiber from forests that are healthy and growing.



As we deliver on our Vision 2030 responsible fiber sourcing target, each year we purchase and use: 511

tons of new and recycled fiber

41

tons of fiber fuel

tons of recovered fiber used to make fiber-based products

# Our 2022 Fiber Sourcing: Transparency in Action

- 100% meets the FSC Controlled Wood Standard and International Paper 's Global Sourcing Policy
- 100% direct sourcing from uncertified forests traceable to origin
- 100% direct sourcing verified no conversion of HCVFs
- 100% indirect sourcing traceable to a country and county level of origin
- 100% suppliers monitored meet International Paper Supplier Code of Conduct
- 96.7% from forests within the U.S.
  - 97.3% Southeast U.S.
- **2.7%** Oregon
- 3.3% from forests in Canada (Alberta Province)
- 0% sourcing from Peatlands or High Carbon Stock Forest
- 0% sourcing from Intact Forest Lands (IFLs)

# Our Vision 2030 progress

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

#### Goal:

Lead forest stewardship efforts globally

#### **Target:**

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

Leveraging a broad range of tools to ensure responsible harvesting and purchasing of fiber from landowners and suppliers, we continually raise our stewardship game to enhance biodiversity and advance responsible sourcing and fiber renewability.

#### **2022 Impact:**

79% of fiber sourced in 2022 is verified as derived from a sustainably managed forest, or is third-party certified to a forest management standard such as FSC®, PEFC™, SFI® or Recycled Content.

The remaining 21% of fiber volume complies with International Paper's Global Fiber Procurement Policy; we will continue to increase verification efforts toward our Vision 2030 goal.

# Our Vision 2030 progress

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

#### Goal:

Lead forest stewardship efforts globally

#### **Target:**

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

Conservation and restoration are two areas where we can have a significant global impact through our long-standing partnerships with organizations such as World Wildlife Fund (WWF), the National Fish and Wildlife Foundation (NFWF) and The Nature Conservancy (TNC).

#### **2022 Impact:**

124,327 total acres of ecologically significant forestland have been conserved

Improved forest management on 8,973 acres as part of due diligence efforts in ForSite™

As part of our Forestland Stewards initiative with the National Fish and Wildlife Foundation, we conserved and restored 113,956 acres

As part of our strategic partnership with WWF, conserved and restored 208 acres of rainforest in Brazil's Mogi Guaçu River basin

Total goal completion progress: 361,023 acres (36%) since 2020

Index

# Our Approach

Home

Recognizing that sustainably managed forests provide economic, social and environmental benefits, our approach centers on three elements of responsible forest stewardship: responsible fiber procurement, forest certification and stakeholder collaboration. We create the products our customers need while being a dutiful steward of the world's natural resources.

## Responsible fiber procurement

Governance

It all starts with responsible and transparent sourcing. Our corporate fiber sourcing policy states, "We will not knowingly accept fiber from illegally logged forests or from forests where high conservation values are threatened by management activities."

To achieve this goal, we engage in responsible fiber sourcing, with the following highlights:

- International Paper's Fiber Supply Team is a diverse group of more than 200 professionals who work together to ensure fiber is responsibly sourced across our mill footprint.
- We have developed an internal mapping tool called ForSite™, our industry-leading platform that exemplifies transparency, risk mitigation and targeted collaboration. ForSite<sup>™</sup> enables us to know where our wood is coming from and ensure that the right resources and decisions are made before the fiber enters our mill system. (See next page.)
- We maintain chain-of-custody certification at all mills, including certification to the FSC Controlled Wood Standard.
- We have developed and continue to support the largest private landowner assistance program in the U.S. to offer FSC Forest Management Certification.
- Because of our extensive fiber supply network and ForSite™, we can connect our forest conservation partners with private forest landowners to help make a positive on-the-ground difference in the areas that matter most.

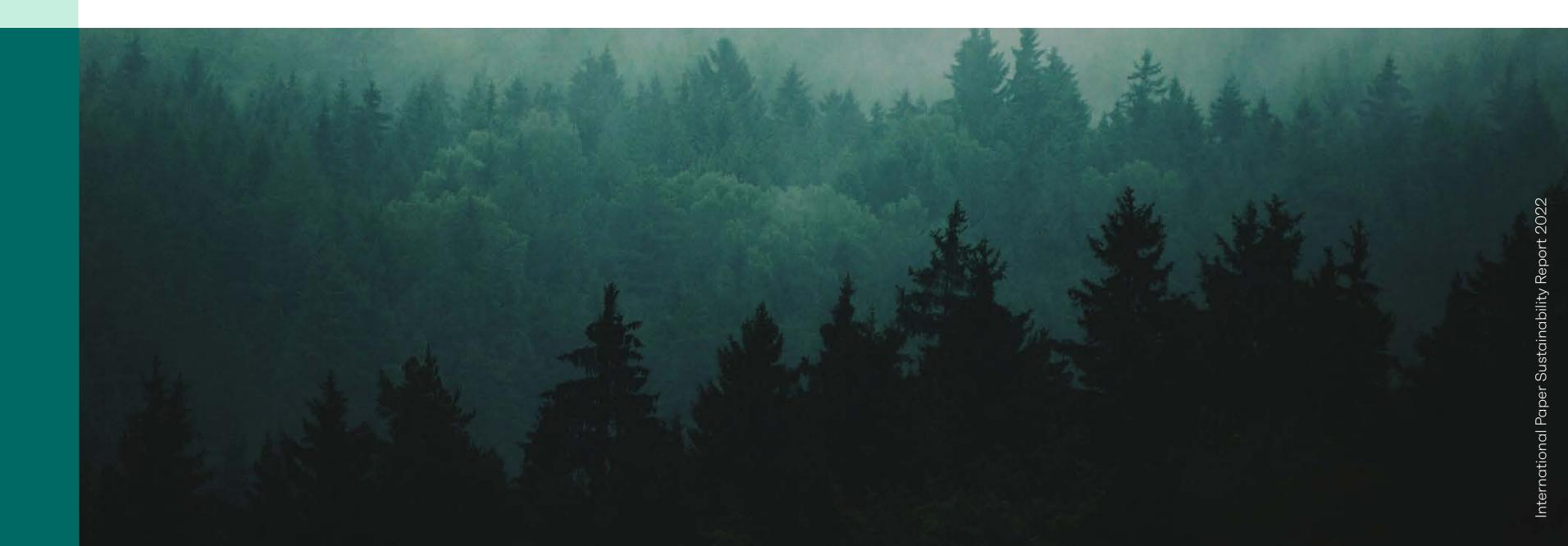
#### Of the ~51M tons of fiber that **International Paper purchased in** 2022 (including recycled)

**32%** from forests managed to FSC,® PEFC™ or SFI® Forest Management standards

**37%** verified through ForSite™ Geographic Information System (GIS) sourcing tool and sawmill due diligence

10% from recycled fiber purchased in North America

The remaining 21% of fiber volume complies with International Paper's Global Fiber Procurement Policy; we will continue to increase verification efforts toward our Vision 2030 goal.



25

#### ForSite™: Mapping and monitoring

ForSite™ is an innovative mapping tool used by our Fiber Supply team to verify and track the fiber they are sourcing. This system guides our responsible fiber procurement on noncertified forestland in the U.S. It ensures that conservation approaches, similar to those practiced on third-party certified lands, are incorporated in forest management and harvest practices on non-certified lands.

This system uses GIS technology to display and organize a variety of spatial data – critical information that our fiber supply team uses to make informed decisions prior to the fiber entering our supply chain. ForSite™ data includes an array of environmental and spatial attributes, including:

- Rare, threatened and endangered species
- Priority forest types and landscapes
- Soil types, topography and hydrology
  - Satellite imagery updated weekly
  - Optimized delivery location

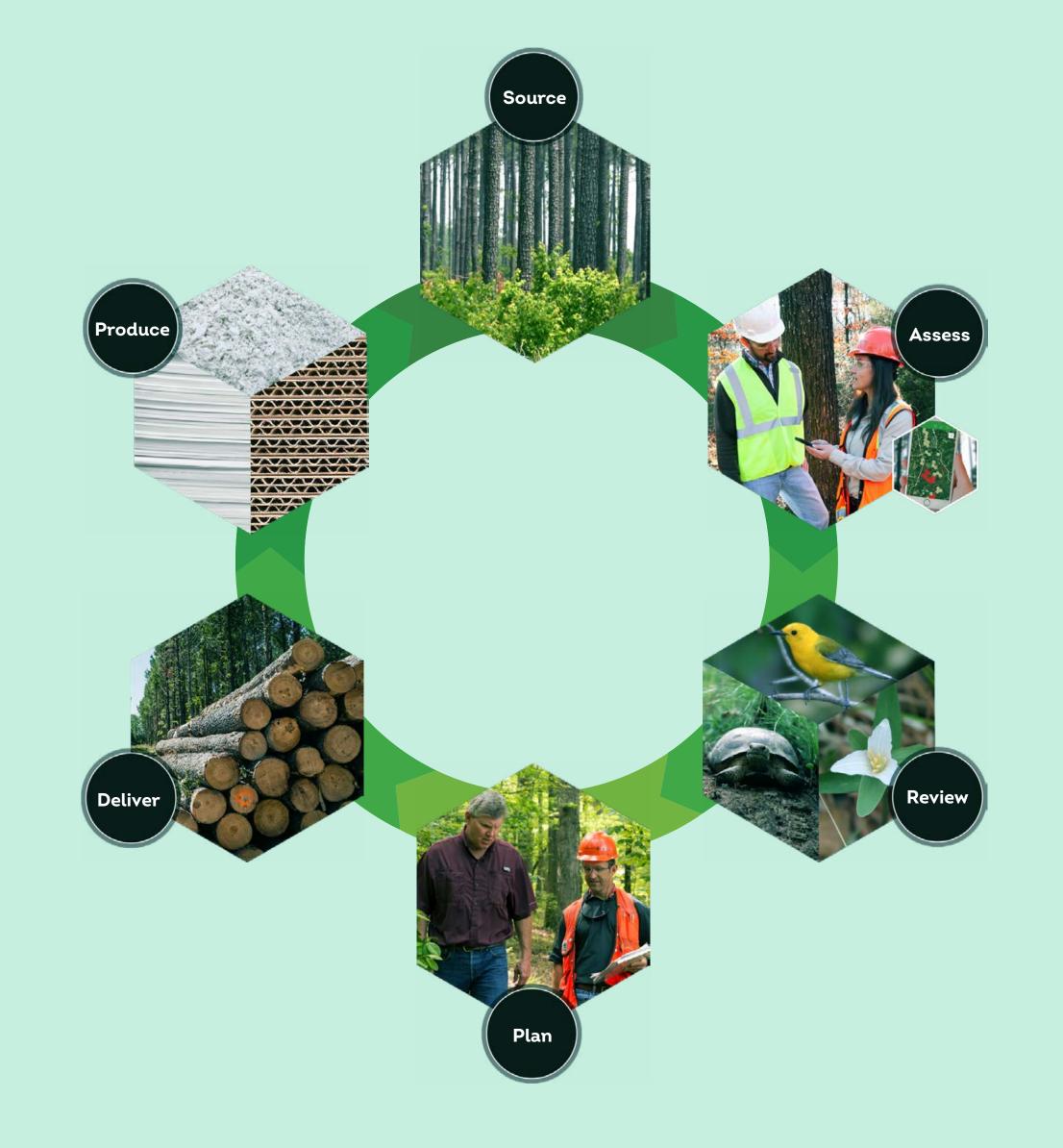
By knowing the exact location of the direct fiber we purchase, we ensure not only that our fiber is derived from sustainably managed forests, but also that it is delivered to the most costeffective facility location.

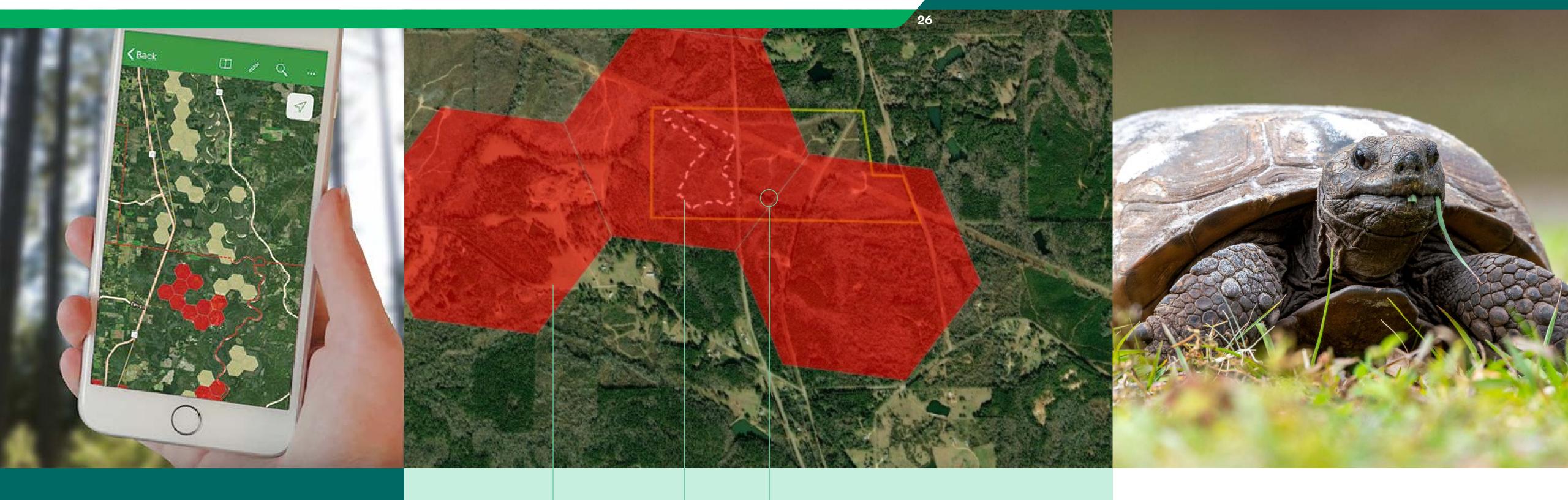
#### Using ForSite™ technology, we have:

Identified 23 million acres where we can apply pre-harvest due diligence to ensure that purchased fiber is sourced responsibly

Made on-the-ground improvements to over 25,000 acres of forestland since 2020

Mapped every non-certified location of purchased open market fiber





## ForSite in Use

IP recognized that our industry needed to improve our practices in order to assure consumers and customers that active forest management is sustainable. The implementation of ForSite™ has changed IP's procurement strategy. We now screen every non-certified tract through ForSite™ prior to purchase to determine whether additional due diligence is required before we accept timber from that tract. Our staff has access to this data both in the office and in the field.

Location of fiber purchase point

Path where we inspected the tract

Red Hexagon = identified areas of environmental risk (in this case a threatened species - The Gopher Tortoise)

#### **Outcome:**

Gopher Tortoise burrow locations were located, buffered, and protected prior to the forest thinning treatment. The final result was habitat improvement for the tortoise and the landowner was able to accomplish their management objectives.

#### **Expanding due diligence**

In 2022, our forest management focused on risk mitigation in sourcing and the improvement of forest biodiversity. We:

- Conducted due diligence on purchases that were at risk of non-compliance with our Global Fiber Procurement policy
- Made second-party verification field visits to document landowners' sustainable forest management practices

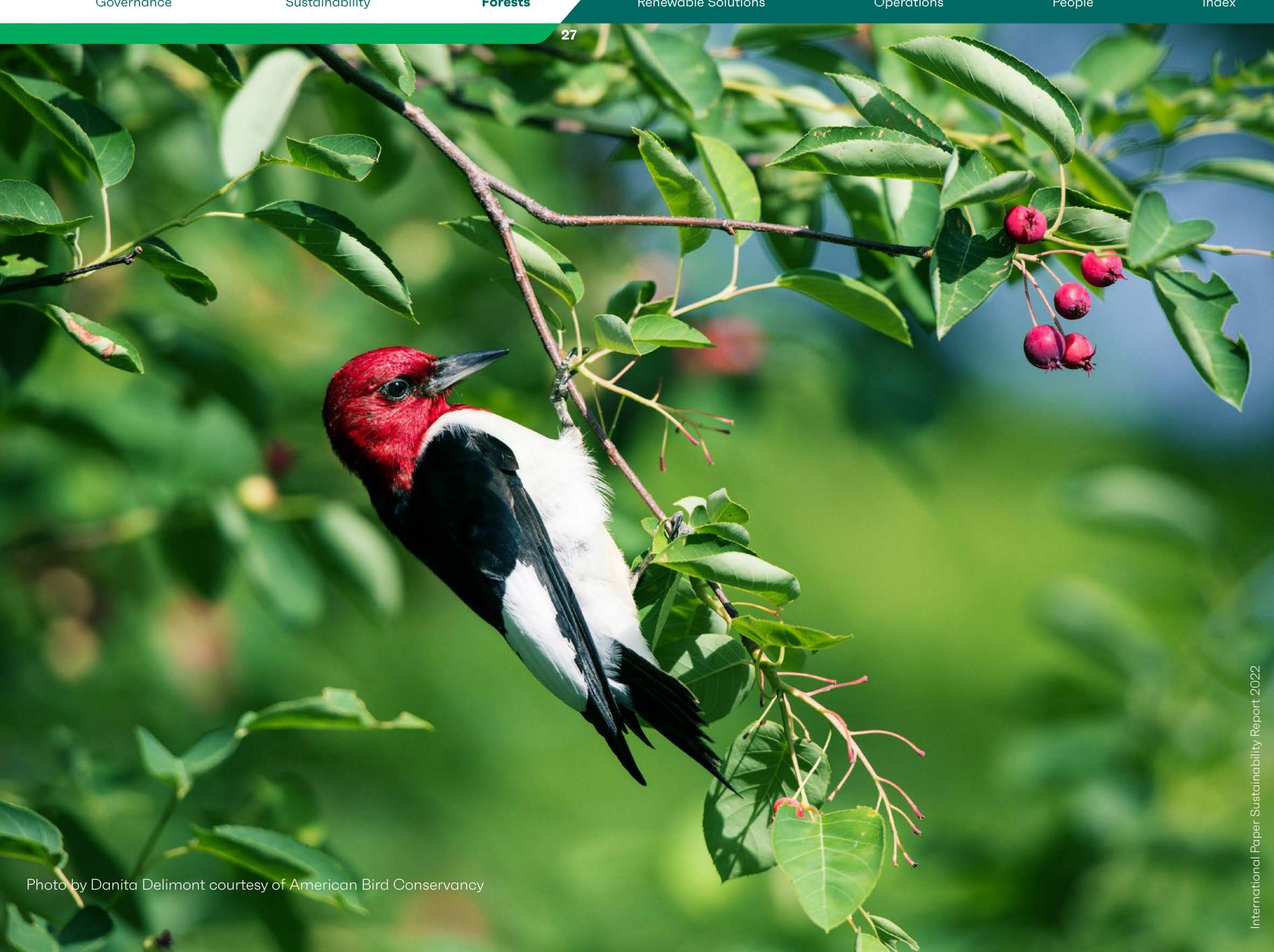


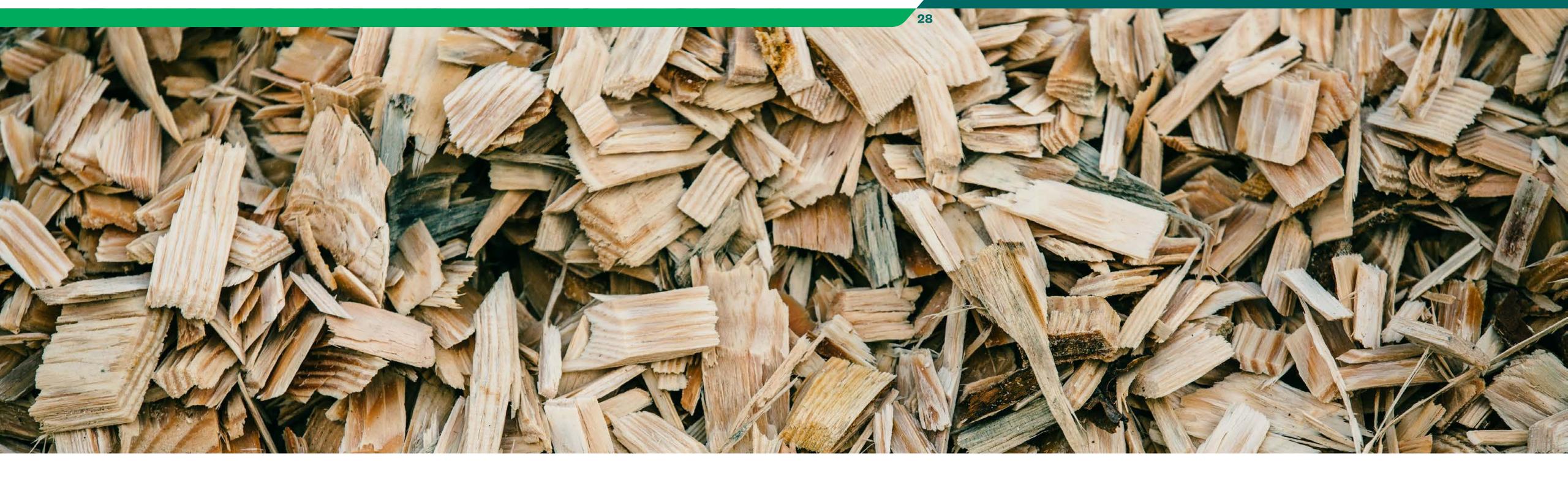
#### **Spotlight:**

#### Due diligence on the ground

Using ForSite™, our team worked with fiber suppliers in South Carolina to create wildlife corridors to maintain ecosystems that are home to white-tailed deer, wild turkeys and numerous species of birds, reptiles and amphibians.

