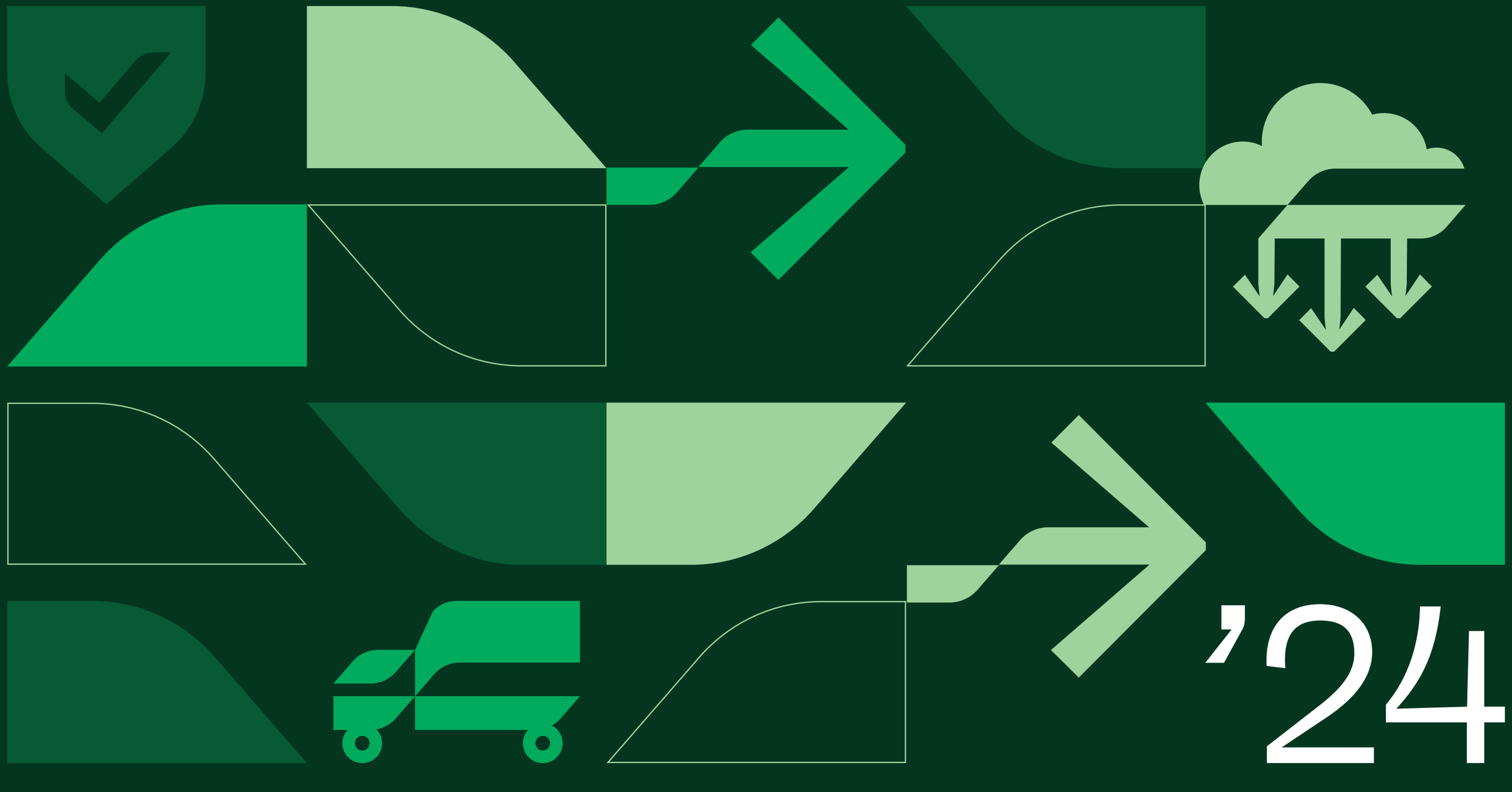
International Paper

2024 Climate Report

Aligned with ISSB IFRS S2 guidelines



Introduction

At International Paper, we recognize the impact of climate change on people and our planet.

We are committed to addressing the challenges of climate change to protect our communities, the environment and our business. As we transition to a low-carbon economy, we recognize the importance of embedding climate-related considerations throughout our value chain. International Paper (IP) supports the 2015 Paris Agreement and recognizes the importance of global policy action limiting global temperature increase to well below 2°C above pre-industrial levels, with a pursuit to limit it to 1.5°C. We support science-aligned and market-based policies to promote effective global and national climate policies. Our climate strategy will continue to evolve, informed by developments in science, technology and regulation. Similarly, our approach to emission reductions will be iterative as methodologies, frameworks and climate data improve over time. The latest science, underscored by the climate impacts experienced in 2024—the hottest year on record—makes it clear that urgent and decisive action is critical to mitigating the worst effects of climate change. This urgency demands that all of us, including businesses and governments, take bold steps to reduce our collective greenhouse gas emissions (GHG) emissions.

As a leading producer of sustainable packaging solutions, we recognize commercial opportunities within the expanding low-carbon circular bioeconomy. Our forest-based products contribute to climate solutions by serving as sustainable alternatives to high-carbon materials, sequestering carbon from the atmosphere through forest growth and retaining that carbon throughout their lifecycle. Corrugated boxes play a critical role in this system, achieving exceptionally high recycling rates, which further reduces waste and enhances the circularity of our products.

