

REFINITIV

# DELTA REPORT

## 10-K

SLVM - SYLVAMO CORP

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

|              |      |
|--------------|------|
| TOTAL DELTAS | 3743 |
| CHANGES      | 364  |
| DELETIONS    | 1806 |
| ADDITIONS    | 1573 |

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended  
December 31, 2022 2023  
Or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from - to -  
Commission File No. 001-40718

SYLVAMO CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

86-2596371  
(I.R.S. Employer  
Identification No.)

6077 Primacy Parkway  
Memphis, Tennessee  
(Address of Principal Executive Offices)

38119  
(Zip Code)

901-519-8000  
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                      | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock, par value \$1.00 per share | SLVM              | New York Stock Exchange                   |

Securities registered pursuant to Section 12(g) of the Act:  
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes x No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

|                         |                                     |                           |                          |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large Accelerated Filer | <input checked="" type="checkbox"/> | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/>            | Smaller reporting company | <input type="checkbox"/> |
|                         |                                     | Emerging growth company   | <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

As of **June 30, 2022** **June 30, 2023**, the aggregate market value of the registrant's common stock held by non-affiliates was **\$1,439,440,960** **\$1,683,429,048** based on the closing price of a share of the common stock on the New York Stock Exchange on such date.

The number of shares outstanding of the registrant's common stock, par value \$1.00 per share, as of **February 17, 2023** **February 16, 2024** was **42,371,538** **41,220,910**.

Documents incorporated by reference:  
Portions of the registrant's proxy statement filed within 120 days of the close of the registrant's fiscal year in connection with the registrant's 2023 annual meeting of shareholders are incorporated by reference into Part III of this Form 10-K.

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### PART I.

#### ITEM 1. BUSINESS

##### OUR COMPANY

Sylvamo Corporation (the "Company" or "Sylvamo", which may also be referred to as "we" or "us") is a global uncoated papers company with a broad portfolio of top-tier brands and low-cost, large-scale paper mills located in and serving the most attractive geographies, including Europe, Latin America and North America. America, which are our business segments. We produce uncoated freesheet ("UFS") for paper products such as cutsize and offset paper, as well as market pulp. With roots going back to 1898, we have a long history of offering premium quality papers to meet the needs of our customers and end-users. Our mills predominantly rank in the lowest quartile on global and regional UFS cost curves, and we believe our low-cost operations enable us to serve our customers with the highest quality products at attractive margins. Our industry-leading brands, known for their long-standing reputation in their respective markets for product quality and performance, allow us to maintain our long-term relationships with top-tier customers throughout economic cycles. Our international reach and strong positioning across retail, merchant and e-commerce channels optimally positions us to meet the paper needs of our end-users around the world. This also provides geographical diversification of our revenue and profits. From 2020 2021 to 2022, 2023, on average, we generated 41% 44% of our revenues and 51% 46% of our Business Segment Operating Profit in Europe and Latin America. Each region in which exhibit we operate exhibits different supply and demand characteristics than North America. characteristics. Both Latin America and North America have strong profitability for the uncoated paper industry relative to other geographies. See [Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations Description of Business Segments Segment Results-Results of Operations](#) for a definition of Business Segment Operating Profit. Profit.

During the second quarter of 2022, we committed to a plan to sell our Russian operations (which were sold on October 2, 2022). Our operations in Russia, which included a paper mill in Svetogorsk, Russia and long-term harvesting rights on 860,000 acres of government-owned forestland, represented approximately 15% of our total net sales and 10% of our long-lived assets for the year ended December 31, 2021. As this divestiture was a strategic shift away from the Russian markets, we have presented the current and historical operating results of the Russian operations as "discontinued operations" and classified all historical assets and liabilities as "held for sale" in all periods presented, as applicable (see [Note 8 Divestiture and Impairment of Business](#) to the Consolidated and Combined Financial Statements for additional discontinued operations information). As a result, the narrative discussion in this Item 1 relates only to our continuing operations, and all other financial results, disclosures and discussions of the Company's continuing operations appearing elsewhere in this Annual Report on Form 10-K exclude our Russian operations, unless otherwise noted.

In January 2023, the Company completed the previously announced acquisition of Stora Enso's uncoated freesheet paper mill in Nymölla, Sweden, for €150 million €157 million (approximately \$160 million \$167 million), subject to customary purchase price adjustments. The integrated mill has the capacity to produce approximately 500,000 short tons of uncoated freesheet on two paper machines.

## HUMAN CAPITAL

### Employees

The Nymölla mill's results of operations are included in Sylvamo's capabilities and potential are delivered through our dedicated, talented and diverse workforce, which we believe is among the best in the industry. We employ over 6,500 people globally, with 25%, 48% and 27% of our workforce located primarily in 14 countries in Europe, Latin America and North America, respectively. A portion of our workforce is represented by unions in Brazil, France, Sweden and, in the United States, at our mill in Ticonderoga, New York. We believe that our relationships with our unions are constructive.

We strive to be the employer of choice. To attract, retain and develop talented and diverse employees that reflect our diverse communities and customers, we work to foster a safe and inclusive workplace where employees of diverse backgrounds feel welcome, valued, engaged and have opportunities for professional development.

### Health and Safety

The health and safety of our employees, contractors and visitors to our facilities are paramount. We strive to design and operate injury-free workplaces for our employees and everyone who enters our facilities. As responsible stewards of people and their

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communities, we have maintained record safety standards, strictly complying with national regulations such as, in the United States, the Occupational Safety and Health Administration's regulations. We are an industry-leading company in employee safety.

We take precautions to protect the health and safety of our employees and comply with applicable government requirements and safety guidance in the three regions where we operate. During the COVID-19 pandemic, while continuing to operate and supply our customers, we implemented multiple measures to protect people on our premises consolidated financial statements from the spread date of the virus. Since the pandemic has abated, we have eased those measures, including that we no longer require masks or social distancing on our premises. In the event of a widespread resurgence of the COVID-19 pandemic or the occurrence of another public health crisis in any of the regions where we operate, it could disrupt our business operations, especially if a significant portion of our workforce were unable to work safely and effectively due to illness or quarantines or other governmental actions. See ["Risk Factors – Public health crises such as the COVID-19 pandemic could have a material adverse effect on our business, financial condition and results of operations."](#)

### Inclusion and Diversity

We value having an inclusive workforce of diverse backgrounds that reflects the communities where we are located and the end users of our paper. We believe that a workforce where diverse backgrounds are represented, engaged and empowered to inspire innovative ideas and decisions, and where all employees feel welcome and valued, is important to our success. We want to give every employee equal opportunity and celebrate the different perspectives and talents that each of us brings to Sylvamo. We are committed to fostering holistic respect and full participation at Sylvamo for all employees.

Our Code of Conduct sets forth the conduct that we expect of our employees and reflects our core values, including conduct that promotes inclusion and diversity ("I&D"). Among other things, our Code of Conduct provides that our employee leaders will form inclusive and diverse teams reflecting our global communities, build and sustain a work environment that embraces individuality and collaboration, respect differences and treat everyone fairly, demonstrate that all view points matter, and provide equal opportunity for employee professional development and growth. We believe that embedding I&D values in our Code of Conduct stresses the importance of I&D at Sylvamo and sets the expectation that our employees and employee leaders foster inclusivity and promote diversity at Sylvamo.

Our senior management team is internationally diverse with global experience, hailing from all of the geographies in which we operate—Europe, Latin America and North America. We are focused on increasing overall gender and minority representation, as well as in leadership positions. We seek to achieve the following goals by 2030 (the goals that we had previously disclosed for gender representation were updated in late 2022 due to the sale of our Russian operations):

- 30% overall women representation
- 35% women in leadership positions
- 25% minority representation in North America and other regional representation targets.

We cannot guarantee that we will achieve these goals, and our ability to achieve them is subject to risks and uncertainties both known and unknown, including many of the risks noted in [Item 1A. Risk Factors](#).

To promote these goals, in 2022 – our first full year as a standalone company – a Sylvamo team headed by our Manager of Human Development, Inclusion and Diversity, with the support of our senior leadership, refined our Company's I&D strategy and I&D governance model. Our I&D efforts are headed by a Global I&D Council formed in 2022, whose members include a broad range of employees at various levels of leadership, from all three regions where we operate, and who are of diverse races, genders and cultural backgrounds. The members of the Global I&D Council include our Senior Vice President – Operational Excellence, several Company vice presidents and other employees from our three operational regions. The Global I&D Council plans in 2023 to continue developing our I&D strategy and continue identifying and implementing means to achieve that strategy.

Our I&D strategy includes establishing employee inclusion networks for underrepresented employees. In 2022, we established two employee inclusion networks – "Women in Operations" and "Women in Leadership" – in alignment with our 2030 goals for representation of women overall and in leadership positions. These two networks are open to all

employees who desire to foster an inclusive workplace for women. The networks will provide opportunities for participating employees to share perspectives, provide and receive support and mentoring, and accelerate changes that enhance inclusivity for women at Sylvamo.

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In 2022, we became a signatory of the "Women Empowerment Principles" established by UN Global Compact and UN Women, to reinforce publicly our I&D commitment with respect to women and collaborate with others to become more gender inclusive. Also in 2022, we implemented initiatives in the various regions where we operate to promote and support the women in our workforce. For example, we provided capability-building programs in Brazil to equip women at Sylvamo and in the local community with skills designed to help close the gender gap in the paper industry. For U.S. employees, throughout 2022 we promoted inclusivity via content in our communications to employees and in-person I&D seminars attended by employees, including Company leadership, as well as through online self-directed I&D training designed to help employees identify and overcome biases.

We expect that our Global I&D Council, regional I&D councils, employee inclusion networks and other I&D initiatives will drive I&D expectations throughout the Company, create strong I&D leaders who will serve as role models for other employees, and drive change that results in a more inclusive and diverse company. Our senior leadership and board of directors strongly supports our I&D initiatives, progress against which they are kept aware by periodic reports from management on I&D. The Management Development and Compensation Committee is the committee of our board of directors responsible for oversight of I&D matters.

## Professional Development

We develop the capabilities of our employees through our continuous learning, development and performance management programs. We invest in our employees' growth and development by providing a multi-dimensional approach to learning that empowers, intellectually challenges and professionally develops them. For example, we provide continuing education courses that are relevant to our industry and employee job functions, including in an online environment that allows self-directed training at the employee's convenience. We have created various learning journeys to help employees grow personally and professionally and advance within our organization, including for specific positions, for specific development targets (for example, for early career employees), and for all employees to support development of their competencies and our Company culture. These resources are intended to provide employees with the skills they need to achieve their career goals, build management skills and be leaders within our Company.

## Attraction and Retention of Employees and Labor Supply

Our talent strategy focuses on attracting and retaining the best employee talent from diverse backgrounds. To that end, we aim to foster for employees an inclusive and diverse work culture, provide competitive compensation and benefits, reward performance, provide professional development opportunities, and encourage engagement by showing our employees that we value their engagement with us and in their communities.

To provide our employees globally competitive and fair compensation and benefits, we periodically review, adjust and align our compensation practices with best practices around the material elements of our compensation structure, to further develop our compensation tools and practices.

In 2022, we conducted our first employee engagement survey since becoming a standalone company, which provided our Company leadership with insights on potential areas of focus to better cultivate employee engagement and prioritize actions that can be taken to increase employee engagement. In 2023, we plan to focus on developing and implementing initiatives based on insights from the engagement survey.

We support, and we encourage and provide our employees with opportunities to support and become further engaged with the communities in which they work and live. For example, to build our communities through education, we have contributed a portion of our earnings to support childhood education in the three regions in which we operate. In Brazil, we partner with and support the Chamex Institute, an educational organization supporting the Brazilian community.

Our employee recruiting includes developing and recruiting new talent from diverse backgrounds through college recruiting efforts. For example, in the United States and Brazil, we have programs that include internships and trainee programs to attract college hires, with a special focus on preparing early career engineers and safety professionals to be future leaders at our Company.

Our hiring and retention efforts have been, and may continue to be, challenged by the current competitive labor market, including historically low levels of unemployment. We have not experienced any material shortage of labor, but if the labor supply were to further contract substantially in any of the regions where we operate, including if a virulent new strain of COVID-19 or another public health crisis resulted in restrictions on in-person interactions imposed by governmental authorities

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or were to lead to more people exiting the labor market, it could impede our ability to attract and retain employee talent. For more information regarding our risks relating to the challenging labor market or a public health crisis, see [Item 1A. Risk Factors](#)— "Our business and business prospects could be materially adversely affected if we fail to attract and retain senior management and other key employees" and "Public health crises such as the COVID-19 pandemic could have a material adverse effect on our business, financial condition and results of operations." [acquisition](#).

## COMPETITION

The markets in which we operate are highly competitive with well-established domestic and foreign manufacturers. For instance, in North America, the four largest manufacturers of UFS, including Sylvamo, represent approximately 78% of the total annual production capacity. As the use of electronic mediums and alternative products increases, and because paper production does not generally rely on proprietary processes, except for highly specialized papers or products, the areas into which Sylvamo sells its principal products are

increasingly competitive. Furthermore, the level of competitive pressure Sylvamo may face is dependent, in part, upon exchange rates, particularly the rate between the U.S. dollar and the Euro and the U.S. dollar and the Brazilian real. Some of our competitors have converted mills or paper machines at their mills to linerboard, pulp and boxboard capacity, which reduced the supply of UFS and other printing papers.

## MARKETING AND DISTRIBUTION

Sylvamo sells products directly to end users and converters, as well as through agents, resellers and paper distributors.

## DESCRIPTION OF PRINCIPAL PRODUCTS

The Company's principal products are described in [Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations](#).

## RAW MATERIALS

Raw materials essential to our businesses include wood fiber, chemicals, water and energy. Information about our sources and the availability to us of raw materials, particularly wood, the principal raw material from which our products are made, is included in [Item 1A. Risk Factors - "Changes in the cost or availability of raw materials and energy used to manufacture our products could have a material adverse effect on our business, financial condition and results of operations"](#) and [Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations](#).

## HUMAN CAPITAL

*In this Human Capital section and elsewhere in this Annual Report on Form 10-K, we refer in various contexts to our website and to reports, policies and other information published by us and on our website. The information on our website and in the referenced reports, policies and other information, and that is otherwise connected to our website, is not incorporated by reference into this Annual Report on Form 10-K, and should not be considered part of this or any other report that we file with or furnish to the SEC.*

### Employees

Sylvamo's capabilities and potential are delivered through our dedicated, talented and diverse workforce, which we believe is among the best in the industry. We employ over 6,500 people globally, with 25%, 47% and 28% of our workforce located primarily in 14 countries in Europe, Latin America and North America, respectively. A portion of our workforce is represented by unions in Brazil, France, Sweden and, in the United States, at our mill in Ticonderoga, New York. We believe that our relationships with our unions are constructive.

We strive to be the employer of choice. To attract, retain and develop talented and diverse employees that reflect our diverse communities and customers, we work to foster a safe and inclusive workplace where all employees feel safe, welcomed, valued, engaged, fairly compensated and have opportunities for professional development.

### Health and Safety

The health and safety of our employees, contractors and visitors to our facilities are paramount. We strive to design and operate injury-free workplaces for our employees and everyone who enters our facilities. As responsible stewards of people and their communities, we have emphasized safety at our Company and strictly complied with national regulations such as, in the United States, the Occupational Safety and Health Administration's regulations. Based on our safety record and our comparison of it against publicly available industry safety information, we are an industry-leading company in employee safety.

We track our safety record and report it annually in our Environmental, Social and Governance Report ("ESG Report"). This information is available at [sylvamo.com](https://www.sylvamo.com).

