



Supplier Diversity

2023 ECONOMIC IMPACT REPORT



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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 2023. 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 2023. The total economic impact is **\$835.1 million** contributions to the U.S. economy and supported **5,307 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.





Executive Summary

About International Paper

International Paper (NYSE: IP) is a global producer of sustainable packaging, pulp and other fiber-based products, and one of the world'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, Europe Latin America and North Africa. Net sales for 2023 were \$18.9 billion. Additional information can be found by visiting [internationalpaper.com](https://www.internationalpaper.com).

A Statement from Our CEO

At International Paper, our supplier diversity program is dedicated to identifying and developing small and diverse suppliers that strengthen our core initiatives at a competitive cost and exceptional quality. We value the innovation, expertise, and unique viewpoints they contribute which enable us to compete within the local and worldwide market and provide unique solutions for our customers globally.”

Andy Silvernail
Chief Executive Officer
International Paper



A Statement from Our CDO

Our values include excellence for our customers and an environment that is both physically and emotionally safe. Having both a diverse workforce and diverse suppliers are key to demonstrating those values and our commitment to them.”

Amy Shelton Little
Chief Diversity Officer
International Paper



A Statement from Our Vice President, Procurement

International Paper strives to drive positive outcomes through our supplier diversity program and to improve the local communities in which we live and operate. We actively seek to increase our engagement with suppliers who are owned by underrepresented groups, all of us becoming stronger together through our program.”

Amy Pflueger
Vice President, Procurement
International Paper



Our Vision 2030 Goal

Promote employee well-being by providing safe, caring and inclusive workplaces and strengthen the resilience of our communities.



→ **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 incomes 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 2023 Economic Impact



\$835.1M

production impact

Measures the cumulative revenues of all businesses impacted through the program: **Direct, Indirect and Induced.**



5,307

jobs supported

Created within International Paper's supply chain and in the supplier's communities.



\$242.6M

incomes supported

Measures the cumulative earnings of the employees in the jobs supported through supplier diversity purchases.



\$83.7M

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 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



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.



Disability:IN



Diverse Manufacturing Supply Chain Alliance



Mid-South Minority Business Council Continuum



National LGBT Chamber of Commerce



National Minority Supplier Development Council



United States Hispanic Chamber of Commerce



US Pan Asian American Chamber of Commerce



Women's Business Enterprise National Council

How We Determine the Impact of Our Supplier Diversity Spending On the U.S. Economy

ECONOMIC IMPACT CHANNELS

International Paper’s purchases have a ripple effect on the supply chain. The total economic impact is comprised of three components: **Direct**, **Indirect**, and **Induced**.



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 ripple effect of International Paper’s purchases on communities through the spending of suppliers’ employees and the jobs supported by their purchases.

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

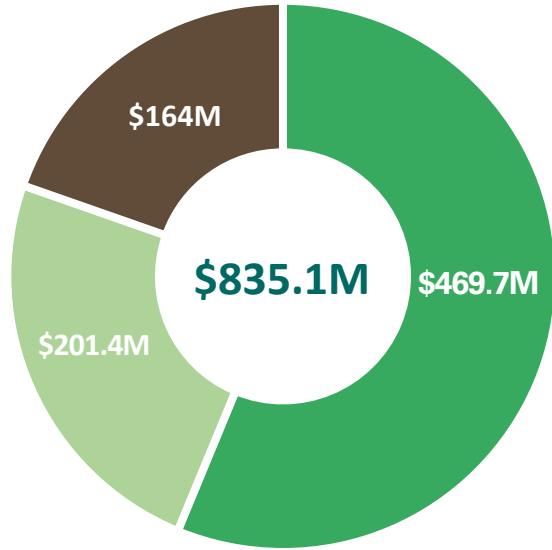
Created within International Paper’s supply chain and in the supplier’s communities.

TAXES

Measures the federal, state and local tax revenues that are generated through economic activity.