In 2022, we aligned our annual sustainability reporting with the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD), which developed a structured framework to help companies disclose climate-related risks and opportunities in governance, strategy, risk management, and metrics and targets. With the establishment of the International Sustainability Standards Board (ISSB), which took over the TCFD's mandate in 2023, we are continuing to enhance the transparency of our climate-related financial disclosures under the ISSB International Financial Reporting Standards (IFRS) S2 Climate Standard. This standard provides a consistent global benchmark for companies reporting on climate-related risks, resilience, and emissions reduction strategies.

This 2024 ISSB S2 Report builds on our commitment to responsible climate action. It provides detailed information, as of December 31, 2024, on our climate-related risks and opportunities across IP operations and our approach to identifying and managing these risks. This report is accompanied by our annual Sustainability Report and CDP (formerly known as Carbon Disclosure Project) disclosure, which offer additional information on our environmental performance and progress.

Governance

Governance processes, controls and procedures to monitor, manage and oversee climate-related risks and opportunities.

Board's oversight of climate-related risks and opportunities

In 2024, our company underwent significant transitions, including the announcement of a new Chief Executive Officer (CEO) and a comprehensive organizational restructuring. These changes aimed to enhance operational efficiency and strategic alignment across our business segments. Key elements of this restructuring included:

- Rearranging organizational structures to better align with our strategic priorities.
- Evaluating strategic options for our Global Cellulose Fibers business segment to optimize its market positioning and operational effectiveness.
- Consolidating enterprise resources under our packaging business to drive synergies and improve resource utilization.

As part of this transformation, we are in process of adjusting our governance structure. For the first three quarters of 2024, governance adhered to the framework outlined in the rest of the governance section. We are actively developing a revised governance framework to better integrate sustainability and climate-related risks into decision-making at all levels of the organization. We are committed to providing a comprehensive update on these structures in our next disclosure as they are finalized and operationalized.

IP has an integrated Board of Directors (Board) and executive-level governance structure that oversees sustainability and Environmental, Social and Governance (ESG) topics, including climate change. The Board has primary oversight of IP's enterprise risk management (ERM) program, which includes climate-related risks and opportunities. The Board reviews long-term resiliency and climate-related risks and opportunities when guiding corporate strategy.

Our Board also conducts periodic reviews of components of the sustainability strategy and performance and reviews material key sustainability-related developments and issues. They receive updates on sustainability issues at its regular meetings and briefings on identified risks and opportunities from our Chief Sustainability Officer (CSO) and additional members of management. Our standing committees share responsibility on sustainability as described below:

Audit and Finance Committee (A&F Committee)

- Reviews processes and controls for external reporting of sustainability and social impact data and metrics.
- Reviews related disclosures in Annual Report on Form 10-K and other sustainability reports.

The A&F Committee assists the Board in its oversight of IP's financial reporting process as well as the implementation and maintenance of effective controls to prevent, deter and detect fraud by management. The A&F Committee coordinates the risk oversight role exercised by the Board's standing committees and management, and receives updates on ERM processes twice per year, which includes consideration of climate-related risks. Additionally, our A&F Committee reviews our internal audit reports to ensure readiness for climate-related developments in ESG reporting. In 2024, the A&F Committee met six times and had a 100% attendance rate. Our Chief Financial Officer (CFO) updates the A&F Committee twice annually on key enterprise risks.

Public Policy and Environment Committee (PPE Committee)

- Reviews sustainability and social impact policies, plans and performance to ensure commitments to stewardship.
- Stays current on emerging climate-related public policy issues and risks.

In 2024, the PPE committee met four times and had a 100% attendance rate. Our CSO, in collaboration with the corporate controller and general counsel, delivers a sustainability reporting update to the committee twice a year. Updates include progress on our science-based target and opportunities to advance progress.

Our Board believes diversity of backgrounds, tenures and skills enhances the quality of its deliberations and decisions, including those pertaining to climate-related issues. Dr. Kathryn D. Sullivan, Board member and chair of the PPE Committee, is a climate scientist and former Administrator of the National Oceanic and Atmospheric Administration, who brings experience in natural resource conservation. Anders Gustafsson, Board member and chair of the A&F Committee, has knowledge of environmental and sustainability issues, combined with experience at a global leader in the Automatic Identification and Data Capture industry, which consists of mobile computing, data capture, radio frequency identification devices, barcode printing, and other workflow automation products and services.

The skills and experiences of our Board members provide valuable perspectives on climate-related issues relevant to our business.

Management's role in assessing and managing climate-related risks and opportunities

Ownership and governance of sustainability matters is embedded in the organization from the top down. Our CEO and Executive Leadership Team (ELT) are responsible for corporate strategy and leadership including incorporation of our sustainability goals and standards into our daily operations and long-term business strategy. Our ELT reports directly to the CEO and is comprised of senior vice presidents who oversee critical functions and business units within the company. The ELT evaluates sustainability issues based on input from function-specific councils and receives several sustainability updates throughout the year from our CSO.

The CSO, who reports to the Chief People and Strategy Officer, leads IP's sustainability team and is responsible for shaping our sustainability strategy. This includes driving progress toward our Science Based Targets initiative (SBTi)-approved GHG reduction goal. The sustainability team, with support from technology, is responsible for aggregating, monitoring and reporting environmental metrics as climate issues evolve. Our sustainability team performs ongoing research and risk identification which helps our business teams implement appropriate tactics to achieve our goals. We leverage expertise and best practice guidance from trusted consultants and forest sector groups including the National Council on Air and Stream Improvement (NCASI) and the World Business Council for Sustainable Development (WBCSD).

