

WHEREAS: Forests are systemically important to climate, biodiversity, water, Indigenous Peoples' rights, and livelihoods. The World Economic Forum ranks biodiversity loss among the three most severe global risks,¹ while the World Bank estimates the collapse of ecosystem services, including native forest timber, could result in an annual global GDP decline of \$2.7 trillion.²

International Paper (the "Company") is a leading producer of fiber-based packaging and pulp products. It sources fiber from forests in the U.S. and Canada, at least some of which are near FSC U.S. Southeast Critical Biodiversity Areas.³ Logging operations in high-integrity, high conservation value forests, from which its wood fiber is likely sourced, can lead to lower species diversity, ecosystem conversion and degradation, negative impacts to habitats and watersheds, or increase risk of wildfire.⁴

E-commerce is projected to increase packaging demand by up to 20% over the next five years,⁵ while customer demand for sustainable products is also increasing. A biodiversity strategy will help International Paper meet this demand without increasing its nature-related risks and ensure long-term resilience of its fiber sourcing, mitigate supply chain disruption, and volatility.

In 2022, the Kunming-Montreal Global Biodiversity Framework was adopted to halt and reverse nature loss by 2030. Along with other climate and nature commitments, it will prompt further regulatory action and heighten expectations for corporate disclosures on nature.⁶ The Taskforce on Nature-Related Financial Disclosures (TNFD), created with investor and company input, provides a framework to assess and report on nature-related dependencies, impacts, risks, and opportunities.⁷ Further TNFD guidance suggests companies locate specific areas where operations or value chains interface with nature.⁸

International Paper recognizes "its success depends on the sustainability of forests." However, it lacks a biodiversity strategy informed by a robust assessment of biodiversity impacts, dependencies, risks, and opportunities. Third-party certification alone is insufficient, and the company does not disclose how it uses its monitoring and partnerships to evaluate and mitigate business-wide biodiversity impacts, risks, and dependencies.

A biodiversity impact and risk assessment, including supply chain impacts on the degradation of high-integrity forests, would help ensure the Company's approach and supplier engagement is science-based, and context- and geography-specific. It would identify and address areas significantly impacted by the business to inform strategies to establish long-term business resilience. In the absence of such information, investors are unable to evaluate the magnitude of its exposure to systemic risk or whether its management systems are sufficient.

¹ https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2022.pdf

² <https://www.worldbank.org/en/news/press-release/2021/07/01/protecting-nature-could-avert-global-economic-losses-of-usd2-7-trillion-per-year>

³ <https://www.internationalpaper.com/sites/default/files/file/2023-08/CDP%202023%20-%20Forests.pdf>

⁴ <https://www.bain.com/insights/paper-and-packaging-faces-biodiversity-crisis-paper-and-packaging-report-2023/>;
<https://www.corporateknights.com/issues/2023-11-education-and-youth-issue/tree-planting-climate-emergency/>

⁵ <https://www.reuters.com/sustainability/land-use-biodiversity/flight-plastic-companies-urged-think-outside-box-2023-08-09/>

⁶ https://environment.ec.europa.eu/topics/forests/deforestation/regulation-deforestation-free-products_en

⁷ <https://tnfd.global/recommendations-of-the-tnfd/#risk-impact-management>

⁸ https://tnfd.global/wp-content/uploads/2023/08/Guidance_on_the_identification_and_assessment_of_nature-related_Issues_The_TNFD_LEAP_approach_V1.1_October2023.pdf?v=1698403116

RESOLVED: Shareholders request that International Paper conduct and disclose a biodiversity impact and dependency assessment, including supply chain impacts on the degradation of high-integrity forests, to inform its strategy to prevent negative impacts on biodiversity.

SUPPORTING STATEMENT: Shareholders recommend, at Board discretion, that the report is aligned with standards, such as the Taskforce on Nature Related Disclosure framework, and includes information on governance, strategy, risk and impact management, and metrics and targets.