

European Union Deforestation Regulation Compliance Statement



Sylvamo Corporation (“Sylvamo”) is committed to conducting business with honesty and integrity wherever we operate around the world, treating people with dignity and respect and complying with applicable laws, regulations and treaties. We are committed to the long-term health of our entire ecosystem, including the forests we love, the communities where we live and those who rely on our paper. The stated purpose of the European Union Deforestation Regulation (“EUDR”) is to reduce the EU's contribution to global deforestation and forest degradation by ensuring that products placed on the EU market do not originate from deforested land or contribute to forest degradation. Sylvamo supports these stated goals and makes this statement on behalf of its global operations.

OUR COMPANY AND BUSINESS

Sylvamo is the world's paper company: the employer, supplier and investment of choice. We transform renewable resources into papers that people depend on for education, communication and entertainment. Sylvamo has operations throughout Europe, Latin America and North America. An overview of Sylvamo and its global operations is in the “About Us” section on our website. Sylvamo manufactures its products primarily in our own facilities. Sylvamo's workforce across our global operations includes both direct and contract employees.

OUR POLICIES AND STANDARDS

Global Principles. At Sylvamo, we always do the right things, in the right ways, for the right reasons. We comply with the applicable laws of every country in which we operate and expect those with whom we do business to do the same. All employees are accountable to Sylvamo's Code of Conduct, policies and practices, and are globally unified around the shared commitment to produce paper in the most responsible and sustainable ways and to create value for our customers and investors. We recognize the environmental, social and economic values of forested landscapes. We play an active role in preventing deforestation and forest degradation, while promoting and increasing the use of responsibly managed forests. Our entire business depends on the sustainability of forests.

A Public Stand. Sylvamo has publicly declared its commitment to ethical conduct in various publications on our website. Sylvamo'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 reporting opportunities for improvement. Sylvamo's Third Party Code of Conduct (“Third Party Code”) makes clear to our suppliers our expectations for them to have responsible, legal and ethical behavior within our supply chains and abide by all applicable laws.

Social Responsibility. Sylvamo is committed to building a better future on the promise of paper. Our framework to achieve this is set out in our 2030 goals for sustainable forests, thriving people and communities and responsible operations. We will ensure healthy and productive forest ecosystems by sourcing 100% of our fiber from sustainably managed forests, while safeguarding forests, biodiversity and watersheds and by conserving, enhancing or restoring 250,000 acres of ecologically significant forestland globally by 2030. We regularly assess and

report our sustainability performance, including in areas related to fiber procurement and sourcing commitments.

Supplier requirements. All suppliers, contractors and third-party partners are required to follow the principles contained in the Sylvamo Third Party Code of Conduct. In addition, we require all contractors who enter Sylvamo sites to conduct themselves by the principles of Sylvamo's Third Party Code and Code of Conduct. If they fail to comply with the law or do not address contractual non-compliance in a timely manner, Sylvamo 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.

Supply chain sustainability development. As part of our global supply chain sustainability program, we are constantly evaluating new ways to approach the risks presented in our supply chain. Accordingly, Sylvamo 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 deforestation and forest degradation, corruption, bribery, human trafficking and slavery in our supply chain.

HOW WE ARE MITIGATING RISKS OF EUDR NON-COMPLIANCE

We maintain a comprehensive risk assessment to review fiber suppliers. This includes issuing a risk questionnaire, verifying supporting documentation and conducting audits. We also specify mitigation actions for anything more than a negligible risk of noncompliance. We review assessments annually to prevent noncompliant fibers from entering our supply chain. All of these actions will help ensure that the fiber we use is never associated with deforestation or forest degradation.

Additional detail on Sylvamo's risk mitigation measures is set forth below.

DUE DILIGENCE, ONGOING ANALYSIS AND AUDITING

Sylvamo's due diligence measures to ensure compliance with the EUDR include, but are not limited to:

- **Supplier Evaluation:** We evaluate new and existing suppliers based on their adherence to our Third Party Code of Conduct and our Global Fiber Procurement Policy, which includes principles on legal and ethical behavior, human rights, and environmental sustainability. We also support third-party certification of sustainable forest management through forest certification and chain of custody systems.
- **Risk Analysis:** We perform risk analyses to identify potential legal and ethical risks, including deforestation and forest degradation, within our supply chain.
- **Continuous Monitoring:** We continuously monitor our suppliers to ensure ongoing compliance with our standards and applicable laws.
- **Mitigation Measures:** If a risk is identified, we implement mitigation measures to reduce the risk to a negligible level.
- **Documentation and Information:** We collect and maintain documentation and information demonstrating compliance with the EUDR, including EU TRACES Due

Diligence Statement Reference Number and Verification Number or geolocation coordinates of the land where the wood we use was produced.

