

Supplier Code of Conduct



Overview

International Paper Company (“IP”) believes in conducting business with honesty and integrity, treating all people with dignity and respect, supporting our communities and honoring the laws, regulations and treaties of the countries in which we operate. In selecting its suppliers, IP endeavors to choose reputable business partners who conduct their business in a manner that shows commitment to high ethical standards, safe and healthy working environments, protection of human rights and dignity, protection of the environment and compliance with the law.

This Supplier Code of Conduct (“Code”) outlines our expectations regarding the workplace standards and business practices of our suppliers, along with their parent entities, subsidiaries, affiliates, subcontractors and others who are within their supply chain (“supplier”). The expectations contained in this Code are factors essential to our decision whether to enter into or extend existing business relationships. Each supplier is responsible for ensuring that its employees, representatives and subcontractors understand and comply with this Code.

The expectations outlined in this Code do not replace specific requirements in contracts. Rather, this Code is intended to supplement the specific requirements in contracts. If a contractual term is stricter than this Code, the supplier must meet the stricter contractual requirement. This Code does not alter contractual terms or constitute express or implied contractual obligations or a contract of employment.

IP operates in a global environment and honors the laws and treaties of the countries in which we operate, but certain laws, such as the United States Foreign Corrupt Practices Act (FCPA), the UK Bribery Act and others, apply to the company’s global operations. Therefore, this Code is focused on principles that uphold consistent compliance obligations throughout our global operations. Suppliers are also expected to comply with all laws and treaties of the countries in which they operate; however, within the scope of such compliance, where local or regional laws are less restrictive than the principles of this Code, we expect our suppliers to follow this Code. Conversely, when local or regional laws are more restrictive than this Code, we expect our suppliers to follow the local or regional laws.

★ Workplace, Labor and Human Rights

Respect and Dignity. Suppliers are expected to keep their workplaces free of harassment, harsh treatment, violence, intimidation, corporal punishment, mental or physical coercion, verbal abuse and discrimination.

Wages and Benefits. Suppliers must follow all laws governing wages and working hours, including compensation, benefits and overtime.

Freedom of Association. Suppliers must respect the right of their employees to join or not to join any lawful association without fear of retaliation.

Employment Eligibility and Voluntary Labor. Suppliers shall only employ workers with a legal right to work. Illegal child labor and forced labor are forbidden in any circumstance.

Suppliers must refrain from any conduct — and require their contractors to refrain from any conduct — that uses threats, force or any form of coercion, abduction, intimidation, retaliation or abuse of power for the purpose of exploitation, forced labor or slavery of any individual. Suppliers must comply with all laws governing human trafficking and slavery.

★ Business Conduct and Ethics

Illegal Payments, Corruption and Bribes.

Suppliers must not engage in illegal payments or corruption or tolerate the offer of gifts, favors or entertainment where they are intended — or appear intended — to obligate the receiver. Suppliers must not participate in extortion, fraud, embezzlement, bribery or kickbacks. A supplier must use every effort to legally understand and determine when it is dealing with a government official and when a payment may be legitimate rather than a bribe.

General Contracting Ethics and Fiscal Integrity.

When providing goods and services, suppliers must meet their contractual obligations and follow the law. Any representation to IP must be accurate and truthful. Furthermore, suppliers must keep accurate records that comply with the law.

Conflicts of Interest. Suppliers shall disclose to IP any potential conflict of interest, such as when one of their employees (or someone close to the employee) has a relationship with an IP employee who can make decisions that will affect the supplier's business — or when an IP employee has any kind of interest in the supplier's business.

Securities and Insider Trading. If a supplier learns of any material non-public information while working for IP, they must not share that information with others or use it for market trading.

Antitrust and Competition Laws. Suppliers must avoid agreements or actions that illegally limit trade or competition. They may not offer our employees any confidential information about an IP competitor.

Gift-Giving and Political Contributions. Bribes or inappropriate, lavish or repeated gifts to IP employees are forbidden, regardless of local custom. Furthermore, suppliers must not offer entertainment or gifts to government officials — or make direct or indirect political contributions — on IP's behalf.

Intellectual Property and Data Privacy.

Suppliers must protect all of IP's intellectual property rights, trade secrets and proprietary information. They must also protect personally identifiable information that they keep for IP from unauthorized access, destruction, changes, use and disclosure.

★ Health, Safety and the Environment

Workplace Health and Safety. We expect suppliers to promote secure, safe and healthy work sites. Suppliers should have everything in place that is needed to reduce the risk of accidents, injuries and exposure — especially where hazardous materials are present. They must have well-established safety procedures, preventative maintenance and protective equipment in compliance with the law.

Responsibility to the Earth. Suppliers must comply with all environmental laws, including those relating to hazardous materials, wastewater, solid waste and air emissions. We encourage suppliers to reduce the environmental impact of their operations and safeguard the natural resources on which we all depend, especially through reasonable efforts to reduce or eliminate waste of all types. Such efforts include source reduction, recycling, composting, reusing materials and conserving water and energy.

★ Accountability and Compliance

Suppliers must comply with this Code and the law. Suppliers shall be responsible for any monitoring or documenting of their compliance and their efforts to promote compliance within their supply chains. IP reserves the right to investigate any instances of a supplier's non-compliance of which it becomes aware. Non-compliance may be grounds for IP to void or terminate contractual obligations with a supplier.

★ Contact Information

Any questions regarding this Supplier Code of Conduct should be directed to International Paper Company's Ethics Office at ethics@ipaper.com or the International Paper HelpLine at Dial 06-800-011-11. Then dial 888-513-8198 (Hungary)