We take precautions to protect the health and safety of our employees and comply with applicable government requirements and safety guidance in the three regions where we operate. Our "People Before Paper" program, introduced in 2022, includes ongoing communications, training and leadership emphasis throughout the organization on putting people's safety before operations, always. As part of such program, we developed a Safety Leadership Training Program rolled out in 2023 to train our leaders in how and why people may act in unsafe ways and how to be a leader in reducing this risk. Our program also promotes increasing safety, especially in the manufacturing setting, by emphasizing focus on one safe task a time. It further emphasizes mental health and overall well-being as important to increasing safety. We frequently communicate and emphasize to employees the importance of, and have provided opportunities for them to enhance, their physical and mental health and well-being.

Notwithstanding our efforts to ensure a safe workplace and support the physical and mental health of our employees, we cannot guarantee that our efforts will always be successful. Success is subject to risks and uncertainties, both known and unknown, including risks noted in [Item 1A. Risk Factors](#) and elsewhere in this Annual Report on Form 10-K, including [Risk Factors – "A public health crisis could have a material adverse effect on our business, financial condition and results of operations."](#) A failure to keep our employees and others safe on our premises could disrupt our operations and cause us reputational harm.

### Attraction and Retention of Employees and Labor Supply

Our talent strategy focuses on attracting and retaining the best employee talent from the diverse backgrounds of the communities where we operate. To that end, we aim to foster for employees an inclusive and diverse work culture, provide competitive compensation and benefits, reward performance, provide professional development opportunities, promote employee health and well-being, and encourage engagement by showing our employees that we value their engagement with us and in their communities.

To provide our employees globally competitive and fair compensation and benefits, we periodically review, adjust and align our compensation practices with best practices around the material elements of our compensation structure.



Our employee recruiting includes developing and recruiting new talent from diverse backgrounds through college recruiting efforts. For example, in the United States and Brazil, we have programs that include internships and trainee programs to attract college hires, with a special focus on preparing early career engineers and safety professionals to be future leaders at our Company.

We have launched Employee Assistance Programs globally, because our employees' health and well-being is a top priority.

We support, encourage and provide our employees with opportunities to be engaged at Sylvamo and in the communities where they work and live. We communicate to our employees the value we place on employee engagement.

We develop the capabilities of our employees through our continuous learning, development and performance management programs. We invest in their growth and development by providing a multi-dimensional approach to learning. This approach includes various learning journeys to help employees grow personally and professionally and advance within our organization, including for specific positions, for specific development targets, and for development of competencies and our Company culture. These learning resources are intended to provide employees with the skills they need to achieve their career goals, build management skills and be leaders within our Company.

Our hiring and retention efforts are challenged by a competitive labor market, particularly for labor with the high level of the various skills needed in our industry, particularly at our mills, which makes our cost of labor high compared to industries that require less skilled labor. We have not experienced any material shortage of labor, but if the labor supply were to further contract substantially in any of the regions where we operate, including if a public health crisis resulted in restrictions on in-person interactions imposed by governmental authorities or were to lead to more people exiting the labor market – similar to what happened in connection with the COVID-19 pandemic – it could impede our ability to attract and retain employee talent and further increase our cost of labor. For more information regarding our risks relating to challenges in the labor market or a public health crisis, see [Item 1A. Risk Factors](#), particularly – “Our business and business prospects could be materially adversely affected if we fail to attract and retain senior management and other key employees.”

In 2023, we implemented “Project Horizon” to streamline our organization and reduce costs. We streamlined our organization based upon an evaluation of needs at all levels of the organization, eliminating a number of salaried positions and reorganizing job responsibilities. This will result in a leaner, stronger organization and cost savings. We do not believe that there are any material risks arising from the changes to our workforce made as part of Project Horizon.

## ***Inclusion and Diversity***

As part of our effort to attract and retain exceptional employee talent, we show our employees that we value having an inclusive workforce of diverse backgrounds, reflecting the communities where we are located. We believe that a workforce where diverse backgrounds are represented, engaged and empowered to inspire innovative ideas and decisions, and where all employees feel welcome and valued, facilitates achieving organizational results, differentiates us in the competition for talent and drives innovation. As we compete for talent, our commitment to a diverse and inclusive workplace supports our employer of choice objective, as prospective employees and candidates may consider a company's commitment to diversity and inclusion in deciding whether to apply for and accept jobs. Similarly, an employee's choice to stay with an organization may be influenced by the organization's commitment to those same attributes.

We want to give every employee equal opportunity and celebrate the different perspectives and talents that each of us brings to Sylvamo. Our Code of Conduct sets forth the actions and behaviors that we expect of our employees and reflects our core values, including conduct that promotes inclusion and diversity. Among other things, our Code of Conduct provides that our employee leaders will form inclusive teams reflecting our diverse global communities, build and sustain a work environment that embraces individuality and collaboration, respect differences and treat everyone fairly, demonstrate that all viewpoints matter, and provide equal opportunity for employee professional development and growth. We believe that embedding these values in our Code of Conduct stresses their importance at Sylvamo.

Our senior management team is internationally diverse with global experience, hailing from all of the geographies in which we operate — Europe, Latin America and North America. We have in place the following 2030 goals as we continue to hire top talent with diverse backgrounds and experience that reflect the communities in which we live and work:

- 30% overall women representation
- 35% women in leadership positions
- 25% minority representation in North America and other regional representation targets.

These percentages are directional goals to which we aspire to better reflect the communities in which we live and work and to be the employer of choice for our employees and potential employees. We report 2022 progress on our 2030 goals in our 2022 ESG Report at Sylvamo.com, and will report on 2023 progress in our 2023 ESG Report. We believe that we can achieve these goals by operating inclusively, embracing diversity, seeking large pools of candidates for positions, providing equal opportunity to all talent, and reducing barriers, but we cannot guarantee that we will achieve them. Our ability to achieve them is subject to risks and uncertainties both known and unknown, including many of the risks noted in [Item 1A. Risk Factors](#).

We have an active Sylvamo team headed by our Manager of Organizational Development, Inclusion and Diversity, that, with the support of our senior leadership, refines our Company's inclusion and diversity (“I&D”) strategy and governance model. Additionally, a broad-based team of employees, our Global I&D Council, further develops our I&D strategy and helps identify and implement means for our strategy to succeed. The Global I&D Council's members include a range of employees at various levels of leadership, including our Senior Vice President – Operational Excellence and several Company vice presidents, who are from the regions where we operate and are of diverse races, genders and cultural backgrounds. In 2023, the efforts of the I&D team and Global I&D Council resulted in initiatives that included training and communications intended to help broaden employee perspectives and reduce biases, fostering employee mentoring and networking, and facilitating for employees the means to identify and leverage opportunities for growth and advancement. We also continued the meetings and activities of our employee inclusion networks that we started in 2022, “Women in Operations” and “Women in Leadership”.

The networks provide opportunities for participating employees to share perspectives, provide and receive support and mentoring, and enhance inclusivity. All initiatives and employee inclusion networks are voluntary and open to all employees.

We expect that our Global I&D Council, regional I&D councils, employee inclusion networks and other I&D initiatives will create strong, diverse leaders who will serve as role models for other employees. Our senior leadership and board of directors strongly support our I&D initiatives, progress against which they are kept aware by periodic reports from management. The Management Development and Compensation Committee is the committee of our board of directors responsible for oversight of I&D matters.

## ENVIRONMENTAL AND OTHER REGULATIONS

Sylvamo is subject to a wide range of general and industry-specific laws and regulations that are complex and changing in the regions, countries, states and other jurisdictions where we operate, which operate. They include, but are not limited to, laws pertaining to: environmental, health and safety; climate change; tax; privacy and data security; antitrust; product liability; intellectual property ownership and infringement; labor and employment; anti-corruption; import, export and trade; and foreign exchange controls and foreign ownership and investment. In addition, new laws or regulations affecting our facilities are routinely passed or proposed.

### Environmental and Climate Change Regulation

Current or proposed environmental laws or (by "laws," we also mean regulations may and other governmental rules) include those governing wood harvesting, air emissions, climate change, waste water discharges, storage, management and disposal of hazardous substances and wastes, contaminated sites, landfill operation and closure obligations, and health and safety matters. Compliance with these laws and regulations in all countries jurisdictions where we operate, therefore, is a significant factor in the operation of our business and may result in capital expenditures as well as additional operating costs. For example, our United States mills meet several of are in compliance with the U.S. Environmental Protection Agency's ("EPA") maximum achievable control technology ("MACT")

standards that require owners of specified pulp and paper process equipment and boilers to meet air emissions standards for certain substances. However, as required by the Clean Air Act, the EPA is required to will conduct a Risk and Technology Review ("RTR") after the application of the MACT standard standards to determine if the standard was protective enough for human health. Based on EPA's evaluation of both risk and technology, it is possible that such review could result in future MACT and RTR regulations that necessitate our making future capital project expenditures could be required as a result of future MACT and RTR regulations to comply with such regulations.

Many environmental and health and safety laws where we operate provide for substantial fines or penalties and other civil and criminal sanctions for any failure to comply. Certain environmental laws provide for strict liability and, under certain circumstances, joint and several liability for investigation and remediation of the release of hazardous substances into the environment. We are committed to controlling emissions and discharges from our facilities to avoid adverse impacts on the environment, both as an environmental steward and to maintain our compliance with applicable laws and regulations. laws. However, we may encounter situations in which our operations failed to maintain full compliance with applicable requirements, or we may learn that previous owners of our property released substances in violation of environmental laws, possibly leading to civil or criminal fines, fees, penalties or enforcement actions against us. These could include governmental or judicial orders that stop or interrupt our operations or that require us to take corrective measures at substantial costs, such as installation of additional pollution control equipment or environmental remediation. Furthermore, in the regions where we operate, governments may enact additional laws to protect the environment and against climate change, which would expose us to the cost of additional compliance and risk of potential noncompliance. See [Item 1A. Risk Factors – "We are subject to extensive](#)

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environmental laws and regulations and could incur substantial costs as a result of compliance with, violations of or liabilities under these laws and regulations." We remain committed to compliance with all applicable environmental laws and to protecting the environment.

In 2022, we spent approximately \$7 million on capital projects in the aggregate for our mills in the three regions where we operate to control environmental releases into the air and water and to assure environmentally sound management and disposal of waste. We expect to spend approximately \$2 million in 2023 and \$4 million in 2024 on environmental projects.

Laws Also, laws addressing climate change may have a material impact on us in the future. us. The Paris Agreement, an international treaty on climate change, went into effect in November 2016 and continues international efforts and voluntary commitments toward reducing greenhouse gas ("GHG") emissions. Consistent with this objective, participating countries aim to balance GHG emissions generation and sequestration in the second half of this century or, in effect, achieve net zero global GHG emissions. To assist member countries in meeting GHG reduction obligations, the EU operates an Emissions Trading System ("EU ETS"). Our Saillat mill is directly subject to regulation under Phase III, and our Nymölla mill is subject to regulation under Phase IV, of the EU ETS. The EU ETS may in the future have a material impact on us depending on, among other factors, how the Paris Agreement's non-binding commitments or allocation of and market prices for GHG credits under existing rules evolve over the coming years.

In the United States, the EPA manages regulations to: (i) control GHGs GHG emissions from mobile sources by adopting transportation fuel efficiency standards; (ii) control GHG emissions from new Electric Generating Units ("EGUs"); (iii) control emissions from new oil and gas processing operations; and (iv) require reporting of GHGs GHG emissions from sources of GHGs GHG emissions greater than 25,000 tons per year. Several U.S. states have enacted or are considering legal measures to require the reduction of GHG emissions of GHGs by companies and public utilities. These federal and state regulations have not had a material impact on us. We monitor proposed programs, but it is unclear what impacts, if any, future GHG rules would have on our operations. Although not required by current regulations, we aim to reduce our Scope 1, 2 and 3 GHGs GHG emissions by 35% and define a pathway to net zero emissions by 2030 against a 2019 baseline, although we cannot provide assurance that we will be successful in these efforts.

Regulation Furthermore, governments may enact additional laws to protect the environment and address climate change, which could expose us to the costs of GHGs additional compliance and the risks of potential noncompliance. Environmental and climate change regulation continues to evolve in the various countries and U.S. states where we do

business. For example, some U.S. states in which we have manufacturing operations, including New York, are taking measures to reduce GHG emissions, such as by developing a cap-and-trade program. While it is likely that there will be increased governmental action and legislation regarding GHGs environmental protection and climate change (including GHG emissions) will continue or increase in the future, it is not possible to predict the what additional legislation or regulations laws relating to environmental protection and climate change that may be implemented, which countries, U.S. states or other jurisdictions may adopt such legislation or regulations, laws, or the extent to which such legislation or regulations laws may impact our business, business; nor is it possible to predict how existing or future laws will be administered or interpreted. In addition to possible direct impacts, such as our costs of compliance and risk of penalties and corrective measures in the event of violations, future legislation and regulation laws could impact us indirectly, such as causing us higher prices for transportation, energy and other inputs, as well as generating more protracted air permitting processes, and causing delays and higher costs to implement capital projects.

As regulators and investors have been increasingly focused on climate change and other sustainability issues, we have been, or may, become subject to new disclosure frameworks and regulations. For example, the European Parliament adopted the Corporate Sustainability Reporting Directive ("CSRD"), and EU sustainability reporting standards are being developed by the European Financial Reporting Advisory Group, with such standards to be tailored to EU policies building on and contributing to international standardization initiatives. Such reporting will apply not only to local operations in the EU, but under certain circumstances, to entire global companies that have EU operations. The CSRD will not apply to us in calendar year 2024, but

we will need to comply with it in the future and are assessing our obligations under the CSRD. Also, the SEC has proposed, and the State of California has adopted, new climate change disclosure rules. The SEC announced proposed rules in March 2021 that are not yet final or in effect. Reporting in compliance with the CSRD, the California rules and, if adopted, the SEC rules, may require significant resources, time and attention from our management.

We have controls and procedures in place to stay informed about developments concerning possible climate change new legislation and regulation laws in the countries where we operate. We regularly assess whether such legislation or regulation laws may have a material effect on us, our operations and financial condition.

In 2023, we spent approximately \$1.9 million on capital projects in the aggregate for our mills in the three regions where we operate to control environmental releases into the air and water and to assure environmentally sound management and disposal of waste. We expect to spend approximately \$4.8 million in 2024 and \$9.5 million in 2025 on regulatory projects.

## Other Regulation

Additional regional, Regional, national, state and local regulations apply to us in Europe, Latin America and North America that regulate the licensing and inspection of our facilities, including, in the United States, compliance with the Occupational Safety and Health Act that sets health and safety standards to protect our employees from accidents, and Department of Labor regulations that set employment practice standards for workers.

We are subject to highly complex tax laws in various countries in Europe, Latin America and North America, most notably in the countries where we have significant operations – Brazil, France, Sweden and the United States – that if violated, could result in significant fines, interest charges and costs associated with litigation. In Brazil, our business is subject to various tax proceedings, including those discussed in [Note 1313 Commitments and Contingent Liabilities](#) and [Note 1212 Income Taxes](#) to the Consolidated and Combined Financial Statements included in Item 8 of this Annual Report on Form 10-K.

Our global operations subject us to complex and evolving privacy and information security laws and regulations such as the EU General Data Protection Regulation, Brazil's Lei Geral de Proteção de Dados Pessoais, the California Consumer Privacy Act of 2018 and the California Privacy Rights Act. These laws require us to comply with a range of obligations regarding the handling of personal data. There are significant penalties for non-compliance including monetary fines, disruption of operations and reputational harm. Moreover, governmental authorities around the world are considering, or are in the process of implementing, new data protection regulations. We identify various risks associated with privacy and information security laws and regulations in [Item 1A. Risk Factors– "We are subject to information technology risks, including risks related to breaches of security pertaining](#)

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[to sensitive company, customer, employee and vendor information as well as breaches in the technology used to manage operations and other business processes, processes."](#)

Our operations around the world are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act of 2010.