- **Reporting:** We compile and submit due diligence statements to the competent authorities, confirming that we have fulfilled our due diligence obligations.

Global Fiber Procurement Policy. Sylvamo's Global Fiber Procurement Policy underpins our commitment to sustainable sourcing and compliance with the EUDR. Sylvamo will not accept wood that:

- Is endangered;
- Comes from an unknown region or origin;
- Has been illegally harvested or acquired;
- Threatens High Conservation Value Forests;
- Comes from sources that are known to be involved in the violation of human rights including conflict timber, or where indigenous peoples and local communities have not had the opportunity to give or withhold their free, prior and informed consent;
- Comes from deforestation or conversion as referenced in the FSC's Controlled Wood Standard.

Certifications. We support third-party certification of sustainable forest management through forest certification and chain of custody systems, and we will continue to meet our customer's demand for certified-fiber products. Sylvamo considers the Forest Stewardship Council ("FSC") to be a leading global certification system and recognizes the following local certifications: Sustainable Forestry Initiative, Canadian Standards Association Group Sustainable Forest Management System, Brazilian Forest Certification Program and Programme for the Endorsement of Forest Certification ("PEFC"). All Sylvamo mills are certified to FSC and PEFC chain of custody standards and fully participate in annual third-party audits to ensure compliance. Our mills have robust traceability systems that support our policy of not accepting wood originating from controversial sources. We are actively engaged with FSC and PEFC to evaluate solutions they are developing, specifically regarding EUDR compliance.

Risk Considerations. As part of our sourcing process, we routinely check our supply chain to identify, assess and manage risks associated with suppliers to ensure that the products we place on the EU market do not originate from deforested land or contribute to forest degradation. 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 identify areas or locations of potential risk.

Internal Risk Committee. Sylvamo has established an Internal Risk Committee dedicated to evaluating and ensuring ongoing compliance with the EUDR. The committee is comprised of subject matter experts across various functions of our organization to ensure Sylvamo maintains an enterprise-wide approach to EUDR related risks. The committee's responsibilities include:

- **Program Evaluation:** Regularly reviewing and assessing our compliance program to ensure it meets the latest regulatory requirements and industry best practices.

- **Risk Mitigation Strategies:** Developing and implementing strategies to mitigate identified risks within our supply chain.
- **Supplier Engagement:** Engaging with suppliers to ensure they understand and comply with our standards and the EUDR requirements.
- **Continuous Improvement:** Identifying opportunities for continuous improvement in our compliance processes and procedures.
- **Reporting and Accountability:** Providing regular reports to senior management on the status of our compliance efforts and any areas of concern.

Audits of Suppliers. To ensure compliance with the EUDR and our internal standards, Sylvamo conducts regular audits of our suppliers. Our audit process includes:

- **Contractual Obligations:** We include verification and audit rights in our supply contracts, allowing us to audit supplier compliance with specific contract terms.
- **Risk-Based Audits:** We conduct risk-based audits, focusing on suppliers with higher potential risks of non-compliance.
- **Third-Party Certifications:** We obtain certifications from third-party organizations, such as the Forest Stewardship Council® (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), to demonstrate compliance with deforestation and forest degradation standards.

Custom Reporting Solution. To further enhance our compliance with the EUDR, Sylvamo has developed a custom solution for reporting required information to the EU TRACES system. This solution has been successfully tested and ensures accurate and timely reporting of our supply chain data, reinforcing our commitment to transparency and regulatory compliance.

EFFECTIVENESS

We understand the potential for EUDR non-compliance in our supply chain is a valid risk but may be difficult to uncover. As we fully engage various stakeholders in the enhancement of due diligence processes, reporting procedures and response protocols, we will continue to develop and strengthen measures to detect, investigate and respond to potential incidents of non-compliance in our supply chain, and will adjust our procedures as necessary to ensure the ongoing effectiveness of our EUDR compliance program.

CONCLUSION

Sylvamo is committed to ensuring that our products do not contribute to deforestation or forest degradation. Through rigorous due diligence, comprehensive risk assessments, regular audits of our suppliers, the oversight of our Internal Risk Committee, our custom reporting solution for the EU TRACES system, and adherence to our Global Fiber Procurement Policy, we strive to uphold the highest standards of environmental sustainability and ethical business conduct and maintain ongoing compliance with the EUDR.