Also in the U.S. South, where millions of acres of privately owned forestlands are habitats for hundreds of species of birds, our **Tombigbee Forest Bird Partnership** assembles partners to help preserve at-risk species such as the Northern Bobwhite, Kentucky Warbler and Red-headed Woodpecker.





### Fiber certification

Our procurement systems and mills follow third-party certification systems—including the Forest Stewardship Council® (FSC®), Programme for the Endorsement of Forest Certification™ (PEFC™) and Sustainable Forestry Initiative® (SFI®).

To meet the growing customer demand for certified products, our own internal FSC forest management group, Certified Forest Management (CFM) LLC, helps small, private landowners become FSC-certified costeffectively. It has become the largest privately run group of certified landowners in the U.S.

Since 2012, CFM has enrolled and maintained FSC forest management certification for

580

properties across

941,000

acres in

states

29

Central to our commitment to support forest ecosystems globally is collaboration with our longstanding partners. We meet this commitment by:

Introduction

- Working directly with wood suppliers and forest landowners to promote sustainable management practices
- Engaging stakeholders in the communities where we operate
- Collaborating with conservation organizations to enhance ecologically important areas and restore forests worldwide

To help us achieve our goals of conserving and restoring 1 million acres of ecologically significant forestland by 2030, we've engaged in long-standing strategic partnerships—not only with local forest landowners, but also with numerous local and global organizations.

We are one of the first five U.S. companies to join Forests Forward, World Wildlife Fund's **signature program** for corporate action in support of nature, climate and people. IP and WWF are collaborating to drive continued improvements in our responsible fiber sourcing and to develop robust science-based targets applicable to forests.

Roughly one-third of the world's population has a close dependence on forests and forest products.

Through our membership in the World **Business Council for Sustainable Development's Forest Solutions Group**, we've joined global efforts to support the United Nations Decade on Ecosystem Restoration. Our support champions the critical role of healthy forest ecosystems in water quality, clean air, biodiversity and mitigating climate change.

#### **Our Strategic Partnerships in Forest** Sustainability

- Forestland Stewards Partnership with National Fish and Wildlife Foundation
- American Bird Conservancy
- American Forest Foundation
- Arbor Day Foundation
- Celebrate Planet Earth
- WBCSD Forest Solutions Group
- ▼ The Nature Conservancy
- WWF's Forests Forward Program

of IP's U.S. fiber supply comes from the nearly 60% of forestland that is privately owned, most by small businesses and families.



#### **Spotlight:**

#### **Southern Comfort**

In 2022, International Paper announced the renewal of the Forestland Stewards Partnership (FSP) with the National Fish and Wildlife Foundation for another five-year period, and committed \$10 million for wildlife and working forestland conservation. The award-winning FSP, one of the most effective public-private forest conservation efforts in the U.S., will continue to help catalyze targeted investments that benefit wildlife, people and the planet. Now entering its second decade, FSP has funded 156 projects across 12 states that will restore, enhance or protect more than 1.2 million acres of forest habitat once all projects are completed.

#### The ABCs of sustainability

In Southern U.S. mill basins, International Paper and American Bird Conservancy (ABC) engaged our fiber supply teams, wood suppliers and landowners to continue our shared commitment to forest sustainability. It serves as the foundation for providing critical goods and services for people and habitat conditions necessary for recovery of at-risk bird species.

#### **Restoring the Atlantic Forest**

In Brazil's Mogi Guaçu River Basin, we partner with WWF and others to support science-based targets for forests and restoration of the Atlantic Forest. This partnership advanced restoration of 208 acres through 2022.

Index



#### A closer look:

# Tracking the swallow-tailed kite

A shining example of IP's approach to responsible fiber procurement is our partnership with American Bird Conservancy (ABC) and the Avian Research and Conservation Institute (ARCI). This partnership includes developing bird-focused management recommendations for private forest landowners, conducting field-based workshops with forest landowners and our suppliers, and species-specific work, including capturing, tagging and tracking swallow-tailed kites, one of North America's most beautiful birds of prey.

The swallow-tailed kite is a large black-and-white bird, with long narrow wings spanning four feet across and a distinctive forked elongated tail. They are long-distance migrants that spend their spring and summer months in the Southeastern U.S., then migrate to their wintering grounds in central South America. They are excellent ambassadors for sustainable working forests, as they're easily recognized in the field and thrive in sustainable managed working forests.

In 2022, we captured and tagged a kite near our Savannah, Georgia mill. An article in the Winter 2021/2022 issue of ABC's magazine led to an excellent short documentary, "Kites in the Trees," filmed and produced by South Carolina Educational Television (SCETV). This effort confirms that nature-positive outcomes occur within working forest landscapes.

Managed working forests can provide society with a renewable source of fiber without compromising critical wildlife habitat.

Circularity wraps around everything we do at International Paper, from the renewable resources we rely on for our raw materials, to the products we make that can be recycled over and over. Integrating renewable solutions into our everyday operations is critical to our strategy of building a better world.

31



# Our progress toward Vision 2030

We're committed to advancing circularity across our value chain, using renewable and recycled fiber to create innovative products that are 100% reusable, recyclable or compostable—the key to a sustainable, low-carbon future.

#### Goal:

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

100%

#### **Target:**

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

We think about the entire life cycle of our products. A core component of our circularity strategy, our products enjoy multiple lives through repeated cycles of reuse, recovery and recycling, and byproducts of our manufacturing process are put to good use.

#### **2022 Impact:**

93.5% of International Paper pulp and packaging products are recyclable, reusable or compostable - including 93.5% recyclability of our NA products and 100% recyclability of our EMEA products

87% of projects support renewable solutions in the pulp innovation pipeline

48% of waste has been diverted from landfill for a beneficial use

Index

Operations

# What is circularity?

A welcome departure from the linear, take-makewaste production model in which a product is used once and discarded, the circular economy is an economic system based on recovering, recycling and reusing products and materials. The key principles of the system include:

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

Our embrace of circularity is evident in our manufacturing processes, where we optimize resources by 1) designing out waste and pollution and 2) maximizing our use and reuse of all materials, resources, byproducts and residuals.



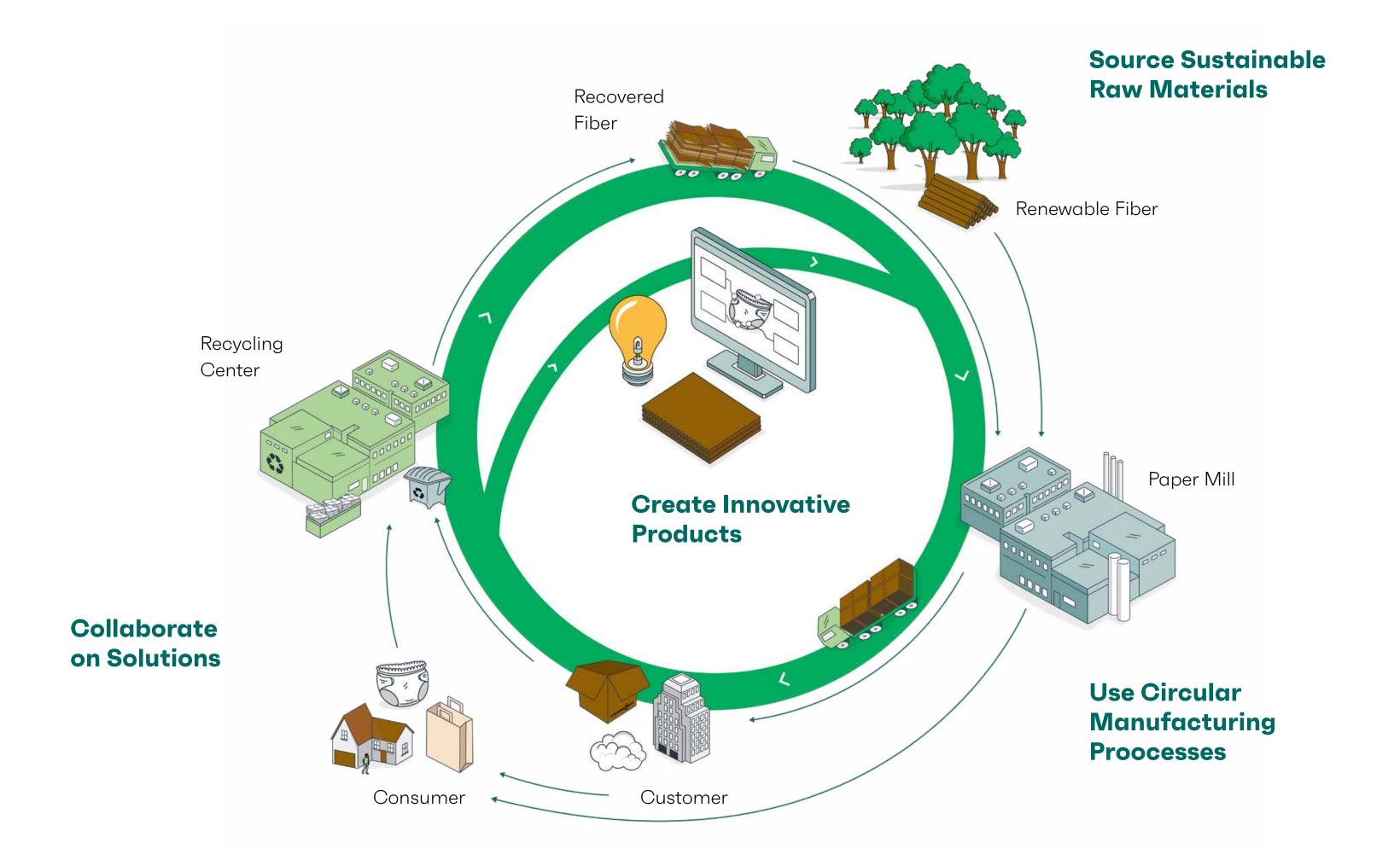
Index

## Circularity at IP

To achieve our renewable solutions goal, we've implemented a four-pillared strategy to help guide how we think about our impact across our value chain and identify implementation tactics within each of our businesses that advance circular solutions. Those pillars are:

- 1. Sourcing sustainable raw materials
- 2. Using circular manufacturing processes
- 3. Collaborating on solutions
- 4. Creating innovative products

We're committed to advancing circular solutions across our value chain, helping to lead the transition to a low-carbon, circular economy.



## Sourcing sustainable raw materials

International Paper's primary raw material is, of course, fiber. And this is where our sustainability strategy begins. We source both recycled and new, renewable fiber from trees grown in sustainably managed forests.

Introduction

In addition, wherever possible, we use renewable, sustainable materials—fibers, chemicals, packaging, etc. — across our manufacturing process. And where we don't, we try to use recyclable or recycled materials.

Our commitment to using sustainable raw materials aligns with a core principle of circularity: regenerating natural systems. Simply put, since our products are made from renewable resources, they replace less sustainable, carbonintensive, non-renewable products.

Learn more about our sustainable forestry practices here and our use of recovered fiber <u>here</u>.



Every year, our operations use 5 million tons of recovered fiber to make new fiber-based products, making International Paper one of the world's largest users of recovered fiber.

## Using circular manufacturing processes

Circularity is at the heart of what we do at International Paper. Within our manufacturing process, this is done by designing for sustainability, minimizing waste and maximizing the recovery and reuse of materials.

By taking action to be more circular, designing in efficiency and improving our environmental impact, we reduce our GHG emissions and contribute to a sustainable, low-carbon future.



In 2022, 48% of our manufacturing waste was diverted for beneficial uses—and kept out of landfills.

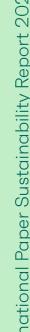




#### **Spotlight:**

#### **Turning waste into product**

In 2022, our Savannah Mill diverted over 44,000 tons of byproducts to beneficially use as a Georgia Department of Agriculture registered liming agent. More than 200 farmers have taken advantage of this program to offset their costs, saving them from having to purchase lime to adjust the pH of their soil. It provides valuable nutrients to help grow crops such as corn, cotton, onion, peanuts, soybeans and wheat. Materials that were previously disposed in the local landfill are now being repurposed as a byproduct.



Home Introduction Who We Are Governance Sustainability Forests Renewable Solutions Operations Operations People Index

# Collaborating on solutions

Collaboration across our value chain is key to our success. So we team up with our customers supply chain partners and thought leaders to develop innovative ideas and gather diverse points of view.

The circular solutions we create together not only respond to changing market conditions and consumer demands, but also enjoy multiple lives through repeated cycles of reuse, recovery and recycling.

The teams at our research and development centers are at the forefront of these creative solutions for customers. Learn more about some of our 2022 collaborations <a href="here">here</a>.

# Creating innovative products

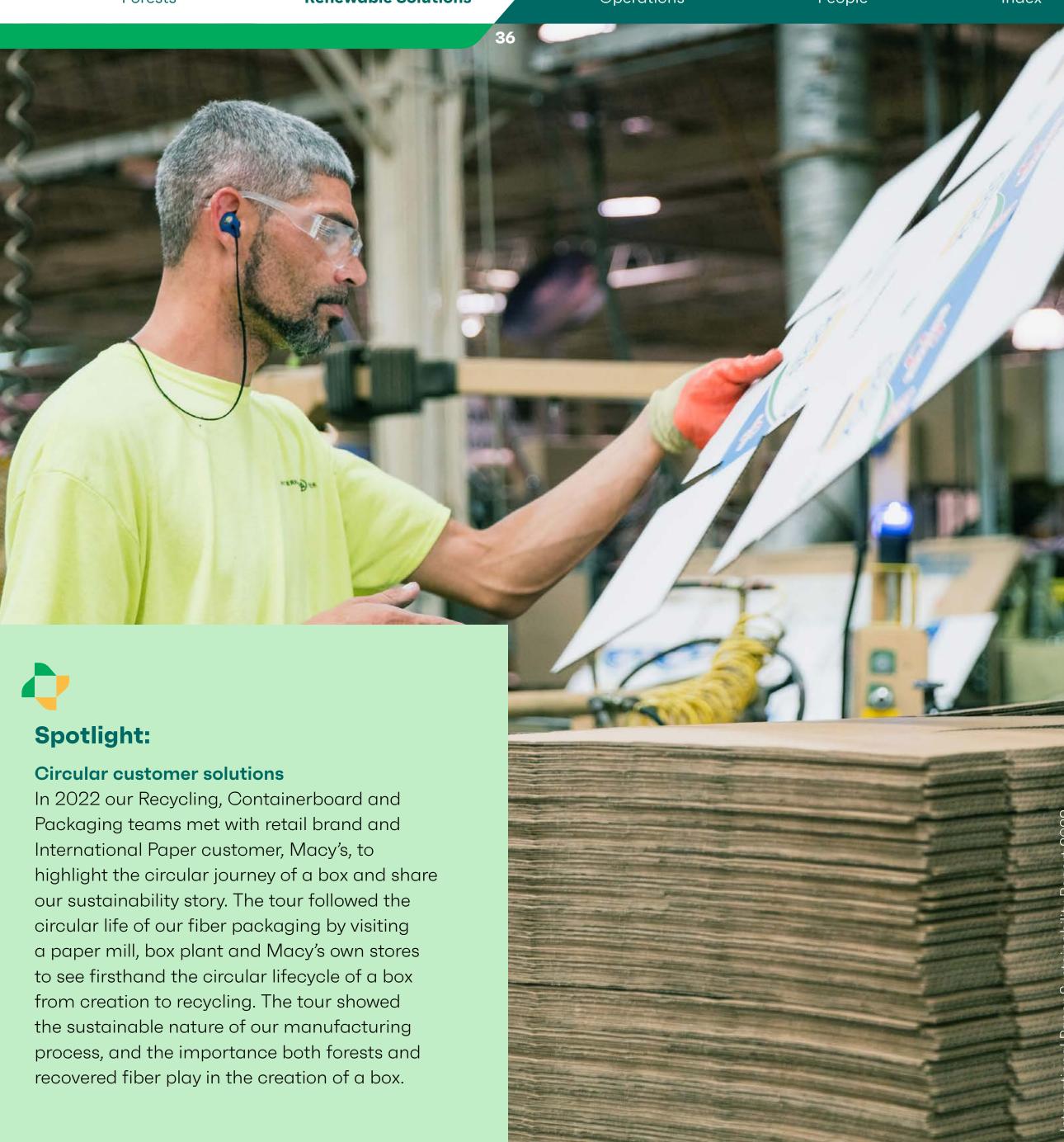
International Paper products are our primary contribution to a low-carbon, circular economy. We think about the entire life cycle of the product and how changes in product design impact decisions along its value chain. The result is products that are:

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

#### Our product strategy...

...is informed by the **Ellen MacArthur Foundation**, the world's leading circular economy network. Through our membership, we're working with the Foundation and its partners to advance our contributions to circular, low-carbon solutions.

Learn more about our 2022 product innovations <u>here</u>.



## Renewable Solutions roadmaps by business group

To implement the four pillars of our strategy, our Renewable Solutions task teams developed Renewable Solutions roadmaps with goals and specific focus areas for each of our business groups: Global Cellulose Fibers, Industrial Packaging, EMEA Packaging.

By building out roadmaps for each business group, we established a baseline of practices to make progress toward our overarching Vision 2030 target: advancing circular solutions throughout our value chain and creating innovative products that are 100% reusable, recyclable or compostable. The roadmap for each business group is described on the following pages:



## Renewable Solutions roadmap: Global Cellulose Fibers

Align with customers and deliver against market needs across four pillars:

#### Replacing plastic and petroleumbased materials

We support our customers' goals to increase use of cellulosic materials for absorbent hygiene applications, resulting in improved end-of-life solutions such as recyclability and compostability.

For example, our **Helix**® fibers create performance advantages with excellent fluid management due to fast liquid acquisition and the impressive ability to wick against gravity.

# Reducing life cycle impacts, including greenhouse gas emissions, waste and water use

We focus on ways to make new products with less waste and reduced life-cycle impacts across GHG and water.

In 2022, for instance, we introduced **FloraCel**®, a new brand for our specialty products. Wood pulps used to produce textiles like FloraCel® serve as extenders to dissolving wood pulp and provide a low-cost, performance-enhancing renewable solution to textile producers.

These wood-based cellulosic products require substantially less land to grow and significantly less water and pesticides than cotton, resulting in reduced life-cycle impact.

## Minimizing overall raw material consumption

We optimize manufacturing processes for new products including feminine care pads, resulting in significant reduction and better utilization of raw materials used in production.

For example, our **Elegance**® fluff pulp improves densification, providing a thinner absorbent core that reduces material use.

With greater density, wicking distance and overall utilization increase, Elegance® reduces product weight while maintaining the same excellent absorption properties of all IP's **SuperSoft™** fluff pulps. In addition, a thinner product helps optimize packaging, enabling transport of more products per shipment, which could result in fewer trucks on the road. We estimate that the reduction in trucks used to ship products made with Elegance® versus products made with regular fluff pulp from the

manufacturing site to the retailer could result in CO<sub>2</sub> emissions reductions up to 13%.

# Improving end-of-life solutions, including compostability and recyclability

We work with customers to enable use of 100% cellulosic fiber for wipes applications, which can be biodegradable and compostable, unlike those made from plastic.

As a part of this work we focus on achieving a minimum of 50% of projects in the innovation pipeline to support renewable solutions. We do this via customer collaborations and partnerships, as well as by tracking projects within our innovation pipeline that include sustainability and/or renewable attributes. We work closely with target customers to understand their sustainability goals and deliver relevant outcome-based innovative products across all four renewable solutions pillars.



Achieve improvements through innovation and redesign, material replacement and reduction, and recycling in North America and recovery in five key ways:

1

# Achieve 100% recyclability of all manufactured packaging products

#### Focus areas:

- Ensure all packaging and containerboard products are 100% recyclable (93.5% of corrugate packaging is recyclable in 2022)
- Replace non-recyclable coatings with recyclable alternatives

#### **Progress Highlight:**

ClimaShield® barriers are a unique line of FBA-certified recyclable and repulpable coatings that replaces non-recyclable wax coatings and works with all existing equipment, processes and packaging systems. ClimaShield® provides all the benefits of wax coatings—resistance to water, grease, chemical and mold—while providing an end-of-life solution for recovery, as the boxes can be recycled.

