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About The Report

This report measures the economic benefits that arise from International Paper’s purchases from small and diverse businesses in 2022. International Paper relies on the contributions of businesses that are owned by individuals of diverse backgrounds in order to deliver the best products, with the greatest value, to an increasingly diverse marketplace.

An Input-Output model was used to estimate International Paper’s economic impact resulting from small-, minority-, women- and veteran-owned business purchases in 2022. The total economic impact is $599.1 million contributions to the US economy and supported 4,942 jobs. The impact is the sum of three effects: (i) Direct: Impact at International Paper’s small and diverse suppliers, (ii) Indirect: The economic impact through lower tier suppliers, and (iii) Induced: Employee spending down the supply chain generates sales and jobs at businesses in their communities.
International Paper is a global producer of planet-friendly packaging, pulp and other fiber-based products, and one of North America's largest recyclers. Headquartered in Memphis, Tenn., we employ approximately 39,000 colleagues globally who are committed to creating what's next. We serve customers worldwide, with manufacturing operations in North America, Latin America, North Africa and Europe. Net sales for 2022 were $21.2 billion. Additional information can be found by visiting internationalpaper.com.
A Statement from Our CEO

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

By engaging with value-driven and diverse suppliers, we can develop solutions that make the world more sustainable, foster success in local communities and markets and deliver outstanding value to our customers and shareholders.”

Mark S. Sutton
Chief Executive Officer
International Paper
A Statement from Our CDO

At International Paper, our inclusion and diversity philosophy extends across our workforce, our workplace, and the marketplace. Diverse supplier relationships not only enable us to satisfy the needs of our customers, but they play an important role in the marketplace. By supporting diverse suppliers, we help to strengthen our communities.”

Amy Shelton Little
Chief Diversity Officer
International Paper
A Statement from Our CPO

“International Paper has fundamental expectations of all of our suppliers, which include superior quality and service in addition to competitive cost. Additionally, when IP purchases goods and services from diverse-owned businesses, we ensure opportunities are open, collaboration is inclusive, and the communities in which we live and work become stronger.”

Kally Hodgson
Chief Procurement Officer
International Paper
Our Vision 2030 Goal
Promote employee well-being by providing safe, caring and inclusive workplaces and strengthen the resilience of our communities.

**VISION 2030**
Building a better future for people, the planet and our community

**IMPROVE THE LIVES OF 100 MILLION PEOPLE IN OUR COMMUNITIES.**

Supplier diversity programs lead to economic resilience in local communities, helping with job creation and increased wages and tax revenue. When workers make more, they’re more likely to put money back into their community. International Paper’s engagement with suppliers from underprivileged places can further drive economic growth.
Our Impact Through Supplier Diversity Programs

The 2022 Economic Impact

$599.1M
production impact
Measures the cumulative revenues of all businesses impacted through the program: Direct, Indirect and Induced.

4,942
jobs supported
Created within International Paper’s supply chain and in the supplier’s communities.

$185.3M
wages supported
Measures the cumulative earnings of the employees in the jobs supported through supplier diversity purchases.

$52.8M
taxes generated
Measures the federal, state and local tax revenues that are generated through economic activity.
Committed To Diversity and Inclusion

Supplier Diversity is a key component of International Paper’s Marketplace Pillar in the company’s overall Diversity and Inclusion strategic framework.
Supplier Diversity Program

We are committed to identifying and developing small and diverse suppliers that strengthen our initiatives.

1. ENGAGE
   CONNECT

2. COACH
   MENTOR

3. ADVOCACY
   OUTREACH

IDENTIFY
new diverse suppliers

DEVELOP
diverse supplier capacity building

SERVE
diverse communities
Advocacy & Outreach

We expanded our presence and role at industry-related business conferences, opening the door to generating opportunities that are more viable for diverse business owners. We target partnerships with national, regional and local business development organizations that can strategically help us: 1) identify new qualified diverse suppliers; 2) expand our support of clients’ diversity efforts; and 3) champion our commitment to serve diverse communities.
How We Determine the Impact of Our Supplier Diversity Spending On the U.S. Economy

ECONOMIC IMPACT CHANNELS

- **DIRECT**: This is impact at International Paper’s immediate small and diverse suppliers.
- **INDIRECT**: International Paper’s small and diverse suppliers purchase goods and services from other suppliers, which creates a ripple effect through the economy.
- **INDUCED**: The employees in the jobs created in the supply chain to satisfy International Paper’s purchases support additional jobs in their communities.