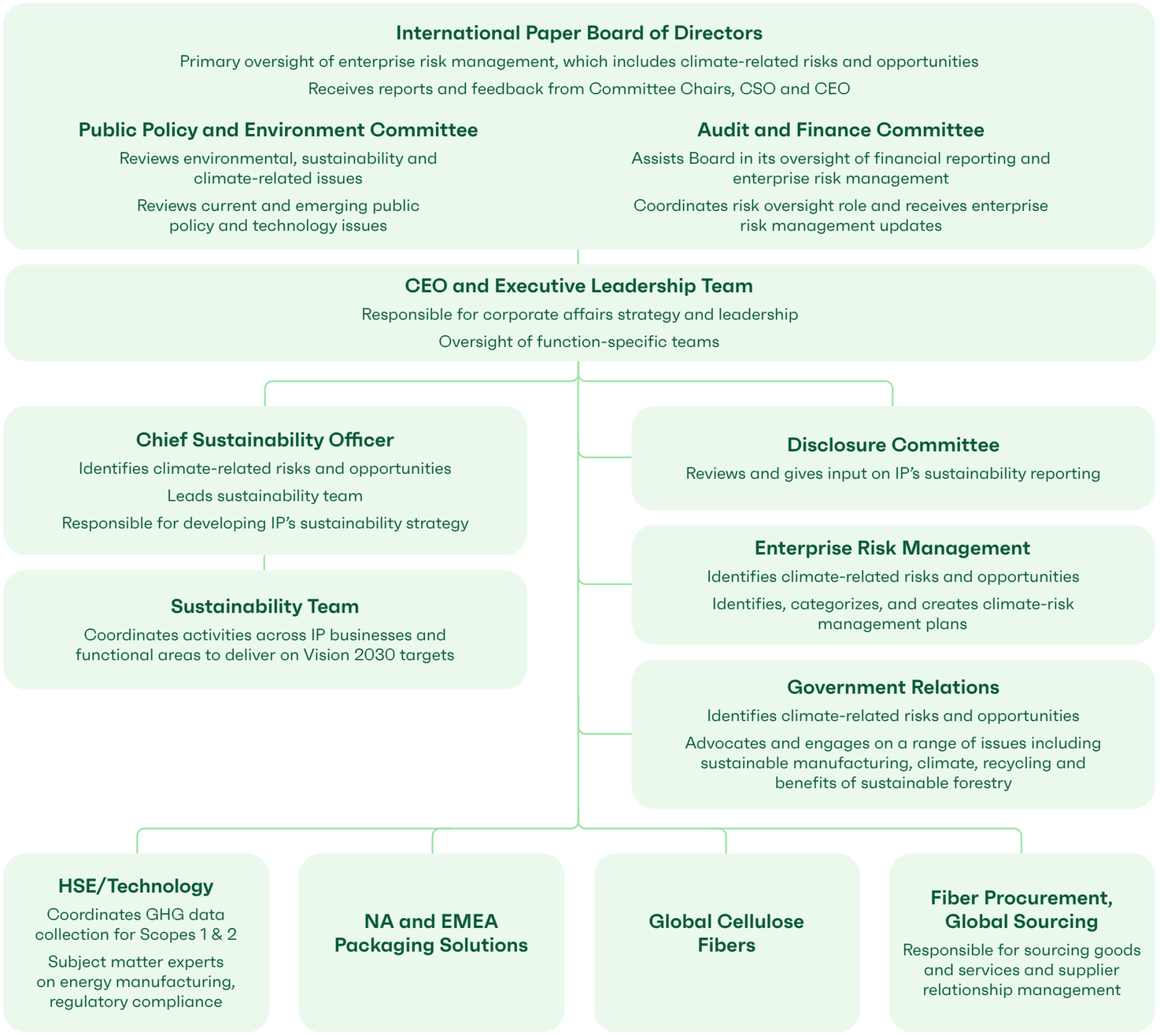
At the facility level, mill or plant management is responsible for managing day-to-day identification, understanding and mitigation of risks.

Our Disclosure Committee assists with evaluating materiality, determining disclosure obligations, reviewing disclosures required under Security and Exchange Commission rules and helping to ensure IP's disclosure controls and procedures are properly implemented. The Disclosure Committee is comprised of subject matter experts from legal, investor relations, government relations, communications, human relations, finance and internal audit departments. A subcommittee of the Disclosure Committee reviews and provides input on IP's sustainability reporting each year. Significant changes to reporting practices are vetted through our corporate councils and steering teams.

Our ERM Council is responsible for ensuring people and processes are in place to identify, assess, and mitigate risk. Management ensures those risks are included in the development of our business strategies. The ERM Council is comprised of senior vice presidents and vice presidents representing each IP business and major staff functions. Our CFO chairs the ERM Council, which is coordinated by our vice president, Corporate Audit.

A visual aid to understand our governance structure can be found on the following page.

Governance Structure Chart



Strategy and Decision-making

Strategic framework and decisions for addressing climate-related risks and opportunities.

Achieving Climate-Related Targets

Our Vision 2030 strategy includes an absolute GHG reduction target of 35% from a 2019 baseline across Scopes 1, 2 and 3; this target was approved by SBTi in 2021. Our Vision 2030 strategy also includes a Renewable Solutions target to have 100% of our products be reusable, recyclable or compostable; each business is developing specific objectives to deliver sustainable solutions within the circular economy. We report on our progress annually in our Sustainability Report and will continue to do so.