2

## Integrate circularity considerations into key business checkpoints

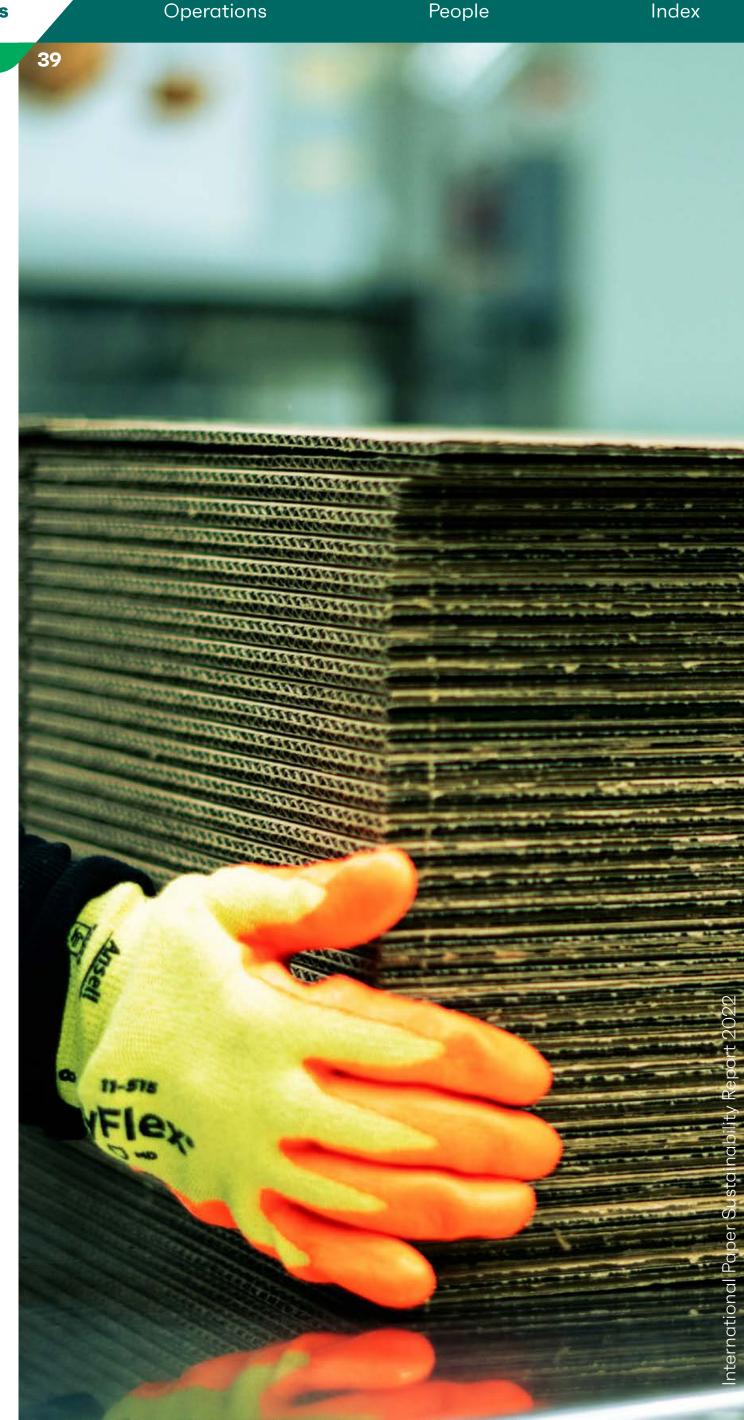
#### Focus areas:

Ensure sustainability considerations are included across business processes such as asset design, capital process, business strategy, innovation and product development

#### **Progress Highlight:**

To connect renewable solutions with sustainable manufacturing:

- We piloted a "Vision 2030: Sustainability in Manufacturing" educational webinar to engage containerboard mill employees on our sustainability strategy, how it impacts our business and how to become more involved in advancing our sustainability goals
- Sustainability leaders met with mill engineers and business leaders to align on the critical role our mills play in driving progress toward our renewable solutions goals, and highlighted examples of ongoing and future mill projects with sustainability impacts



Renewable Solutions roadmap: Industrial Packaging

3

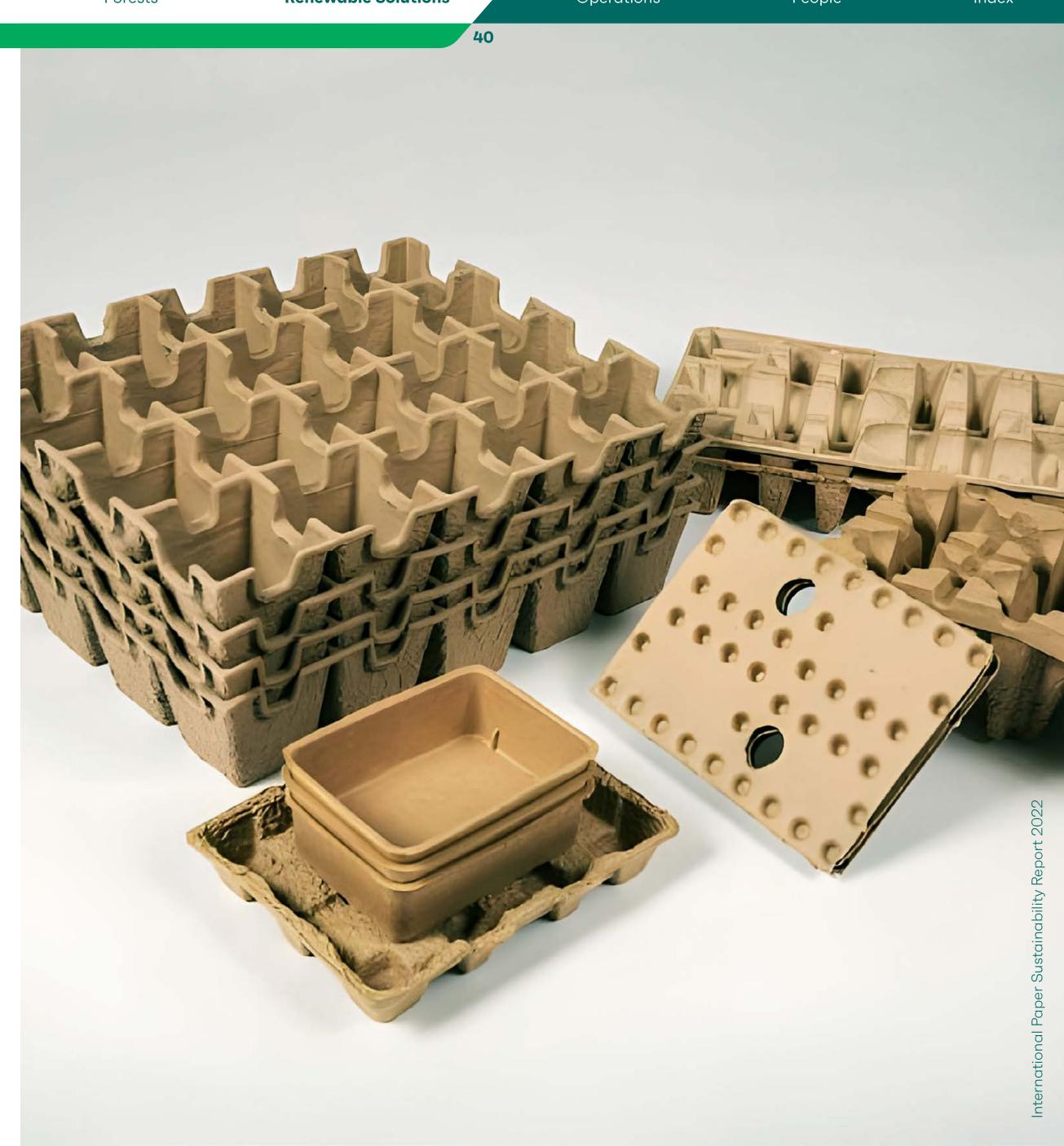
# Track product sustainability impacts and opportunities for material replacements

#### Focus areas:

- Evaluate product- and material-level sustainability impacts
- Identify opportunities for sustainable materials improvements and expand circular solutions for customers

#### **Progress Highlight:**

- For e-commerce shipments, we replaced Styrofoam® packaging with molded fiber interior packaging, a recyclable alternative to polystyrene that is made of 100% recycled content
- For e-commerce customers, we analyze customers' shipment history and box utilization and recommend boxes that match their needs. This right-sized packaging solution called **eBos** reduces freight costs, carbon emissions, material waste, product damage and improves warehouse efficiency



Home Introduction Who We Are Governance Sustainability Forests Renewable Solutions Operations Operations People Index

#### Renewable Solutions roadmap: Industrial Packaging

4

# Set a 2030 waste strategy based on key waste reduction opportunities

#### Focus areas:

 Identify waste reduction opportunities at each containerboard mill and across our box plant system

#### **Progress Highlight:**

Dunnage — wooden felt saddles that keep our containerboard rolls in place during shipping — has typically been discarded by the customer. The product scheduling and delivery department in our Newport, Indiana containerboard mill has worked over the past year to establish a plan to recover and recycle used dunnage. Customers store dunnage in a designated trailer and return it to International Paper to be reused, reducing waste.

5

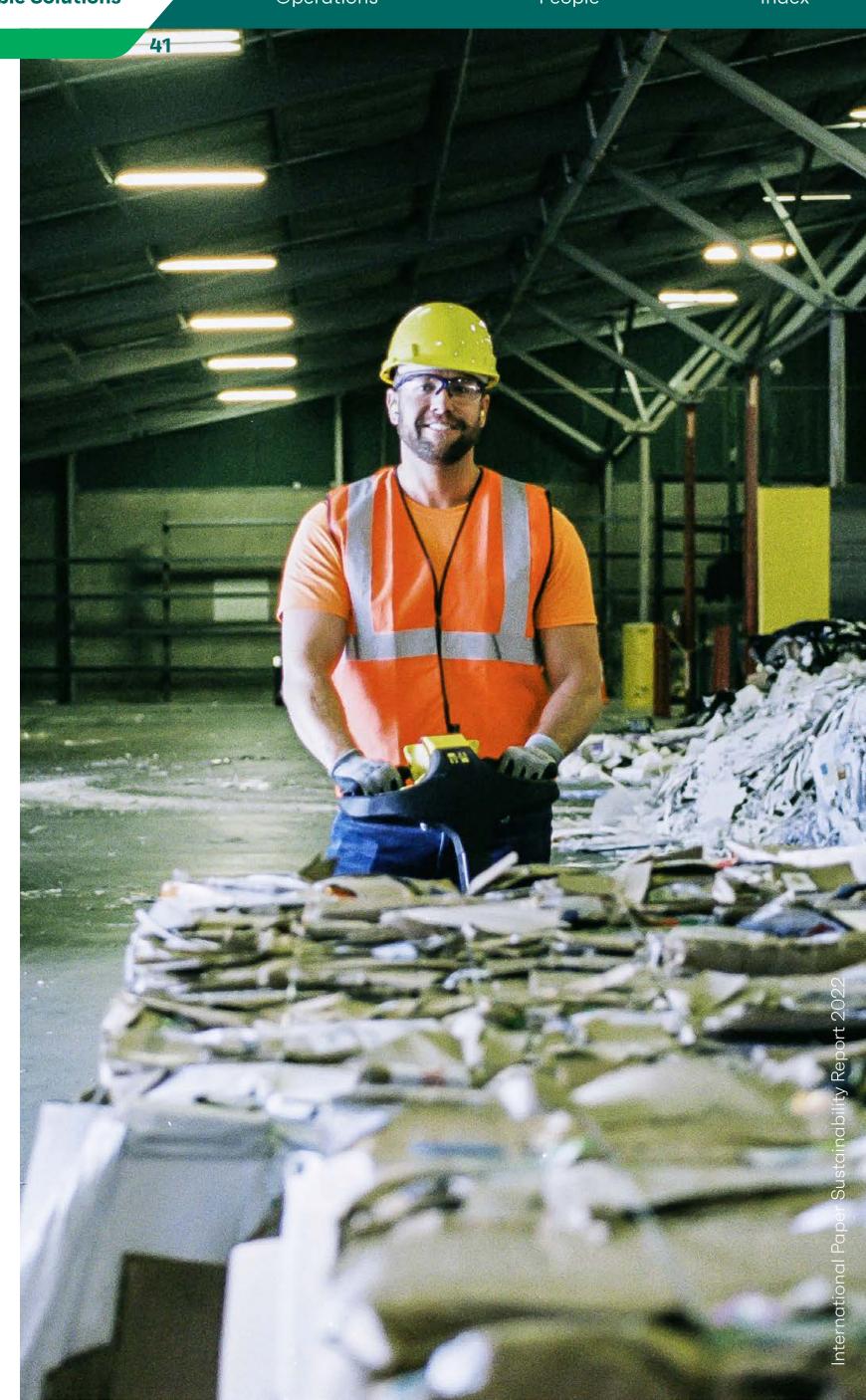
# Expand partnerships within the circularity and recycling space and continue to evolve circularity education

#### Focus areas:

- Improve circularity- and recycling-focused partnerships
- Develop materials to expand understanding of sustainable fiber packaging

#### **Progress Highlight:**

In 2022, International Paper joined the Southeast Recycling Development Council (SERDC), supporting our efforts to promote sustainable recycling in a critical region in which we operate. SERDC focuses on uniting industry, government and non-government organizations in the Southeast U.S. to improve material capture while strengthening local economies through recycling



# Renewable Solutions roadmap: EMEA Packaging

Apply innovation, redesign and material replacement to reduction, recycling and recovery strategies in five ways:

# Eliminate all non-recyclable materials in finished products and innovate for circularity through material efficiency

#### Focus areas:

- Eliminate all sales of non-recyclable products
- Reduce basis weights at box plants by 5% vs. 2020

#### **Progress:**

Projects ongoing in all box plants to reduce average basis weights; 0.37% reduction in basis weight at box plants vs. 2020, 7.24% reduction vs. 2018 2.

#### Further develop product range and capabilities to substitute fiber products for plastics

#### Focus areas:

 Substitute 6,000 tons of plastics with fiberbased alternatives by 2030

#### **Progress:**

- ▼ 765 tons of plastics replaced in 2022
- 1,410 tons of plastic replaced from 2021-2022

#### **Highlight:**

Consistent with our commitment to build a better future, and in response to increasing consumer demand for responsible packaging, we've created a new range of sustainable paper-based punnets called **Respir**®. Combining outstanding resistance with great visibility, these package designs ensure protection and promotion of products from field to shelf to consumer's home. The perfect packaging solution to reduce single-use plastics' negative impact on the environment and human health, Respir® is made of renewable resources, is 100% recyclable and extends shelf life by three days.



People

Index

**Operations** 

3

#### Reduce waste to landfill by targeting key areas for improvement across our operations

#### Focus areas:

Reduce waste to landfill by 50% over 2020 baseline by 2030

#### **Progress:**

- Waste reduction cost analysis conducted across box plant system, identifying cost per plant/year for 2030 reductions
- 21% of plastics rejects sent to energetic valorization in 2022

4

## Expand partnerships to improve circularity and recycling

#### Focus areas:

 Evaluate opportunities for circularity/ recycling collaborations and partnerships throughout IP's value chain

#### **Progress:**

Participated in Confederation of European Paper Industries (CEPI) 4evergreen alliance to increase fiber-based packaging in a circular economy and minimize climate and environmental impact

#### **Highlight:**

Our **Secure E-Box** is an innovative corrugated box featuring a tamper-evident closure that breaks the first time it's opened. It also comes with additional tabs at the top and inside that allow it to be reused for returns. Not only is this box made from 100% recycled corrugated material, but it also requires no adhesive tape or other material, thus promoting the circular economy and sustainability. The Secure E-Box was named Best Logistics and Distribution Packaging in 2022 by Liderpack and was recognized with a 2023 WorldStar of Packaging Award.



People

Index



# Renewable Solutions roadmap: EMEA Packaging

# Contribute to improving industry recycling rate and quality of recovered fiber

#### Focus areas:

- Increase education of the circularity and sustainability benefits of fiber packaging
- Use partnerships to expand amount and quality of recovered fiber

#### **Progress:**

Continued to grow circular economy agreements with customers, providing closed-loop packaging solutions that optimize the logistics of the packaging supply chain from International Paper corrugate sales through to recollection and recycling.

#### Highlight:

- Designed by International Paper in Italy for customer Colgate-Palmolive, the Circular Box for transporting personal care products was chosen as finalist in the Best Packaging 2022 contest, organized by the Italian Packaging Institute (Istituto Italiano Imballagio) in collaboration with Conai (National Packaging Consortium). This packaging is a circular solution designed to reduce waste and increase recycling and material recovery. A local transport company collects paper and corrugated packaging scraps from the Colgate-Palmolive plant and delivers them to a local paper mill, which makes recycled paper. Our Pomezia plant then transforms it into its Circular Box range. The result is a completely closed and sustainable circular supply chain.
- In addition to implementing recycled-paper broccoli cases at our Madrid mill, we sponsored a meeting with the +Broccoli association of broccoli growers to tackle water scarcity, an important subject in the Murcia region. We discussed targeting 100% recycled water use and have since reduced water consumption at our Madrid mill.



# Sustainability across the value chain

Our approach to sustainability encompasses our entire value chain.

Sourcing renewable raw materials and other resources, such as wood fiber, chemicals, fuel, manufactured parts and services. We:

- Source 32% of fiber from forests certified to the FSC®, PEFC™ or SFI® forest management standard
- Trace 100% of uncertified wood fiber to origin using our ForSite™ Geographic Information System (GIS) mapping tool
- Maintain FSC or PEFC Chain of Custody certification at more than half of U.S. box plants

## Designing circular solutions, in collaboration with our customers. We:

45

- Deliver connected packaging innovations using traceable digital applications
- Supply renewable, recyclable corrugated
   boxes to help customers, including a growing
   e-commerce industry, become more sustainable
- Transform cellulose fiber into solutions ranging from personal care products to fiber-reinforced concrete applications

Recovering products and providing a market for them, in our own facilities and distributed to others. We:

- Are one of the top users of recovered fiber in the world, using 5 millions tons annually
- Recover, reprocess or facilitate the sale of7 million tons of recovered fiber per year

Manufacturing renewable, recyclable and compostable products, in safe and inclusive workplaces. We:

- Responsibly produce 100 million boxes per day
- Return 88% of water used in our manufacturing operations back to the environment
- Generate about 70% of mill energy from carbon-neutral biomass residuals





People

Index

# Sustainable Operations

As a manufacturer of sustainable fiber products, we're committed not only to relying on a renewable resource, but also to minimizing climate impact in our manufacturing process. This includes reducing energy and water consumption both within our facilities and across our value chain. . . . .

Forests

Index

# Our progress toward Vision 2030

#### Goal:

Improve our climate impact and advance water stewardship 35%

In 2022, we faced significant challenges in our facilities

with respect to operational decarbonization. While

at several mills, those reductions were offset by

included in our decarbonization plan.

of our Vision 2030 target.

we made progress in reducing our Scope 1 emissions

increases in fossil fuel used at other facilities due to

reduced biomass fuel. We are proud of the emissions

reductions we achieved at our containerboard mill in

Rome, Georgia- the result of a capital project that was

For Scope 2 emissions, we saw reductions associated

with grid greening and an overall increase due to the

but rather, sales of environmental attributes from our

renewable power generation. REC sales will continue in

the short term, but will eventually be retired in support

sale of renewable energy certificates (RECs). This

does not amount to a change in actual emissions,

**2022 Impact:** 

#### **Target:**

#### Reduce our greenhouse gas emissions by 35%

Aligned with the best available climate science, we're committed to reducing our absolute greenhouse gas (GHG) emissions by 35% by 2030 across Scopes 1, 2 and 3.

accounting, including the GHG Protocol, the Science-

engaged directly in working groups focused on relevant

Based Targets initiative (SBTi) and CDP. We are

We are committed to advancing our decarbonization plan and are optimistic about emission reductions from key energy efficiency investments and other projects in the coming years. For more information see our TCFD report. As one of the first North American pulp and paper producers to have our GHG emissions reduction target approved by the Science Based Targets initiative (SBTi) in 2021, we continue to assess and incorporate developments in emissions

forest sector topics.



#### **Spotlight:**

#### Two mills, two GHG reduction projects

Our Rome, Georgia containerboard mill has demonstrated a 39% reduction in total Scope 1 and Scope 2 GHG emissions since the baseline year of 2019 after switching the mill's power boiler from primarily coal to natural gas as a fuel source.

Our Red River, Louisiana containerboard mill replaced five refiners on their paper machine. The refiners were replaced with updated energy efficient refiners, saving an average of 24% of the energy use on this equipment and an estimated 7% reduction in Scope 2 GHG footprint for the mill.

Who We Are

Sustainability

Index

## Our Approach

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

# Improving our climate impact

Governance

Having a positive climate impact begins with reducing carbon emissions. Rather than rely on carbon offsets, International Paper focuses on reducing energy consumption as well as relative GHG emissions across our mills and manufacturing facilities. Between 2019 and 2022, we reduced 3% of Scope 1 and 2 GHG emissions but show an increase of 9% due to Renewable Energy Certificate (REC) sales.

We're expanding our use of renewable energy, including generating our own renewable energy source via carbon-neutral biomass derived from our manufacturing processes.

#### **Enhanced tracking and reporting**

Approved by the Science Based Targets initiative, our GHG emissions reduction target aligns with the Paris Climate Agreement goal to limit global temperature rise to well below 2°C above pre-industrial levels.

Working with strategic partners, we track and report on our global GHG emissions by participating in ESG reporting programs, including:

- Carbon Disclosure Project (CDP)
- Task Force on Climate-Related Disclosures (TCFD)
- U.S. Environmental Protection Agency Mandatory Reporting Rule
- European Union Emissions Trading System
- Multiple state, regional and national reporting programs
- Global Reporting Index

70%

of our mill energy is derived from carbon-neutral biomass residuals.

20%

We reduced our GHG emissions by about 20% between 2010 and 2022, while cutting our use of coal and fuel oil in half.