For further information about the regulatory risks of our business, see [Item 1A. Risk Factors– "Our business is subject to a wide variety of other laws, regulations and other government requirements that may change in significant ways, and the cost of compliance with such requirements could have a material adverse effect on our business, financial condition and results of operations."](#)

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE SUSTAINABILITY MATTERS

Sylvamo's commitment Sylvamo remains committed to environmental, social operating responsibly and governance ("ESG") matters is a core value of our company. ESG considerations are incorporated sustainably, and incorporates this into our strategies and everyday processes as we seek to seize opportunities, address risks operate sustainably and responsibly and create long-term long-term value for our shareholders. Our commitment to sustainability spans our value chain, from the safety of our employees, to the responsible sourcing of raw materials, to using renewable energy and ensuring the recyclability of our products. Our commitment is part of our Code of Conduct and it requires us to operate as responsible stewards for our communities and the environment. We believe that operating in this manner creates healthy communities, enhances our competitive

position with our customers, increases our desirability as an investment and helps engender employee pride in the Company, helping us achieve our vision to be the world's paper company: the employer, supplier and investment of choice.

To show how we pursue our responsibility to sustain safety at our facilities, protect the environment, promote I&D and employee well-being, and invest in the communities where we live and work, in July 2023 we issued our first ESG Report since becoming a standalone public company in late 2021. We also launched a new sustainability hub on our website, [sylvamo.com](https://sylvamo.com), to share sustainability news, certifications, in-depth data and more.

Our 2022 ESG Report (available at [sylvamo.com/us/en/sustainability](https://sylvamo.com/us/en/sustainability)) illustrates our 2022 contributions to the circular, low-carbon economy, while improving people's lives where we do business through our I&D efforts and actions supporting our communities. It reflects our intent to operate as a sustainable company that generates profits for our shareholders, protects the environment and improves people's lives. In the 2022 ESG Report, we report our sustainability initiatives and progress made on those initiatives. We plan to report on sustainability initiatives and our progress for 2023 in our 2023 ESG Report to be published in 2024. We cannot guarantee that we will achieve the goals described in the ESG Report and in this Annual Report on Form 10-K, including our 2030 goals, and our ability to achieve them is subject to risks and uncertainties both known and unknown, including various risks noted in [Item 1A. Risk Factors](#) and elsewhere herein.

## Sustainable Sourcing and Forest Management

Sylvamo recognizes the environmental, social and economic values of forested landscapes. We seek to play an active role in preventing deforestation and forest degradation, promoting and increasing the use of responsibly managed forests, and meeting market demand for sustainably certified products, through our efforts described below.

In addition to our Code of Conduct, our Environmental, Health, Safety and Sustainability Policy sets forth the principles we follow to ensure the health and safety of all employees, contractors and visitors, improve our environmental impact and our stewardship of natural resources. Our Global Fiber Procurement Policy sets forth requirements for the wood we accept, including requirements intended to protect the environment and rights of indigenous peoples and local communities. Our Third Party Code of Conduct requires the parties with which we do business to comply with all laws and encourages them to reduce their impact on the environment. We make these policies available on our website. The website and provide more information contained on or connected to about them in our website is not incorporated by reference into this Annual Report on Form 10-K and should not be considered part of this or any other report that we file with or furnished to the SEC. 2022 ESG Report.

Our operations strive to incorporate responsible forest stewardship to ensure healthy and productive forest ecosystems for generations to come. For example, we promote healthy and productive forest ecosystems by sourcing committing to source 100% of our fiber from sustainably managed forests and aiming to conserve, enhance or restore 250,000 acres of ecologically significant forestland globally by 2030. Towards this goal, in 2023 we continued to invest in reforestation in the Atlantic Forest region of Brazil through joint efforts with international and local organizations.

We maintain longstanding partnerships with several of the world's largest and most respected environmental and conservation organizations to restore and protect forests and advance the understanding of the role of forests as natural climate solutions. solutions, including the Arbor Day Foundation, the Nature Conservancy, the World Wildlife Fund and various local environmental organizations in the communities where we live and work. We also work with help our suppliers to aid with their efforts in developing to develop actions that improve forest management and fiber procurement practices. We believe that these strategic informal partnerships are essential to achieve the scale necessary for positive long-term impact and to develop sustainable solutions that address critical regional and global forestry issues.

We support and use third-party certification of sustainable forest management through forest certification and chain-of-custody systems, and work to continue to meet our customer's demand for certified-fiber products. Sylvamo follows these credible certification systems: Forest Stewardship Council® (FSC®), the Sustainable Forestry Initiative® (SFI®), the Canadian Standards Association Group Sustainable Forest Management System, the Brazilian Forest Certification Program, and the Programme for the Endorsement of Forest Certification (PEFC), EU Ecolabel and Nordic Swan Ecolabel. Based on the latest figures available, we source more than half of our wood from forests certified under these programs.

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## Reduction of Greenhouse Gas and Water Usage

Sylvamo is working to reduce our water usage by an incremental 25% compared to a 2019 baseline. Our efforts to accomplish this goal in 2023 included an intensive water engineering study at one of our mills to identify water saving projects. We intend to update our progress reducing water usage at least annually on our Company website or in our ESG Reports.

## Climate Change and Reduction of GHG Emissions

Sylvamo recognizes that the climate is changing. Because carbon dioxide and methane trap higher amounts of heat in the atmosphere than many other atmospheric gasses and remain in the atmosphere for years, we believe that it is prudent to reduce those emissions. Sylvamo seeks to reduce its GHG emissions, by working to reduce our Scope 1, 2 and 3 emissions as noted

above, and advancing a lower-carbon economy by designing 100% reusable, recyclable or compostable papers that people depend on for education, communication and entertainment.

Consistent with the Paris Agreement, we are working to define a pathway to net zero GHG emissions and seek to achieve an incremental 35% reduction in our mills' Scope 1, 2 and 3 GHG emissions by 2030, as compared against a 2019 baseline. We submitted our greenhouse gas emissions reduction targets to Science Based Targets Initiative (SBTi) for validation, which we received in April 2023. Our progress reducing Scope 1, 2 and 3 GHG emissions is updated at least annually on our Company website or our ESG Report.

In 2022, the most recent year for which we have data, Sylvamo's mills generated more than 78% 80% of the energy energy used in the mills from carbon-neutral biomass residuals, which minimizes the use of fossil fuels that our company would otherwise use in its operations. Sylvamo's mills are leaders An example of our leadership in the use of renewable energy. For example, in 2012 energy is our mill in Mogi Guaçu, Brazil completed the construction of a biomass boiler, which was a high return, cost savings project that reduced fossil fuel use by 75%. Our mill in Saillat, France, which was the first French mill to obtain EU Ecolabel certification for copy and graphic papers, and has been PEFC certified and FSC chain of custody certified for approximately 20 years and 14 years, respectively. Saillat implements rigorous sustainable practices. All of its wood comes from controlled sources, and it is 85% energy energy self-sufficient. Saillat and its partner, Dalkia, a French energy company, were selected by the French Ministry of Ecological Transition to promote renewable energy and reduce GHG emissions. Under this program, Saillat and Dalkia will implement an additional bark boiler and a new turbine generator to produce 25 mega-watts of green electricity for a 20-year fixed price, reducing Saillat's energy costs and consumption of fossil fuels. Our recently In 2023, we acquired a mill in Nymölla, Sweden, which has EU Ecolabel and Nordic Swan Ecolabel certification.

Our latest data shows that since 2010, Sylvamo participates in the Carbon Disclosure Project ("CDP") questionnaires concerning climate change, forests and water, to quantify and provide transparency on our mills have reduced absolute Scope 1 environmental practices and 2 GHG emissions by 38%, or 850,000 tons of CO progress. 2. Consistent Additionally, we align our sustainability reporting in our ESG Report with the Paris Agreement, Global Reporting Initiative and the Task Force On Climate Related Financial Disclosures ("TCFD") frameworks.

The long-term effects of climate change on the global economy, our industry and us are unclear, especially in view of the political significance and uncertainty around regulatory actions proposed or being taken to address climate change. Changes in climate where we, plan to define a pathway to net zero GHGs our customers and seek to achieve our suppliers operate could have an incremental 35% reduction in our mills' Scope 1, 2 and 3 GHGs by 2030 as compared against a 2019 baseline. We also are working to reduce our water usage by an incremental 25% compared against a 2019 baseline. Our progress reducing GHGs and water usage is updated at least annually adverse impact on our Company website. The business, results of operations, and financial condition, as could regulatory actions to address climate change. More information contained on or connected about risks related to our website climate change and climate change regulation is not incorporated by reference into this Annual Report on Form 10-K and should not be considered part of this or any other report that we file with or furnish to the SEC. We cannot guarantee that we will achieve these goals for 2030, and our ability to achieve them is subject to risks and uncertainties both known and unknown, including various risks noted available in Item 1A. Risk Factors Risk Factors - "We are subject to physical, financial and elsewhere in this Annual Report reputational risks associated with climate change, including global, regional and local weather conditions, as well as the potential impact of increasing regulatory and investor focus on Form 10-K, climate change."

## Climate Change

Sylvamo recognizes that the climate is changing. Because the GHGs carbon dioxide and methane trap higher amounts of heat in the atmosphere than many other atmospheric gasses and remain in the atmosphere for years, we believe that it is prudent to reduce those emissions. Sylvamo seeks to reduce the GHGs within its footprint, by working to reduce our Scope 1, 2 and 3 emissions as noted above, and advancing a lower-carbon economy by designing 100% reusable, recyclable or compostable papers that people depend on for education, communication and entertainment.

## ESG Management and Board Oversight

Sylvamo has a dedicated sustainability team of employees led by our Chief Sustainability Officer ("CSO"). The team includes personnel who develop develops strategy and initiatives intended to create profits for our shareholders while protecting protect the environment and improving improve the lives of those we interact with. Responsibility with while creating profit for setting ESG strategy rests with our ESG shareholders. We also have an Environmental, Social and Governance ("ESG") Steering Team, a cross functional employee group of senior employee leaders working that works with our CSO and tasked with CSO. The ESG Steering Team is responsible for advising, setting and supporting the implementation of our ESG sustainability strategy. Our CSO periodically regularly reports to the Nominating and Corporate Governance Committee of our board of directors, which is the committee of our board of directors responsible for oversight of ESG sustainability matters, including oversight of climate-related matters.

## RAW MATERIALS AVAILABLE INFORMATION

Raw materials essential Sylvamo's internet address is www.sylvamo.com. We make available, free of charge, on or through our internet website, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to our businesses include wood fiber, chemicals and energy, those reports, as soon as reasonable practicable after we electronically file such material with, or furnish it to, the SEC.

## FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains information that includes or is based upon forward-looking statements. Forward-looking statements forecast or state expectations concerning future events. These statements often can be identified by the fact that they do not relate strictly to historical or current facts. They typically use words such as "anticipate," "assume," "could," "estimate," "expect," "project," "intend," "plan," "believe," "should," "will" and other words and terms of similar meaning, or they are tied to future periods in connection with discussions of the Company's performance. Some examples of forward-looking statements include those relating to our business and operating outlook, future obligations and anticipated expenditures.



Forward-looking statements are not guarantees of future performance. Any or all forward-looking statements may turn out to be incorrect, and actual results could differ materially from those expressed or implied in forward-looking statements. Forward-looking statements are based on current expectations and the current economic environment. They can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and other factors that are difficult to predict. Although it is not

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possible to identify all of these risks, uncertainties and other factors, the [impact of the](#) following factors, among others, [on us or on our suppliers or customers](#), could cause our actual results to differ from those in the forward-looking statements: [the deterioration of global and regional economic and political conditions, where we operate such including the impact of wars and other conflicts in Ukraine and the Middle East](#); physical, financial and reputational risks associated with climate change; public health crises that could have impacts similar to those experienced as [continuing inflation that increases a result of the COVID-19 pandemic](#); increased costs or reduced availability of the raw materials, energy, transportation (truck, rail and ocean) and labor needed to manufacture and deliver our [costs of operating, possible economic recession decreasing products](#); reduced demand for our products and due to industry-wide declines in demand for paper, the [war in Ukraine potentially spreading or causing significant economic disruption, particularly in Europe where we operate](#); workforce, natural gas, fuel and transportation shortages experienced by us and our suppliers creating challenges for our and their operations to overcome, increasing suppliers' prices charged us and increasing our costs of operating; a resurgence [cyclical nature of the COVID-19 pandemic paper industry or the occurrence competition from other businesses](#); a material disruption at any of another public health crisis that results in new governmental measures implemented to address it that impede our our suppliers' or our customers' operations, and that exacerbates inflation, workforce and transportation shortages; climate change and physical and financial risks to us associated with fluctuating regional and global weather conditions or patterns; reduced truck, rail and ocean freight availability resulting in higher costs to us or poor service; [manufacturing facilities](#); information technology risks [related to including potential breaches of security which may result in the distribution of company, customer, employee and vendor information](#); [cybersecurity breaches](#); extensive environmental laws and regulations, as well as tax and other laws, in the United States, Brazil and other [countries in jurisdictions to which we operate, which could result in substantial are subject, including our compliance costs to and risk of violations and liability](#); our reliance on a small number of customers; a failure by us as a result of compliance with, violations of or liabilities under these laws; failure to attract and retain senior management and other key and skilled employees, particularly in the current tight labor market; [the employees](#); loss of our commercial agreements with International Paper; [failure of our separation from International Paper to qualify as a tax-free transaction for U.S. federal income tax purposes](#); our indebtedness [and its impact having a material adverse effect on our ability financial condition, or our inability to operate and satisfy generate sufficient cash to service our debt obligations](#); the limited trading history of our common stock; [indebtedness](#); and the factors disclosed in [Item 1A. Risk Factors](#), as such disclosures may be amended, supplemented or superseded from time to time by other reports we file with the U.S. Securities and Exchange Commission (the "SEC"), including subsequent annual reports on Form 10-K and quarterly reports on Form 10-Q.

We assume no obligation to update any forward-looking statements made in this Annual Report on Form 10-K to reflect subsequent events or circumstances or actual outcomes.

*Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, along with all other reports and any amendments thereto filed with or furnished to the SEC, are publicly available free of charge on the Investors section of our website at [www.sylvamo.com](http://www.sylvamo.com) as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The information contained on or connected to our website is not incorporated by reference into this Annual Report on Form 10-K and should not be considered part of this or any other report that we filed with or furnished to the SEC.*

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### ITEM 1A. RISK FACTORS

Sylvamo faces risks in the normal course of business and through global, regional and local events. In addition to the risks and uncertainties discussed elsewhere in this Annual Report on Form 10-K, including in [Item 1. Business](#), [Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations](#), and [Item 1C. Cybersecurity](#), the following are some important risk factors that we face. The occurrence of any of the following risk factors, or of additional risks and uncertainties not presently known to us or that we currently believe to be immaterial, could cause a material adverse effect on our business, financial condition, results of operations and cash flows. In any such case, the trading price of our common stock could decline. In addition, many of these risks are interrelated and could occur under similar business and economic conditions, and the occurrence of certain of them could in turn cause the emergence or exacerbate the effect of others.

This Annual Report on Form 10-K also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the factors described below. See [Item 1.1. Business - Forward-Looking Statements](#).

