

UK Modern Slavery Act

Disclosure Statement 2019

International Paper, including all its subsidiaries, is committed to conducting business with honesty and integrity wherever we operate around the world, treating all people with dignity and respect, and complying with applicable laws, regulations and treaties. We are also committed to protecting and promoting human rights globally. We do not tolerate prohibited child labor, slave labor or the use of force or other forms of coercion, fraud, deception, abuse of power or other means to control people in order to exploit them. As the parent corporation to International Paper subsidiaries doing business in the United Kingdom, International Paper Investments (Luxembourg) S.à r.l. ("IP Luxembourg") makes this declaration on behalf of International Paper and these subsidiaries.

OUR COMPANY AND BUSINESS

International Paper is one of the world's leading producers of fiber-based packaging, pulp and paper. Our mission is to improve people's lives, the planet and our company's performance by transforming renewable resources into



THE IP WAY FORWARD

More than **50,000** global employees

25,000 customers in **150** countries

COMMITTED TO AN INJURY-FREE WORKPLACE TO ENSURE EVERYONE ARRIVES HOME SAFELY EACH DAY

EVERY INTERNATIONAL PAPER JOB SUPPORTS **3.25** Jobs IN SUPPLIER INDUSTRIES AND LOCAL COMMUNITIES.

MORE THAN **\$24** MILLION INVESTED IN OUR COMMUNITIES IN 2019

NEARLY **75%** OF MILL ENERGY DERIVED FROM BIOMASS RESIDUALS RATHER THAN FOSSIL FUELS

WE ENSURE HEALTHY AND PRODUCTIVE FOREST ECOSYSTEMS FOR GENERATIONS TO COME

INTERNATIONAL  PAPER

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products people depend on every day. IP Luxembourg operates as a subsidiary of International Paper Company and holds subsidiary operations throughout Europe, Latin America, North Africa and Russia. An overview of International Paper and its global operations is in the [Company Overview](#) on our public website. International Paper manufactures its products primarily in our own facilities, rather than outsourced facilities. International Paper's workforce across our global operations includes both direct and contract employees. All employees are required to comply with the [International Paper Code of Conduct](#) and company policies. All suppliers, contractors and third-party partners are required to follow the principles contained in International Paper's [Third Party Code of Conduct](#) ("Third Party Code"). In addition, we require all contractors who enter International Paper sites to follow our onsite safety practices and expect them to conduct themselves by the principles of International Paper's Third Party Code and Code of Conduct.

OUR POLICIES AND STANDARDS

We do the right things, in the right ways, for the right reasons, all of the time – this is The IP Way.

Global principles. At International Paper, we do the right things, in the right ways, for the right reasons, all of the time – this is The IP Way. The IP Way is the foundation of the strategic drivers developed under The IP Way Forward, which supports International Paper's vision to be among the most successful, sustainable and responsible companies in the world. Together, The IP Way Forward and our Core Values – Safety, Ethics and Stewardship – serve as a guidepost as we carry out our mission "to improve people's lives, our planet and our company's performance by transforming renewable resources into products people depend on every day." To achieve these goals, we also take guidance from international human rights principles, including those in the United Nations ("UN") Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UK Modern Slavery Act of 2015, the U.S. Victims of Trafficking and Violence Protection Act of 2000, the California Transparency in Supply Chains Act and others. We comply with applicable laws of every country in which we operate and expect those with whom we do business to do the same. We have longstanding high standards of ethical business conduct that are at the core of how we operate. All employees of

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All employees of International Paper and its subsidiaries are unified around the commitment to strengthen our people and communities, provide solutions for our customers and ensure the sustainability of our company, communities and planet.

We encourage anyone to report human rights violations, and we take all such reports very seriously.

International Paper and its subsidiaries are accountable to International Paper's Code of Conduct, policies and practices and are globally unified around the shared commitment to strengthen our people and communities, provide solutions for our customers and ensure the sustainability of our company, communities and planet.