Who We Are

Index

#### Improving our climate impact

#### **Scope-by-scope reductions**

We have a track record of reducing Scopes 1 and 2 GHG emissions at our operations. As part of our Vision 2030 goals, we're also working to track, report and ultimately reduce our Scope 3 emissions across our value chain. Specifically:

#### Scope 1:

We're committed to making capital investments to substantially reduce Scope 1 GHG emissions in our facilities over the next decade. We're evaluating and pursuing investments in energy efficiency and fuel-switching for lower-carbon thermal energy sources in our operations. These initiatives often result in both cost savings and GHG emission reductions by optimizing processes, upgrading equipment and advancing energy conservation measures.

#### Scope 2:

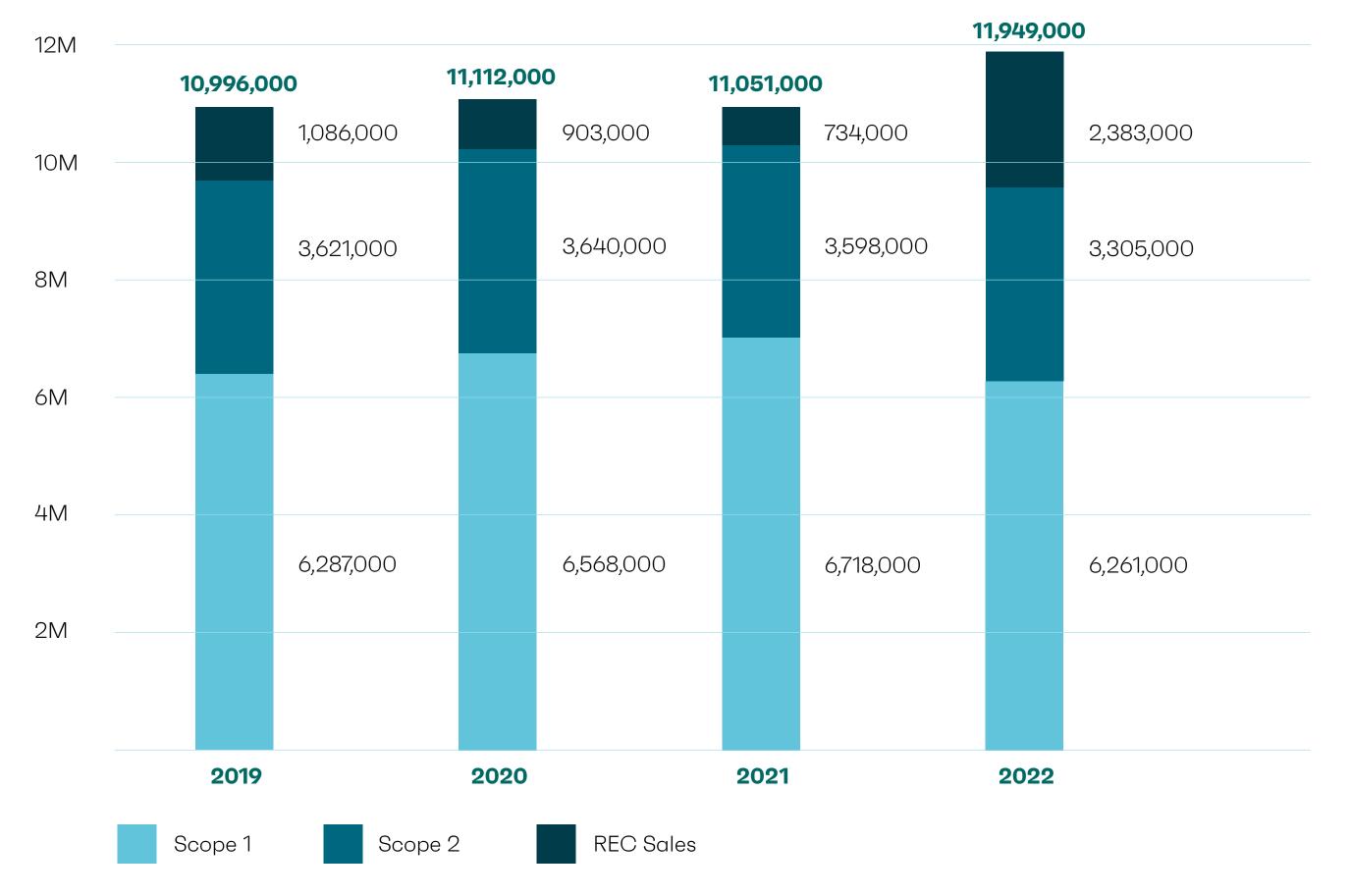
To reduce Scope 2 GHG emissions, we're participating in renewable power development.

#### Scope 3:

To mitigate GHG impacts outside our direct operations, we team up with our suppliers and customers to effect meaningful change. We assess our supply chain to identify areas of impact, and we engage our suppliers and customers to reduce emissions. This work is closely tied to our goals for Renewable Solutions, which focus on how customers use and dispose of our products.

Reducing our operational GHG emissions is just one of the actions we're taking to improve the climate. Our efforts extend across our entire value chain and through to our sustainable forestry and renewable products initiatives. We continue to make progress toward our Vision 2030 target through renewable power participation, capital investments and collaboration with forest landowners to improve forest management for carbon sequestration.

#### **GHG Emission Progress (metric tons CO2e)**



<sup>\*</sup>Consistent with the GHG Protocol, our reported Scope 1 GHG emissions and associated targets do not include biogenic GHG emissions, which were approximately 24.5 million metric tons in 2022.

#### Improving our climate impact

#### Looking ahead

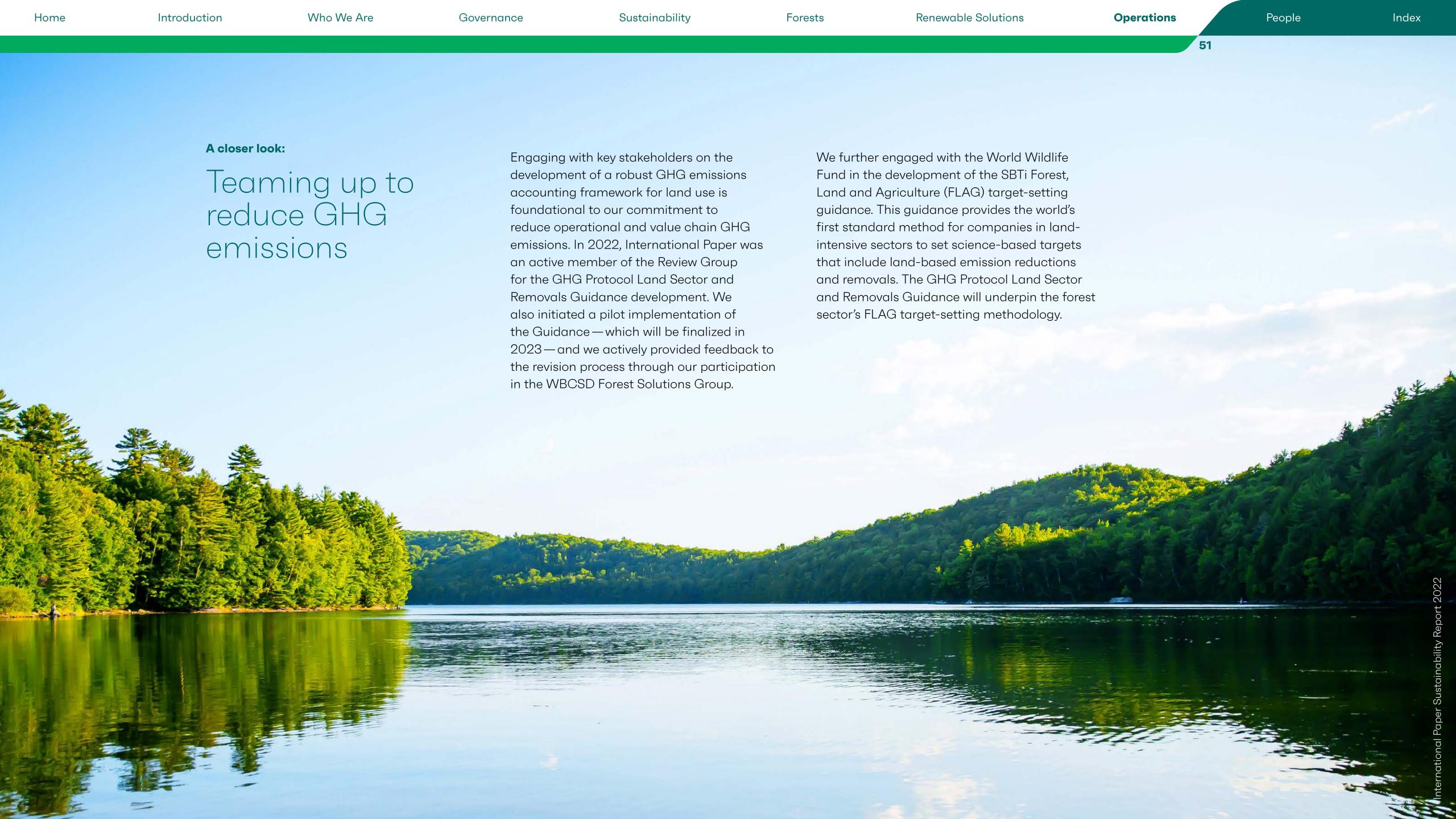
We are renewing our focus on supplier engagement to reduce value chain greenhouse gas (GHG) emissions in 2023 and 2024. As we continue our efforts to reduce GHG emissions and address climate change, we recognize the need to explore new and emerging technologies for decarbonization. We will continue to drive forward with renewable power participation initiatives, such as renewable energy procurement and investments in on-site renewable energy systems.

In addition, we will look to take advantage of supportive legislation, such as the Infrastructure Investment and Jobs Act in the U.S., to accelerate our efforts in reducing GHG emissions.

To achieve our sustainability goals, we will also focus on engaging with our suppliers and customers to better understand where our gaps are and drive Scope 3 reductions. By working collaboratively with stakeholders across our supply chain, we can identify opportunities to reduce GHG emissions and achieve a more sustainable future.

We are actively looking for ways to invest in capital projects at our facilities in order to build and operate equipment that has a direct result in reducing our GHG emissions.





Index

## Our progress toward Vision 2030

#### Goal:

Improve our climate impact and advance water stewardship 25%

#### **Target:**

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

Our first-ever water use target commits us to reduce operational water use intensity by 25% by 2030, while taking into consideration the broader context of the watersheds where we operate.

#### **2022 Impact:**

Several of our mills successfully reduced their water usage in 2022 and have developed best practices that are useful for our enterprise-wide knowledge sharing. However, in 2022, we did not make significant progress against our enterprise goal of reducing water usage by 25%. The lack of progress was due in part to lower production, resulting from several factors including COVID-19-related supply chain disruptions. It is important to note that our water reduction goal is based on water use per ton, which means that lower production output will have a negative impact on our numbers.

As a result of these challenges, we initiated a process in 2022 to re-evaluate and improve our water stewardship governance and processes.

Today, our planned water stewardship activities from 2023 forward are more closely aligned with our manufacturing objectives. Our intention is that our renewed approach will optimize integration of water reduction within our operations and ensure that our water stewardship efforts are more effective and impactful.



#### **Spotlight:**

#### Two mills, two water use reduction plans

Our containerboard mill in Valliant,
Oklahoma has reduced total water use
intensity by 19% since 2019. We achieved this
reduction through water use education and
intentional efforts to fix leaks and valves.

Our Springfield, Oregon containerboard mill successfully exceeded its water reduction goal. Surpassing a planned reduction of 4%, the mill reduced its water consumption by 7.5%. We achieved this through non-capital projects, including eliminating water leaks, cleaning process systems and daily discussions of the mill's water intake levels against the target to investigate any abnormalities in water usage and troubleshoot increased use if levels are high.

50

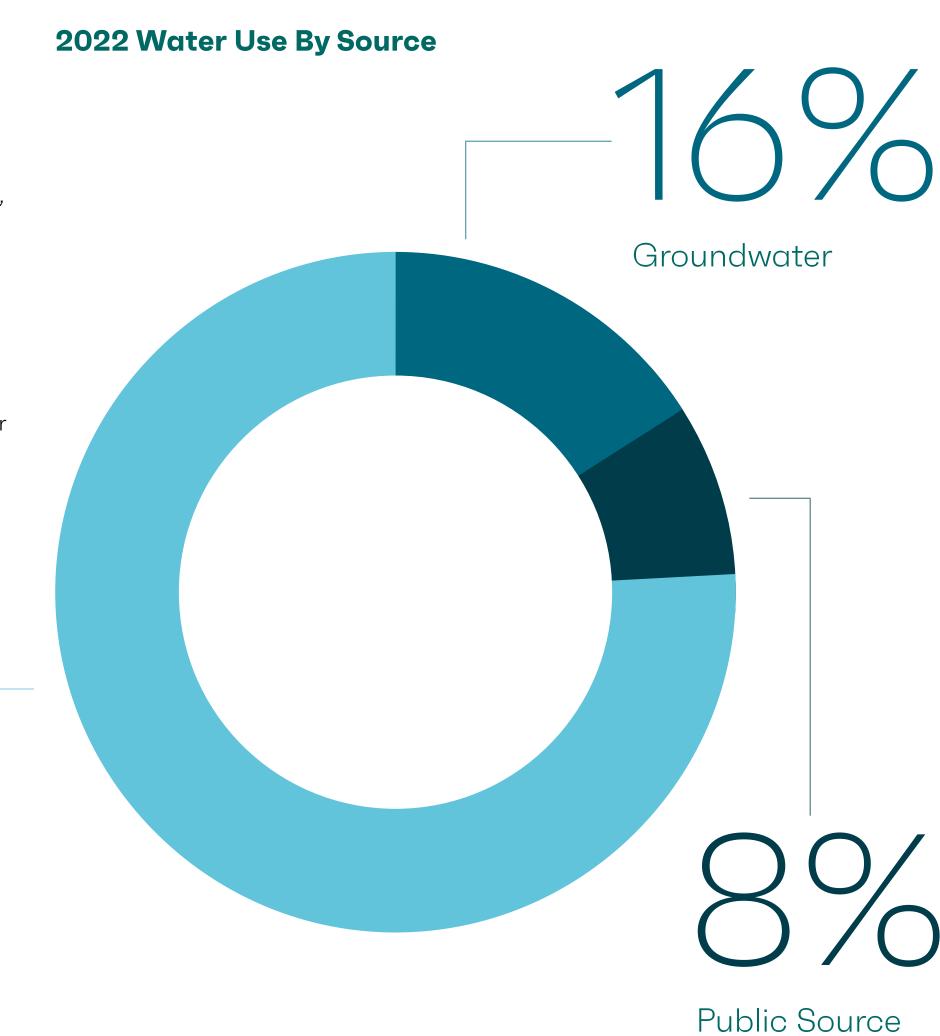
Index

# Advancing water stewardship

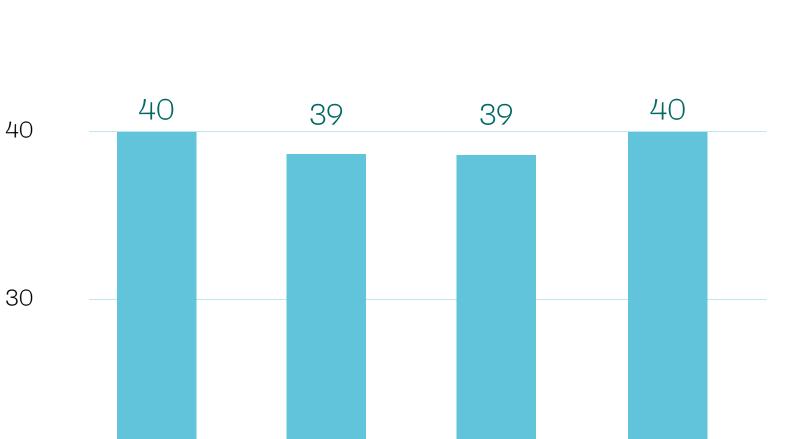
Water is essential to nearly every process in our mills—pulping, steam generation, papermaking, box making, and more. As such, we can play a key role in conserving and protecting local water resources.

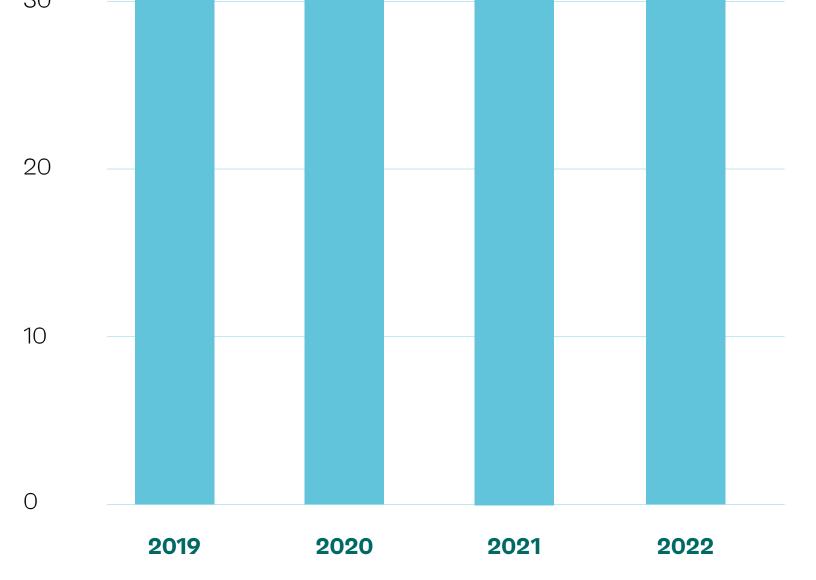
We have analyzed water use and risk at each of our facilities to reduce the amount of water we withdraw, maintain regulatory compliance and improve the long-term sustainability of the water resources we share.

Surface



#### Water use Intensity: (m³/metric ton)





<sup>\*</sup>Measured as cubic meters of process water intake per ton of paper and pulp produced.

### A cleaner river

We're proud to be the first ever private-sector participant in the Savannah River Clean Water Fund, which uses a multi-stakeholder forest conservation model to improve water quality for a river that provides drinking water for over a half-million people, and is used by many businesses and industries, in South Carolina and Georgia. The water quality of the river and the working lands helps to support the local economy, maintain and create jobs including those in forestry and agriculture, provide recreational opportunities, and beneficial wildlife habitat. Approximately 78% of the Basin is currently forested.

We support forest conservation through:

- Improved Forest Management
- Land Protection
- Science and Research

The Nature Conservancy (TNC), along with IP and a diverse set of partners, leverage public and private dollars to facilitate land production and better forest management to benefit water quality.

The fund's latest project, a conservation easement in South Carolina covering 1,200 acres along 2.6 miles of tributaries that flow directly into the Savannah River, is currently underway.



#### Reducing water use

We've addressed water consumption in our operations by:

- Conducting comprehensive water risk assessments in our facilities; our in-house method combines relevant internal and third-party data, including the World Resources Institute's (WRI) Aqueduct Baseline Water Stress indicator
- Rebooted an internal Water Wise campaign throughout our operations to reduce water with more robust facility level data and governance

#### **Watershed protection**

All water issues are local. And every watershed has unique characteristics, threats and opportunities. In each watershed where we operate, we assess its characteristics to address the most important water issues for local communities, other water users and the environment.

We also partner with the World Resources Institute, through its Aqueduct Alliance program, to stay connected to the latest research, tools and best practices across industries.

80%

of water used in our mill manufacturing in 2022 was treated after use and returned to the environment.