#### SUMMARY RISK FACTORS

Our business is subject to numerous risks and uncertainties, including those described in "Risk Factors" below. The principal risks and uncertainties affecting our business include the following:

- global and regional economic and political conditions;
- [climate change physical, financial and the physical and financial reputational risks associated with fluctuating global, regional and local weather conditions or patterns](#); [climate change](#);
- public health crises [such that could have impacts similar to those experienced as a result of the COVID-19 pandemic and containment measures that may be implemented](#); [pandemic](#);

- increases in the cost or decreases in the availability of raw materials and energy; energy needed to manufacture our products;
- reduced truck, rail and ocean freight availability;
- industry-wide decline in demand for paper and related products;
- the cyclical nature of the paper industry, resulting in fluctuations in paper product prices and demand;
- competition from other businesses and consolidation within the paper industry;
- material disruptions at one or more of our manufacturing facilities;
- the capital costs of our operations that could negatively affect our profitability;
- information technology risks, related to potential breaches including risk of security that could result in the distribution of company, customer, employee and vendor information and disrupt operations; cybersecurity breaches;
- extensive laws, regulations and government requirements, including those related to the environment in the regions where we operate that could result in substantial and climate change, including costs of compliance and costs associated with any liabilities under such laws;
- our reliance on a small number of significant customers;
- our failure to attract and retain senior management and other key employees;
- a significant write-down of our goodwill or other intangible assets;
- failure to achieve expected investment returns on pension plan assets; assets or other factors affecting the plans' funded level;
- disruptions in operations and increased labor costs due to labor disputes;

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- inability to achieve expected benefits from strategic corporate actions;
- inability to protect our intellectual property and other proprietary rights;
- the loss of commercial agreements with International Paper;
- our limited operating short history as a standalone public company, such that our historical financial information may not be indicative of our future results;
- the cost of, and potential difficulties with, fulfilling our obligations as a public company, including with respect to the requirements of, and related to, rules under the Sarbanes-Oxley Act of 2002; company;
- the failure of the distribution of transactions in connection with our stock and certain other transactions that occurred when we were spun off spin-off from International Paper to qualify for non-recognition treatment for U.S. federal income tax purposes, and our inability to take certain actions that could jeopardize the tax-free status of such distribution;
- conflicts of interest resulting from certain of our officers equity ownership in International Paper or former International Paper positions; purposes;
- the satisfaction of indemnification obligations between us and International Paper;
- federal and state fraudulent transfer laws and New York and Delaware corporate law which may permit a court to void the distribution and transactions that separated us from International Paper;
- failure to fulfill our obligations under agreements relating to our indebtedness having a material adverse effect on our financial condition, or the our inability to generate sufficient cash to service our indebtedness;
- the limited trading history of our stock resulting in potential decline or volatility of its price;
- future offerings of debt or equity securities senior to our common stock, depressing the common stock's its price;

- if we do not continue to declare dividends, repurchase shares of our common stock or otherwise return capital to shareholders, may need to shareholders must rely solely on the appreciation in our stock's value for an investment return if, in the future, we do not declare dividends, repurchase shares of our stock or otherwise return capital to shareholders; returns;
- future issuances of equity, may dilute diluting our outstanding common stock;
- the a shareholder's sale of a substantial number of shares by a shareholder that causes the of our common stock's stock, causing its price to decline;
- actions of activist shareholders causing that cause us to incur costs diverting our attention and resources, and adversely affecting affect our stock price; and
- various provisions in our certificate of incorporation and bylaws that could hinder a change in control of our company, cause a reduction in the price of our stock and limit the forum for actions against, and the liability of, our directors and officers.

## RISKS RELATING TO OUR BUSINESS

### *Risks Relating to Economic Conditions and Other External Factors*

Our operations and performance depend significantly on global and regional economic and political conditions, and adverse economic or political conditions can materially adversely affect our business, financial condition, and results of operations, operations and cash flows.

We operate in three primary regions, each of which contributes significantly to our financial performance: Europe, Latin America and North America. Five of the seven mills that we own are located outside the United States: three in Brazil, one in France and one in Sweden (acquired in January 2023). We sold our Russian operations in 2022. Deterioration of business or conditions, economic conditions or geopolitical events in any one of the regions where we operate including, for example, civil unrest, political conflict, military conflict including spread of the war in Ukraine to other

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countries in Europe, deterioration of trade relations and economic instability, could have a material adverse effect on our business, financial condition and results of operations. Examples of conditions that could adversely affect us are deterioration of trade relations affecting one or more of the regions where we operate, general economic instability, or civil unrest, political conflict or military conflict; for example, spread of the war in Ukraine to other countries in Europe, spread of the Israel – Hamas war further in the Middle East, and increased disruption to transportation networks due to attacks by the Houthis in and near the Red Sea. The impact on us of these wars and conflicts has been limited and not material, but their potential to spread and, if they spread, the unpredictability of their impacts are risks for our business.

Other events in the three regions where we operate, such as strikes, high unemployment levels, lack of availability and cost of credit, and fluctuations in the value of local currency versus the U.S. dollar, may adversely affect our cost and ability to manufacture and deliver our products to customers, as well as generally affect industrial non-durable goods production, consumer spending, commercial printing and advertising activity, white-collar employment levels and consumer confidence, all of which may impact demand for our products.

In addition, volatility in the capital and credit markets, which impacts interest rates, currency exchange rates and the availability of credit, may have a material adverse effect on our business, financial condition and results of operations.

Trade protection measures in favor of local producers of competing products, including governmental subsidies, tax benefits and other measures giving local producers a competitive advantage over our company, could also have a material adverse effect on our results of operations and business prospects in the regions where we operate. For example, our mills in Brazil have historically benefited from policies favoring domestic producers. We cannot guarantee that any such policies will continue or that we will continue to benefit from existing or future policies, nor can we guarantee that we will not be harmed by future policies. Likewise, disruption in existing trade agreements or increased trade friction between countries, which can result in tariffs, anti-dumping and countervailing duties, could have a material adverse effect on our business and results of operations by restricting the free flow of goods and services across borders.

Additionally, our international operations are subject to regulation under laws related to operations in foreign jurisdictions, including in the United States, the Foreign Corrupt Practices Act and the policies of the U.S. Department of Treasury's Office of Foreign Asset Control. Failure to comply with applicable laws could result in various adverse consequences, including the imposition of civil or criminal sanctions and the prosecution of executives overseeing our international operations.

We are subject to physical, financial and financial reputational risks associated with climate change, and including the impact of global, regional and local weather conditions, including the availability of wood fiber, water and water, fuel, and the impact of increasing regulatory and investor focus on climate change.

Climate change has the potential to cause disruptions to our business, financial condition and results of operations. Increases in global average temperatures caused by increased concentrations of carbon dioxide and other GHGs in the atmosphere could cause significant changes in weather patterns, including changes to precipitation patterns and growing seasons. An increase in global temperature could also lead to an increase in the frequency and severity of extreme weather weather events and other natural disasters, such as



hurricanes, tornados, hailstorms, fire, floods, snow and ice storms. Our operations and the operations of our suppliers are subject to changes in global, regional and local weather patterns. These types of events could have multiple adverse impacts on our business, including, without limitation:

- Severe weather events or other natural disasters, which may impact the be caused by climate change, occurring at any of our locations could cause heavy damage to or destruction of one or more of our valuable assets; for example, one of our mills or our Brazilian forestland.
- The productivity of forests, the frequency and severity of wildfires, heavy rain or drought, the distribution and abundance of species, and the spread of disease or insect epidemics, which in turn may adversely affect timber production and harvesting, reduce including on the forestlands that we own or manage in Brazil which have been producing yields of mature virgin fiber that are not optimal (see “ – Changes in the cost or availability of raw materials and energy used to manufacture our products could have a material adverse effect on our business, financial condition and results of operations.”) thus reducing the availability to us of, virgin fiber or reduce reducing the density and quality of, available the virgin fiber upon which we rely to manufacture our products. This could significantly increase our costs of manufacturing our products and delay or interrupt our manufacturing operations.
- . Changes in global, regional and local weather conditions and natural disasters also could impede operations at any one or more of our mills, harm our woodlands, adversely affect the ability to harvest timber and cause variations in our cost of raw materials including virgin fiber. Additionally, a steady supply of significant volumes of water are necessary to the manufacturing operations at our mills, and weather events interrupting such supply may slow or interrupt our mill operations. The physical effects of climate change could therefore adversely affect, delay or interrupt our
- Our manufacturing operations rely significantly on a steady supply of energy, and demand for fuel is critical to the transport to us of inputs and the distribution by us of our products. The transition to a lower-carbon economy could increase the price of energy needed to manufacture our products, the transportation components of our input costs and costs of delivering products.
- Unpredictable weather patterns or cause us to incur significant extended periods of severe weather also may result in supply chain disruptions, increased material costs in preparing for and delays or responding to the effects stoppage of the climatic events themselves. operations.
- Our ability to mitigate the adverse physical impacts of climate change depends in part upon our disaster preparedness and response and business continuity planning, planning, but we cannot guarantee that our disaster preparedness and business continuity planning would adequately mitigate such impacts.

**Public.** The introduction of a carbon tax or government mandates to reduce GHG emissions, and more stringent or complex environmental and other permitting requirements, could result in costs to meet such requirements and other additional costs of compliance.

- There is no assurance that we can recover, through increased prices, any increased costs to us of fiber, energy, other materials, manufacturing stoppages or delays, regulatory compliance, or any other factor related to climate change, and if we were to pass these costs on to customers, it may reduce demand for our products.
- There has been an increased focus, including from investors, customers, regulators and other stakeholders regarding climate change, which have resulted or may result in more prescriptive reporting requirements with respect to climate change-related topics, including, recently, reporting requirements adopted in California and the European Union and reporting requirements proposed by the SEC, as well as increased expectation and pressure to voluntarily disclose such topics, all of which increase compliance costs.
- We have established and publicly disclosed targets related to certain sustainability matters, including our 2030 goal to reduce Scope 1, 2 and 3 GHG emissions. Our sustainability targets are subject to assumptions, risks and uncertainties, many of which are outside our control. If we cannot meet these targets by 2030, or if they are perceived negatively, including the perception that they are not sufficiently robust or, conversely, are too costly, our reputation could be harmed.

We are assessing our climate-related risks and determining the best strategies to address any identified risks.

As a result of any or all of these climate-related risks, climate change could, directly or indirectly, have a material adverse effect on our business, financial condition and results of operations.

Additional discussion of environmental regulatory risk is included in [“We are subject to extensive environmental laws and regulations, and could incur substantial costs as a result of compliance with, violations of or liabilities under these laws and regulations”](#) and [Item 1. Business – Environmental and Other Regulations](#).

A public health crises such as the COVID-19 pandemic crisis could have a material adverse effect on our business, financial condition and results of operations.

In 2022 we did not experience any material financial impact or disruption to operations from pandemic-related events such as governmental mandates or illnesses (for example, absence from work of infected employees). We did experience increased costs due to inflation from the global constrictions in available labor, transportation and raw materials caused in part by the COVID-19 pandemic, but we were able to mitigate some of the impact on us. See “—Changes in the cost or availability of raw materials and energy used to manufacture our products could have if a material adverse effect on our business, financial condition and results of operations” and “—Reduced truck, rail and ocean freight availability could lead to higher costs or poor service, resulting in lower earnings, and could affect our ability to deliver the products we manufacture in a timely manner.”

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If the emergence of new strains of COVID-19 or another public health crisis were to result in the re-imposition imposition of governmental restrictions on the general public or on business activities to prevent viral spread, or were to cause widespread illness among our or our customers' or suppliers' employees – such as occurred during the COVID-19 pandemic – it could, in turn, have a material adverse effect on our business, financial condition and results of operations. For example, a global resurgence of the COVID-19 pandemic severe COVID infection or another public health crisis could reduce demand for our paper as a result of school and business closures and increased remote work among the general public, disrupt operations at our mills due to employee attrition, illness, quarantines, government actions or other restrictions, and cause further labor shortages, supply chain disruptions and inflation that constrain our operations and increase our costs to operate. The extent of any future impact of the COVID-19 pandemic or any other public health crisis is mostly outside of our control and will depend on various factors, including the severity of outbreaks and viral strains, the availability and effectiveness of treatments and vaccines, the extent and duration of the pandemic's its adverse effect on economic conditions, consumer confidence, discretionary spending and preferences, labor and healthcare costs and unemployment rates.

## **Risks Relating to Our Industry, the Products We Offer and Product Distribution**

**Changes in the cost or availability of raw materials and energy used to manufacture our products could have a material adverse effect on our business, financial condition and results of operations.**

We rely heavily on the use of certain raw materials (principally virgin wood fiber, caustic soda, starch and starch) water and energy sources (principally biomass, natural gas, electricity and fuel oil) to manufacture our products. Our profitability has been, and will continue to be, affected by changes in the cost and availability of the raw materials and energy sources we use, including increasing costs due to use. In 2023, global inflationary pressures. In 2022, substantial inflation volatility in the costs of labor, raw materials and energy, on a global basis, both and labor as well, directly and indirectly caused significant increases unpredictability in our costs of materials (including (including raw materials such as wood fiber and other materials such as chemicals) and energy, all of which increased our costs of production. Further increases energy. Any future inflation in the costs of raw materials and energy is not within our

control and could increase our costs of production. Any future shortages are also not within our control and may further could increase our costs of and slow or stop our production.

The market price of virgin wood fiber varies based upon demand, availability, source, and the costs of labor and the fuels used in harvesting and transporting the fiber. The cost and availability of wood fiber can also be affected by weather, climate variations, natural disasters, general logging conditions, geography, human activity and regulatory activity. For example, our mills in 2022, Brazil and Sweden experienced increases in the cost of virgin wood fiber in 2023. In Brazil, the increase was due to weather-related and other circumstances, including that the number of healthy trees reaching maturity on Brazilian forestlands that we own or manage were, and continue to be, insufficient for us to optimize the use of fiber from them in our Brazilian operations. We thus increased the amount of mature, quality virgin wood fiber that was we procured from more expensive third party sources. At our Nymölla, Sweden mill, the increased wood fiber costs were primarily due to a shortage of wood fiber in the region and exchange rate fluctuations.

Regulatory activity has the potential to decrease the supply of wood fiber available to our operations. For example, carbon sequestration regulations limiting the availability of forestlands for harvest on could increase our Brazilian forestlands was not adequate to allow us to maximize the amounts of virgin wood fiber used from our forestlands in our Brazilian operations, causing us to procure more expensive additional fiber from third party sources, which had an adverse effect on our Brazilian business and its EBITDA. Also in 2022, supply chain disruptions, tight availability of labor and increasing market prices for fuel increased the costs of third-party transportation cost of wood fiber and other materials to us and placed the local supplies of wood in all of the regions where we operate under pressure, and although we were able to mitigate the cost potentially create shortages having an impact of these events, there is no assurance that we will be able to mitigate the impact of similar events in the future, particularly if shortages or costs were to increase substantially, on our operations.

At our Saillat mill In Europe, there is a heightened level of sensitivity in 2022 we faced increased costs the pricing and availability of energy and some raw materials resulting in part and energy from the discontinued supply of natural gas to geopolitical conflicts in Europe, from Russia, which increased energy costs the Middle East and exerted inflationary pressures on other materials. Red Sea. We were able to mitigate the impact of the increased costs, but there can be no assurance that we cannot predict whether these geopolitical conflicts will be able to mitigate the impact of any cause future substantial increases in the cost costs of energy in Europe, especially if energy shortages were to increase in severity. The actions that Russia may take in connection with the conflict in Ukraine are unpredictable and could escalate such shortages and further inflation in the prices of energy and raw materials and energy for our mills, particularly our mills in Europe, Sweden and France.

Due to the commodity nature of our products, the supply and demand for our products determines our ability to increase prices, and we could be unable to pass on increases in our operating costs to our customers. Any sustained increase in the prices of raw materials and energy required for our manufacturing operations without any corresponding increase in product pricing would reduce our operating margins and could have a material adverse effect on our business, financial condition and results of operations.

**Reduced truck, rail and ocean freight availability could lead to higher costs or poor service, resulting in lower earnings, and could affect our ability to deliver the products we manufacture in a timely manner.**

We rely on third parties to transport materials to us used in our operations and to deliver our products to our customers, including transport by third party rail, trucks and ships. If any of these providers fail to deliver materials to us in a timely manner, we may experience delays in our ability to manufacture our products and be unable to meet customer demand. If any of our transportation providers fail to deliver our products to customers in a timely manner, it may

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result in additional costs to us in order to remedy the untimely delivery. Further, reduced availability of transportation causes inflationary pressure on the prices charged us by our transportation providers, increasing our costs of production and our costs of delivery to customers, and if customers. If any of our transportation providers were to cease operations

or cease doing business with us, we may be unable to replace them at a reasonable cost. Any of the circumstances described in this paragraph may result in lost sales, increased supply chain costs and damage to our reputation, and have a material adverse effect on our business, financial condition and results of operations.