ECONOMIC IMPACT METRICS

The economic impact analysis provides estimates of these metrics for each channel:

- **PRODUCTION**: Measures the cumulative revenues of all businesses impacted through the program: Direct, Indirect, and Induced.
- **INCOMES**: Measures the cumulative earnings of the employees in the jobs supported through supplier diversity purchases.
- **JOBS**: Created within International Paper’s supply chain and in the supplier’s communities.
- **TAXES**: Measures the federal, state and local tax revenues that are generated through economic activity.
The Economic Impact Of Our Supplier Diversity Program

International Paper purchased $347.5M from small and diverse businesses. This spending resulted in the total impact of $599.1M, which is broken down into $347.5M Direct impact, $134.8M Indirect impact and $116.7M Induced impact.

International Paper’s Supplier Diversity spending with small and diverse suppliers supported an estimated 4,942 jobs. 3,646 of these were supported in the Direct channel, 635 jobs in the Indirect channel, and 660 jobs from the Induced channel.

International Paper’s purchases from small and diverse suppliers supported jobs throughout the supply chain that paid employees a total of $185.3M in wages. Wages earned in the Direct, Indirect and Induced channels are estimated at $102.9M, $44.7M and $37.7M respectively.

Note: Direct, Indirect and Induced numbers may not add up to the total impact due to rounding.
Our Impact on Small and Diverse Businesses

<table>
<thead>
<tr>
<th><strong>MINORITY-OWNED BUSINESSES</strong></th>
<th><strong>WOMEN-OWNED BUSINESSES</strong></th>
<th><strong>VETERAN-OWNED BUSINESSES</strong></th>
<th><strong>SMALL BUSINESSES</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$158.5M minority-owned business spend</td>
<td>$152M women-owned business spend</td>
<td>$13.2M veteran-owned business spend</td>
<td>$143M small business spend</td>
</tr>
<tr>
<td>1,662 jobs</td>
<td>1,813 jobs</td>
<td>63 jobs</td>
<td>1,451 jobs</td>
</tr>
<tr>
<td>$39.5M wages</td>
<td>$50.1M wages</td>
<td>$2.8M wages</td>
<td>$46.9M wages</td>
</tr>
</tbody>
</table>

**TOP 5 INDUSTRIES WITH SUPPORTED JOBS**

- Transit and Ground passenger Transportation: 2,892 jobs
- Miscellaneous Manufacturing: 476 jobs
- Other Services: 404 jobs
- Professional, Scientific, and Technical Services: 290 jobs
- Forestry, Fishing, and Related Activities: 253 jobs

Note: Suppliers included in diverse spend are certified suppliers.
## Our Economic Impact by US Region

<table>
<thead>
<tr>
<th>STATE</th>
<th>DIVERSE SPEND</th>
<th>TOTAL PRODUCTION</th>
<th>JOBS AT DIVERSE AND SMALL BUSINESSES</th>
<th>TOTAL JOBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA</td>
<td>$10.8M</td>
<td>$19.6M</td>
<td>45</td>
<td>84</td>
</tr>
<tr>
<td>OR</td>
<td>$3.9M</td>
<td>$7.0M</td>
<td>86</td>
<td>102</td>
</tr>
<tr>
<td>WA</td>
<td>$1.9M</td>
<td>$3.2M</td>
<td>11</td>
<td>17</td>
</tr>
<tr>
<td>CO</td>
<td>$995.3K</td>
<td>$1.3M</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>UT</td>
<td>$958.7K</td>
<td>$1.9M</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>NM</td>
<td>$354.9K</td>
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<td>AZ</td>
<td>$122.7K</td>
<td>$215.3K</td>
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**WEST**
## Our Economic Impact by US Region

