

June 2025

Dear Valued Customer,

The European Union Deforestation Regulation (EUDR) deadline is quickly approaching. EUDR is scheduled to go into effect **Dec. 30, 2025**, to minimize the consumption of products from supply chains associated with deforestation or forest degradation.

Learn the basics of EUDR at bit.ly/EUDRBasics.

We are committed to the long-term success of the entire ecosystem, including the forests we love, the communities where we live and those who rely on our paper.

We spent much of 2024 and now 2025 working with suppliers, customers and other business partners throughout our supply chain to prepare for EUDR. We are committed to serving our customers and have made great strides toward compliance, including working with governments and industry associations across our regions to ensure EU policymakers fully understand the complex nature of our business. We will continue that work to reach full compliance.

## **Our Progress Toward Compliance**

- We continue working with suppliers, customers and business partners to support traceability and due diligence compliance.
- We have continually tested the EU TRACES system since December 2023 to work through any issues well before the deadline. Sylvamo was among 100 companies that participated in pilot testing for submitting due diligence statements (DDS) and geolocation information. We provided system feedback and suggested improvements to regulators.
- We also created **Tree Trace**, a custom solution that reports required information to EU TRACES. Tree Trace is a modern data landscape platform to onboard, prepare, submit, receive and store EUDR specific data that meets the Article 9 objectives of the regulation.

## How We Will Mitigate Risk

We are developing a comprehensive risk assessment to review fiber suppliers. This includes issuing a questionnaire, verifying supporting documentation and conducting audits. We will also specify mitigation actions for anything more than a negligible risk of noncompliance. We will review assessments annually to prevent noncompliant fibers from entering our supply chain.



We will describe our due diligence system and other relevant information on <u>Sylvamo.com</u>. The format and scope of the due diligence reporting will be based on the recently released country benchmarking system from the EU Commission and meet the regulation's requirements.

## **EUDR Data Provided to Customers**

- We are pursuing several customer data sharing capabilities as we enable Tree Trace, including EUDR data delivered via email to customers and an API for customer self service.
- In Europe, we will ensure delivery documents include reference and verification numbers associated with due diligence statements submitted to EU TRACES.
- When customers receive reference and verification numbers associated with due diligence statements submitted to EU TRACES, they will use that information in their due diligence activity as a downstream operator or trader in the EU.
- Customers do not need to receive or access the geolocation data we submit. We will make the data available if a country's competent authority requests a supply chain audit.
- Our facilities in Latin America and North America are non-EU entities that manufacture pulp and paper for customers who are exporting into Europe. Our customers are classified as an "operator placing a product on the market" when they export products to Europe and are responsible for initiating due diligence procedures in EU TRACES.
- We continue to work with the EU Commission to clarify non-EU entity access to EU TRACES and create due diligence statements with reference and verification numbers, as set forth above. If the EU Commission fails to confirm this access, we are prepared to provide customers with all the data required in Article 9 to fulfill this requirement.

Sign up for EUDR updates from the European Commission at <u>bit.ly/EUDRUpdates</u>.

Contact your Sylvamo sales representative with any questions or email <u>AskSylvamo@Sylvamo.com</u> to learn more about how we are helping support EUDR compliance throughout our supply chain.

Sincerely, Sylvamo