In 2022, 2023, we did not experience significant supply chains experienced chain disruptions, resulting, and freight rates normalized. However, by the end of 2023, the attacks by the Houthis on and near the Red Sea brought instability to the region, which if continued in part, directly 2024 could cause instability in ocean freight costs, as well as an imbalance in the distribution of ships and containers across regions of the world. We cannot predict whether these events would occur or indirectly from the COVID-19 pandemic, such as labor shortages, shipping capacity constraints, port congestion, governmental responses intended if they would cause us to prevent influxes of persons experience disruptions in our supply chain, increases in our transportation costs or contact with persons potentially infected with the COVID-19 virus, and, within the United States, significant consumer demand for products requiring transport from overseas locations and within the United States. The situation has moderated as of 2022 year-end, but it remains in flux and outside of difficulty supplying our control. If the situation worsens, it could have a material adverse effect on our business, financial condition and results of operations. customers.

**The industry-wide decline in demand for paper and related products could have a material adverse effect on our business, financial condition and results of operations.**

We rely heavily on the sale of paper products, an industry that has experienced, and is expected to continue experiencing, a secular decline in demand, which could put pressure on our future revenue, profit margin and growth opportunities. The global demand for uncoated freesheet ("UFS") decreased at 2.2% 2.5% CAGR from 2017 to 2021 2023 (which includes the COVID-19 pandemic's atypical impact in 2020 of a 10.2% decline year-over-year), based based on third party RISI industry data reporting as of September 2022, December 2023. This secular decline in demand is due in large part to competing technologies and materials, including the increased use of e-mail and other electronic forms of communication, increased and permanent product substitution, including less print advertising, more electronic billing, more e-commerce, e-

commerce, fewer catalogs and a reduced volume of mail. The secular decline in demand historically has had a material adverse effect on our business, financial condition and results of operations. As the use of these alternatives grows, continue to grow, demand for paper products is likely to decline further, which could have a further material adverse effect on our business, financial condition and results of operations.

**The paper industry is cyclical. Fluctuations in the prices of, and the demand for, our paper products could result in lower sales volumes and smaller profit margins.**

The paper industry is cyclical. Historically, economic and market shifts, fluctuations in capacity and changes in foreign currency exchange rates have created cyclical changes in prices, sales volume and margins for our paper products. The length and magnitude of industry cycles have varied over time and by product, but generally reflect changes in macroeconomic conditions and levels of industry capacity. Most of our paper products are commodities that are available from other producers. While brand recognition impacts the demand for products, because commodity products have few other distinguishing qualities from producer to producer, competition for these products is significantly based on price, which is determined by supply relative to demand.

The overall levels of demand for the paper products that we manufacture, and consequently our sales and profitability, reflect fluctuations in levels of end-user demand, which depend in part on general macroeconomic conditions, the continuation of the current level of service and cost of postal services, as well as competition, including from electronic substitution. Generally, our products are produced substitution, and sold regionally due to their heavy weight, which makes export costs high relative to selling price, and which makes us dependent on demand other factors described above in the regions in which we operate. See "—The industry-wide decline in demand for paper and related products could have a material adverse effect on our business, financial condition and results of operations."

Industry supply of paper products is also subject to fluctuation, as changing industry conditions have and will continue to influence producers to idle or permanently close individual machines or entire mills or retool convert them for to different products to offset a decline in demand. Any such closures by us would result in significant cash and non-cash charges. In addition, to avoid substantial cash costs in connection with idling or closing a mill, some producers will choose to continue to operate at a loss, sometimes even a cash loss, which could prolong weak pricing environments due to oversupply. As a result, prices for our paper products are driven by many factors outside of our control, and we have little influence over the timing and extent of price changes, which are often volatile. Our profitability with respect to our products depends on managing our cost structure, particularly wood fiber, chemicals, transportation and energy costs, which represent the largest components of our operating costs and can fluctuate based upon factors beyond our control. If the prices or demand for our paper products decline, or if wood fiber, chemicals, transportation or energy costs increase, or both, our business, financial condition and results of operations could be materially adversely affected. See "—Changes in the cost or availability of raw materials and energy used to manufacture our products could have a material adverse effect on our business, financial condition and results of operations."

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**Competition from other businesses and consolidation within the paper industry could have a material adverse effect on our competitive position, financial condition and results of operations.**

We operate in a competitive environment in Europe, Latin America and North America. Product innovations, manufacturing and operating efficiencies, and marketing, distribution and pricing strategies pursued or achieved by competitors could have a material adverse effect on our business, financial condition and results of operations.

In addition, there has been a trend toward consolidation in the paper industry. Consolidation could result in the emergence of competitors with greater resources and scale than ours, which could adversely impact our competitive position, financial conditions and results of operations. Further, actual or speculated consolidation among competitors, or the acquisition by, or of, our third party service providers and business partners by competitors could increase the competitive pressures faced by us as customers could delay spending decisions or not purchase our products at all.

## Risks Relating to Our Operations

**Material disruptions at one of our manufacturing facilities could have a material adverse effect on our business, financial condition and results of operations.**

A material disruption at our corporate headquarters or one of our manufacturing facilities, or involving any of our machines within such facilities, could prevent us from meeting customer demand and reduce our sales, which could have a material adverse effect on our business, financial condition and results of operations. Any of our manufacturing facilities, or any of our machines within an otherwise operational facility, could cease operations unexpectedly due to a number of events, including:

- fires, floods, earthquakes, hurricanes or other catastrophes;
- the effect of a drought, reduced rainfall or a flood on its water supply;
- the effect of severe weather conditions on equipment and facilities;
- disruption in the supply of raw materials, including wood fiber, or other manufacturing inputs;
- information system disruptions or failures due to any number of causes, including cyber-attacks;
- domestic and international laws and regulations applicable to our business and our business partners around the world;
- unscheduled maintenance outages;
- prolonged power failures;
- an equipment failure or damage to any of our paper-making machines; equipment;
- a chemical spill or release of pollutants or hazardous substances;
- explosion of or damage to a boiler or other equipment;
- damage or disruptions caused by third parties operating on or adjacent to one of our manufacturing facilities;
- disruptions in the transportation infrastructure, including roads, bridges, railroad tracks and tunnels;
- a widespread outbreak of an illness or any other communicable disease, such as the COVID-19 pandemic or any other public health crisis;
- failure of our third-party service providers and business partners to satisfactorily fulfill their commitments and responsibilities in a timely manner and in accordance with agreed upon terms;
- labor difficulties; and
- other operational problems.

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**Our operations require substantial capital, and any significant capital investments could increase fixed costs, which could negatively affect our profitability.**

We frequently make capital investments to improve our operations. These capital expenditures could result in increased fixed costs or large one-time capital expenditures, which could negatively affect our profitability. Capital expenditures for expansion or replacement of existing facilities or equipment or to comply with future changes in environmental laws and regulations may be substantial. Our expected capital expenditures are discussed in [Item 7 "Management's Discussion and Analysis of Financial Condition and Results of operations—Operations - Liquidity and Capital Resources—Resources - Capital Expenditures."](#) We cannot guarantee that key pieces of equipment in our various manufacturing facilities will not need to be repaired or replaced or that we will not incur significant additional costs associated with environmental compliance. The costs of repairing or replacing such equipment and the associated downtime of the affected production line could have a material adverse effect on our business, financial condition and results of operations. If for any reason we are unable to provide for our operating needs, capital expenditures, and other cash requirements on economically favorable terms, we could experience a material adverse effect on our business, financial condition and results of operations.

**We are subject to information technology risks, including risks related to breaches of security pertaining to sensitive company, customer, employee and vendor information as well as breaches in the technology used to manage operations and other business processes.**

Our business operations rely upon secure information technology systems for data capture, processing, storage and reporting. Despite careful security and controls design, implementation, updating and independent third-party verification, our information technology systems and those of our third-party providers or partners, could become subject to employee error or malfeasance, cyber attacks, cyber-attacks, geopolitical events, natural disasters, failures or impairments of telecommunications networks or other catastrophic events.

Also, third parties with which we do business are potential sources of cybersecurity risks. For example, we outsource certain information technology functions that allow access to our information technology systems, which could lead to a compromise of our systems or the introduction of vulnerable or malicious code, resulting in security breaches adversely

affecting us or our customers. While many of our agreements with third parties include indemnification provisions, we may not be able to recover sufficiently, or at all, under these provisions to adequately offset any losses we may incur from third-party cyber incidents.

Although in 2023 we did not experience any significant breaches of our information technology systems from cybersecurity attacks, in 2022, we cannot be certain that the security measures we maintain to protect all of our information technology systems are able to prevent, contain or detect any cyber-attacks, cyber terrorism or security breaches from known or future cyber-attacks. We expect cyber-attacks or malware that may be developed to continue to increase in sophistication and frequency for a number of reasons, including increases in technology-based products and services used by us and our customers, the future. Network, growing use of mobile, cloud, and other emerging technologies such as artificial intelligence, and the increasing sophistication and activities of organized crime, hackers, terrorists, nation-states, activists and other external parties. If a cyber-attack against us successfully resulted in network, system, application and/or data breaches, it could result in operational disruptions or information misappropriation cause us harm, including, but not limited to, interruption to systems of our systems' availability, and denial of access to and cyber criminals' misuse of our applications, our inability to access applications required by for our customers operations (such that we may be delayed or unable to conduct business with us. Access to applications required to plan our operations, source materials, manufacture and ship finished goods and account for orders could be denied or misused. Theft and deliveries), theft of our intellectual property or and trade secrets, and inappropriate disclosure of confidential company, employee, customer or and vendor information, could stem from such incidents. We maintain insurance against cybersecurity damages, but, nonetheless, the including disclosures in violation of laws, including privacy laws, and our contractual obligations. The loss to us from a cybersecurity breach could be significant. The cost to remediate significant, including financial losses resulting from remediating damages to our systems, suffered could be significant, and any operational disruptions loss from our inability to operate or misappropriation of information could result delays in government penalties, our operations, lost sales, business delays and negative publicity, which litigation and government penalties. As a result, such incidents could have a material adverse effect on our business, financial condition and results of operations.

We have processes and controls in place to prevent, detect, respond to and mitigate potential cybersecurity breaches and we maintain insurance against damages from cybersecurity breaches. Nonetheless, there is no guarantee that we will not experience significant cybersecurity breaches or that our insurance for cyber-attacks will fully cover all resulting losses.

For additional pertinent information, see [Item 1C. Cybersecurity](#).

#### **We are subject to extensive environmental laws and regulations, and could incur substantial costs as a result of compliance with, violations of or liabilities under these laws and regulations.**

We are subject to extensive environmental laws and regulations in Europe, Latin America and North America. Environmental laws and regulations continue to evolve, and we may become subject to increasingly stringent environmental standards in the future, particularly under air quality and water quality laws and standards, related including those intended to address climate change, issues, including climate change-related regulatory risk, discussed at "— We are subject to physical, financial and reputational risks associated with climate change, including the impact of global, regional and local weather conditions, the availability of wood fiber, water and fuel, and the impact of increasing regulatory and investor focus on climate change" and [Item 1. Business -Sustainability Matters- Climate Change and Regulation of GHG's](#). We anticipate continued or increased regulatory activity at the local, state, federal and international levels regarding environmental matters and environmental public policies that have an impact on our manufacturing operations. Compliance with regulations that implement new, more stringent requirements or new public policy could require significant expenditures on our part or even the curtailment of certain of our manufacturing operations.

We have incurred, and expect that we will continue to incur, significant capital and operating expenditures costs complying with applicable environmental laws and regulations. Our environmental expenditures include, among other areas, others, those related to air and water quality, waste disposal and the cleanup of contaminated soil and groundwater. See [Note 13 Commitments and Contingent Liabilities](#) to the Consolidated and Combined Financial Statements included in Item 8 in this Annual Report on Form 10-K for additional information and our reserves for on environmental matters. Increased regulatory activity at the state, federal and international level is possible regarding climate change as well as other emerging environmental issues associated with our manufacturing sites. Compliance with regulations that implement new public policy in these areas could require significant expenditures on our part or even the curtailment of certain of our manufacturing operations.

Legislators and regulators, investors and non-governmental organizations are continuing to look for ways to reduce GHG emissions. Even stricter regulation of GHG emissions or the imposition of carbon pricing mechanisms could result in additional costs to us in the form of taxes or emission allowances, compliance-related costs including capital expenditures, increased energy costs, higher transportation costs and higher materials costs. Also, regulators in Europe and the U.S. have focused efforts on increased disclosure related to climate change and mitigation efforts. The SEC

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has included in its regulatory agenda potential rulemaking on climate change disclosures that, if adopted, would increase our compliance burden and associated regulatory costs and complexity, perhaps significantly. We also face risks arising from the increased public focus, including by governmental and nongovernmental organizations, on other environmental sustainability matters, such as packaging and waste, deforestation and land use. We also may determine to make, and may face increased pressure to make, commitments, set targets or establish additional environmental goals (including, for example, in agreements pertaining to our credit) and take actions to meet them. Environmental commitments, targets and goals could expose us to market, operational and execution risks as well as higher costs. Failure to achieve any such commitments, targets or goals, or a perception (whether or not valid) of our failure to achieve such commitments, targets or goals, could result in market, reputational, regulatory, and/or liability risks - including regulatory non-compliance, criminal or civil actions against us, assessment of fees and penalties, customer dissatisfaction, reduced revenue and profitability, and/or stockholder lawsuits - and could adversely affect our business and reputation.

There can be no assurance that our future remediation requirements and compliance with existing and new laws and requirements will not require significant expenditures, or that our existing reserves for specific matters will be adequate to cover our future costs. We could also incur substantial fines or sanctions, enforcement actions (including orders limiting our operations or requiring corrective measures), natural resource damages claims, investigation, cleanup and closure costs, and third-party claims for property damage and



personal injury as a result of violations of, or liabilities under, environmental laws, regulations, codes and common law. The amount and timing of environmental expenditures is difficult to predict, and, in some cases, liability may be imposed without regard to contribution or to whether we knew of, or caused, the release of hazardous substances.

Further, we are required to comply with environmental laws and the terms and conditions of multiple environmental permits. In the countries where we manufacture paper, our industry is subject to various performance-based rules associated with effluent and air emissions. For example, in the United States, federal, state and local laws and regulations require us to routinely obtain authorizations from and comply with the evolving standards of the appropriate governmental authorities, which have considerable discretion over the terms of permits. Failure to comply with environmental laws and permit requirements imposed by a governmental authority having jurisdiction over our operations could result in civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing our operations or requiring us to take corrective measures, install pollution control equipment, or take other remedial actions, such as product recalls or labeling changes. There can be no assurance that future environmental permits will be granted or that we will be able to maintain and renew existing permits, and the failure to do so could have a material adverse effect on our business, financial condition and results of operations.

In addition, as the owner and operator of real property, we may be liable under environmental laws for investigation, cleanup, closure and other costs and damages resulting from the presence and release of hazardous substances on or from our properties or operations, including properties that we no longer own or operate. For example, at our Mogi Guacu Guacu mill in Brazil, we are working with environmental regulators to determine the work necessary to address historic contamination on land areas that we own near the mill. See [Note 13 Commitments and Contingent Liabilities](#) to the Consolidated and Combined Financial Statements included in Item 8 in this Annual Report on Form 10-K for additional information. The amount and timing of environmental expenditures is difficult to predict, and, in some cases, our liability may be imposed without regard to contribution or to whether we knew of, or caused, the release of hazardous substances and may exceed forecasted amounts or the value of the property itself. The discovery of additional contamination or the imposition of additional cleanup obligations at our or third-party sites may result in significant additional costs. Any material liability we incur could preclude us from making capital expenditures that would otherwise benefit our business and have a material adverse effect on our business, financial condition and results of operations.