<table>
<thead>
<tr>
<th>STATE</th>
<th>DIVERSE SPEND</th>
<th>TOTAL PRODUCTION</th>
<th>JOBS AT DIVERSE AND SMALL BUSINESSES</th>
<th>TOTAL JOBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>NY</td>
<td>$18.4M</td>
<td>$32.5M</td>
<td>55</td>
<td>115</td>
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<tr>
<td>PA</td>
<td>$10.2M</td>
<td>$20M</td>
<td>47</td>
<td>96</td>
</tr>
<tr>
<td>NJ</td>
<td>$3.4M</td>
<td>$4.8M</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>NH</td>
<td>$2.5M</td>
<td>$4.1M</td>
<td>14</td>
<td>23</td>
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<tr>
<td>MA</td>
<td>$624.8K</td>
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<td>CT</td>
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<tr>
<td>ME</td>
<td>$350</td>
<td>$402</td>
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<td>0</td>
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## Our Economic Impact by US Region

<table>
<thead>
<tr>
<th>STATE</th>
<th>DIVERSE SPEND</th>
<th>TOTAL PRODUCTION</th>
<th>JOBS AT DIVERSE AND SMALL BUSINESSES</th>
<th>TOTAL JOBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>IA</td>
<td>$29.1M</td>
<td>$54.7M</td>
<td>877</td>
<td>1,017</td>
</tr>
<tr>
<td>IN</td>
<td>$20.9M</td>
<td>$39.7M</td>
<td>587</td>
<td>690</td>
</tr>
<tr>
<td>MO</td>
<td>$7.5M</td>
<td>$13.5M</td>
<td>32</td>
<td>62</td>
</tr>
<tr>
<td>OH</td>
<td>$4.5M</td>
<td>$8.1M</td>
<td>20</td>
<td>39</td>
</tr>
<tr>
<td>IL</td>
<td>$4M</td>
<td>$5.6M</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>MI</td>
<td>$3.7M</td>
<td>$7.8M</td>
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</tr>
<tr>
<td>KS</td>
<td>$2.4M</td>
<td>$3.9M</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>MN</td>
<td>$1.8M</td>
<td>$3.6M</td>
<td>34</td>
<td>43</td>
</tr>
<tr>
<td>WI</td>
<td>$832.5K</td>
<td>$1.4M</td>
<td>3</td>
<td>6</td>
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<tr>
<td>NE</td>
<td>$866</td>
<td>$1K</td>
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<td>0</td>
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</table>

MIDWEST
## Our Economic Impact by US Region

<table>
<thead>
<tr>
<th>STATE</th>
<th>DIVERSE SPEND</th>
<th>TOTAL PRODUCTION</th>
<th>JOBS AT DIVERSE AND SMALL BUSINESSES</th>
<th>TOTAL JOBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>NC</td>
<td>$64.7M</td>
<td>$88.4M</td>
<td>153</td>
<td>276</td>
</tr>
<tr>
<td>TX</td>
<td>$54.7M</td>
<td>$113.6M</td>
<td>842</td>
<td>1,133</td>
</tr>
<tr>
<td>VA</td>
<td>$22.1M</td>
<td>$37.3M</td>
<td>165</td>
<td>243</td>
</tr>
<tr>
<td>GA</td>
<td>$17.7M</td>
<td>$36.1M</td>
<td>274</td>
<td>377</td>
</tr>
<tr>
<td>AL</td>
<td>$14M</td>
<td>$21.5M</td>
<td>62</td>
<td>102</td>
</tr>
<tr>
<td>LA</td>
<td>$12.4M</td>
<td>$14.8M</td>
<td>24</td>
<td>38</td>
</tr>
<tr>
<td>TN</td>
<td>$11.8M</td>
<td>$18.4M</td>
<td>47</td>
<td>84</td>
</tr>
<tr>
<td>DC</td>
<td>$5.3M</td>
<td>$7.3M</td>
<td>21</td>
<td>29</td>
</tr>
</tbody>
</table>