We are taking decisive steps to align with our Vision 2030 target of reducing Scope 1, 2, and 3 GHG emissions by 35%. Our refined decarbonization plan leverages multiple strategies, including reducing fossil fuel use, increasing biomass utilization, and improving energy efficiency through equipment upgrades. Investments in data quality, tracking, and reporting ensure we identify additional efficiency opportunities and refine our reduction strategies.

Key milestones include:

- Cost Reduction Projects: We're committed to making capital investments to address Scope 1 GHG emissions in our facilities over the next decade. We're evaluating 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 emissions reductions by optimizing processes, upgrading equipment and advancing energy conservation measures.
- Transitioning away from Renewable Energy Certificates (REC) Sales: Our emissions per unit of production have increased since 2019 primarily due to an increase in the sale of RECs. This does not amount to a change in actual emissions, but rather, sales of environmental attributes from our renewable power generation. While REC sales will continue in the short term, we plan to phase them out to directly support our Vision 2030 goals.
- Renewable Energy Integration: We anticipate approximately 8% of future GHG reductions to come from increased renewable electricity installations on the grid. We are actively pursuing opportunities to support renewable energy generation projects, such as community solar programs in Maine and New York, which accelerate the energy transition and expand access to renewable energy.
- Innovative Operational Projects: Our $103 million natural gas boiler project at the Cedar River Mill will reduce the facility's Scope 1 and 2 emissions by 25% and enhance operational efficiency. The "Mill of the Future" initiative further optimizes processes, minimizes variability, and reduces resource consumption, contributing to emissions reductions while improving safety.
- Forest-Based Carbon Solutions: We collaborate with strategic partners to implement forest management practices that enhance biodiversity and sequester additional carbon, addressing both in-value-chain and beyond-value-chain impacts.

Addressing climate risks and opportunities has prompted changes in our resource allocation and business model, including capital investments in energy efficiency and fuel-switching initiatives, and renewable energy projects. While short-term costs may rise, these investments position us to mitigate risks, enhance resilience, and capitalize on opportunities within the low-carbon economy. Investments in low-carbon technologies and renewable energy align with market trends and create opportunities for increased revenue in a low-carbon economy.

Collaborating with value chain partners is integral to addressing Scope 3 emissions. We are improving data accuracy, engaging suppliers on emission reductions, and assessing supply chain impacts. These efforts extend to customers, emphasizing how our products are used and disposed of to minimize GHG impacts.

Funding for our strategy remains uncertain but will be shaped by customer support for decarbonization efforts. Internally, we deploy capital toward high-impact projects and use a carbon price sensitivity tool, ranging from $25 to $75 per metric ton of CO_2e, to guide capital project planning and encourage low-emission alternatives.

By integrating climate-related considerations into our strategic decision-making, we aim to create long-term value, build resilience, and lead in the transition to a sustainable, low-carbon economy.

Climate-related Risk and Opportunity Management

Integrating climate risk into enterprise strategy through assessment, scenario analysis, and mitigation planning.

Climate-related Risk Identification and Assessment

The ERM Council facilitates activities to identify, assess and create climate risk response plans. In 2024, IP conducted an Enterprise Risk Assessment (ERA) to identify and prioritize risks that could impact IP's strategic objectives. Our ERM Council conducted a bottom-up risk identification and assessment in 2023. One hundred and sixty IP leaders were invited to participate in an open survey which was followed by two live sessions. The first group session with senior leadership identified risks and prioritized those risks. The second group session with key executives validated outcomes and assigned risk owners. A total of 21 enterprise risks were identified and prioritized into two tiers. Tier 1 includes 14 enterprise risks that were voted as high priority risks by key executives, Climate change risk was assessed as the 13th tier 1 risk. This is defined as "ability to respond and prepare for climate change risks that may impact our ability to access raw materials (i.e., fiber) and the continuity of our business operations." We intend to perform a similar assessment every couple of years with annual updates during off years. In addition, our sustainability team performs ongoing risk assessment using cross-sector research and benchmarking as climate issues evolve. The team leverages expertise and best practice guidance from trusted consultants and forest-sector-focused groups including NCASI and WBCSD. Our sustainability team also conducts materiality assessments at regular intervals by surveying all stakeholder groups for unidentified risks.

In addition to the ERA, the ERM Council receives updates from our CSO, who supports risk identification, assessment and response plans related to ESG topics, including climate. Risk identification and management are built into our business-specific strategic planning. Quantitative physical climate impact modeling from S&P Global's Climanomics, a scenario-modeling tool developed by a team of climate scientists, economists, and data and financial specialists, has informed risk discussions, our strategy and public disclosures

The ERM Council has established climate change as a priority and meets regularly to evaluate enterprise risks and ensure proper understanding, ownership, and mitigation of risks.

Scenario Analysis

We conduct regular climate-related scenario analyses to evaluate and strengthen the resilience of our strategic and financial planning. Combining quantitative modeling with qualitative insights from internal and external industry experts, these analyses offer valuable context for the broader climate transition and explore potential pathways across a range of outcomes. Using S&P Global's Climanomics and WBCSD's Climate Scenario Tool, we generated a climate risk scenario analysis to understand our specific climate risks and opportunities under a variety of climate scenarios. For this report, we analyzed all operating IP mills located in North America and Europe, with the associated climate and socioeconomic data, to model potential impacts unique to each location.