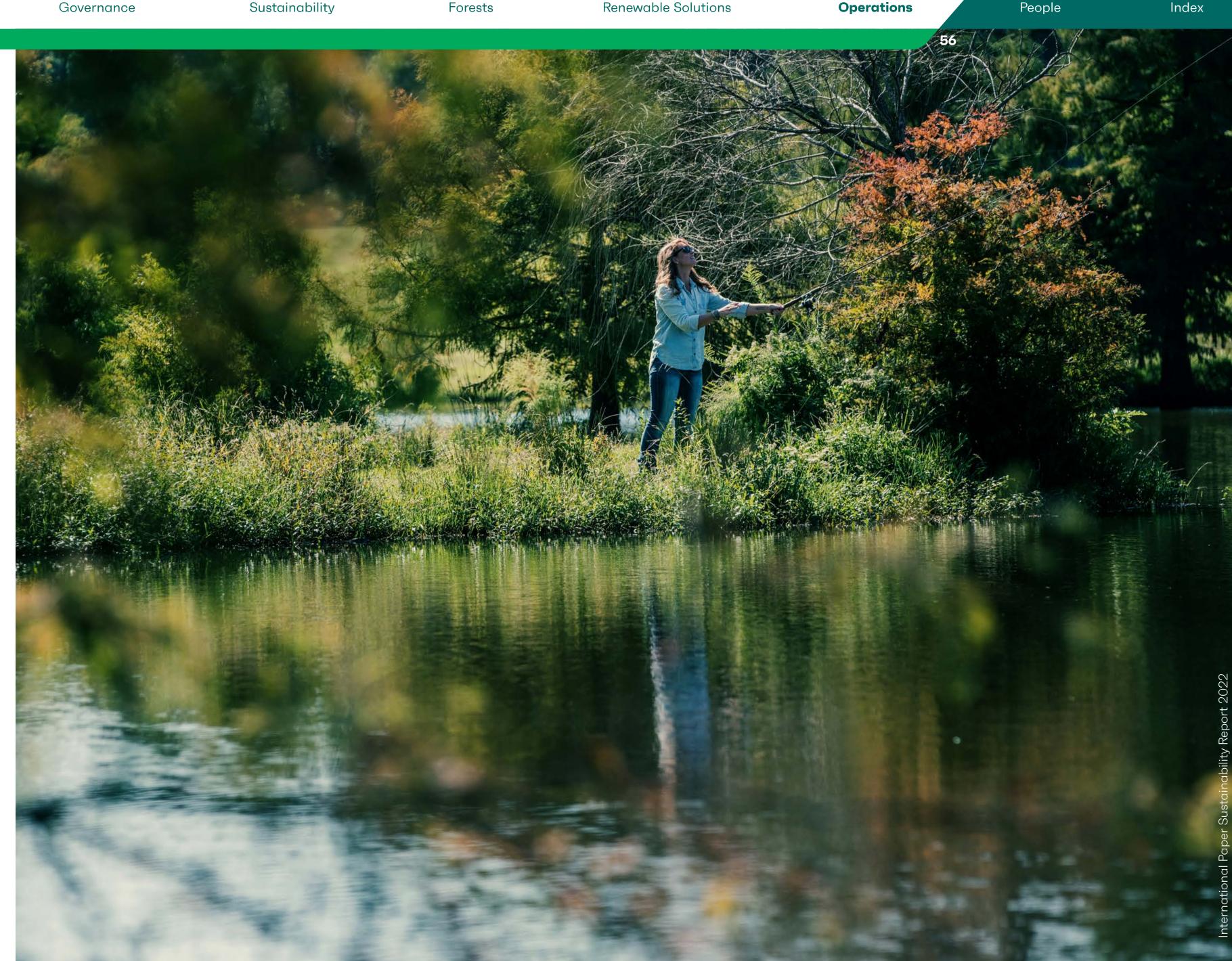
#### Advancing water stewardship

#### Looking ahead

Water stewardship remains a critical focus of our sustainability efforts, and we will continue to implement our Water Wise campaign to implement reductions and raise awareness about the importance of water conservation and responsible use. We will also strive to improve monitoring and reporting of water use, which will allow us to better understand our water footprint and identify areas for improvement.

As part of our commitment to context-based water management, we will develop and implement water management plans that consider the unique environmental, social and economic context of each of our operations. This will help us better manage water resources, minimize our impact on local communities and ensure the long-term sustainability of our operations.

In addition, we will continue to improve our water risk assessment process to identify and address potential water-related risks, such as scarcity or pollution, and develop appropriate mitigation strategies. By taking these steps, we are confident that we can achieve our water stewardship goals and contribute to a more sustainable future.



**People** 

Index

# Thriving People and Communities

International Paper employees are the heart of our business and the foundation of our success. So we steadfastly foster a safe, inclusive and collaborative culture in which we all can thrive. Beyond our workplace, we're helping build a better world by strengthening the resilience of our communities—so that they, too, can prosper.



Forests

Index

#### Goal:

Promote employee well-being by providing safe, caring and inclusive workplaces

#### Target:

## Achieve zero work injuries for employees and contractors

Safety is non-negotiable. Continue to focus on building a resilient safety culture through programs such as LIFE (Life-changing Injury and Fatality Elimination), a key component of our commitment to minimize injuries in our workplace.

# 30%

#### **Target:**

Achieve 30% overall representation of women and 50% representation of women in salaried positions, and 30% minority representation in U.S. salaried positions.

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

#### **2022 Impact:**

We've had major movement in our journey to build a resilient safety culture focused on human organizational performance. The introduction of new International Paper Safety Leadership training includes real examples of past incidents in our facilities and a variety of tools to guide our safety leaders. We've also made a deliberate effort to increase the number of learning events throughout our facilities and implemented a new system to share these learnings to all leaders within the company.

#### **2022 Status:**

- Overall women: 17.9%
- Salaried women: 34.5%
- U.S. salaried minority representation: 24.2%

Index

## Our Vision 2030 progress

#### Goal:

Strengthen the resilience of our communities

Introduction

1001

#### **Target:**

Improve the lives of 100 million people in our communities

#### **2022 Impact:**

- \$19.8 million dollars in global giving
- \$2.9 million employee giving and company match
- 10.3 million lives impacted
- **►** 12,126 volunteer hours
- 778,860 corrugated boxes, bags and absorbent pulp products donated



Index

## Our Approach

Our approach to fostering healthy people and communities covers internal imperatives—employee well-being; diversity and inclusion; and recruitment, development and retention—as well investing in the communities in which we live and work.

# Promote employee well-being and safety

Sustainability

The health and safety of our people is our highest responsibility. We're committed to achieving zero serious injuries for employees and contractors. We look out for each other to ensure everyone returns home safely every day.

At International Paper, we believe that every employee is a safety leader. So each of us must:

- Maintain an active safety mindset
- Anticipate and recognize hazards
- Have the courage to intervene
- Contribute to a learning culture to sustainably mitigate risk
- We are all accountable for creating a safe workplace

On an enterprise level, our Life-changing Injury and Fatality Elimination (LIFE) program fosters a learning culture to advance an injury-free workplace. By focusing on five key areas of workplace risk, our goal is to eliminate serious injuries and achieve zero instances of injury.

We also continue to promote programs that focus on leading indicators, layers of protection and safe work observations. Our quarterly Global Operations Report, for example, relates safety leading indicators to all employees. With this data, our senior lead team can measure the effectiveness of our health and safety initiatives and allocate resources to areas that need improvement.

Our emphasis on employee safety extends to healthfulness. Reinforcing measures instituted in 2020, we expanded our COVID-19 response program to include mental healthcare, and we extended our tele-medicine benefit to include tele-counseling.

# LIFE: Focused on five areas of workplace risk

Slips, trips and falls

Machine safeguarding

Harmful substance exposure

Motorized
equipment accidents

**Driver safety** 

Diversity and Inclusion are critical components of our sustainability strategy. We believe that a diverse and inclusive workforce strengthens our organization, creates long-term value and fosters collaboration—which in turn drives our company's success. So we work to build and sustain a work environment that embraces individuality and teamwork equally, to produce exceptional results.

A comprehensive diversity and inclusion strategy drives employee development, ensures diverse talent pools, improves retention and increases engagement. Paired with our training programs and employee benefits, we aim to create a culture where all individuals are valued as contributors to our success. We strive for diversity everywhere we operate, and we continually seek to strengthen our commitment.

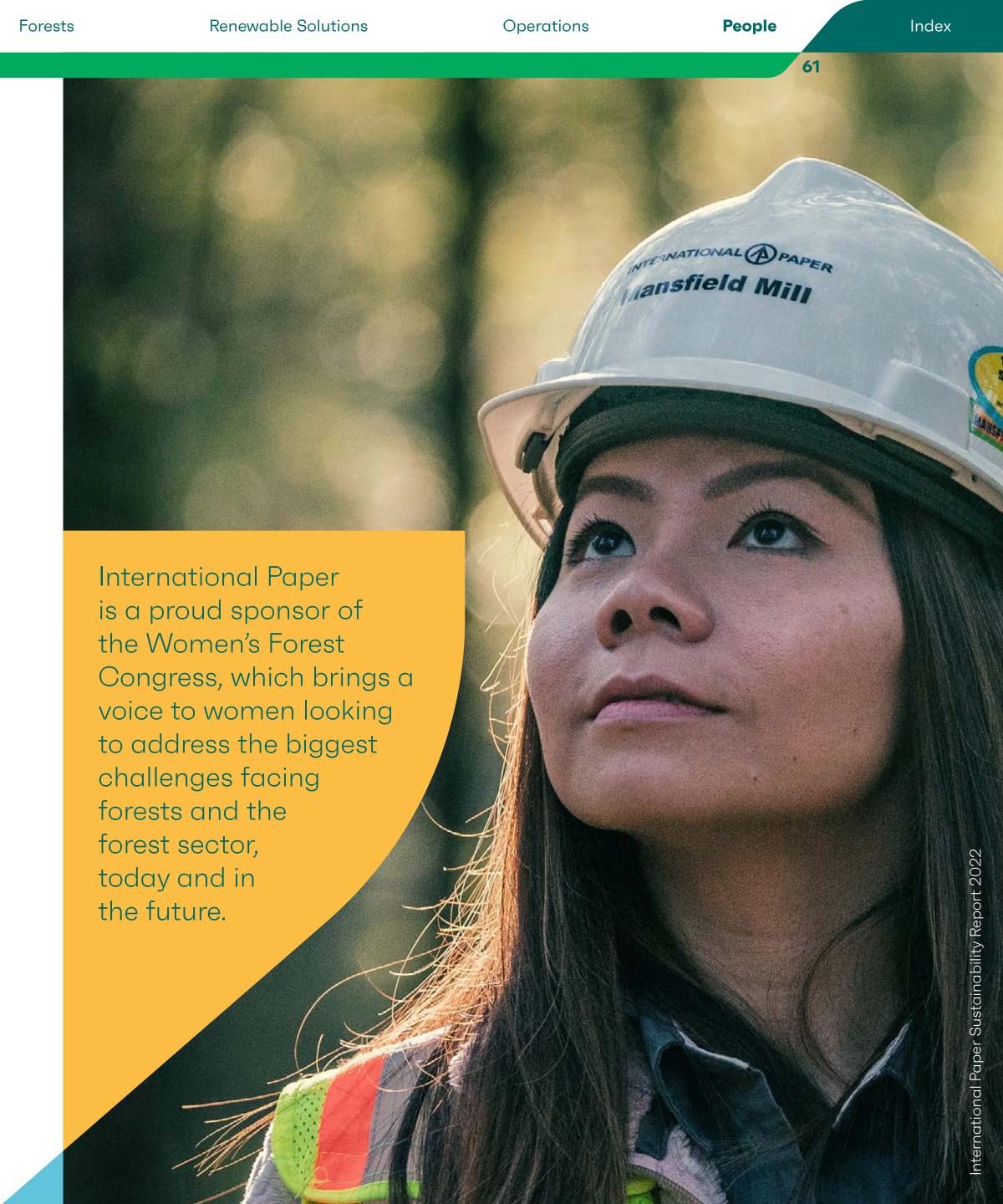
Beyond our walls, our commitment to diversity extends to our supplier network—enabling us to tap new perspectives, unique talents and innovative solutions to meet the growing and varied needs of our global customer base.

#### **Cultivating empathy**

The company's Global Diversity & Inclusion
Council leads our global efforts to build
and sustain a workplace that embraces
individuality and collaboration to drive
exceptional results. To guide our efforts, our
diversity and inclusion framework — Workforce,
Workplace, Marketplace — encourages
diversity within our company's culture,
employees' careers and the communities
where our team members live and work.

Our employees are ever aware of the importance of multiple viewpoints from people with different perspectives and backgrounds. In 2022, we introduced The D&I Quarterly, a communications tool that shares important information and thought-provoking discussion topics.

We also celebrated Global D&I Awareness Month for the first time and held a multi-cultural mixer celebrating the uniqueness of our employee population.



Sustainability

Forests

Index

#### Diversity and inclusion

#### **Ensuring a diverse workforce**

With an ongoing focus on hiring diverse talent through college and military veteran recruiting, we implement team member training and development programs to prepare the right candidates for key positions.

In 2022, we magnified our efforts to improve overall diversity across the organization. The most notable evidence of this initiative is that today we pride ourselves on having the most diverse demographic mix of company vice presidents in IP's history.

International Paper is a global company, so our understanding of diversity is impacted by specific workforce demographics in each location, because cultures, languages, regions, etc., influence the makeup of workforces across the globe.

Governance

We realize that diversity means something different in every geography where we operate. For example, in the U.S., we're striving for greater representation; in the Europe/Middle East/Africa (EMEA) region, our focus is on people with disabilities and generational diversity.

39%

For the graduating class of 2022, we've increased the representation of women engineers in our REACH (Recruit, Engage, Align College Hires) program by 39% year over year.

# The International Paper Diversity Talent Acquisition Framework...

...establishes baseline metrics and reporting measures to help achieve our Vision 2030 goals of at least: Goal:

30%

overall representation of women

Goal:

50%

representation of women in salaried positions

Goal:

30%

minority representation in U.S. salaried positions

#### Diversity and inclusion

#### Increasing engagement

We're advancing our efforts to create a trusting and open work environment, in which team members can express their ideas without fear of negative consequences. To that end, we initiated team-driven workplace flexibility plans that meet the needs of our employees.

In 2022, we established regional diversity targets to meet local circumstances in each of our operations, while aligning with our company vision. As an example, we expanded our Employee Networking Circles, cohort-specific employee groups, governed by our Global Diversity & Inclusion Council, that further inclusion and engagement and influence retention, to include regional facilities and locations. The Global D&I Council leads strategy and overall direction for these councils and ENCs.

## Councils and Employee Networking Circles (ENCs)

#### Global enterprise

BEN — Black Employee Network

IPride — LGBTQ+ & Allies

IPVets — Veterans

Women in International Paper — Women

#### **Department and business**

Global D&I Council

GCF D&I Council

Global Sourcing D&I Council

IT Inclusion Council

#### Local

Gender Balance (EMEA)

Generations At Work (EMEA)

Georgetown Women

IPWISE (International Paper Women in Science and Engineering) in Federal Way

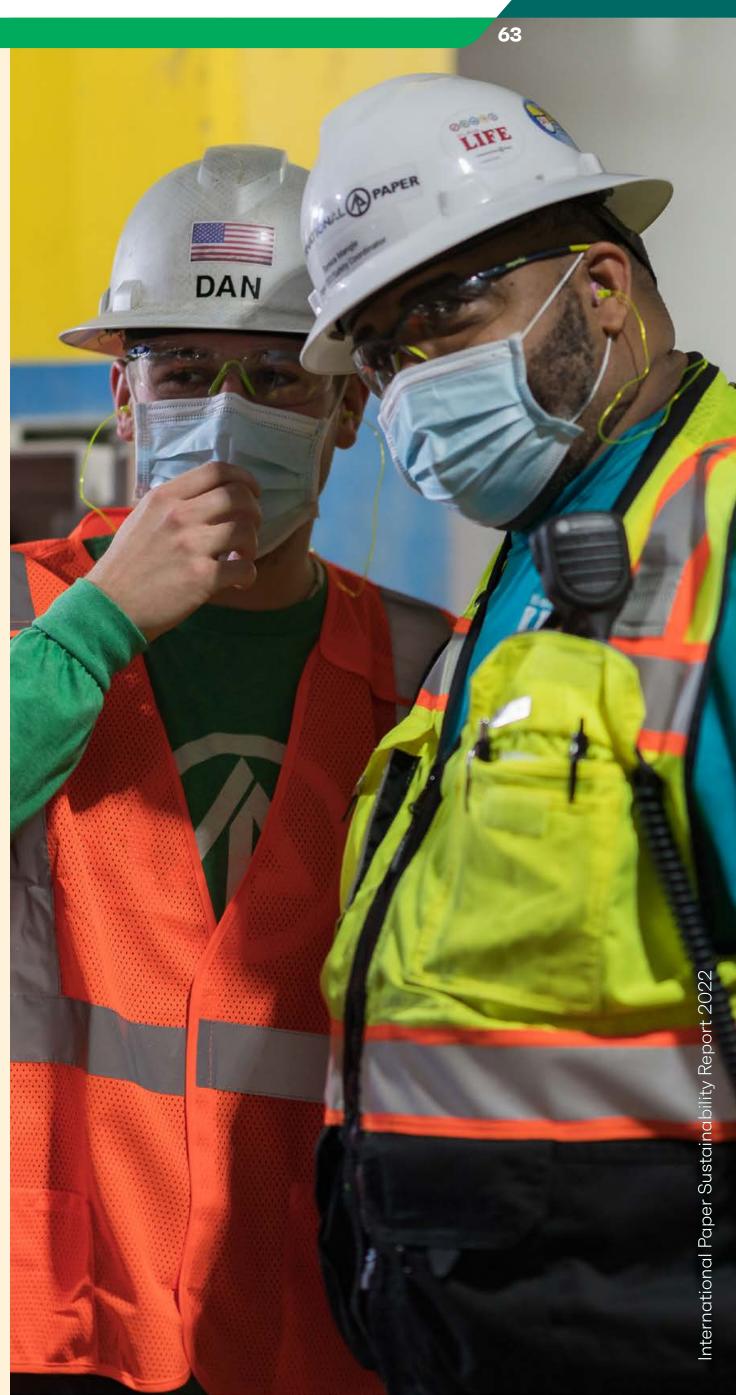
LatAm Women in IP

NAC Northern Illinois Women

Orange Mill Diversity

People With Disabilities (EMEA)

Savannah Mill's Supporting Women in the Mill (SWIM)



Index

#### Operations **People**

Index

## Recruitment, development and retention

Since our people are our greatest competitive advantage, it makes good business sense to attract and retain the most high-caliber talent, to provide that talent with competitive compensation and generous benefits, and to develop their skills with training, educational benefits and advancement opportunities.

Especially in the current tight labor market, marketplace competitiveness requires keeping the workforce pipeline filled with top performers, developing their skills for 21st century demands, and keeping them engaged and satisfied.

#### **Attracting superior talent**

Emphasizing external recruiting in all facets of our business—manufacturing, supply chain, finance, etc.—we enhanced our internal processes and maximized our recruiting expertise to better attract and hire talent.

Throughout 2022, our revamped, mobile-friendly <u>careers website</u> and simple application process continued to drive increased application completion rates, resulting in more than 240,000 applicants, nearly doubling the number from 2021.

In 2022, our focus on recruiting enabled us to fill 10,000 hourly vacancies and 1,200 salaried vacancies — all in a highly competitive labor market that was more challenging than in previous years, even pre-pandemic.

#### **Academic recruiting**

International Paper recruits co-op students, interns and recent graduates from more than 45 schools, with a focus on 11 core universities, as well as technical schools across the U.S.

In 2022, our college recruiting efforts resulted in 123 full-time hires, of which 73 were from our internships and co-op programs that provided 226 students. These students have applied their academic learnings to our businesses in engineering, global supply chain, information technology and other disciplines.



Renewable Solutions

Forests

Home

Index



# Recruitment, development and retention

#### **Developing employees**

International Paper's people strengthen our success. We're committed to helping every employee reach their full potential through a range of training, education and leadership development programs.

To help employees prepare for long-term success, we offer a series of capability-specific training initiatives, including:

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

#### **Building leadership skills**

In 2022, with an eye on succession planning, we relaunched our global training programs to develop new leaders across the company. Our International Paper LEAD program equips new and experienced first- and second-level leaders with the skills to build an engaged team, develop employees' skills and enable an inclusive culture.

Another program, our Leadership Institute, encompasses multi-day immersive experiential workshops that build management skills and leadership capacity through skills development, assessment, feedback and coaching. In 2022, we added to the Institute's course offering with a multitude of new online courses.

In addition, our diversity-focused leadership development programs have proven to be highly effective. Among them: our EMEA Women's Mentoring Program and SAIL (Shaping Allies and Inclusion Leaders).



#### **Spotlight:**

#### The MyLearning Platform

IP's MyLearning platform offers employees on-demand online courses, from new-hire orientation and onboarding to essential skills that improve the way employees think and work together. Last year, 3,245 new e-courses were

created and 3.4 million courses were completed by employees, including learning activities to develop technical skills and essential leadership and interpersonal skills.