Our reporting program. International Paper has a global program for reporting ethical concerns available for employees, suppliers, contractors and surrounding communities in all regions in their local languages. This whistleblowing process includes toll-free call-in numbers, an email contact and links to file a report via mobile app or website, all available in languages of the regions in which we operate. We encourage anyone to report human rights violations or other wrongdoing at any level of our business. International Paper prohibits retaliation against anyone who makes a report in good faith, even if no violation has actually occurred. We take seriously all reports of potential violations of ethical conduct, company policy or law, investigate them with confidentiality and respond to those who report them.

A public stand. International Paper has publically declared its commitment to protecting human rights and promoting the eradication of human trafficking, slave labor and prohibited child labor in various statements and reports on [our public website](#). International Paper's Code of Conduct sets expectations of our employees and provides guidance for maintaining high standards of integrity, promoting ethical conduct in the supply chain and observing and reporting opportunities for improvement. The Third Party Code makes clear to our suppliers our expectations of them to have responsible, legal and ethical behavior within our supply chains and to abide by all laws on human trafficking, slave labor and child labor. International Paper's corporate policy on human rights describes to employees our expectations on valuing human rights, acting with dignity and respect, recognizing signs of slave labor and the company's impact on human rights in regions in which we operate. International Paper and its employees are involved in significant outreach and volunteer activities in our

communities. Both directly and through our foundations, we promote activities that support the communities in which our employees live and work.

Social responsibility. In addition to attempting to identify and respond to potential occurrences of slave labor, International Paper also believes it is important to address some of the social circumstances that allow disadvantaged persons to find themselves in exploitative situations. International Paper has aligned our Global Citizenship strategy to the following UN Sustainable Development Goals – Zero Hunger, Quality Education, Clean Water and Sanitation, Decent Work and Economic Growth, Responsible Consumption and Production, Climate Action, Life on Land, and Partnerships for the Goals. Focus on these goals allows us to directly support community needs such as education, food, clean water and decent work, where the lack of opportunity or support in these basic areas can contribute to persons finding themselves in exploitive situations in order to survive.

We directly support basic community needs where the lack of them can contribute to exploitation.

UK compliance. The UK Modern Slavery Act (the “Act”) requires commercial organizations in any sector that have a total turnover of above £36 million, and that supply goods or services with at least part of their business in the United Kingdom, to produce a slavery and human trafficking statement for each financial year. The Act requires such businesses to produce a statement setting out steps they take during the financial year to ensure slavery and human trafficking are not in any of their supply chains or any part of their own business. As a parent corporation to subsidiaries that reach this threshold, IP Luxembourg submits this statement on behalf of International Paper and its subsidiaries worldwide.

Employee requirements. Everyone who is part of the International Paper business community, whether an employee, contractor, agent or supplier, will be held accountable to conduct business with or for us in an ethical manner. Our employees are, under the terms of their employment, required to follow applicable laws of the countries in which they operate, along with our Code of

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Conduct, policies and procedures, employee manuals, collective bargaining agreements where they exist, and various business rules and standard operating procedures. Employees who violate laws or company policies are subject to disciplinary action, up to and including discharge.

Supplier requirements. Enterprise-wide, we expect our suppliers and other third-party partners to comply with our Third Party Code and all applicable laws, including those laws and principles prohibiting involvement with human trafficking and slavery. If they fail to comply with the law or do not address contractual non-compliance in a timely manner, International Paper reserves its contractual rights to terminate our relationship with them. A supplier's compliance with the Third Party Code – or with their own code of conduct, if it contains similar ethical principles – is an essential factor in our decision to enter into a business relationship with them or extend an existing one.

DUE DILIGENCE AND AUDITING

Supply chain sustainability development. As part of our global supply chain sustainability program, we are in the ongoing process of implementing additional procedures that hold suppliers accountable to the principles of the Third Party Code and applicable laws. International Paper conducts due diligence, risk analysis and ongoing monitoring of our suppliers. We have processes and procedures in place, along with continuous improvement practices designed to detect, mitigate, protect and respond to various legal and ethical risks, including corruption, bribery, human trafficking and slavery in our supply chain. These practices require compliance with applicable laws, including those governing human trafficking, slavery and anti-corruption. International Paper engages the majority of its third parties through purchase orders, with purchase order terms and conditions or other written agreements. These require all third parties to comply with our Third Party Code or their own code of conduct, as long as it contains substantially similar standards of behavior. With every contract, suppliers and other third-party partners must commit in writing that they will require the same level of compliance from their own suppliers. If suppliers do not agree to these terms, we flag them, monitor them

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and review their activity until we can come to a business decision about their status – if we do not replace them immediately.