The European Union's Deforestation Regulation (the "EUDR"), which generally becomes effective on December 30, 2024, will require companies trading in wood, cattle, cocoa, coffee, oil palm, rubber and soya, as well as products derived from these commodities such as paper, to conduct extensive diligence on the value chain to ensure the goods do not result from recent deforestation, forest degradation or breaches of local laws in order to sell such products in the European Union market. The EUDR, and other current or proposed regulations in the European Union and elsewhere, are likely to increase our compliance costs, could depress sales in such markets if our products are not in compliance by applicable effective dates, and could result in fines and penalties or reputational harm if we do not fully comply.

Several Canadian provinces, most countries in Europe, and some states in the United States have adopted, and more countries and U.S. states may adopt, extended producer responsibility, or "EPR," laws. EPR laws assign producers of the materials covered by the laws some financial responsibility for the end-of-life management of those materials within the adopting jurisdiction. These laws can apply to various types of materials, and some of them apply to packaging and paper products. California, for example, has enacted an EPR law that covers single-use packaging, and Colorado has adopted an EPR law that covers paper and packaging. EPR laws can result in fees imposed on the Company to manage the end-of-life cost of the Company's paper (when our paper is covered by the law) or the packaging materials (when those packaging materials are covered). They also may cause us to pay higher prices for the packaging and other materials that we purchase from suppliers subject to EPR laws, who may pass through to their customers some of their increased costs resulting from such laws.

Any future remediation requirements, and our compliance with existing and new laws and requirements, could require significant expenditures, and there is no assurance that our existing reserves for specific matters will be adequate to cover our future costs. We also could incur substantial fines or sanctions, enforcement actions (including orders limiting our operations or requiring corrective measures), natural resource damages claims, investigation, cleanup and closure costs, and third-party claims for property damage and personal injury as a result of violations of, or liabilities under, environmental laws, regulations, codes and common law. The amount and timing of environmental expenditures is difficult to predict, and, in some cases, liability may be imposed without regard to contribution or to whether we knew of, or caused, the release of hazardous substances.

For information about risks related to climate-change, environmental laws, regulations and governmental requirements, see [Item 1. Business – Environmental and Other Regulations](#).

**Our business is subject to a wide variety of other laws, regulations and other government requirements that may change in significant ways, and the cost of compliance with such requirements could have a material adverse effect on our business, financial condition and results of operations.**

In addition to environmental laws and regulations, as discussed immediately above and in [Item 1 Business—Environmental—Environmental and Other Regulations](#), our operations are subject to regulation under a wide variety of other laws, regulations and government requirements in Europe, Latin America and North America, including those relating to health and safety, labor and employment, data privacy, tax (including VAT), taxes, competition, trade and health care. There can be no assurance that laws, regulations and government requirements will not be changed, applied or interpreted in ways that will require us to modify our operations and objectives or affect our returns on investments by restricting existing activities and products, subjecting them to escalating costs.

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For example, we are subject to complex and evolving U.S. and international privacy laws and regulations, including those pertaining to the handling of personal data, such as the EU General Data Protection Regulation ("GDPR"), Brazil's Lei Geral de Proteção de Dados Pessoais ("LGPD") and the California Consumer Privacy Act of 2018 ("CCPA"). The GDPR, which applies with respect to all member states of the European Union, includes operational requirements for companies receiving or processing personal data of EU residents that are partially different from those that had previously been in place and imposes significant penalties for noncompliance. Brazil's LGPD establishes rules for the collection, use, processing, storage and transfer of personal data. The LGPD gives Brazilian data subjects expanded rights to control their personal data and access to it, and includes requirements with respect to maintaining the security of personal data, limiting the processing of personal data, reporting data breaches and cross-border data transfers. Failure to comply with the LGPD could result in potentially severe financial penalties. Application of penalties under the LGPD began on August 1, 2021. The LGPD may require additional compliance investment as well as additional changes to policies, procedures and operations. California's CCPA, which went into effect on January 1, 2020, affords

California residents and households expanded privacy protections. Moreover, governmental authorities around the world are considering, or are in the process of implementing, new data protection regulations.

Many of these laws are subject to uncertain application, interpretation or enforcement standards that could result in claims, changes to our business practices, data processing and security systems, penalties, increased operating costs or other impacts on our business. These laws also often provide for civil penalties for violations, as well as private rights of action for data breaches that may increase data breach litigation. Regulatory authorities could determine that our data handling practices fail to address all the requirements of certain new laws, which could subject us to penalties and litigation. In addition, there is no assurance that our security controls over personal data, the training of employees and vendors on data privacy and data security, and the policies, procedures and practices we implement will prevent the improper disclosure of personal data. Improper disclosure of personal data in violation of the GDPR, LGPD the CCPA or of other personal data protection laws could harm our reputation, cause loss of consumer confidence, subject us to government enforcement actions (including fines), or result in private litigation against us, which could result in loss of revenue, increased costs, liability for monetary damages, fines or criminal prosecution, all of which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to tax laws in Europe, Latin America and North America that are subject to interpretation by taxing authorities, and we are subject to audit by taxing authorities. Additionally, administrative guidance can be incomplete or vary from legislative intent, and therefore the application of some tax law is uncertain. While we believe the positions reported by Sylvamo comply with relevant tax laws and regulations, taxing authorities could interpret our application of certain laws and regulations differently. We are currently subject to tax audits in the United States, Brazil and other taxing jurisdictions around the world. In some cases, International Paper appealed and we have continued to appeal, certain assessments by taxing authorities in the court system, particularly in Brazil. As such, tax controversy matters may result in previously unrecorded tax expenses, higher future tax expenses or the assessment of interest and penalties. See [Note 13 Commitments and Contingent Liabilities](#) and [Note 12 Income Taxes](#) to the Consolidated and Combined Financial Statements included in Item 8 in this Annual Report on Form 10-K.

For example, the Brazilian Federal Revenue Service has challenged the deductibility of goodwill amortization generated in a 2007 acquisition by International Paper do Brasil Ltda., now named Sylvamo do Brasil Ltda. ("Sylvamo Brasil"), a wholly-owned subsidiary of Sylvamo (the "Brazil Tax Dispute"). Sylvamo received Brasil's assessments for the tax years 2007-2015 totaling approximately \$472 million, \$119 million in tax court costs, and \$274 million in interest, penalties and fees as of December 31, 2022 (adjusted for variation in currency exchange rates) and a recent law change pursuant to which the Brazil tax authority agreed to cancel a portion of the interest, penalties, and fees. After a previous favorable ruling challenging the basis for these assessments, Sylvamo Brasil received other subsequent unfavorable decisions from the Brazilian Administrative Council of Tax Appeals. We are appealing this tax litigation in the Brazilian federal courts. The Brazilian government may enact a tax amnesty program that would allow Sylvamo Brasil to resolve the Brazil Tax Dispute for less than the assessed amount. There is no assurance that any such amnesty program will be enacted or that we will participate. Pursuant to a tax matters agreement between Sylvamo and International Paper, Sylvamo's payments for any such liability are capped at 40% of the first \$300 million of any final settlement amount (up to \$120 million). All decisions concerning the conduct of the litigation related to the Brazil Tax Dispute, including as to strategy, settlement, pursuit, abandonment and participation in any tax amnesty program, are and will continue to be made by International Paper. Sylvamo will thus have no control over any decision related to the ongoing litigation. As legally required by the Brazilian federal court, Sylvamo Brasil has provided surety bonds in connection with the Brazil Tax Dispute. International Paper has agreed to indemnify the provider of the surety bonds during the pendency of the appeal in the Brazilian federal court. If Sylvamo Brasil were unable to renew the surety bonds upon their expiration, or if Sylvamo Brasil were unable to provide additional surety bonds as and when required by the Brazilian federal court, Sylvamo Brasil could be required to post acceptable collateral in order to continue the litigation which additional collateral International Paper has agreed to provide on behalf of Sylvamo Brasil. If the indemnity provided by International Paper does not allow Sylvamo Brasil to secure a surety bond or International Paper is unable to provide

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acceptable collateral and we are not able to continue our appeals, or if the Brazil Tax Dispute is resolved unfavorably, the tax and related costs could have a material adverse effect on our business, financial condition and results of operations. Any resolution of the Brazil Tax Dispute through the Brazilian courts could take an additional six to nine years. There are greater limitations under our credit agreement on the amount of dividends, share repurchases and other restricted payments that we are permitted to make until the Brazil Tax Dispute is resolved, which could have an adverse impact on our stock price; provided, however, that if we meet certain liquidity conditions and/or deposit a certain level of funds in a controlled account, these limitations are waived pursuant to an amendment to our credit agreement that we entered into in November 2022. For more information about the relevant terms of our credit agreement, see [years. Note 14 Long-Term Debt](#).

Increases to income tax rates and other tax rates in the jurisdictions in which we operate could have an adverse effect on our business, financial condition and results of operations. Tax laws, regulations and administrative practices in various jurisdictions may be subject to significant change, with or without advance notice, due to economic, political and other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. There are many transactions that occur during the ordinary course of business for which the ultimate tax determination is uncertain. Our effective tax rates could be affected by numerous factors, such as changes in tax laws, regulations, administrative practices, principles and interpretations, the mix and level of earnings in a given taxing jurisdiction or our ownership or capital structures. For example, changes to U.S. tax rules in 2022 included an increase in the corporate alternative minimum tax, increasing the tax rates applicable to certain U.S. corporations' international income and imposing an excise tax on stock buybacks. These rules have not had a material adverse effect on us but could in the future, and it is difficult to predict whether and when tax law changes will be enacted that would have a material adverse effect on our business, financial condition and results of operations.

Our operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act of 2010 ("Bribery Act"), and other anti-corruption laws in various jurisdictions where we operate. The FCPA, the Bribery Act, and other laws prohibit us and our officers, directors, employees, and agents acting on our behalf from corruptly offering, promising, authorizing, or providing anything of value to foreign officials for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. Our operations are also subject to economic and trade sanctions laws and regulations, such as those administered and enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council and other relevant sanctions authorities. Our global operations may expose us to the risk of violating, or being accused of violating, the foregoing or other anti-corruption or economic and trade sanctions laws. Such violations could expose us to reputational harm and could be punishable by criminal fines, imprisonment, civil penalties, disgorgement of profits, injunctions, and exclusion from government contracts, as well as other remedial measures. Investigations of alleged violations can be expensive and disruptive. Although we

have implemented anti-corruption policies and procedures, there can be no guarantee that these policies, procedures, and training will effectively prevent violations by our employees or representatives in the future. Additionally, we face a risk that our business partners may violate the FCPA, the Bribery Act, or similar laws or regulations. Such violations could expose us to FCPA and Bribery Act liability, and/or our reputation may potentially be harmed by their violations and resulting sanctions and fines. Despite our compliance efforts and activities we cannot assure compliance by our employees or representatives for which we

may be held responsible, and any such violation could materially adversely affect our reputation, business, financial condition and results of operations.

**We rely heavily on a small number of significant customers and are exposed to risks associated with the financial viability of our customers and consolidation among our customers.**

We rely heavily on a small number of significant customers, and if we were to lose one or more of such customers, it could have a material adverse effect on our sales and profitability. For example, our top ten customers represent approximately 40% of 35% of our net sales, including one customer that represents approximately 13% 14% of our net sales; see [Note 17 Financial Information by Business Segment and Geographic Area](#) to the Consolidated and Combined Financial Statements included in Item 8 in this Annual Report on Form 10-K. In particular, because our business operates in a highly competitive industry, we regularly bid for new business or for renewal of existing business. Generally, our customers are not contractually required to purchase any minimum amount of products. Should our customers purchase products in significantly lower quantities than they have in the past, such decreased purchases could have a material adverse effect on our business, financial condition and results of operations.

We are also exposed to risks associated with the ability of our customers to meet their financial obligations to us. The financial viability of our customers is key to maintaining our sales to those customers and their ability to pay for those sales. Any threat to the financial viability of our customers could result in the reduction, delay or cancellation of

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customer orders and their ability to pay their outstanding receivables with us which could have a material adverse effect on our business, financial condition and results of operations.

In addition, consolidation among our customers could result in changes to the purchasing habits and volumes among our customers and could affect our relationship with our customers. If one of our competitors' customers acquires any of our customers, we could lose that business. Additionally, as our customers become larger and more concentrated, they could exert pricing pressure on all suppliers, including us. As a result, we could be forced to reduce the prices of our products. The loss or reduction of business from our larger customers, or the renewal of business on less favorable terms, could have a material adverse effect on our business, financial condition and results of operations.

**Our business and business prospects could be materially adversely affected if we fail to attract and retain senior management and other key employees.**

We are led by a strong senior management team that has extensive experience in the paper industry, and we rely upon an extensive and skilled workforce. Our ability to successfully operate our business and our future growth depends, to a significant degree, on the ability to continue to attract and retain senior management with strong leadership experience and relevant knowledge and skills. There is no guarantee that senior management individuals will not leave our company or that we will be able to attract and retain strong senior management in the future.

Also, as our workforce at our mills ages and retires, we will lose operators and other members of our skilled workforce with 30+ years' experience, and many of the employees replacing them will have much less tenure. This is due to a large extent on workforce preferences; that is, employee interest in manufacturing jobs with shifts covering 24 hours, seven days per week, has declined, and employees also are more open now to voluntarily leaving their positions and having multiple employers over their career than has historically been the case in our industry. Our training programs are tailored to accelerate training, but it is difficult to replace the number of years of experience our retiring operators and skilled workforce possessed. The situation is exacerbated by the currently tight labor market markets where our mills are located. Hybrid work options are also creating challenges to motivate and retain employees. The market for labor at all levels of experience and seniority, including for people with the specialized technical and trade experience needed for manufacturing operations, was very competitive in 2022 2023 and remains very competitive. All of these factors drive up our cost of labor and, further, there is no guarantee that we will be able to attract and retain the the skilled employees needed to successfully operate our business in the future.

Additionally, we could experience labor shortages if a public health crisis were to affect the supply of labor or ability of employees to work (see "—Public A public health crises such as the COVID-19 pandemic crisis could have a material adverse effect on our business, financial condition and results of operations") or if our relationships with our employees represented by unions were to deteriorate (see "—We could experience disruptions in operations and increased labor costs due to labor disputes").

Loss of the services of any members of our senior management team or other key or skilled employees, significant attrition in our workforce, retirements as our workforce ages or the failure to attract and retain qualified persons to serve in management and other positions, could have a material adverse effect on our business and business prospects.

**A significant write-down of goodwill or other intangible assets could have a material adverse effect on our financial condition and results of operations.**

We review our goodwill balance for impairment at least once a year using the qualitative assessment and, when necessary, the quantitative goodwill impairment test allowed in accordance with current accounting standards. Future changes in the cost of capital, expected cash flows, or other factors could cause our goodwill and other intangible assets to be impaired, resulting in a non-cash charge against results of operations to write down these assets for the amount of the impairment. In addition, if we make changes in our business strategy or if external conditions adversely affect our business operations, we may be required to record an impairment charge for goodwill or intangibles, which would lead to decreased assets and reduced net operating results. If a significant write down is required, the charge could have a material adverse effect on our financial condition and results of operations.