The Economic Impact Of Our Supplier Diversity Program

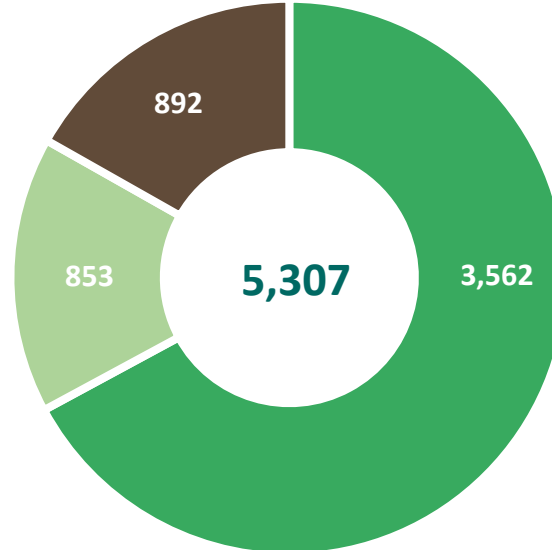
TOTAL PRODUCTION



■ Direct ■ Indirect ■ Induced

International Paper purchased \$469.7M from small and diverse businesses. This spending resulted in the total impact of \$835.1M, which is broken down into \$469.7M Direct impact, \$201.4M Indirect impact and \$164M Induced impact.

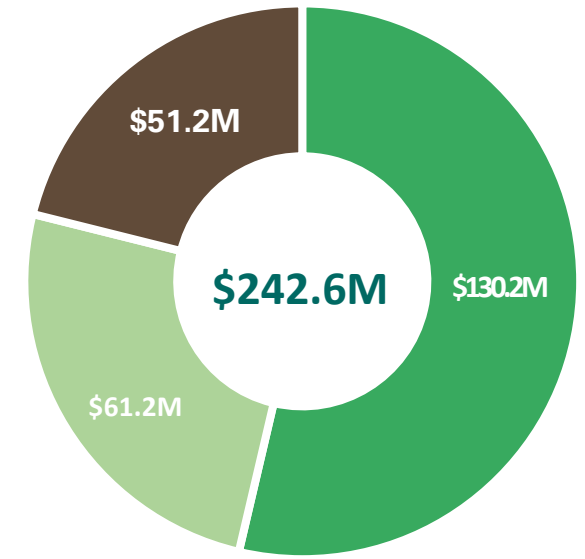
TOTAL JOBS



■ Direct ■ Indirect ■ Induced

International Paper's Supplier Diversity spending with small and diverse suppliers supported an estimated 5,307 jobs. 3,562 of these were supported in the Direct channel, 853 jobs in the Indirect channel, and 892 jobs from the Induced channel.

TOTAL INCOMES



■ Direct ■ Indirect ■ Induced

International Paper's purchases from small and diverse suppliers supported jobs throughout the supply chain that paid employees a total of \$242.6M in incomes. incomes earned in the Direct, Indirect and Induced channels are estimated at \$130.2M, \$61.2M and \$51.2M 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

MINORITY-OWNED BUSINESSES

\$147.5M

minority-owned business spend

1,256

jobs

\$37.6M

incomes

WOMEN-OWNED BUSINESSES

\$302M

women-owned business spend

2,153

jobs

\$84.7M

incomes

VETERAN-OWNED BUSINESSES

\$15.5M

veteran-owned business spend

106

jobs

\$4.5M

incomes

SMALL BUSINESSES

\$135.5M

small business spend

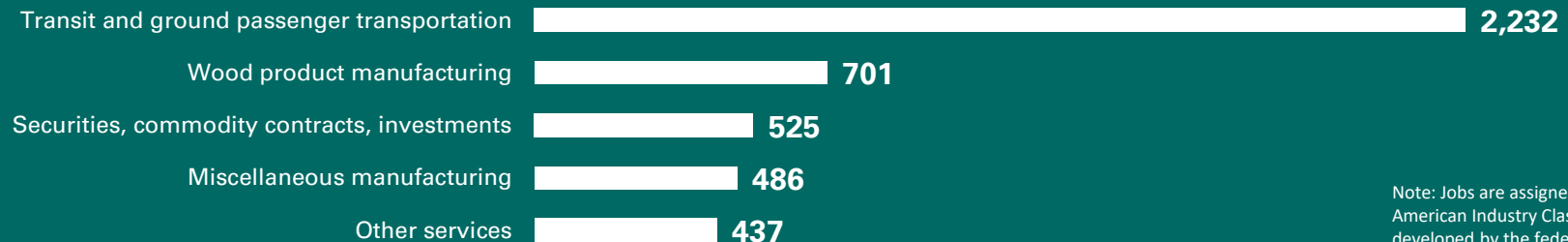
1,000

jobs

\$42.6M

incomes

TOP 5 INDUSTRIES WITH SUPPORTED JOBS



Note: Jobs are assigned to industries included in the North American Industry Classification System (NAICS) that was developed by the federal government.