To further highlight International Paper’s risk management approach, as of 2019, 90% of our contracted spend is covered with written agreements containing a commitment to comply with the principles of our Third Party Code. We conduct further risk analysis of these suppliers under written agreement, based on potential risk factors such as non-compliance with principles of the Third Party Code. After completing this assessment, we survey certain strategic suppliers through an online survey tool managed by an external provider. After assessing survey results, we then use an external company to perform an onsite audit of certain suppliers. The survey and audit protocols include questions that address the risk of human trafficking and slave labor in our supply chain. In 2019, we surveyed 40% of our strategic suppliers, achieving an 81% response rate. Roughly, a third of strategic suppliers surveyed improved their survey scores from 2018 to 2019 based on scoring and feedback they received from International Paper.

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Certifications. For fiber products, we obtain certifications from third-party organizations, some of which include updated standards requiring compliance with slavery and trafficking laws. Other than these fiber certifications, along with our contractual obligations with suppliers and other third-party partners and the reservation of our right to investigate and terminate, we do not have a formal supplier certification process.

Audits. We include verification and audit rights in many of our supply contracts that permit us to audit supplier compliance with certain contract terms. We have fully implemented our risk-based supplier survey and audit process, checking for compliance with our Third Party Code, including its provisions on trafficking and slavery.

RISK ASSESSMENT

Risk considerations. As part of our centralized sourcing process, we routinely check our supply chain to identify, assess and manage risks associated with suppliers. We consider product quality, supplier performance, transaction types, specific commodities we purchase and the geographic locations from which we source commodities, along with other relevant business and legal criteria. We continue to improve and enhance our risk assessment process in our procurement procedures to help us ascertain areas or locations of potential risk. We are concerned about particular workers that might be more vulnerable and exposed to potential abuse within our supply chain. Across our U.S. and global operations, we continue to explore where such risk might lie, considering areas such as outsourced labor relationships and portions of our supply chain that may use lower-skilled or migrant labor in areas such as forestry, agriculture or recycling.

International Paper regularly trains its employees and those of its subsidiaries in the standards of ethical behavior, policies, procedures and legal requirements that define the way we do business.

As we fully engage our global procurement team, we continue to strengthen processes to detect, investigate and respond to incidents of slave labor, child labor and trafficking in our supply chain.

TRAINING AND AWARENESS

International Paper regularly trains its employees and those of its subsidiaries in the standards of ethical behavior, policies, procedures and legal requirements that define the way we do business. We specifically provide training to our Global Sourcing and Supply Chain Operations employees on the potential indicators of slave labor and human trafficking and how to report potential risk situations. They also receive training on the Third Party Code and supplier site safety. We have developed a checklist for such site visits, so employees have a resource to track their observations, which could include warning signs of slave labor. As appropriate across our global regions, International Paper also provides training and educational material, such as pamphlets and resources to temporary employees, suppliers and contractors.

EFFECTIVENESS

We understand the potential for modern slavery in the supply chain is a valid risk but often difficult to uncover. As we fully engage our global procurement team and supplier-interfacing employees in the enhancement of regional due diligence processes, reporting procedures

We continue to develop processes and measure the effectiveness of our program.

and response protocols, we will continue to develop and strengthen processes to detect, investigate and respond to incidents of slave labor, child labor and trafficking in our supply chain. In addition, we continue developing processes to track metrics on such efforts as employee training, supplier education, and supplier survey and audit results, in order to report on them in the future and measure the effectiveness of our program.

This statement was approved by IP Luxembourg:

Signed on June 16, 2020.



Fabrice Rota
Manager A



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Manager B