**Failure to achieve expected investment returns on pension plan assets, as well as changes in interest rates or plan demographics, could adversely impact our cash flows, business, financial condition and results of operations.**

We sponsor various defined benefit pension plans. The assets of the pension plans are diversified in an attempt to mitigate the risk of a large loss. Required funding for our domestic defined benefit pension plan is determined in accordance with guidelines set forth in the federal Employee Retirement Income Security Act of 1974, as amended

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("ERISA") and foreign defined benefit pension plans are funded in accordance with local statutes or practice. Additional contributions to enhance the funded status of the pension plans can be made at our discretion. As of **December 31, 2022** **December 31, 2023**, the Sylvamo United Kingdom ("U.K.") pension plan was fully funded, and the Sylvamo United States pension plan was **95%** **94%** funded. We may need to make future contributions to reduce any underfunding and, with respect to the U.K. pension plan, we have agreed with U.K. regulators to contribute to the plan approximately \$4 million per year through 2029 to enhance the plan's self-sufficiency. There can be no assurance that the value of the pension plan assets, or the investment returns on those plan assets, will be sufficient to meet the future benefit obligations of such plans. In addition, during periods of adverse market conditions and declining interest rates, we may be required to make additional cash contributions to the pension plans that could reduce our financial flexibility. Changes in plan demographics, including an increase in the number of retirements or increases in life expectancy assumptions, may also increase the costs and funding requirements of the obligations related to the company's pension plans. An increase in costs or funding requirements could adversely impact our cash flows, business, financial condition and results of operations.

**We could experience disruptions in operations and increased labor costs due to labor disputes.**

A portion of our workforce is represented by unions and operate under various collective bargaining agreements, including that some of our employees are represented by six unions in Brazil, three unions in France **and** four unions in Sweden (at our newly acquired Nymölla mill), and the hourly employees at our mill in Ticonderoga, New York, are represented by one union with two branches. We must negotiate to renew or extend any union contracts near or upon their expiration. We may not be able to successfully negotiate new agreements without work stoppages or labor difficulties in the future or renegotiate them on favorable terms. If we are unable to successfully or favorably renegotiate the terms of any of these agreements, or if we experience any extended interruption of operations at any of our facilities as a result of strikes or other work stoppages, this could have a material and adverse effect on our business, financial condition and results of operations.

**We may not achieve the expected benefits from strategic acquisitions, joint ventures, divestitures, capital investments and other corporate transactions that we may pursue.**

We may pursue strategic acquisitions, joint ventures, divestitures, capital investments and other corporate transactions, such as our acquisition in January 2023 of a paper mill in Nymölla, Sweden. We may not achieve the expected benefits associated with any such transactions in which we engage. Failure to achieve the expected benefits of a transaction could require us to record an impairment charge for goodwill, **or** other intangible **assets or fixed** assets. Among the benefits we would expect from potential acquisitions and joint ventures are synergies, cost savings, growth opportunities and access to new markets (or a combination thereof), and in the case of divestitures, the realization of

proceeds from the sale of assets to purchasers who place higher strategic value on such assets than we do. Corporate transactions of this nature which we may pursue involve a number of special risks, including our inability to realize our business goals with respect to such transactions as noted above, the focus of our management's attention on these transactions and the integration of acquired businesses into our operations, the demands on our financial, operational and information technology systems resulting from acquired businesses, and the possibility that we may become responsible for substantial contingent or unanticipated legal liabilities as the result of acquisitions or other corporate transactions.

In addition, subject to certain exceptions for immaterial transfers, if any portion of the Brazil eucalyptus forest plantations owned by Sylvamo as of October 1, 2021 are directly or indirectly transferred, Sylvamo will be required to make a payment of \$100 million to International Paper. For these purposes, a transfer includes any sale, pledge or transfer of any legal or beneficial interest in the Brazil lands, including any grant of an option or other right or interest or entry into any contract that would result in a reduction or diminution of Sylvamo's economic ownership in the Brazil lands. A change of control of Sylvamo would also result in the payment becoming due and payable. As a result, we would not realize the full value of any transfer of the Brazil eucalyptus forest plantations, which may make any such transaction less attractive to us, and the provision requiring payment upon a change in control of Sylvamo would be a pricing consideration in any potential strategic transaction.

**We may not be able to adequately protect our intellectual property and other proprietary rights that are material to our business, or to defend successfully against intellectual property infringement claims by third parties.**

We rely on a combination of contractual rights with third parties and copyright, trademark, patent and trade secret laws to establish and protect our intellectual property. Although we endeavor to protect our rights, third parties may infringe

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or misappropriate our intellectual property. We may have to litigate to enforce and protect our copyrights, trademarks, patents, trade secrets and know-how or to determine their scope, validity or enforceability. This would represent a diversion of resources that may be significant and our efforts may not prove successful. The inability to secure or protect our intellectual property assets could harm our reputation and have a material adverse effect on our business and our ability to compete with other companies in our industry. In addition, we have a license from HP Inc. for the right to produce and sell HP branded copy paper in almost all geographies globally. If we were to lose such license, our production volumes could decline and our business, financial condition and results of operations could be materially adversely affected.

In addition, we may be subject to claims by third parties for (i) patent, trademark or copyright infringement, (ii) breach of patent, trademark or copyright license usage rights or (iii) misappropriation of trade secrets. Any such claims or resulting litigation could result in significant expense and liability for damages. If we were found to have infringed or misappropriated a third-party patent or other intellectual property right, we could in some circumstances be enjoined from providing certain products or services to our customers or from utilizing and benefiting from certain patents, copyrights, trademarks, trade secrets or licenses. Alternatively, we could be required to enter into costly licensing arrangements with third parties or implement a costly alternative. Any of these scenarios could harm our reputation and have a material adverse effect on our business and results of operations.

## **Risks Related To Our Separation in October 2021 From International Paper And Our Limited Operating Short History As a Standalone Company**

**We rely on certain commercial agreements with our former parent company, International Paper, whereby a substantial amount of our production in the United States is outsourced, and the loss of such agreements or the inability to recoup the fixed costs of such agreements, could have an adverse effect on our business, financial condition and results of operations.**

In connection with our separation from International Paper on October 1, 2021, we and International Paper entered into agreements that govern certain commercial relationships following the separation, including related to the supply and purchase of certain raw materials and finished products and licenses of certain intellectual property and technology. For example, we are party to offtake agreements related to International Paper's Georgetown, South Carolina, and Riverdale, Alabama, mills, which provide us with UFS products important to our business. International Paper has had the right to terminate the offtake agreement related to the Georgetown mill since January 1, 2023, and **it will have** the right to terminate the offtake agreement related to the Riverdale mill **as of since** January 1, 2024, in each case on six months' notice, and termination of these agreements could significantly reduce our UFS production capacity in the United States. Such

rights have not been exercised as of the date of this Annual Report on Form 10-K. Also, we believe that the Georgetown and Riverdale mills, as paper mills, are subject to the same or similar economic, external, industry and operational risks that our own mills face (as described in these "Risk Factors"). The expiration or termination of one or more of our commercial agreements with International Paper, or the inability of its Georgetown or Riverdale mill to produce our products at a reasonable cost to us or at all, could have an adverse effect on our business, financial condition and results of operations if we are unable to acquire or sell the raw materials or finished products to third parties on similar terms or at all.

Moreover, we are required to pay certain fixed costs under the offtake agreements regardless of the level of orders received, and we will not be able to terminate the offtake agreements for Georgetown and Riverdale until January 1, 2025 and January 1, 2026, respectively, even if demand has decreased such that we are no longer able to sell the UFS and other products produced at those facilities. As a result, until these early termination dates, we will not be able to reduce or eliminate the costs associated with the offtake agreements, which may have an adverse effect on our business, financial condition and results of operations and cash flow.

**We have limited operating history, been a standalone company for less than three full years, and our historical financial information may not be indicative of our future results as a stand-alone company. results.**

We have **a limited history operating** operated as a separate, stand-alone public company since our spin-off from International Paper on October 1, 2021. Our historical financial information in this Annual Report on Form 10-K **that includes periods prior to the fourth quarter of 2021** reflects allocations for services historically provided by International Paper, and these allocated costs are different from the actual costs we incur for these services as a separate company. In some instances, the costs incurred for these services may be higher than the share of total International Paper expenses allocated to our business historically. The historical financial information that predates the spin-off also does not reflect the increased costs associated with being a

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separate, public company, including changes in our cost structure, personnel needs, financing and operations of our business as a separate public company. Thus, the historical financial information in this Annual Report on Form 10-K, including for periods prior to **our the fourth quarter of 2021, fourth fiscal quarter**, may not reflect what our results of operations **and** financial position would have been had we been a separate, public company during such periods or be indicative of what our results of operations **and** financial position may be in the future.

**Further, we have a different credit profile than International Paper. As of the date of this Annual Report on Form 10-K, our Moody's long-term family rating is Ba2 and our S&P issuer rating is BB. Our failure to maintain a satisfactory credit rating could adversely affect our liquidity, capital position, borrowing costs under our indebtedness and access to capital markets.**

**Fulfilling our obligations incident to being a public company, including with respect to the requirements of and related rules under the Sarbanes-Oxley Act of 2002, is, and is expected to continue to be, expensive and time-consuming, and we could experience difficulties with our accounting, management and financial reporting systems necessary to comply with public company reporting, disclosure controls and internal control over financial reporting requirements.**

**As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including that we are required to prepare and file annual and quarterly financial statements and other reports with the SEC. We also are subject to other reporting and corporate governance requirements under the listing standards of the New York Stock Exchange ("NYSE") and the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), which impose significant compliance-related costs and obligations. Thus, we are required to have procedures and practices as a public company that are not required of private companies, resulting in additional costs that we did not have prior to our separation from International Paper, including costs associated with external and internal auditing, investor relations, stock administration, regulatory compliance, retention of independent directors, director and officer liability insurance costs, registrar and transfer agent fees.**

**As a public company, we are required to:**

- prepare and file periodic and current reports, and distribute other shareholder communications, in compliance with U.S. federal securities laws and NYSE rules;
- comply with public company corporate governance requirements that include enhanced roles and duties for our board of directors and its committees;
- institute comprehensive compliance, investor relations and internal audit functions; and
- evaluate and maintain our system of internal control over financial reporting, and report on management's assessment thereof, in compliance with rules and regulations of the SEC and the Public Company Accounting Oversight Board.

The requirement that we perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting, as required by Section 404(a) of the Sarbanes-Oxley Act, was phased in for us as a new public company and is fully applicable to us starting with the year ended December 31, 2022. Likewise, our independent registered public accounting firm is required to provide an attestation report on the effectiveness of our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act. In addition, we are required under the Exchange Act to maintain disclosure controls and procedures and internal control over financial reporting. Any failure to implement or maintain required controls, or difficulties encountered in doing so, could have a material adverse effect on our results of operations or cause us to fail to meet our reporting obligations. If we are unable to conclude that we have effective internal control over financial reporting, or if our independent registered public accounting firm is unable to provide us with an unqualified report regarding the effectiveness of our internal control over financial reporting (at such time as it is required to do so), investors could lose confidence in the reliability of our financial statements. This could result in a decrease in the value of our common stock. Failure to comply with the Sarbanes-Oxley Act could potentially subject us to sanctions or investigations by the SEC or other regulatory authorities.

If the distribution of shares of Sylvamo and certain related transactions in connection with our separation from International Paper were to fail to qualify for non-recognition treatment for U.S. federal income tax purposes, then International Paper, Sylvamo and International Paper's shareholders may be subject to significant U.S. federal income taxes.

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International Paper received a private letter ruling from the U.S. Internal Revenue Service (the "IRS"), and an opinion of a nationally recognized tax counsel, regarding certain aspects of the our separation from International Paper, the distribution of shares of Sylvamo and certain related transactions, confirming that such transactions are generally tax-free for U.S. federal income tax purposes to International Paper, Sylvamo and International Paper shareholders. A tax opinion is not binding on the IRS or the courts, and there can be no assurance that the IRS or a court will not take a contrary position. If any of the representations or covenants relied upon for the tax opinion or the private letter ruling are or become inaccurate, are incomplete or are not complied with by International Paper, Sylvamo or any of their respective subsidiaries, the private letter ruling or tax opinion may be invalid in whole or in part, and the conclusions reached therein could be jeopardized.

If the IRS ultimately determines, and a court confirms, that any aspect of the separation, the distribution or any related transaction is taxable, then (i) International Paper could incur significant U.S. federal income tax liabilities and/or (ii) International Paper shareholders that received Sylvamo stock in the distribution could be required to include taxable income or gain with respect to their receipt of Sylvamo stock. Sylvamo may be required to indemnify International Paper for such tax liability in certain circumstances, pursuant to the tax matters agreement; however, there can be no assurance that Sylvamo would have the resources or liquidity needed to satisfy any claim under the indemnity.

Even if the separation and distribution otherwise qualify for non-recognition of gain or loss under Section 355 of the Internal Revenue Code (the "Code"), the separation and distribution could be taxable to International Paper (but not International Paper shareholders) pursuant to Section 355(e) of the Code if there is a 50% or more (by vote or value) change in ownership of either International Paper or Sylvamo, directly or indirectly, as part of a plan or series of related transactions that include the distribution. For this purpose, any acquisitions of International Paper's or Sylvamo's common stock within two years before or after the distribution are presumed to be part of such a plan,

although International Paper or Sylvamo might be able to rebut that presumption based on either applicable facts and circumstances or because of the application of a "safe harbor" with respect to such transaction described in the U.S. tax regulations.

**We are unable to take certain actions because such actions could jeopardize the tax-free status of the separation from International Paper by distribution of Sylvamo shares to International Paper shareholders, and such restrictions could have a significant adverse impact on us.**

The tax matters agreement prohibits us from taking actions that could reasonably be expected to cause the distribution of shares of Sylvamo to be taxable or to jeopardize the conclusions of the tax opinion or the IRS ruling. In particular, the tax matters agreement provides that for two years after the separation (through October 1, 2023), we must refrain from engaging in certain transactions, including:

- entering into any agreement, understanding or arrangement or engaging in any substantial negotiations with respect to any transaction involving the acquisition, issuance, repurchase or change of ownership of our capital stock, or options or other rights in respect of our capital stock, subject to certain exceptions relating to open market stock repurchases;
- issuing equity securities beyond certain thresholds;
- ceasing the active conduct of our business; and
- dissolving, liquidating, merging or consolidating with any other person.

The tax matters agreement provides that, nevertheless, we are permitted to take any of the actions described above if we obtain International Paper's consent, or if we obtain a private letter ruling from the IRS or a tax opinion that is reasonably acceptable to International Paper to the effect that the action will not affect the tax-free status of the separation

and distribution. However, the receipt by us of any such consent, opinion or ruling will not relieve us of any obligation we have to indemnify International Paper for an action we take that causes the separation and distribution to be taxable to International Paper.

The tax matters agreement also prohibits us from taking or failing to take any other action, including certain restrictions on the repurchase of our shares, that is reasonably likely to cause the separation, the distribution and certain related transactions to not qualify as a transaction that is generally tax-free for U.S. federal income tax purposes.

Because of these restrictions, until October 1, 2023, we may be limited in the amount of capital stock that we can issue to make acquisitions or to raise additional capital. Also, the possibility that we may be required to pay under the

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indemnity obligation to International Paper may discourage, delay or prevent a third party from acquiring control of us during this two-year period in a transaction that our shareholders might consider favorable.

## Certain of our officers may have actual or potential conflicts of interest because of their International Paper equity ownership or their former International Paper positions.

Our Chief Executive Officer, Chief Financial Officer and certain other of our executive officers were, prior to our separation from International Paper, officers or employees of International Paper, and thus have professional relationships with International Paper's executive officers, directors or employees. In addition, because of their former International Paper positions, they may own International Paper common stock or restricted stock, and, for some of these individuals, their individual holdings may be significant compared to their total assets. These relationships and financial interests may create, or may create the appearance of, conflicts of interest when these officers are faced with decisions that could have different implications for International Paper and us. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between International Paper and us regarding the terms of the agreements governing the separation and the relationship thereafter between the companies. These agreements include the distribution and separation agreement, the tax matters agreement, the employee matters agreement, the offtake agreements and any other commercial agreements between the parties or their affiliates.

Satisfaction of indemnification obligations following the separation to International Paper could have a material adverse effect on our financial condition and results of operations.

Pursuant to the distribution and separation agreement, tax matters agreement and certain other agreements we entered into with International Paper in connection with the our separation from International Paper, International Paper agreed to indemnify us for certain liabilities, and we agreed to indemnify International Paper for certain liabilities. Payments that we may be required to make under our indemnity of International Paper are not subject to any cap, may be significant and could negatively impact our business, particularly with respect to indemnities provided in the tax matters agreement.