# Recruitment, development and retention

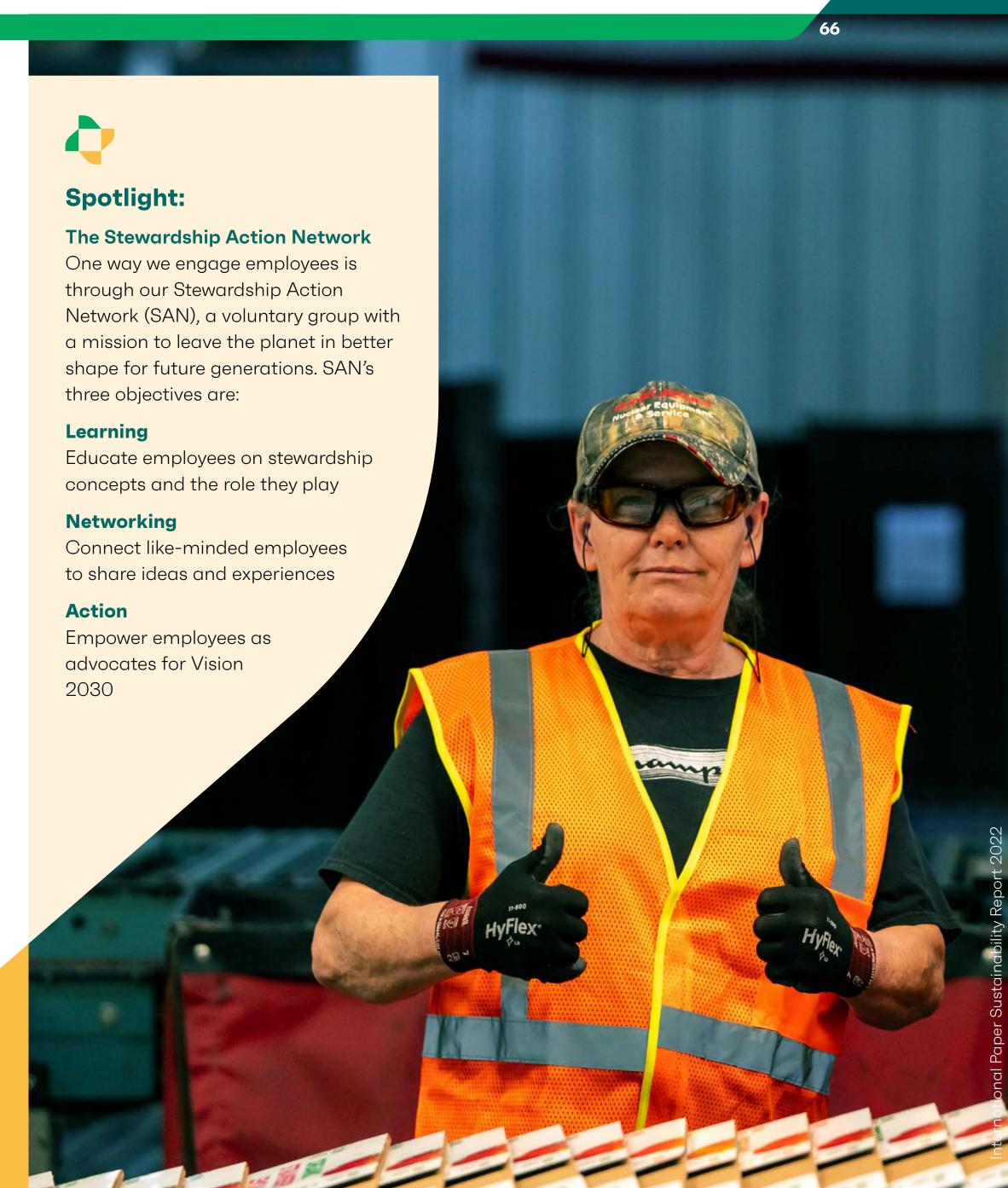
#### **Retaining talent**

Over the past few years, keeping talented employees has been a challenge for all companies. So we've doubled down on our retention efforts, providing not only competitive compensation and benefit offerings, but also continual engagement.

Our highly competitive compensation and benefits package is designed to attract, engage and retain a skilled workforce by rewarding superior performance. As part of our continual evaluation and enrichment of these programs, in 2022 we added benefits for part-time employees and we extended the company's annual incentive plan available to entry-level employees.

A key component of retention is employee engagement. We believe that everyone—employees, managers and senior leaders—plays a role in creating a culture that values mutual respect, active listening, open communication and contributions from all. We engage employees by:

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



Index

# Community investment

We mobilize our people, products and resources to address critical needs in the communities where our employees live and work.

Introduction

Our Vision 2030 target challenges us to improve the lives of 100 million people by decade's end through initiatives that address unmet basic needs. To deliver on that promise, we engage our employees and partners across four signature areas: education, hunger, health & wellness and disaster relief.

Through a combination of locally driven support, grant funding and national and global collaborations, we work together to address basic needs, provide access and fill gaps that enable people to build stronger, more resilient communities.

To track, measure and analyze our impact, we team with our nonprofit partners to employ standardized metrics and reporting that quantify the number of lives improved through our volunteers and contributions.

\$201//

In 2022, International Paper contributed nearly \$20 million worldwide to support charitable organizations aligned with our signature causes, positively impacting more than 10 million people.

12,000

In 2022, International Paper employees generously supported our communities through more than 12,000 volunteer hours across 23 U.S. states and nine countries. We're proud of our volunteers' contributions, including those of hourly employees.



## Our signature causes: How we're making a difference

#### **Education:**

We focus on literacy from birth through third grade because reading skills form the foundation of all childhood learning.

#### **Health and Wellness:**

We engage our employees and work with agencies to promote healthy living habits and achieve measurable improvements in health and wellness.

#### **Hunger:**

We partner with food banks and other agencies to address hunger and food security for children, families and seniors.

#### **Disaster Relief:**

We partner with agencies to help communities prepare for and recover from natural disasters, and we use our Employee Relief Fund to support our affected colleagues.



#### **Spotlight:**

#### Fighting global hunger

Through our long-standing partnership with Feeding America, in 2022 we contributed \$630,000 to food banks and pantries in 200 U.S. communities. We donated 250,000 boxes to support Feeding America's event held in conjunction with the White House Conference on Hunger, Nutrition and Health. We also continued to support The Global FoodBanking Network through a 4-year, \$1 million commitment that supports 175 food banks around the world.

#### Helping the helpers

**In Indiana**, employees with our Indianapolis Urban Cluster volunteered with Gleaners Food Bank to assemble and fill 600 Family Meal Boxes which is equivalent to 12,500 meals.

In Virginia, our Wreaths Across America mission remembers fallen U.S. veterans by providing in-kind donations of customized shipping boxes, as well as funding and transportation for more than 2 million wreaths to Arlington National Cemetery.

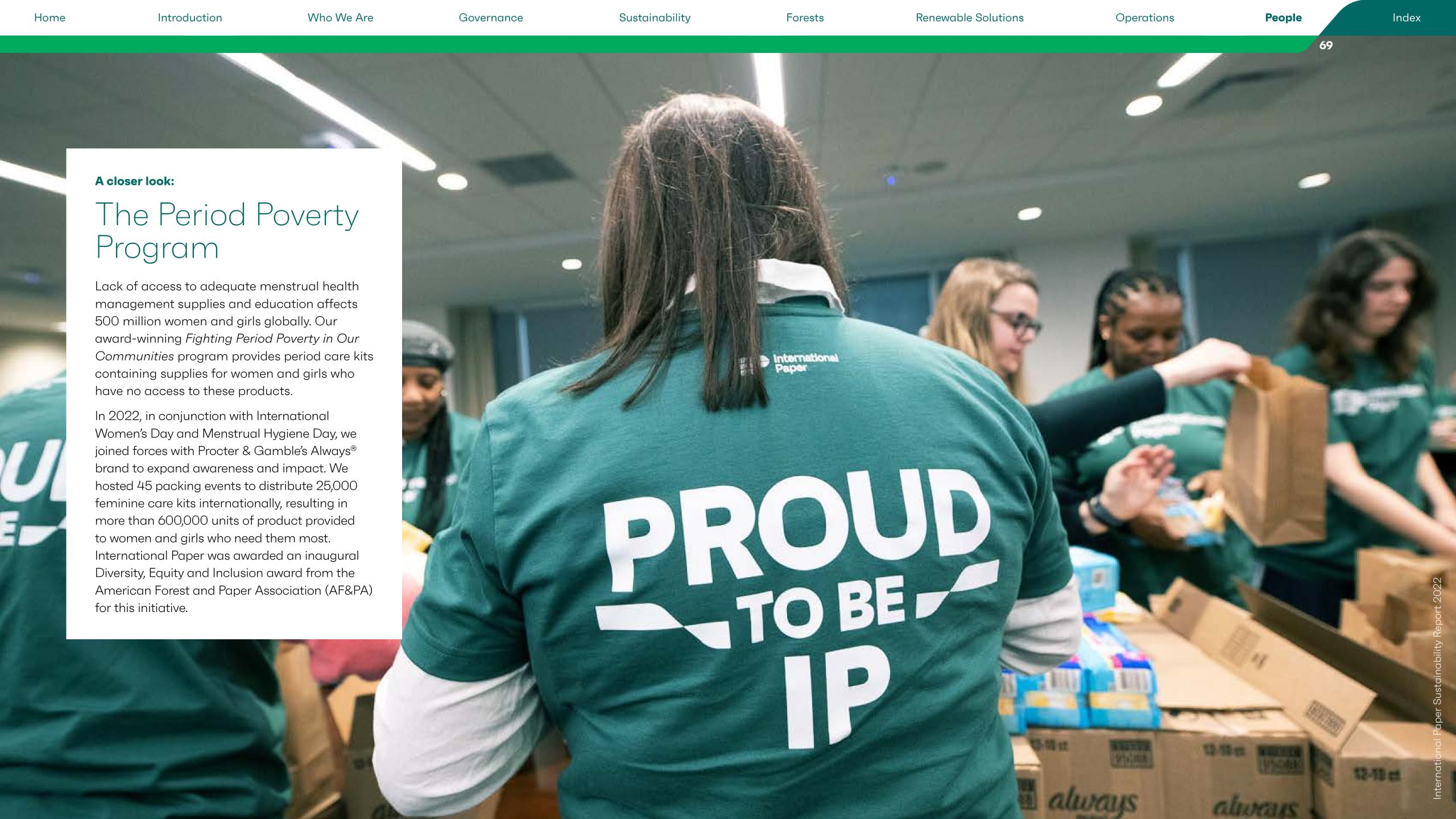
In Chile, we provided Fundación Ave Fénix, a local organization in Graneros focused on access for people with disabilities, with a sensory playground, and partner with The Global FoodBanking Network to distribute 1,500 metric tons of produce to over 1,700 community organizations serving nearly 350,000 people.

In Canada, our Grand Prairie, Alberta mill helped Women in Scholarship, Engineering, Science and Technology (WISEST) place 47 11th grade young women and genderdiverse individuals in Science, Engineering and Technology labs at the University of Alberta and the Northern Alberta Institute for Technology (NAIT).

\$31//

In 2022, our employee giving and company matching gift programs generated nearly \$3 million to help people in need throughout our communities.





70



# Global Reporting Initiative (GRI) Index

International Paper has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards

GRI Disclosure	Description	Responses		
The organization and its reporting practices				
	Organizational details	International Paper		
2-1		International Paper Company is a New York corporation. Certain operations are conducted by joint ventures that we cannot operate solely for our benefit. International Paper is publicly traded under the ticker symbol IP.		
		Global Headquarters 6400 Poplar Ave Memphis, TN 38197		
		2022 Sustainability Report, "Who We Are" pg. 7		
		2022 10-K " <u>Business</u> " pg. 5		
		Countries of operation: 2022 Annual Report, "General" pg. 21; "2022 Listing of Facilities" pg. 123		
2-2	Entities included in the organization's sustainability reporting	2022 10-K, " <u>Properties</u> " pg. 25		
2-3	Reporting period, frequency and contact point	We report on an annual basis. All data are reported as of Dec. 31, 2022, unless otherwise stated.		
2-4	Restatements of information	This year we have reported the emissions related to power sales (RECs) separately. These emissions constitute part of our Scope 2 market-based emissions which form the basis for our Vision 2030 GHG target. In addition, as a result of our ongoing efforts to improve our data collection and verification process for greenhouse gas emissions, there was an update in our Scope 1 and Scope 3 emissions for 2019 that reflects the most accurate, up-to-date data from our facilities.		
2-5	External assurance	We do not provide external assurance.		

Index

GRI Disclosure	Description	Responses			
Activities and Workers					
2-6	Activities, value chain and other business relationships	Sector, activities, products and services:  2022 Sustainability Report, "Who We Are" pg. 7  Products  2022 10-K, "Business" pg. 1  Markets served:  North America  Europe, Middle East and Africa  South America  Asia  Scale of organization:  2022 Annual Report, "IP at a Glance" pg. 3	Supply chain:  2022 Sustainability Report, "Responsible Sourcing" pg. 15  Suppliers — What We Procure  Ethics and Compliance  Supplier Diversity  Significant changes:  2022 Annual Report, "CEO Letter" pg. 2  2022 10-K, "Note 7 Acquisitions" pg. 62 and "Note 8 Divestitures and Impairments of Businesses" pg. 62		
2-7	Employees	2022 Sustainability Report, " <u>Diversity and Inclusion</u> " pg. 61 2022 10-K, " <u>Human Capital</u> " pg. 2			

Sustainability

Renewable Solutions

Index

GRI Disclosure	Description	Responses	
Governance			
2-9	Governance structure and composition	2022 Sustainability Report, "Sustainability Oversight" pg. 17  Governance Documents  2023 Proxy Statement, "Corporate Governance" pg. 22	
2-10	Nomination and selection of the highest governance body	2023 Proxy Statement, " <u>Election of 11 Directors</u> " pg. 12	
2-11	Chair of the highest governance body	Mark Sutton, Chairman of the Board of Directors and CEO	
2-12	Role of the highest governance body in overseeing the management of impacts	2022 Sustainability Report, "Responsible Governance" pg. 14 2022 Sustainability Report, "Stakeholder Engagement" pg. 15 2022 Sustainability Report, "Sustainability Oversight" pg. 17 2022 Sustainability Report, "Sustainability Oversight" pg. 17 2022 Sustainability Report, "Forsite <sup>TM</sup> Mapping and Monitoring" pg. 25 2022 Sustainability Report, "Sustainable Operations" pg. 46 2022 Sustainability Report, "Promote employee well-being and safety" pg. 60 2023 Proxy Statement, "Corporate Governance" pg. 30 2022 10-K, "Risk Factors" pg. 9 2022 TOFD Report, "Governance" pg. 1; "Strategy" pg. 3	
2-13	Delegation of responsibility for managing impacts	2022 Sustainability Report, "Responsible Governance" pg. 14 2022 Sustainability Report, "Sustainability Oversight" pg. 17 2023 Proxy Statement, "How We Build the Right Board for Our Company" pg. 13; "Corporate Governance" pg. 22	

Sustainability

Index

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GRI Disclosure	Description	Responses
Governance (con	tinued)	
2-14	Role of the highest governance body in sustainability reporting	Our Disclosure Committee reviews and gives input on IP's sustainability reporting each year. Significant changes to reporting practices are vetted through our corporate councils and steering teams.  2022 TCFD Report, "Governance" pg. 1; "Risk Management" pg. 8
2-15	Conflicts of interest	Code of Conduct, "Conflicts of Interest" pg. 20 Related Person Transactions Policy and Procedures
2-16	Communication of critical concerns	Code of Conduct  Ethics and Compliance  Ethics IP  2023 Proxy Statement, "Commitment to Sound Corporate Governance and Ethical Conduct" pg. 31
2-17	Collective knowledge of the highest governance body	2023 Proxy Statement, " <u>Diversity of our Directors</u> " and " <u>Our Nominees</u> " pg. 18 2022 TCFD Report, " <u>Governance</u> " pg. 1
2-18	Evaluation of the performance of the highest governance body	2023 Proxy Statement, " <u>Annual Board, Committee and Individual Director Self-Assessment</u> " pg. 23 <u>Governance</u>
2-19	Remuneration policies	2023 Proxy Statement, Compensation Discussion & Analysis (CD&A) pg. 47
2-20	Process to determine remuneration	2023 Proxy Statement, Compensation Discussion & Analysis (CD&A) pg. 47
2-21	Annual total compensation ratio	2023 Proxy Statement, Executive Compensation pg. 76

Introduction

GRI Disclosure	Description	Responses
Strategy, Policies	and Practices	
2-22	Statement on sustainable development strategy	2022 Sustainability Report, " <u>From our CEO</u> " pg. 4 2022 Sustainability Report, " <u>A Conversation with our CSO</u> " pg. 5
2-23	Policy commitments	2022 Sustainability Report, "Responsible Sourcing" pg. 15 2022 Sustainability Report, "Sustainability Oversight" pg. 17 2022 Sustainability Report, "Climate Risk Management" pg. 18 2022 Sustainability Report, "Vision 2030 Goals and Targets" pg. 19 2022 Sustainability Report, "Responsible Fiber Procurement" pg. 24
2-24	Embedding policy commitments	2022 Sustainability Report, "Responsible Sourcing" pg. 15 2022 Sustainability Report, "Stakeholder Engagement" pg. 15 2022 Sustainability Report, "Ethios and Integrity" pg. 15 2022 Sustainability Report, "Sustainability Oversight" pg. 17 2022 Sustainability Report, "Climate Risk Management" pg. 18 2022 Sustainability Report, "Vision 2030 Goals and Targets" pg. 19 2022 Sustainability Report, "Responsible Fiber Procurement" pg. 24
2-26	Mechanisms for seeking advice and raising concerns	Code of Conduct  Ethics and Compliance  Ethics IP  2023 Proxy Statement, "Commitment to Sound Corporate Governance and Ethical Conduct" pg. 27

Introduction

Index

GRI Disclosure	Description	Responses					
Strategy, Policies	and Practices (continued)						
2-27	Compliance with laws and regulations	Remediation costs are recorded in the consolidated financial statements when they become probable and reasonably estimable. International Paper has estimated the probable liability associated with these environmental remediation matters, including those described herein, to be approximately \$243 mil (\$251 million undiscounted) in the aggregate as of December 31, 2022.					
		Organization	Participation at the Governance Level	•	Organization	Participation at the Governance Level	•
		American Forest and Paper Association	X	X	National Association of Manufacturers	X	X
	Membership associations	BlueGreen Alliance	V	X	National Council for Air and Stream Improvement	X	X
		Business Roundtable  Occate a few Declare & Advelt III verience Decade at a	X	X	National Industrial Transportation League	X	X
		Center for Baby & Adult Hygiene Products  Occupations of European Products		X	ORCHSE Strategies, LLC		X
		Confederation of European Paper Industries	<u>X</u>	X	Paper and Packaging Board	X	X
		Corporate Eco Forum			Pulp and Paper Safety Association		X
		Ellen MacArthur Foundation  EDANA Narrayana Association		X	Sustainable Forestry Initiative®	X	X
2-28		EDANA, Nonwovens Association		X	Sustainable Packaging Coalition (SPC)		X
		Fibre Box Association  Forest Passurage Association	X	X ×	Technical Association of the Pulp & Paper		X
		Forest Stawardship Council®	X	X	Industry Inc. Two Sides Two Sides North America		X
		Forest Stewardship Council®  INDA, Association of the Nonwoven	^	^	Two Sides, Two Sides North America  LLS Ching Business Council (USCBC)	^	X X
		Fabrics Industry		X	U.SChina Business Council (USCBC)  U.SPoland Business Council (USPBC)	<b>V</b>	X
		Institute of Scrap Recycling Industries (ISRI)	X	Χ	Women's Business Enterprise	^	X
		International Conservation Caucus Foundation	X	Χ	National Council World Business Council for Sustainable	Χ	X
		International Molded Fibers		X	<u>Development</u> World Environment Center		X
		Associations (IMFA) International Safe Transit Association (ISTA)	<u>X</u>	X	v vona Environment Centel		

77

# Responses

2022 Sustainability Report, "A Conversation with our CSO" pg. 5

2022 Sustainability Report, "Responsible Governance" pg. 14

2022 Sustainability Report, "Stakeholder Engagement" pg. 15

2022 Sustainability Report, "GRI 2-29" pg. 77

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

- Valuable partner for customers and suppliers.
- Sound investment for shareholders.

- Beneficial employer for our employees.
- Good neighbor for the communities where we live and work. One such stakeholder engagement method is to conduct wide-ranging dialogues, which allows us to:
  - Identify potential solutions to stakeholder issues.
  - Work constructively and communicate openly to address any concerns.
  - Articulate our position on key issues.
- Explain the inherent value of fiber-based products.
- Work with each stakeholder group to define or improve standards and voluntary commitments.
- Support mutual learning.
- Develop an appreciation of the significance and complexity of stakeholder issues.