Our top risks were consistent across the three representative concentration pathway scenarios investigated with small variations in relative impact as a percent of the total asset value at risk. The top physical risks this decade were temperature extremes, wildfire and river flooding. The top transition risks are risks associated with changing supply and demand in a lower-carbon economy and carbon pricing. Our scenario modeling provides directional insights rather than definitive outcomes, as we actively mitigate risks and capitalize on opportunities based on these projections.

We use three commonly cited temperature target scenarios based on the latest climate research[1] and five potential pathways by which the temperature targets may be achieved. Calculating potential financial impacts is challenging due to the current absence of a global standardized calculation methodology. Therefore, we leverage external research and studies in developing assumptions in the calculation process. These scenarios were chosen for consistency with WBCSD's Food, Agriculture and Forests scenario tool which contains the most relevant information for climate change planning and assumptions impacting the forest products industry.

- Paris Ambition (RCP2.6): Most stringent pathway with substantial GHG reductions beginning now (1.5–2°C warming by 2100)
  - 1.5°C Societal Transformation, where strong coordinated global policy and market responses enable decarbonization and limit physical impacts
  - 1.5°C Innovation, where bioenergy and agricultural innovation result in greater land efficiency and emission targets are met without significant market changes (compared to the 1.5°C Societal Transformation pathway)
- Stabilization (RCP4.5) — Consistent with relatively ambitious emissions reductions and GHG emissions increasing slightly before declining around 2040 (1.7–2.3°C warming by 2100)
  - <2°C Forecast Policy Scenario (FPS) where climate action starts abruptly and late, between 2025 and 2030 resulting in higher transition risk with higher GHG price and land protection regulation
  - <2°C Coordinated Policy Scenario, in which more timely policy and regulation curbs emissions in a more orderly fashion, decreasing transition risk relative to RCP8.5 or IPR
- Business as Usual (RCP8.5) — Scenarios that lead to high GHG concentration levels, consistent with a future of no policy changes to reduce emissions and increasing GHG emissions (4.2–5.4°C warming by 2100)

Pathways considered show growth in timber and pulpwood demand to varying degrees and more land competition between food production, forest products, protected areas and the bioenergy sector. These effects are stronger with lower-emission scenarios although in the same direction. Later and more reactive policy and regulatory engagement is expected to result in higher transition risks. Higher-warming scenarios (i.e. RCP 8.5) are expected to result in more dramatic physical risks and outcomes. The RCP2.6 pathways are expected to result in better transition opportunities driven by consumer preferences for low-carbon products and innovation in bioenergy production and agriculture.

Climate-related risks and opportunities

We anticipate facing both physical and transition risks[2] in the coming years. To address this, we have identified potentially material climate-related risks and opportunities as well as the corresponding mitigation and adaptation strategies on our Climate-related Risks and Opportunity Matrix (Table 1, page 10). This analysis focuses on potential impacts to our operations, supply chain and businesses — primarily in North America and Western Europe — over the short-to-medium term, through 2030. Potential regulatory and transition market risks and opportunities associated with the shift to a low-carbon economy include changing consumer preferences and future government policy and regulation.

We recognize that transition risks and opportunities are more likely to affect our company over the short to medium term than physical risks. Among physical risks, we are more likely to experience some acute, rather than chronic, impacts related to extreme weather and water scarcity during this decade. Physical climate impacts, such as natural disasters, pose a growing financial risk as global temperatures rise. Long term, all risks and opportunities are expected to grow in likelihood and impact, though in differing ways depending on various possible climate scenarios.

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

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

Transition Risks

Policy and Legal
- Carbon taxes
- Renewable portfolio standards
- Increased disclosure

Technology
- Improved energy efficiency
- Greater battery storage
- Lower-emission products

Market
- Shifts in supply and demand

Reputation
- Impact on public perception regarding action or inaction on climate change

Physical Risks

Acute
- Hurricanes
- Floods
- Wildfires

Chronic
- Higher temperatures
- Sea-level rise
- Long-term drought

Opportunities

Resource Efficiency
- Lower costs from energy, raw material and water conservation

Energy Source
- Lower-emission energy alternatives

Markets Biogenic Energy Opportunities
- Carbon credits
- Biogenic energy opportunities

Products and Services
- Demand for renewable materials
- Emphasize low-carbon products

Resilience
- Innovation
- Efficiency
- New product opportunity

Table 1 (on the following page) outlines high-level strategies which will likely apply under any scenario. In general, we assume that physical risks are likely to lead to greater potential impacts over time in higher-emission scenarios, while transition risks are likely to have greater potential impacts over time under lower-emission scenarios. This is because the low-emission pathways will most likely require greater market and regulatory shifts. Climate-related business opportunities are more difficult to quantitatively model, but we believe that we are well-positioned to meet growing demand for sustainable packaging and pulp products as part of the low-carbon circular bioeconomy. Details of our adaptation strategies for the risks and opportunities mentioned in Table 1 can be found in our response to CDP 2.3a.