Our Economic Impact by U.S. Region

STATE	DIVERSE SPEND	TOTAL PRODUCTION	JOB AT DIVERSE AND SMALL BUSINESSES	TOTAL JOBS
CA	\$8.0M	\$15.5M	41	73
WA	\$2.1M	\$3.7M	13	19
OR	\$1.5M	\$2.4M	27	31
UT	\$1.3M	\$2.7M	9	15
CO	\$855.4K	\$1.3M	3	5
NM	\$355.6K	\$585.6K	9	10
AZ	\$13.0K	\$29.9K	-	-

Note: State production and jobs may not add up to the total due to rounding.

WEST



Our Economic Impact by U.S. Region

STATE	DIVERSE SPEND	TOTAL PRODUCTION	JOB AT DIVERSE AND SMALL BUSINESSES	TOTAL JOBS
NY	\$17.2M	\$31.3M	57	116
PA	\$14.5M	\$28.3M	66	133
NH	\$2.5M	\$4.0M	15	23
NJ	\$2.4M	\$3.1M	5	8
MA	\$727.0K	\$904.0K	1	2
CT	\$152.7K	\$258.8K	1	1
ME	\$24.4K	\$48.8K	-	-

Note: State production and jobs may not add up to the total due to rounding.

NORTHEAST



Our Economic Impact by U.S. Region

STATE	DIVERSE SPEND	TOTAL PRODUCTION	JOB AT DIVERSE AND SMALL BUSINESSES	TOTAL JOBS
IA	\$28.2M	\$50.3M	775	889
MO	\$10.6M	\$18.4M	46	84
IL	\$7.4M	\$11.8M	41	62
IN	\$6.4M	\$10.3M	94	114
MI	\$5.2M	\$11.6M	36	71
OH	\$4.7M	\$8.9M	47	66
KS	\$3.0M	\$4.9M	12	21
WI	\$2.9M	\$5.1M	11	22
MN	\$1.9M	\$3.7M	28	37
NE	\$14.3K	\$22.1K	-	-

Note: State production and jobs may not add up to the total due to rounding.

MIDWEST



Our Economic Impact by U.S. Region

STATE	DIVERSE SPEND	TOTAL PRODUCTION	JOB AT DIVERSE AND SMALL BUSINESSES	TOTAL JOBS
GA	\$135.6M	\$275.5M	676	1,324
NC	\$52.0M	\$64.5M	83	149
TX	\$49.9M	\$101.8M	913	1,155
LA	\$24.6M	\$35.1M	115	170
VA	\$22.5M	\$38.0M	139	214
TN	\$16.5M	\$28.5M	77	138
AR	\$15.0M	\$19.6M	67	93
AL	\$14.1M	\$21.9M	65	105
MO	\$10.6M	\$18.4M	46	84

Note: State production and jobs may not add up to the total due to rounding.

SOUTH



Our Economic Impact by U.S. Region

STATE	DIVERSE SPEND	TOTAL PRODUCTION	JOB AT DIVERSE AND SMALL BUSINESSES	TOTAL JOBS
FL	\$6.9M	\$13.9M	46	81
SC	\$4.8M	\$8.0M	18	33
DC	\$2.3M	\$3.2M	10	13
OK	\$1.9M	\$3.1M	9	15
KY	\$722.0K	\$1.2M	3	5
MS	\$701.4K	\$1.1M	3	5
MD	\$127.2K	\$168.1K	1	1
WV	\$17.2K	\$27.5K	-	-
DE	\$806	\$1.4K	-	-

Note: State production and jobs may not add up to the total due to rounding.

SOUTH



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.

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 incomes 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.

Analysis performed by

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](#)

[Office and Administrative Support Occupations: Occupational Outlook Handbook: U.S. Bureau of Labor Statistics](#)

[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](#)

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