# **Engagement Method by Stakeholder:**

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

#### **COMMUNITIES**

#### **Importance**

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

#### How We Engage

- Economic and charitable relationships
- Employee-led fundraising
- Plant tours
- Community Advisory Councils

- Volunteerism
- Media
- Product donations

#### Key Topics

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

# Our Response

 Mobilizing our people, products and resources to address critical needs in the communities where our employees live and work

- Ensuring that our Community Advisory Councils meet regularly and maintain open dialogue about community concerns and opportunities for collaboration and improvement
- Proactively engaging with community stakeholders to address water-related issues within the watershed
- Reducing our air emissions by:
  - Implementing efficient manufacturing technologies
  - Investing in energy efficiency improvements
- Fuel switching
- Operating our mills with approximately 70% energy from carbon-neutral biomass residuals rather than fossil fuels

Employee well-being and capabilities influence

How We Engage

Safety programs

Employee training

Safety Leadership Training

Employee Networking Circles (ENCs)

our operational performance and value creation

Responses

**GRI Disclosure** 

**Description** 

Index

People

employees to develop and succeed

based on employee feedback

Measuring employee engagement through

surveys, and creating team improvement plans

Conducting diversity and inclusion training and

fostering employee networking circles (ENCs)

Employee development

Employee engagement

Looking out for our people each day to ensure

everyone returns home safely

Safety

Ethics

Stewardship

Our Response

Index

GRI Disclosure	Description	Responses				
Stakeholder Engagement (continued)						
		GOVERNMENTS	Key Topics	Our Response		
2-29	Approach to stakeholder	<ul> <li>Public policy and regulations created at national, regional and local levels impact our business, forests and communities</li> <li>How We Engage</li> <li>Legislative meetings</li> <li>Trade associations meetings</li> <li>Formal hearings</li> <li>Policy-based organizations collaboration</li> <li>One-on-one meetings</li> <li>Facility visits</li> </ul>	<ul> <li>Health and safety</li> <li>Climate policy</li> <li>Sustainable manufacturing</li> <li>Supply chain resilience</li> <li>Combatting illegal logging</li> <li>Economic and environmental benefits of sustainable forestry</li> <li>Personal care products</li> <li>Workforce recruitment and retention</li> <li>Product bans</li> <li>Extended producer responsibility</li> <li>Transportation and Infrastructure</li> <li>Corporate tax reform</li> <li>Global trade</li> <li>Paper recycling, recovery and circularity</li> <li>Biomass residuals carbon neutrality</li> </ul>	<ul> <li>Advocating at all levels of government, including policymakers and legislators, to inform and influence legislative and regulatory issues</li> <li>Committing to meet or exceed legal requirements to uphold our high ethical standards and to do the right things, in the right ways, for the right reasons—all of the time</li> <li>Educating policy makers on our commitment to sustainable forestry, third-party fiber certification, reduced emissions, responsible resource management and efficient use of renewable biomass and recycling</li> </ul>		
2-27	engagement (continued)	NON-GOVERNMENTAL ORGANIZATIONS  Importance  Non-Governmental Organizations (NGOs) update us on social and environmental impact issues so that we can work continuously to	How We Engage  External communications InternationalPaper.com Corporate email forms Participation in conferences and forums Public-private partnerships and engagement on	<ul> <li>Hunger (food insecurity)</li> <li>Recycling</li> <li>Sustainable forestry</li> <li>Water stewardship</li> </ul> Our Response		

- improve our performance
- They encourage us to increase transparency and communication of our sustainability performance
- NGOs provide opportunities for us to align our global citizenship strategy with other interested organizations
- NGOs serve as a powerful partner to help accelerate positive sustainability outcomes

- select topics
- Strategic partnerships and consultation on material issues

# Key Topics

- Air + GHG Emissions
- Climate change
- Disaster relief
- Education
- Health and wellness

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

Governance

Sustainability

Index

GRI Disclosure	Description	Responses		
Stakeholder Enga	agement (continued)			
2-29	Approach to stakeholder engagement (continued)	SHAREHOLDERS  Importance  Our investors provide financial, institutional and various other types of support that enable International Paper to continue to thrive as a global business  Accountability to investors requires us to monitor both financial and non-financial performance and issues material to our business  Communicating performance to investors strengthens our reputation  SUPPLIERS  Importance  We view suppliers as an extension of our company and their responsibility and performance as a reflection of our own  We take a partnership approach to maintaining transparency with suppliers to promote responsible best practices throughout our global supply chains	<ul> <li>How We Engage</li> <li>Annual Shareholders Meeting</li> <li>Quarterly earnings conference calls</li> <li>Regular calls and in-person meetings</li> <li>Business strategies</li> <li>Financial returns</li> <li>Financial stewardship</li> <li>Risk mitigation</li> <li>Key Topics</li> <li>Business strategies</li> <li>How We Engage</li> <li>Supplier relationships</li> <li>Supplier ESG assessments</li> <li>Onsite visits and audits</li> <li>Strategic meetings and partnerships Key Topics</li> <li>Environmental impact</li> <li>Governance and ethical practices</li> <li>Labor rights</li> </ul>	<ul> <li>Financial returns</li> <li>Financial stewardship</li> <li>Risk mitigation</li> <li>Our Response</li> <li>Ensuring we are doing our part to address environmental and social issues material to our business</li> <li>Continually driving meaningful business results by setting goals and targets and monitoring the changing landscapes</li> <li>Our Response</li> <li>Outlining our expectations for workplace standards and business practices of our suppliers and others who are within their supply chains with our Third Party Code of Conduct</li> <li>Our approach is driven by three complementary pillars: promoting transparency, mitigating risk and strengthening partnerships</li> </ul>
2-30	Collective bargaining agreements		employees, more than 22,000 were hourly, with union esented by the United Steelworkers Union (USW). Interpovering various mills and converting facilities.	

GRI Disclosure	Description	Responses		
GRI 3: Material Top	oics			
3-1	Process to determine material topics	2022 Sustainability Report, "Responsible Source 2022 Sustainability Report, "Materiality Assess 2022 Sustainability Report, "Climate Risk Man 2022 Sustainability Report, "Responsible Fiber	sment Refresh" pg. 17 sagement" pg. 18	
3-2	List of material topics	2022 Sustainability Report, "Our Sustainability 2022 Sustainability Report, "GRI 3-2" pg. 81  MATERIAL ISSUES:  Healthy & Abundant Forests Forest stewardship Deforestation Sustainable forestry Forestland conservation & restoration Fiber sourcing & certification Biodiversity  Sustainable Operations Climate change and GHG emissions Energy consumption Renewable energy Water stewardship Air emissions Waste management Chemical use	Renewable Solutions Product design for circular economy Product material innovation New product innovation Product stewardship and safety Recovered fiber & fiber efficiency Product end-of-use Responsible marketing  Thriving People & Communities Charitable donations Employee engagement Talent attraction & retention Stakeholder responsiveness and engagement Community engagement Diversity & equal opportunity Indirect economic value Training & development	Compensation Human rights Health & safety Labor relations  Responsible Business Practices Business ethics, bribery and corruption Transparency & disclosure Cyber security Government relations & public policy advocacy Financial performance Responsible sourcing practices Supplier diversity

GRI Disclosure	Description	Responses					
GRI 3: Material Topics (continued)							
3-3	Management of material topics	Information on how IP manages material topics from a general perspective:  2022 Sustainability Report, "A Conversation with our CSO" pg. 5  2022 Sustainability Report, "2022 Sustainability Highlights" pg. 6  2022 Sustainability Report, "Who we are" pg. 7  2022 Sustainability Report, "Stakeholder engagement" pg. 15  2022 Sustainability Report, "Ethics and integrity" pg. 15  2022 Sustainability Report, "Responsible Sourcing" pg. 15  2022 Sustainability Report, "Our Sustainability Strategy: "Vision 2030" pg. 16  2022 Sustainability Report, "Sustainability Oversight" pg. 17  2022 Sustainability Report, "Vision 2030 Goals and Targets" pg. 19  Additional information on how IP manages each category of material topic:  Healthy & Abundant Forests  2022 Sustainability Report, "Climate risk management" pg. 18  2022 Sustainability Report, "Healthy and Abundant Forests" pg. 20	Sustainable Operations 2022 Sustainability Report, "Climate risk management" pg. 18 2022 Sustainability Report, "Sustainable Operations" pg. 46  Renewable Solutions 2022 Sustainability Report, "Climate risk management" pg. 18 2022 Sustainability Report, "Renewable Solutions" pg. 31  Thriving People & Communities 2022 Sustainability Report, "Responsible Sourcing" pg. 15 2022 Sustainability Report, "Sustainability Oversight" pg. 17 2022 Sustainability Report, "Thriving People and Communities" pg. 57  Responsible Business Practices 2022 Sustainability Report, "Responsible Sourcing" pg. 15				

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GRI Disclosure	Description	Responses		
GRI 201: Econom	ic Performance			
Management approach		2022 Annual Report, "CEO Letter" pg. 3		
201-1	Direct economic value generated and distributed	2022 Annual Report, " <u>Our Businesses</u> " pg. 6		
201-2	Financial implications and other risks and opportunities due to climate change  2022 Sustainability Report, "Climate Risk Management" pg. 18 2022 TCFD Report, "Strategy", pg. 3			
GRI 203: Indirect	Economic Impacts			
Management approach		2022 Sustainability Report, "A Conversation with our CSO" pg. 5 2022 Sustainability Report, "Environment, Sustainability, Governance (ESG) focus areas" pg. 17 Signature Causes Our Renewable Future — Addressing Critical Needs in Our Communities		
203-2	Significant indirect economic impacts	2022 Sustainability Report, "Ethics and integrity" pg. 15 2022 Sustainability Report, "Responsible Sourcing" pg. 15 2022 Sustainability Report, "Environment, Sustainability, Governance (ESG) focus areas" pg. 17 2022 Sustainability Report, "Climate risk management" pg. 18 2022 Sustainability Report, "Vision 2030 Goals and Targets" pg. 19 2022 Sustainability Report, "Thriving People & Communities" pg. 57 2022 Sustainability Report, "Diversity and inclusion" pg. 61 Our Renewable Future — Addressing Critical Needs in Our Communities		

Sustainability

GRI Disclosure	Description	Responses
GRI 205: Anti-Co	rruption	
Management approach		Code of Conduct, "Anti-Corruption" pg. 22 International Paper is subject to the U.S. FCPA and anti-corruption regulations of other regions. We honor all applicable laws and treaties wherever we operate, and we expect the same of our business partners.  We conduct risk assessments, which include a focus on corruption, procurement fraud and aspects of business where we directly interact with government officials. Regional risk assessments account for variations in geographic location, specific government interaction and local laws. We have established due diligence processes, internal control procedures and financial safeguards to maintain accurate books and records. In addition, we provide training to our employees on anti-corruption and other related topics.
205-2	Communication and training about anti-corruption policies and procedures	Code of Conduct, "Anti-Corruption" pg. 22  Ethics training is mandatory for all full-time, salaried employees. Job-specific training addresses respective business risks. Training covers topics such as compliance with the U.S. Foreign Corrupt Practices Act (FCPA) and other anti-corruption standards; antitrust and competition law; fair labor practices; conflicts of interest; records management; data privacy and insider trading. We provide ethics and compliance training tailored to the needs of each region. We train all full-time, salaried employees on the International Paper Code of Conduct and compliance policies, with refresher training conducted periodically. Our training process includes:
		<ul> <li>Education of employees through periodic internal messaging.</li> <li>Training conducted on our internal learning management system.</li> <li>In-person trainings conducted by members of the legal department, the ethics and compliance office and occasionally outside legal counsel.</li> <li>Adherence to our Third Party Code of Conduct is required by all suppliers and is built into contractual agreements. We screen potential suppliers for a wide variety of risks, including corruption risks.</li> </ul>

Index

People

GRI Disclosure	Description	Responses
GRI 301: Materia	s	
		2022 Sustainability Report, "Healthy and Abundant Forests" pg. 20
Management		2022 Sustainability Report, "Renewable Solutions" pg. 31
Approach		Global Fiber Procurement Policy
		CDP Forests Response, " <u>F4. Governance</u> "
301-1	Materials used by weight or volume	2022 Sustainability Report, "SASB RT-CP-430a.1" pg. 107
301-2	Recycled inputs materials used	2022 Sustainability Report, "SASB RT-CP-410a.1" pg. 107
GRI 302: Energy		
Management		2022 Sustainability Report, "Sustainable Operations" pg. 46
Approach		2022 TCFD Report. " <u>Governance</u> ", pg. 1; " <u>Strategy</u> ", pg.3
302-1	Energy consumption within the organization	2022 Sustainability Report, "SASB RT-CP-130a.1" pg. 104
302-3	Energy intensity	26.07 GJ per metric ton of containerboard and pulp production. Note that intensity is calculated using mill annual sellable production figures. Figure includes all fuel and energy sources at all IP manufacturing facilities.
		2022 Sustainability Report, "SASB RT-CP-130a.1" pg. 104
302-4	Reduction of energy consumption	2022 Sustainability Report, "SASB RT-CP-130a.1" pg. 104

Introduction

GRI Disclosure	Description	Responses	
GRI 303: Water a	nd Effluents		
Management Approach		2022 Sustainability Report, " <u>Advancing Water Stewardship</u> " pg. 53 2022 Sustainability Report, " <u>SASB RT-CP-140a.2</u> " pg. 105 CDP Water Security Response, " <u>W6. Governance</u> "	
303-1	Interactions with water as a shared resource	2022 Sustainability Report, " <u>Advancing Water Stewardship</u> " pg. 53 CDP Water Security Response, " <u>W6. Governance</u> "	
303-2	Management of water discharge-related impacts	We work to protect water quality in mill watersheds. All of our mills are subject to strict legal and IP requirements that govern the discharge of wastewater. The respective regulatory agencies periodically review and revise our water discharge permits to maintain local water quality standards and designated uses of the water basins in which we operate. In compliance with these standards, we work deliberately to improve the quality of the water we discharge. Our mill teams focus on reducing losses to our water treatment systems, which decreases oxygen depleting substances and further improves watershed quality. Our manufacturing teams share effluent improvement best practices in routine sessions throughout the year.	We hold all of our mills to the same high standards for achieving optimal discharged water treatment performance and sustainable compliance with their discharge permits. Every mill must measure and record the amount of effluents generated, identify constraints impacting its quality, and treat and discharge all effluents leaving process areas. Many of our mills are required to conduct regular water quality monitoring of receiving streams to ensure their effluents are not having a negative impact on the water basin. Technical assessments of water treatment systems by company subject matter experts identify system and operational opportunities to improve and optimize system efficiency, which improves effluent quality. Periodic regulatory and systems audits ensure sites comply with permits, regulatory rules and company-specific standards described above.
303-3	Water withdrawal	2022 Sustainability Report, " <u>Advancing Water Stewardship</u> " pg. 53 2022 Sustainability Report, " <u>SASB RT-CP-140a.1</u> " pg. 105 CDP Water Security Response, " <u>W1. Current State</u> "	

GRI Disclosure	Description	Responses			
GRI 303: Water a	GRI 303: Water and Effluents (continued)				
303-4	Water discharge	2022 Sustainability Report, " <u>Advancing Water Stewardship</u> " pg. 53 2022 Sustainability Report, " <u>SASB RT-CP-140a.1</u> " pg. 105 CDP Water Security Response, " <u>W1. Current State</u> "			
303-5 Water consumption		2022 Sustainability Report, " <u>Advancing Water Stewardship</u> " pg. 53 2022 Sustainability Report, " <u>SASB RT-CP-140a.1</u> " pg. 105 CDP Water Security Response, " <u>W1. Current State</u> "			
GRI 304: Biodiver	sity				
Management Approach		2022 Sustainability Report, " <u>Healthy and Abundant Forests</u> " p. 20			
304-3	Habitats protected or restored	361,023 acres of ecologically significant forestland have been conserved and restored since 2020.			
GRI 305: Emission	าร				
Management Approach		2022 Sustainability Report, "Sustainable Operations" pg. 46 2022 TCFD Report, "Governance" pg. 1 Climate Change Statement 2022 Annual Report, "Climate Change" pg. 25 CDP Climate Change Response, "C1. Governance"			

GRI Disclosure

Description

Who We Are

Governance

Responses

Operations

88

GRI 305: Emis	GRI 305: Emissions (continued)				
305-1	Direct (Scope 1) GHG emissions	2022 Sustainability Report, "SASB RT-CP-110a.1" pg. 103  Calculation methodology: Our Scope 1 GHG emissions calculations include combustion and non-combustion-related emissions from all facilities that are fully owned and operated by International Paper. Our GHG emissions are measured and reported in accordance with the GHG Protocol. In the U.S., we follow the requirements for the Environmental Protection Agency's Mandatory Reporting Rule of Greenhouse Gases (MRR-GHG) to calculate our Scope 1 emissions. Methodologies include use of default factors (2006 International Panel on Climate Change [IPCC] guidelines), fuel tests and CO2 Continuous Emission Monitoring Systems (CEMS) devices on certain units.			
		Outside the U.S., sites follow the 2006 IPCC guidelines. Consistent with the GHG Protocol, our reported Scope 1 GHG emissions and associated targets do not include biogenic GHG emissions.			
	Energy indirect (Scope 2) GHG emissions	2022 Sustainability Report, " <u>Improving our Climate Impact</u> " pg. 48 Scope 2 location-based emissions: 3.31 million MT CO <sub>2</sub> e			
305-2		Scope 2 market-based emissions: 5.69 million MT CO2e			
		Calculation methodology: Our Scope 2 GHG emissions calculations include all facilities that are fully owned and operated by International Paper. Our GHG emissions are measured and reported in accordance with the GHG Protocol. For Scope 2 reporting, our sites follow the 2006 IPCC guidelines, and U.S. facilitie use state-specific emission factors provided by the Emissions and Generation Resource Integrated Database (eGRID).			

Sustainability

Sustainability

GRI Disclosure	Description	Responses	
GRI 305: Emissio	ns (continued)		
		2022 Sustainability Report, "Improving our Climate Impact" pg. 48	
305-3	Other indirect (Scope 3) GHG emissions	Calculation methodology: We have partnered with the National Council for Air and Stream Improvement (NCASI) to develop a detailed supply chain GHG emissions calculator tailored to our industry, in order to establish a detailed Scope 3 GHG emissions baseline and to track progress over time. The calculator uses internal company data regarding annual consumption and spend on materials and services, combined with publicly available emission factors for each input. Scope 3 emissions should be understood as a detailed estimate; we will continually refine our calculation methods year-over-year. We have evaluated all 15 Scope 3 categories per the GHG Protocol and determined that certain categories comprise a negligible portion of our total. Therefore, the following categories are not the focus of our reduction strategy or reporting: employee travel and commuting, use of sold products, leased assets, investments and franchises.	
		2019: 23.10 million MT CO <sub>2</sub> e	
		2020: 22.56 million MT CO <sub>2</sub> e	
		2021: 23.05 million MT CO <sub>2</sub> e	
		2022: 21.82 million MT CO <sub>2</sub> e	
205 /		Scope 1 & 2 intensity (based on market-based emissions): 0.77 MT CO2e	
305-4	GHG emissions intensity	Scope 3 intensity: 1.41 MT CO2e	
305-5	Reduction of GHG emissions	2022 Sustainability Report, " <u>Improving our Climate Impact</u> " pg. 48	
Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions  2022 Sustainability Report, "SASB RT-CP-120a.1" pg. 104		2022 Sustainability Report, "SASB RT-CP-120a.1" pg. 104	

Index

GRI Disclosure	Description	Responses	
GRI 306: Waste			
Management Approach		2022 Sustainability Report, " <u>SASB RT-CP-150a.1</u> " pg. 106 Regulatory and Company standards provide a framework to for waste minimization and waste residual management, including beneficial use alternatives and landfill requirements. Our EHS performance standard and program elements for solid waste ensure we meet regulatory standards while promoting beneficial use and waste minimization alternatives. As part of these standards, every site must identify, quantify, and document all generated waste, their associated hazards, and have a waste reduction plan.	
		The sites strive to minimize waste generated and ensure proper management of waste residuals. We have an internal network of professionals responsible for site-specific waste management. This network meets quarterly to discuss current events, policy requirements and best practices. Some of our converting sites and mills are close to achieving a zero-manufacturing waste-to-landfill status by stressing efficiency, beneficial use of byproducts and recycling wherever possible — but there is still progress to be made.	
306-1	Waste generation and significant waste-related impacts	2022 Sustainability Report, " <u>Circularity at IP</u> " pg. 34	
306-2	Management of significant waste-related impacts	2022 Sustainability Report, " <u>Circularity at IP</u> " pg. 34	
306-3	Waste generated	1,454,602 metric tons	
306-4	Waste diverted from disposal	48% Land applied: 17% Other beneficial use: 27% Burned on site: 4%	

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GRI Disclosure	Description	Responses	
GRI 306: Waste	e (continued)		
306-5	Waste directed to disposal	Non-hazardous waste disposal method breakdown (%) Landfilled Land applied Other beneficial use	<b>2022</b> 52% 17% 27%
GRI 307: Enviror	nmental Compliance	Burned on site	4%
		Elements standardize a basic set of 13 m	HS) Management System Performance Standard and our Environmental Management System (EMS) Program ninimum expectations for all our mills. These include, among others, risk identification, goal and metric tracking, mmunity outreach and records management. Our continuous EHS audit process is responsible for identifying areas of nents.
		<ul> <li>We hold our leaders responsible to ensure</li> <li>Compliance with all applicable laws a</li> <li>Compliance with global environment,</li> </ul>	and regulations.

• Transparent reporting of our metrics and progress relative to our commitments.

# Management Approach

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

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

Our environmental expenditures include, among other areas, those related to air and water quality, waste disposal and the cleanup of contaminated soil and groundwater — including federal and state remediation matters in which International Paper has been identified as a potentially responsible party (PRP). Many of the remediation matters involve the cleanup of hazardous substances at large commercial landfills that received waste from many different sources. For more information on environmental and legal proceedings, please see Note 14 in our <u>2022 Annual Report</u>.