Table 1: Climate-related Risk & Opportunity Matrix (projections through 2030)

Category	Chronic	Acute	Risk/Opportunity	Potential Impacts	Mitigation Strategy (Decarbonization)	Adaptation Strategies (Resilience Planning)
Physical Risk	X		Facility Impacts: Extreme Temperature	Increased heat-related operational impacts and costs as a result of overall rising temperatures and increasing humidity	Deliver science-based GHG emissions reduction targets (SBTi-approved) across Scopes 1, 2 and 3 via operational improvements, strategic partnerships and nature-based solutions Advocate for policy and regulatory measures that promote GHG reduction	Increase operational cooling capacity in manufacturing facilities where appropriate
Physical Risk		X	Facility Impacts: Extreme Weather	Asset damage, insurance premium increase, production delays, and related costs and/or revenue loss from weather events including storms, floods, droughts and wildfires of increasing severity and/or frequency		Invest in natural and built infrastructure improvements at highest-risk facilities Reduce and monitor water consumption and increase the reuse of water
Physical Risk and Transition Risk	X	X	Fiber Supply Impacts	Supply interruptions and/or increased input costs from impacts to North American managed forests and recovered fiber supply, including weather and temperature, changing species ranges and growth rates, transport costs and competing demand for wood and land.		Support research, policies and landowner efforts on sustainable forest management, restoration, afforestation, and carbon sequestration in working forests Extend fiber procurement ranges as necessary
Physical Risk and Transition Risk	X	X	Supply Chain Impacts	Supply interruptions and increased input costs from physical and transition impacts on suppliers, energy supply and transportation		Improve supply chain monitoring, supplier diversification and resilience planning Leverage high % of energy self-generation
Transition Risk/ Opportunity	X		Regulatory Impacts	Carbon pricing and cost of compliance with related climate regulations		Support research and policies: ▪ for low-carbon industrial technology development ▪ to maintain carbon neutrality of biomass residuals
Transition Risk/ Opportunity	X		Marketplace Impacts	Influence on competitive position due to customer and end consumer preferences regarding low-carbon, circular products with a high recycling rate		Leverage innovation and collaboration to drive down carbon footprint of our products and overall value chain
Transition Risk/ Opportunity	X		Financing and Shareholder Impacts	Influence on access to affordable capital and investor goodwill		All of the above plus improved reporting methods and direct stakeholder engagement
Transition Opportunity	X		Project Funding Opportunities	Tax credit and funding opportunities to expand green energy production		Leverage energy from carbon neutral biomass residuals to produce steam and electricity Stakeholder engagement with government departments
Transition Opportunity	X		Impact of Renewable Energy Participation	Increased revenue from sales of RECs from green power generation		Develop opportunities at specific mills with favorable REC markets

Metrics & Targets

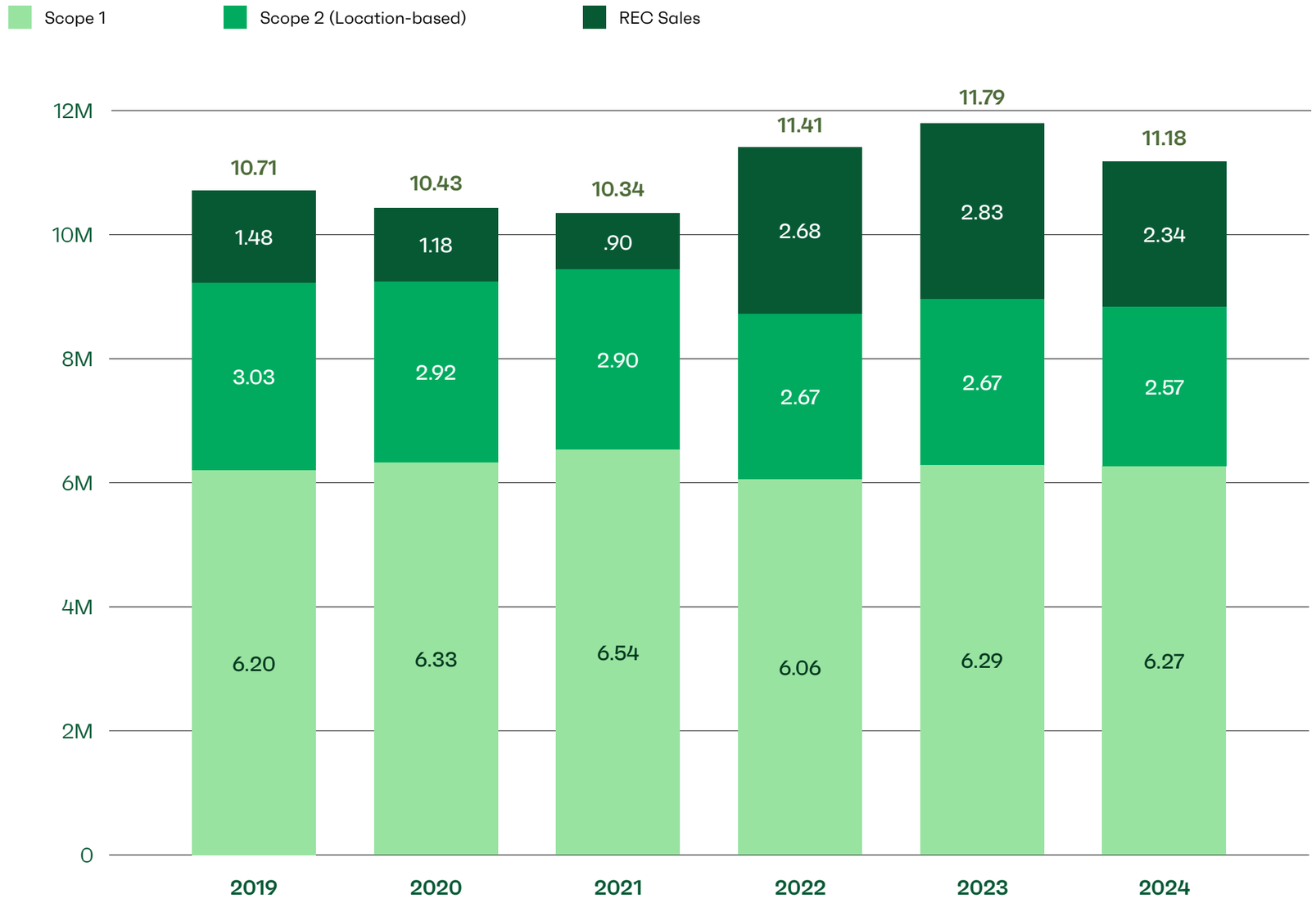
Metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Climate-Related Metrics and Data Disclosure