**SOUTH**
## Our Economic Impact by US Region

<table>
<thead>
<tr>
<th>STATE</th>
<th>DIVERSE SPEND</th>
<th>TOTAL PRODUCTION</th>
<th>JOBS AT DIVERSE AND SMALL BUSINESSES</th>
<th>TOTAL JOBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AR</td>
<td>$4M</td>
<td>$7M</td>
<td>66</td>
<td>83</td>
</tr>
<tr>
<td>OK</td>
<td>$3.5M</td>
<td>$5.4M</td>
<td>17</td>
<td>29</td>
</tr>
<tr>
<td>FL</td>
<td>$3.3M</td>
<td>$6.4M</td>
<td>41</td>
<td>57</td>
</tr>
<tr>
<td>SC</td>
<td>$2.5M</td>
<td>$4.2M</td>
<td>22</td>
<td>31</td>
</tr>
<tr>
<td>MS</td>
<td>$2.3M</td>
<td>$3.9M</td>
<td>29</td>
<td>38</td>
</tr>
<tr>
<td>KY</td>
<td>$390.2K</td>
<td>$635K</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>MD</td>
<td>$52.2K</td>
<td>$58.4K</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>WV</td>
<td>$6.8K</td>
<td>$10.7K</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>DE</td>
<td>$926</td>
<td>$1.6K</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Economic impact modeling is a standard tool used to quantify the economic contribution of an investment or company. This modeling uses an “Input-Output” economic model to estimate the number of times each dollar of “input,” or direct spend, cycles through the economy in terms of “indirect and induced output,” or additional spend, personal income, and employment.

There are several Input-Output models used by economists to estimate multiplier effects. supplier.io employed the IMPLAN input-output model in developing estimates of spend, income and employment impacts. This model, initially developed by the U.S. Department of Agriculture, examines inter-industry relationships in local, regional, and national economies.

The Input-Output multipliers are derived from a comprehensive and complex set of inputs based on the collection of business and employment data. Indirect impacts of economic activity in a targeted geographic area are calculated by applying multiplier coefficients to the direct impact spending. Since most of the businesses in the study are considered as local businesses, each supplier was assumed to have operations primarily in one state. These multipliers consider an amount of “leakage” from the state economy because some wages and expenditures will be spent outside of the state. The economic activity is calculated by state and these state-level results are aggregated to determine the national totals.

**Appendix: Economic Impact Modeling**

Economic impact modeling is a standard tool used to quantify the economic contribution of an investment or company. This modeling uses an “Input-Output” economic model to estimate the number of times each dollar of “input,” or direct spend, cycles through the economy in terms of “indirect and induced output,” or additional spend, personal income, and employment.

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**Analysis performed by supplier.io**

**Assumptions**
This analysis relies on the following assumptions:

For suppliers that have multiple locations, all impact is evaluated at the headquarters location. This may overestimate the impact in the headquarters state and underestimate the impact in other states.

For suppliers that provide services in multiple NAICS code, unless otherwise indicated, all impact is calculated using the supplier’s primary NAICS code.

A supplier impact is assumed to be localized within a state.

The model predicts impact results based on industry averages and is an aggregate across all companies. The calculations cannot be applied to individual companies and may differ from actual jobs and incomes at specific companies.

**References**
This report is based on an analysis of data provided by the customer and information from the following sources:

- US Government Revenues
- United States GDP
- What is NAICS
- IMPLAN
  - Multipliers Changing Over Time - IMPLAN - Support
  - Generation and Interpretation of IMPLAN’s Tax Impact Report
  - Taxes: How the Pandemic Ruined My Tax Results - IMPLAN - Support
  - Pandemic: Analyzing the Economic Impacts of the Coronavirus - IMPLAN - Support
Supplier Diversity

2022 ECONOMIC IMPACT REPORT