Environment, Health, Safety & Sustainability Policy

Index

GRI Disclosure	Description	Responses
GRI 307: Environ	mental Compliance (continued)	
307-1	Non-compliance with Remediation costs are recorded in the consolidated financial statements when they become probable and reasonably estimable. Internation environmental laws and regulations regulations  Remediation costs are recorded in the consolidated financial statements when they become probable and reasonably estimable. Internation estimated the probable liability associated with these environmental remediation matters, including those described therein, to be approx (\$251 million undiscounted) in the aggregate as of December 31, 2022.	
GRI 308: Supplie	r Environmental Assessment	
		Adherence to our Third Party Code of Conduct is required by all suppliers and is built into contractual agreements. We screen potential suppliers for a wide variety of risks, including environmental compliance. Our Global Fiber Procurement Policy and due diligence practices are particularly critical in ensuring environmental stewardship in our fiber supply practices.
		2022 Sustainability Report, "Responsible Sourcing" pg. 15
Management		2022 Sustainability Report, " <u>Healthy and Abundant Forests</u> " pg. 20
Approach		Responsible Supply Chain
		Third Party Code of Conduct
		Global Fiber Procurement Policy
		Conflict Minerals Policy
		California Transparency in Supply Chain Act Statement
	New suppliers that were	100% of our new suppliers are screened through a due-diligence process which includes environmental compliance criteria.
308-1	screened using environmental	2022 Sustainability Report, "Responsible Sourcing" pg. 15
	criteria	2022 Sustainability Report, " <u>Healthy and Abundant Forests</u> " pg. 20

GRI Disclosure	Description	Responses					
GRI 401: Employr	nent						
Management Approach		2022 Sustainability Report, "Recr	uitment, development a	nd retention" pg. 64			
		New hires in 2022 — Region by 0	Gender		Employee Turnover in 2022—	-Region by Gender	
401-1	New employee hires and employee turnover	North America EMEA South America Asia	Male 81% 75% 100% 0%	Female 19% 25% 0% 100%	North America EMEA South America Asia	Male 5% 1% 2% 0%	Female 5% 2% 0% 2%
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2022 Sustainability Report, "Recruitment, development and retention" pg. 64					
GRI 403: Occupa	tional Health and Safety						
		2022 Sustainability Report, "Prom	note employee well-bein	g and safety" pg. 60			
		- · · · · · · · · · · · · · · · · · · ·	Vorking as a team, empl		bility. Our Vision 2030 goal ambitiously ontractors are jointly responsible for ens		
Management Approach		In 2021, International Paper built on the long-standing LIFE (Life-changing Injuries and Fatality Elimination) initiative by accelerating efforts to create a resilie safety culture. This approach seeks to anticipate and recognize unexpected events in order to learn, prevent and adapt. By enhancing our previous systems and procedures, building in layers of protection to sustainably mitigate risk and engaging all employees to be a part of the solution, we are confident an injury free workplace is attainable.				ous systems	
		<ul> <li>2022 Focus Areas</li> <li>Safety leadership: Re-energizes</li> <li>Brilliant at the basics: Focus on</li> <li>Learning culture: Hourly team reason</li> </ul>	hazard/risk recognition	•			

Introduction

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GRI Disclosure	Description	Responses			
GRI 403: Occupat	GRI 403: Occupational Health and Safety (continued)				
403-1	Occupational health and safety management system	2022 Sustainability Report, "Promote employee well-being and safety" pg. 60			
403-6	Promotion of worker health	2022 Sustainability Report, " <u>Promote employee well-being and safety</u> " pg. 60			
403-9	Work-related injuries	2022 Sustainability Report, "Promote employee well-being and safety" pg. 60 International Paper's focus on eliminating life-changing Injuries and fatalities achieved a step-change improvement in safety performance when compared with data from when the program was introduced in 2010. This was achieved by recognizing safety culture changes, leveraging learnings, expanding employee engagement, verifying job preparation and monitoring job execution.  To achieve the Vision 2030 goal, International Paper is implementing a new safety leadership training program to help embrace human and organizational performance concepts. Additionally, we are revising safety leading indicators to incorporate more predicative metrics that can identify risk trends while also driving expanded employee engagement in risk mitigation design and implementation.			
GRI 404: Training	and Education				
Management Approach		2022 Sustainability Report, " <u>Developing employees</u> " pg. 65			
404-2	Programs for upgrading employee skills and transition assistance programs	2022 Sustainability Report, " <u>Developing employees</u> " pg. 65			
404-3	Percentage of employees receiving regular performance and career development reviews	2022 Sustainability Report, "Recruitment, development and retention" pg. 64			

Home

People

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GRI Disclosure	Description	Responses								
GRI 405: Diversi	ity and Equal Opportunity									
Management Approach		2022 Sustainability Reportant Diversity and Inclusion  Supplier Diversity	t, " <u>Diversity and I</u>	nclusion" pg. 61						
		2022 Diversity of Govern	ance Bodies	B.4. I		Employee Diversi				
		Board of Directors		<b>Male</b> 73%	<b>Female</b> 27%	Employees 2022 –	-Region by Ge	ender	Male	Female
		Senior Leadership Team		78%	22%	North America			82%	18%
		Officers		80%	20%	EMEA			83%	17%
						South America			86%	14%
UOE 1	Diversity of governance bodies		Under 30	31-50	Over 51	Asia			30%	70%
405-1	and employees	Board of Directors	0%	0%	100%					
		Senior Leadership Team	0%	22%	78%	Employees 2022 –	-Region by Ag	ge		
		Officers	0%	26%	74%		Under 31	31-50	51-60	61+
						North America	18%	47%	25%	10%
						EMEA	11%	56%	30%	2%
						South America	18%	60%	18%	5%
						Asia	10%	72%	17%	5%

Introduction

Who We Are

Sustainability

96

Index

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GRI Disclosure	Description	Responses				
GRI 412: Human F	GRI 412: Human Rights Assessment					
Management Approach		2022 Sustainability Report, "Responsible Governance" pg. 14  Code of Conduct  Global Fiber Procurement Policy  Human Rights Statement  Third Party Code of Conduct  Disclosure Statements  California Transparency Act — 2021 Statement  UK Modern Slavery Act — 2021 Statement  Conflict Minerals Policy  Human Rights  We promote human rights through our actions and values, as noted in our:  Human Rights Statement — reflecting our commitment to protect and advance human rights globally. We respect international principles of human rights, including those expressed in the United Nations Declaration of Human Rights.  Human Rights Policy — applying to all employees, our officers and our board of directors. It provides guidance on the importance of respecting human rights, as well as of being aware of the company's impact on human rights in its operations across the world.	<ul> <li>Third Party Code of Conduct — outlining our expectations of suppliers and their employment practices, including the expectation to employ workers who have a legal right to work.</li> <li>Our statement, policy and code ensure that as a company, we: <ul> <li>Do not tolerate child labor, slave labor, physical punishment or abuse.</li> <li>Are alert to signs of human trafficking or slave labor.</li> <li>Do not tolerate deceitful or violent behavior.</li> <li>Comply with the employment laws of every country where we operate.</li> <li>Recognize lawful employee rights of free association and collective bargaining.</li> <li>Comply with applicable laws requiring a declaration on human trafficking and slavery, such as the California Transparency in Supply Chains Act and the UK Modern Slavery Act.</li> <li>Seek to do business with suppliers who share our standards to reduce the potential for human rights abuses in our supply chain</li> <li>Support workers being free to terminate employment at any time upon reasonable notice.</li> <li>Expect suppliers and their contractors to refrain from any conduct that uses threats, force or other forms of coercion, abduction, intimidation or abuse of power for the purpose of exploitation or slavery of any individual.</li> <li>Expect suppliers to comply with all laws governing human trafficking and slavery, as well as support the elimination of child labor and slave labor in their supply chains.</li> </ul> </li> </ul>			

Governance

Forests

97

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GRI Disclosure	Description	Responses
GRI 412: Human l	Rights Assessment (continued)	
	Operations that have been subject to human rights reviews or impact assessments	We participate in customer-driven data requests and facility audits related to human rights and related topics. We are a Sedex member and committed to being a responsible and sustainable business.
412-1		Using Sedex tools and services helps our company improve our responsible business practices. In 2022, 69 of our manufacturing facilities updated their Sedex Self-Assessment Questionnaires (SAQ) responses, and we completed on-site Sedex Member Ethical Trade Audits (SMETA) at seven manufacturing facilities. In addition, several more manufacturing facilities participated in customer-specific on-site audits similar in scope to SMETA.
		We also complete several data requests from customers and investors each year regarding human rights and related topics.
		Code of Conduct, " <u>Human Rights</u> " pg. 18
		<u>Human Rights Statement</u>
GRI 413: Local Co	ommunities	
Management Approach		2022 Sustainability Report, " <u>Community investment</u> " pg. 67
	Operations with local community engagement, impact assessments, and	2022 Sustainability Report, " <u>Community investment</u> " pg. 67
413-1		<u>Community Partners</u>
	development programs	<u>Collaborations</u>

Sustainability

Introduction

Index

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GRI Disclosure	Description	Responses				
GRI 414: Supplier	GRI 414: Supplier Social Assessment					
		Adherence to our Third Party Code of Conduct is required by all suppliers and is built into contractual agreements. We screen potential suppliers for a wide variety of risks, including human rights and corruption risks.				
		2022 Sustainability Report, "Responsible Sourcing" pg. 15				
		Responsible Supply Chain				
Management		<u>Human Rights Statement</u>				
Approach		Third Party Code of Conduct				
		Global Fiber Procurement Policy				
		Conflict Minerals Policy				
		California Transparency in Supply Chain Act Statement				
414-1	New suppliers that were screened using social criteria	2022 Sustainability Report, "Responsible Sourcing" pg. 15				

99

GRI Disclosure Description Responses
GRI 415: Public Policy

# Management Approach

### Public Policy Issues

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 sustainable manufacturing, climate, recycling, supply chain resilience, combatting illegal logging, economic and environmental benefits of sustainable forestry, 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 regularly review our needs and perspectives along with those of our trade associations, coalitions and other membership groups.

#### 2022 PUBLIC POLICY FOCUS AREAS

#### Health and Safety

Safety is core to who we are and how we operate. Nothing is more important than the safety of our employees, contractors and visitors. We promote and demonstrate safety leadership through proactive programs that build a resilient safety culture in which we focus on learning and improving – not only to prevent injuries but to eliminate them completely.

# Energy Diversity and Efficiency

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

# Carbon Neutrality of Biomass Residuals

The regulatory uncertainty around our industry's use of biomass energy puts U.S. forest products at a competitive disadvantage compared to other countries. We support policies that level the playing field for U.S. forest manufacturers and recognize our biomass use as carbon neutral.

#### Recycling

As one of the world's largest recyclers of paper and corrugated packaging, we support investment in programs and technologies that bring more clean residential and commercial material into the system, without distorting the robust recycling marketplace for paper-based materials. We also support efforts to collect data on existing recycling collection infrastructure to demonstrate where investments are needed to increase collection and to increase access to recycling services through pilot programs for underserved areas.

#### Global Trade

As a major exporter of packaging and pulp, we support trade policies that open markets, improve our competitiveness and increase business predictability to reach new customers abroad. We support full implementation of the United States-Mexico-Canada Agreement (USMCA) to ensure all parties are compliant.

# Corporate Tax Reform

International Paper supports a simplified tax code that provides certainty and consistency and encourages investment. We support preserving the corporate tax rate at 21%. It is essential that any changes to the U.S. tax system prioritize job growth, investment in research and development and global competition.

#### Infrastructure

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

GRI Disclosu	re Description	Responses				
GRI 415: Pub	lic Policy (continued)					
		Combating Illegal Logging	Products Bans			
		We are a strong proponent of global efforts to suppress illegal logging and trade. We support the forest sustainability language included in USMCA	We oppose policies that limit consumer choice by placing a ban or fee on paper products, like paper bags.			
		and will work to ensure the inclusion of similar language in future trade agreements.	Workforce Recruitment and Retention			
		Supply Chain Resilience	We support diversity and inclusion as well as efforts at both the state and federal levels of government to focus on, fund and implement programs that			
		As a leading shipper of freight, we support policies that make our truck, port	address workforce education, the skills gap and training opportunities.			
Management Approach		and rail shipments more efficient to support our global competitiveness. We advocate for long-term supply chain policy solutions that address systemic	Personal Care Products			
(continued)		issues to better position U.S. freight shippers.	As one of the largest producers of renewable pulp for diapers and personal care products, like feminine care essentials that promote health and wellness, we support policies focused on product accessibility, consistency for			
		Extended Producer Responsibility wellness, we support policies focused on pro-				
			ingredient labeling, product safety and sustainability.			
		that require manufacturers to take back products and packaging introduced				
		into the marketplace. Due to private investment and strong market dynamics,				
		paper and paper-based packaging's recovery rates are part of the solution.  We sponsor the International Paper Political Action Committee (IP-PAC) in the	U.S., which is funded by eligible employees who voluntarily choose to support			
		political candidates and committees. All IP-PAC reports are available on the E	Federal Election Commission website.			
415-1	Political contributions	the designation of <u>CPA-Zicklin Index Trendsetter</u> by the Center for Political Accountability report to measure the political transparency and oversight prac	International Paper publishes a voluntary report of political contributions on a semi-annual basis. For the sixth year in a row, International Paper earned the designation of <u>CPA-Zicklin Index Trendsetter</u> by the Center for Political Accountability who publishes an annual Corporate Political Disclosure and Accountability report to measure the political transparency and oversight practices of the entire S&P 500. We are one of 89 Trendsetter Companies to receive the top ranking for political disclosure and accountability due to our voluntary reporting efforts. Learn more about <u>contribution information</u> .			
		2022 Mid-Year Voluntary Report of Political Contributions (Jan-June)				
		2022 Year End Voluntary Report of Political Contributions (July-Dec)				

Sustainability

GRI Disclosure	Description	Responses				
GRI 416: Custo	GRI 416: Customer Health and Safety					
		International Paper operates under a global Product Stewardship Performance Standard to ensure that all products sold meet applicable regulatory and chemical of concern requirements and are safe for their intended end use. The elements of that standard include product hazard assessments; good manufacturing practices; raw material conformance and acceptability; representative product testing; product event tracking and corrective actions; product declarations; employee training and possible audits.				
Management		Conformance and acceptability of raw materials is carried out using a matrix of raw material requirements that vary by end use application, regulatory jurisdiction and applicable industry standards. Requirements include regulatory compliance and substance of concern prohibitions or use restrictions as appropriate. New raw materials are assessed for conformance prior to use in our products. Existing raw materials are subject to regular reassessment as regulations change and new chemicals of concern emerge.				
Approach		Chemical of concern, regulatory and exposure assessment testing (i.e., food contact migration testing and skin irritation or sensitization testing) of representative products is carried out regularly to demonstrate ongoing acceptability and safety of our products.				
		Raw material conformance and acceptability is also a key component of our process for the development of new products. Potential raw materials are evaluated early in the process to quickly rule out unacceptable materials and identify appropriate screening needs. New products under development may be screened for chemicals of concern or to evaluate impact of exposures.				
		2022 Sustainability Report, "SASB RT-CP-250a.2" pg. 106				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2022 Sustainability Report, "SASB RT-CP-250a.1" pg. 106				

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GRI Disclosure	Description	Responses				
GRI 417: Market	GRI 417: Marketing and Labeling					
Management Approach		Our products must meet specific regulatory requirements within the countries of manufacture and eventual use—and meet customer expectations regarding product safety and chemicals of concern. Complying with regulatory requirements is also critical in our choice of materials. Many of our products hold voluntary ecolabel certifications, which recognize products that meet high environmental standards throughout their life cycle. We continually monitor developments in these areas to ensure we comply with all applicable regulations.				
417-1	Requirements for product and service information and labeling	2022 Sustainability Report, "SASB wRT-CP-250a.2" pg. 106				
417-2	Incidents of non-compliance concerning product and service information and labeling	We had no incidents of non-compliance with product safety regulations or voluntary codes concerning product and service information and labeling in 2022.				
417-3	Incidents of non-compliance concerning marketing communications	No incidents of non-compliance concerning marketing communications				

Governance

Forests

# Sustainability Accounting Standards Board (SASB) Index

Our reporting aligns with the SASB Resource Transformation sector standards (Containers & Packaging Industry).

Who We Are

SASB Code	Accounting Metric	Unit	Reference		
Greenhouse Go	Greenhouse Gas Emissions				
	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	MT CO2e	6,261,399		
RT-CP-110a.1	% of global Scope 1 emissions covered under emissions-limited regulations <sup>1</sup>	%	4%		
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets		2022 Sustainability Report, "Improving our Climate Impact" pg. 48		
RT-CP-110a.2	Emissions reduction targets and analysis of performance against those targets		Reduce our Scope 1, 2 and 3 GHG emissions by 35% from 2019-2030, aligned with the best-available climate science (SBTi-approved as "well-below 2-degree C" pathway)  2022 Sustainability Report, "Improving our Climate Impact" pg. 48		

<sup>1.</sup> Our Madrid, Spain recycled containerboard mill and Grande Prairie mill in Canada operate under federal or regional emissions trading systems

SASB Code	Accounting Metric	Unit	Reference
Air Quality			
	NOx (excluding N <sub>2</sub> O)	MT	21,325
DT OD 100 a 1	SOx	MT	10,656
RT-CP-120a.1	volatile organic compounds (VOCs)	MT	21,095
	Particulate Matter 10 (PM10)	MT	3,988
Energy Manage	ement		
	Total energy consumed in 2022 <sup>1</sup>	GJ	403,046,907
	Total energy consumed in 2021	GJ	411,263,863
DT OD 120 a 1	Total energy consumed in 2020	GJ	405,060,922
RT-CP-130a.1	Percentage grid electricity		6.00%
	Percentage renewable		67%
	Total self-generated energy <sup>2</sup>	GJ	379,033,392

Includes aggregated energy consumption across all manufacturing sites (mills, converting, and recycling facilities)
 Total energy consumption minus net purchased electricity

Forests

Sustainability

SASB Code	Accounting Metric	Unit	Reference		
Water Manage	Water Management				
	Water withdrawn	Thousand Cubic meters	2022: 631,970 2021: 646,135 2020: 636,318		
	Water effluent	Thousand Cubic meters	2022: 557,348 2021: 600,832 2020: 563,183		
RT-CP-140a.1	Water consumed	Thousand Cubic meters	2022: 74,621 2021: 45,303 2020: 73,135		
	Water withdrawn in locations with High or Extremely High Baseline Water Stress as a percentage of the total water withdrawn	%	7%		
	Water consumed in locations with High or Extremely High Baseline Water Stress as a percentage of the total water withdrawn	%	1%		
RT-CP-140a.2	<ul><li>1) Description of water management risk and</li><li>2) discussion of strategies and practices to mitigate those risks</li></ul>		Water is a critical input for our process. We conduct a comprehensive facilities water risk assessment through an in-house methodology combining relevant internal and third-party data. Key factors include the World Resource Institute's (WRI) Aqueduct Baseline Water Stress (BWS) indicator, regulatory requirements, community relations and qualitative input from internal experts. This assessment serves as the foundation for our water stewardship strategy, including facility-level plans for context-based water stewardship under our Vision 2030 goals. Specifically, we use the assessment to prioritize sites for water-related operational improvements and watershed protection efforts.		
RT-CP-140a.3	Number of incidents of non-compliance associated with water quality permits, standards, and regulations.	Number	Zero significant incidents of non-compliance associated with water quality permits, standards, and regulations in the reporting year.		

SASB Code

**Accounting Metric** 

Unit

Reference

Waste Manage	ement		
RT-CP-150a.1	Amount of hazardous waste generated, percentage recycled.	MT	127.28
Product Safety			
RT-CP-250a.1	Number of recalls issued, total units recalled.	Number	0
	applicable regulate standard include prepresentative processible audits.  Conformance and use application, regulated substance of concern and use in our products concern emerge.  Chemical of concern sensitization testing our products.  Raw material conformate screen appropriate screen.	International Paper operates under a global Product Stewardship Performance Standard to ensure that all products sold meet applicable regulatory and chemical of concern requirements and are safe for their intended end use. The elements of that standard include product hazard assessments; good manufacturing practices; raw material conformance and acceptability; representative product testing; product event tracking and corrective actions; product declarations; employee training and possible audits.	
RT-CP-250a.2			Conformance and acceptability of raw materials is carried out using a matrix of raw material requirements that vary by end use application, regulatory jurisdiction and applicable industry standards. Requirements include regulatory compliance and substance of concern prohibitions or use restrictions as appropriate. New raw materials are assessed for conformance prior to use in our products. Existing raw materials are subject to regular reassessment as regulations change and new chemicals of concern emerge.
			Chemical of concern, regulatory and exposure assessment testing (i.e., food contact migration testing and skin irritation or sensitization testing) of representative products is carried out regularly to demonstrate ongoing acceptability and safety of our products.
			Raw material conformance and acceptability is also a key component of our process for the development of new products. Potential raw materials are evaluated early in the process to quickly rule out unacceptable materials and identify appropriate screening needs. New products under development may be screened for chemicals of concern or to evaluate the impact of exposures.

Introduction

Who We Are

Sustainability

SASB Code	Accounting Metric	Unit	Reference		
Product Lifecy	Product Lifecycle Management				
	% of raw materials from recycled content	% by weight	10% of our purchased fiber is recycled 35% average recycled content in our North American packaging products, including 29.1% post-consumer fiber		
RT-CP-410a.1	% of raw materials from renewable resources	% by weight	100% of our sourced wood and recovered fiber are from renewable resources		
	% of raw materials from renewable and recycled content	% by weight	100% of our sourced wood and recovered fiber		
RT-CP-410a.2	Revenue from products that are reusable, recyclable, and/or compostable	% by weight	93.5% of our products are reusable, recyclable, and/or compostable		
RT-CP-410a.3	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	n/a — comprehensive	2022 Sustainability Report, " <u>Renewable Solutions</u> " pg. 31 2022 Sustainability Report, " <u>Sustainability across the value chain</u> " pg. 45		
Supply Chain N	Supply Chain Management				
RT-CP-430a.1	Total weight (in metric tons) of wood-fiber-based raw materials procured	MT	46,169,291		
	Total wood fiber procured, percentage from certified sources	%	32% of total wood fiber procured is from forests managed to certified to FSC® PEFC™ or SFI® Forest Management standards		
RT-CP-430a.2	Total aluminum purchased, percentage from certified sources	t CO2e, %	NA		

		1010/1	

SASB Code	Accounting Metric	Unit	Reference	
Activity Metrics				
RT-CP-000.A	Amount of production, by substrate 2022	MT	2022 Annual Report, " <u>Sales Volumes by Product</u> ", pg. 24	
RT-CP-000.B	Percentage of production as: (1) paper/wood, (2) glass, (3) metal, and (4) plastic	% by revenue	100% paper/wood	
RT-CP-000.C	Number of employees	Number	39,000	

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