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

We disclose a number of climate-related metrics reflecting our alignment with regulatory requirements and leading standards such as GRI, CDP, SASB and IFRS S2 (formerly TCFD). These include annual reporting on GHG emissions, energy use and sources, water use and water stress, sustainable fiber supply, renewable solutions and others. To prepare for regulatory disclosure requirements in the European Union and United States, we have conducted internal and preliminary audits of our data collection systems and identified areas for enhancement. In 2023, we developed a system that automates Scope 1 and Scope 2 GHG emissions data collection with built-in quality checks and consolidates enterprise emissions with strengthened control protocols. Our 2023 and 2024 reports feature data collected using this system.

GHG Emissions Progress (metric tons CO_2e)
Scope 1 and 2 Progress[3]



3 Consistent with the GHG Protocol, our reported Scope 1 GHG emissions and associated targets do not include biogenic GHG emissions, which were approximately 22.8 million metric tons in 2023.

Greenhouse Gas Emissions and Related Risks

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

We collect and track GHG emissions from our manufacturing facilities using a robust, centralized data collection software. We incorporate automatic controls and subject matter expert reviews as internal quality assurance controls. Our sustainability team routinely uses this data to report progress toward our Vision 2030 goals and to other interested stakeholders. We also report this data to regulatory agencies globally. Our 2023 emissions in millions of metric tons of CO_2 equivalents can be seen in the adjacent chart. In 2024, our GHG emissions from direct operations (Scope 1) and from the consumption of purchased energy (Market-Based Scope 2) increased by 4.3% compared to our baseline year of 2019. It is important to note that this increase is largely due to the sale of RECs, the environmental credits associated with our renewable power generation, rather than an actual increase in emissions. While REC sales will continue in the short term, they will eventually be phased out as we work towards our Vision 2030 goals.

Compared to 2023, our combined Scope 1 and Market-Based Scope 2 emissions decreased by 5%, driven by fewer REC sales and a greener grid. However, our Scope 1 emissions remained relatively stable. This was partly due to challenging economic circumstances that led to the increased use of natural gas over biomass at some of our mills, which masked some of our emission reduction efforts.

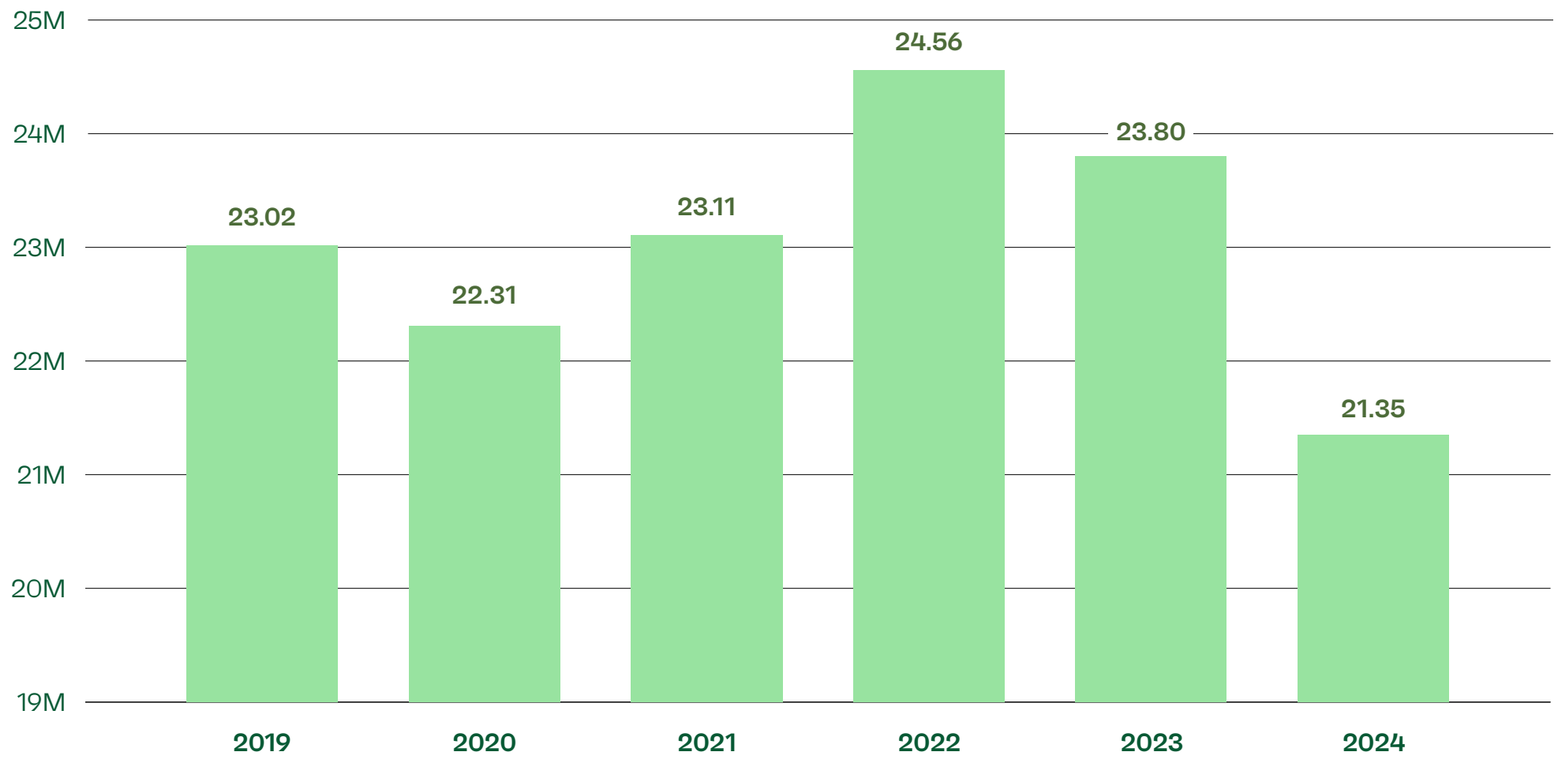
Scope 3 Reporting

In 2024, we also recorded reductions in our Scope 3 emissions, primarily due to decreased material consumption and production in our Global Cellulose Fibers business, along with improved industry-wide emission factors. We update key categories of Scope 3 emissions on an annual basis, relying on estimates from Life Cycle Assessment (LCA) data and other available data sources. We are working to improve our Scope 3 emissions accounting and our data is evolving and improving. During this period of data quality improvement, we have seen data variability year over year. Carbon data quality is impacted by the extent to which companies in our value chain are reporting emissions data. As data improves, we expect reported emissions to be more representative of actual emissions from their underlying activities, and thus more accurately reflect how our value chain partners are working to address their own emissions footprint. As data and methodologies continue to improve, we may adjust our Scope 3 emissions reporting as appropriate.

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

GHG Emissions Progress (million tons CO_2e)

Scope 3 Progress



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This report contains certain forward-looking statements based on management's current assumptions and expectations, including statements regarding our ESG targets, goals, commitments and programs and other business plans, initiatives and objectives, including but not limited to our Vision 2030 goals. Certain statements in this report that are not historical in nature may be considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the use of forward-looking or conditional words such as "expects," "anticipates," "aspires," "believes," "estimates," "could," "should," "can," "forecast," "intend," "look," "may," "will," "remain," "confident," "commit" and "plan" or similar words and expressions. Our actual future results, including the achievement of our targets, goals or commitments, could differ materially from our projected results and commitments as the result of changes in circumstances, assumptions not being realized, or other risks, uncertainties and factors. These statements are not guarantees of future performance and reflect management's current views and speak only as to the dates the statements are made and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these statements. Factors which could cause actual results to differ include but are not limited to: (i) risks with respect to climate change and global, regional, and local weather conditions, as well as risks related to our ability to meet targets and goals with respect to climate change and the emission of greenhouse gases (GHG) and other environmental, social and governance matters, including our other Vision 2030 goals; (ii) the emergence and implementation of mandatory climate reporting standards and the continued development of voluntary standards and frameworks that may result in definitional or other changes, including those that may alter how our GHG emissions are calculated and reported both historically and prospectively; (iii) the impact of global and domestic economic conditions and industry conditions, including with respect to current negative macroeconomic conditions, inflationary pressures and changes in the cost or availability of raw materials, energy sources and transportation sources, supply chain shortages and disruptions, competition we face, cyclicality and changes in consumer preferences, demand and pricing for our products, and conditions impacting the credit, capital and financial markets; (iv) the costs of compliance, or the failure to comply with, existing and new environmental (including with respect to climate change and GHG emissions), tax, labor and employment, privacy, anti-bribery and anti-corruption, and other U.S. and non-U.S. governmental laws and regulations; (v) any material disruption at any of our manufacturing facilities or other adverse impact on our operations due to severe weather, natural disasters, climate change or other causes; (vii) our ability to realize expected benefits and cost savings associated with restructuring initiatives; (vii) our ability to achieve the benefits expected from, and other risks associated with, acquisitions, joint ventures, divestitures, spinoffs, capital investments and other corporate transactions, (viii) cybersecurity and information technology risks, including as a result of security breaches and cybersecurity incidents; (ix) loss contingencies and pending, threatened or future litigation, including with respect to environmental related matters; (x) our ability to attract and retain qualified personnel, particularly in light of current labor market conditions; and (xi) risks arising from conducting business internationally, domestic and global geopolitical conditions, military conflict (including the Russia/Ukraine conflict, the conflict in Israel and surrounding areas, the possible expansion of such conflicts, and the potential geopolitical and economic consequences associated therewith), changes in currency exchange rates, trade protectionist policies, downgrades in our credit ratings, and/or the credit ratings of banks issuing certain letters of credit, issued by recognized credit rating organizations. These and other factors that could cause or contribute to actual results differing materially from such forward-looking statements can be found in our annual report on Form 10-K and other reports we file with the U.S. Securities and Exchange Commission from time to time. In addition, other risks and uncertainties not presently known to the Company or that we currently believe to be immaterial could affect the accuracy of any forward-looking statements. The Company undertakes no obligation to publicly update any forwardlooking statements, whether as a result of new information, future events or otherwise, unless required by law.

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