We may also incur significant costs related to environmental liabilities that we assumed from International Paper in connection with the separation arising may arise at our mills, and or other sites that were not owned by International Paper at the time of separation but were primarily operated or used by International Paper's former printing papers business. See, for example, the information in [Note 13 Commitments and Contingent Liabilities](#) to the Consolidated and Combined Financial Statements included in Item 8 in this Annual Report on Form 10-K.

Third parties could also seek to hold us responsible for any of the liabilities that International Paper has agreed to retain. Indemnities from International Paper may not be sufficient to protect us against the full amount of such liabilities if, for example, International Paper is not able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from International Paper any amounts for which we are indemnified by it, we may be temporarily required to bear these losses ourselves, requiring us to divert cash that would otherwise have been used in furtherance of our operating business. Each of these risks could have a material adverse effect on our financial condition and results of operations.

## Federal and state fraudulent transfer laws and New York and Delaware corporate law may permit a court to void the separation and related transactions, which could have a material adverse effect on our business, financial condition and results of operations.

In connection with our separation from International Paper, International Paper undertook a series of internal corporate reorganization transactions which, along with the contribution of certain of the entities and assets associated with International Paper's former printing papers business to Sylvamo, the distribution of shares of Sylvamo common stock to International Paper's shareholders, and a special payment of \$1.5 billion by Sylvamo to International Paper, which could be subject to challenge under federal and state fraudulent conveyance and transfer laws as well as under New York or Delaware corporate law. Under applicable laws, any transaction, contribution or distribution completed as part of the separation could be voided as a fraudulent transfer or conveyance if, among other things, the transferor received less than reasonably equivalent value or fair consideration in return and the transferor was insolvent or rendered insolvent by reason of the transfer.

We cannot be certain as to the standards a court would use to determine whether or not any entity involved in the separation was insolvent at the relevant time. In general, however, a court would look at various facts and circumstances related to the entity in question, including evaluation of whether or not:

- the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;

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- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could pay its debts as they become due.

If a court were to find that any transaction, contribution or distribution conducted in connection with the separation was a fraudulent transfer or conveyance, the court could void the transaction, contribution or distribution. In addition, the distribution could also be voided if a court were to find that it is not a legal distribution or dividend under New York corporate law. The resulting complications, costs and expenses of either finding could have a material adverse effect on our business, financial condition and results of operations.

## Risks Relating To Our Indebtedness

Our indebtedness could have a material adverse effect on our financial condition and prevent us from fulfilling our obligations under the agreements governing our indebtedness.

In connection with our separation from International Paper, As of December 31, 2023, we entered into have a \$450 million cash flow-based revolving credit facility, \$450 million a \$269 million term loan "B" facility and \$520 million "A" maturing in 2028, a \$475 million term loan "F" facility, and we issued \$450 million maturing in 2027, \$90 million of senior notes. On September 30, 2022, we established notes due 2029 that are outstanding, and a \$120 million accounts receivable finance facility maturing in 2025. As of December 31, 2022 December 31, 2023, the aggregate principal amount of all of our outstanding debt was approximately \$1 billion \$950 million. Our level of debt and its maturity dates could have important consequences to our shareholders, including:

- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, product development, acquisitions or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, product development, acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- increasing our effective tax rate;
- exposing us to the risk of increased interest rates to the extent that our borrowings are at variable rates of interest; interest or upon incurring new debt at maturity at new interest rates;
- limiting our ability to deduct the full amount of the interest payments on any debt we incur in connection with our separation from International Paper or any other borrowings from our taxable income;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete;
- placing us at a competitive disadvantage compared to other, less leveraged competitors or competitors with comparable debt and more favorable terms; and
- increasing our cost of borrowing.

We and our subsidiaries may incur significant additional indebtedness in the future. If new indebtedness is added to our current indebtedness levels, the related risks that we face would increase.

We may not be able to generate sufficient cash to service our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our anticipated debt obligations will depend on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to financial, business, legislative, regulatory and other factors beyond our control, including those discussed under "—Risks Related to Our Business." We might not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, which would trigger default under the credit agreement, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable

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terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations.

The agreements governing our indebtedness contain restrictive covenants that limit our ability to conduct our business, including our ability to dispose of assets and the use of the proceeds from those dispositions, require that we use the proceeds from any future incurrence of debt or issuance of equity to repay existing indebtedness and limit our ability to incur additional indebtedness. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, could have a material adverse effect on our financial condition and results of operations and our ability to satisfy our obligations under our indebtedness.

A failure to make scheduled payments on our debt, or a breach of any of the covenants under the agreements governing our indebtedness, if not waived by lenders or noteholders, as applicable, or to the extent applicable, cured within specified periods, would result in an event of default under those agreements. Lenders or noteholders under the agreements governing our indebtedness could declare all outstanding principal and interest to be due and payable, and lenders could further terminate their commitments to loan money under our existing revolving credit facility or foreclose against the assets securing their borrowings, which could force us to file for bankruptcy protection and either restructure or liquidate. Any of these events could result in our shareholders losing some or all of the value of their investments. Further, an event of default may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In the event the lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness.

## **Risks Relating To Our Common Stock**

**Our common stock has traded only since October 1, 2021, providing a limited trading history on which to evaluate it as an investment, resulting in potential decline in or volatility of its price.**

Our common stock commenced trading on the NYSE on October 1, 2021. The limited trading history of our common stock may make it a less desirable investment for some, potentially making it more difficult for shareholders to sell our shares at an attractive price, or at all, and could lead to our share price being depressed or volatile. We cannot predict the prices at which our common stock may trade, and many factors could cause the trading price of our common stock to rise and fall, including the following:

- actual or anticipated fluctuations in our operating results due to factors related to our business;
- success or failure of our business strategies;
- our quarterly or annual earnings, or those of other companies in our industry;
- our ability to obtain financing as needed;
- our announcements or our competitors' announcements regarding new products, enhancements, significant contracts, acquisitions or strategic investments;
- changes in the estimates of our operating performance or changes in recommendations by any securities analysts that elect to follow our stock;
- actions by institutional shareholders and other large shareholders including future sales of our common stock;
- overall market fluctuations;
- changes in laws, rules and regulations affecting our business;
- the gain or loss of significant customers or changes in our customers' preferences;
- developments related to the COVID-19 pandemic or another public health crisis; and
- general economic conditions and other external factors.

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In particular, we cannot assure stockholders that they will be able to sell our shares or that they will avoid loss upon a sale. Stock markets have experienced extreme volatility in recent years that has been unrelated to the operating performance of a particular company. These broad market fluctuations could also adversely affect the trading price of our common stock. In the past, following periods of volatility in the market price of a company's securities, class action litigation has often been instituted against the affected company. Any litigation of this type brought against us could result in substantial costs and a diversion of our management's attention and resources, which could have a material adverse effect on our business, financial condition and results of operations.

## **Future offerings of debt or equity securities ranking senior to our common stock could adversely affect the market price of our common stock.**

In the future, we may decide to issue senior or subordinated debt securities or preferred stock or other equity securities that rank senior to our common stock. Indentures or other instruments governing such securities may include covenants restricting our operating flexibility and ability to pay dividends and make other distributions to our shareholders. Additionally, any convertible or exchangeable securities that we issue in the future could have rights, preferences and privileges more favorable than those of our common stock and could result in dilution to owners of our common stock. We and, indirectly, our shareholders, will bear the cost of issuing and servicing such securities. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of our common stock will bear the risk of our future offerings, reducing the market price of our common stock and diluting the value of their common stock holdings in us.

**Continued payment of dividends on, and repurchases of, our common stock are subject to the continued discretion of our board of directors and, consequently, shareholders' ability to achieve a return on their investment could become limited to appreciation in the price of our common stock.**



In Since 2022, we commenced paying have paid quarterly dividends on and have been opportunistically repurchasing shares of our common stock. Our continued declaration and payment of quarterly dividends, continued repurchases of shares, and institution of any other distributions return of capital cash to our shareholders, including payment of any special dividends, will nonetheless be at the discretion of our board of directors and will depend on many factors, including our earnings, financial condition and results of operations, capital requirements, level of indebtedness, covenants contained within agreements governing our indebtedness, contractual restrictions with respect to payment of dividends and the repurchase of shares, ability to obtain cash or other assets from our subsidiaries, restrictions imposed by applicable law, general general business conditions and other factors that our board of directors may deem relevant. As of December 31, 2022 December 31, 2023, we have repurchased \$80 million \$150 million of the \$150 million total \$300 million authorized thus far by our board of directors for our repurchases of our common stock, and any repurchases stock. Any repurchases in excess of the \$150 million authorization remaining amount authorized for repurchases would require further authorization by our board of directors.

Additionally, the agreements governing our indebtedness currently limit the amount of "restricted payments," including dividends and share repurchases, that we are permitted to make while our indebtedness remains outstanding, and these limitations are greater until the Brazil Tax Dispute (as defined herein) in this Annual Report on Form 10-K is resolved. See resolved, unless we meet certain liquidity conditions and/or deposit a certain level of funds into a controlled account. In September 2023, we deposited \$60 million into a controlled account that resulted in the waiver of these limitations for as long as the funds remain in the account. For more information about the Brazil Tax Dispute and the terms of our indebtedness, see " – Our business is subject to a wide variety of other laws, regulations and other government requirements that may change in significant ways, and the cost of compliance with such requirements could have a material adverse effect on our business, financial condition and results of operations," and Note 14 Long-Term Debt and 12 Note 12 Income Taxes to the Consolidated and Combined Financial Statements included in Item 8 in this Annual Report on Form 10-K for further discussion of the Brazil Tax Dispute. 10-K. There can be no assurance that we will continue to pay dividends or repurchase shares of our common stock in the future. Therefore, the success of an investment in shares of our common stock may in the future depend only upon any future appreciation in their value. There is no guarantee that shares of our common stock will appreciate or even maintain their value.

**Shareholders' percentage ownership in Sylvamo will be diluted by equity compensation and potential use of our shares as consideration for any future acquisitions, strategic investments or financing of ongoing operations.**

We grant stock-based equity awards to our directors and certain officers and other employees as partial compensation for their services for us. Equity awards dilute shareholders' ownership in Sylvamo. In addition, we may issue equity as all or part of the consideration paid for acquisitions and strategic investments that we may make in the future or to finance our ongoing operations.

**If any of our shareholders sells a substantial number of shares of our common stock, the market price of our common stock could decline.**

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales (or the possibility that these sales may occur), or speculation that a holder of a large number of shares of our common stock intends to sell its shares, could reduce the market price of our common stock. As of December 31, 2022 February 16, 2024, we had approximately 42.6 million have 41.2 million shares of our common stock outstanding, of which approximately 4.1 million approximately 6.3 million are currently subject to certain restrictions on transfer imposed by contract or the U.S. federal securities laws. We have agreed to register certain shares of our common stock for public resale, and once we register these shares, a greater number of

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these currently restricted shares will be able to be sold into the public market than would otherwise be the case. As a result, all or a significant portion of these restricted shares could be sold from time to time. This could cause the market price of our common stock to drop significantly, even if our business is performing well.

**We have been, and may continue to be subject to the actions of activist shareholders, which could cause us to incur substantial costs, divert management's attention and resources, and adversely affect our business and stock price.**

We have been, and may continue to be the subject of increased activity by activist shareholders. Responding to shareholder activism can be costly and time-consuming, disrupt our operations and divert the attention of management and our employees from executing our business plans. If faced with an activist shareholder in the future, we may not be able or willing to respond to the activist shareholder's requests, which could result in a proxy contest and disrupt our operations. Activist campaigns could create perceived uncertainties as to the future direction of the Company or its leadership and strategic plans and may also result in the loss of potential business opportunities, harm our ability to attract qualified personnel and business partners and cause us to incur additional legal, financial advisory and other costs. Activist shareholder activity, or the mere presence of an activist shareholder among our investor base, could adversely impact the market price for our common stock or cause periods of significant price volatility.

**Anti-takeover provisions in our certificate of incorporation and bylaws could discourage, delay or prevent a change of control of our company and could affect the trading price of our common stock.**

Our certificate of incorporation and bylaws contain certain provisions that may discourage, delay or prevent a change in our management or change of control, including that they, collectively:

- authorize the issuance of "blank check" preferred stock that could be issued by our board of directors to thwart a takeover attempt;
- provide that vacancies on our board of directors, including vacancies resulting from an enlargement of our board of directors, may be filled only by a majority vote of directors then in office;
- prohibit shareholder action by written consent, thereby requiring all actions to be taken at a meeting of the shareholders; and

- establish advance notice requirements for nominations of candidates for election as directors or to bring other business before an annual meeting of our shareholders.

These provisions could prevent our shareholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions could adversely affect the prevailing market price of our common stock if the provisions are viewed as discouraging takeover attempts in the future.

Our certificate of incorporation and bylaws could also make it difficult for shareholders to replace or remove our management. Furthermore, the existence of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our common stock. These provisions could facilitate management entrenchment that could delay, deter, render more difficult or prevent a change in our control, which may not be in the best interests of our shareholders.

**Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain litigation that may be initiated by our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our current or former directors, officers or shareholders.**

Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any (1) derivative action or proceeding brought on our behalf, (2) action asserting a claim of breach of a fiduciary duty owed to us or our shareholders by any of our directors, officers, employees or agents, (3) action asserting a claim arising out of or pursuant to the Delaware General Corporation Law (the "DGCL") or our certificate of incorporation or bylaws, or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware or (4) action asserting a claim governed by the internal affairs doctrine. Unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America will, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of

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1933, as amended (the "Securities Act"), the Exchange Act, and the rules and regulations thereunder. Neither this provision nor the exclusive forum provision will mean that shareholders have waived our compliance with federal securities laws and the rules and regulations thereunder, but it does mean that our shareholders are deemed to have notice of and have consented to these provisions concerning choice of forum. The choice of forum provision in our certificate of incorporation may limit our shareholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or any of our current or former directors, officers or shareholders, which may discourage lawsuits with respect to such claims. Additionally, a court could determine that the exclusive forum provision is unenforceable. If a court were to find the choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable to an action in which we assert the choice of forum, we could incur additional costs associated with resolving the action in other jurisdictions, which could have a material adverse effect on our business, financial condition and results of operations.

**Our certificate of incorporation limits the personal liability of our directors for breaches of fiduciary duty.**

Our certificate of incorporation contains provisions permitted under the DGCL relating to the liability of directors. These provisions eliminate a director's personal liability to the fullest extent permitted by the DGCL for monetary damages resulting from a breach of fiduciary duty, except in circumstances involving:

- any breach of the director's duty of loyalty;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law;
- under Section 174 of the DGCL (unlawful dividends); or
- any transaction from which the director derives an improper personal benefit.

**Additionally, as permitted by Delaware law, we intend to ask our shareholders to approve amending our certificate of incorporation to include provisions similar to those described above eliminating, in certain circumstances, our officers' personal liability for monetary damages resulting from breaches of fiduciary duty.**

The principal effect of the limitation on liability provision is that a shareholder cannot prosecute an action for monetary damages against a director unless the shareholder is able to demonstrate a basis for liability for which indemnification is not available under the DGCL. These provisions, however, should not limit or eliminate our rights or any shareholder's rights to seek non-monetary relief, such as an injunction or rescission, in the event of a breach of a director's fiduciary duty. These provisions do not alter a director's liability under federal securities laws. The inclusion of this provision in our certificate of incorporation could discourage or deter shareholders or management from bringing a lawsuit against directors for a breach of their fiduciary duties, even though such an action, if successful, might otherwise have benefited us and our shareholders.

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### ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

### ITEM 1C. CYBERSECURITY



## RISK MANAGEMENT AND STRATEGY

Our overall cybersecurity strategy is to:

- Cultivate a security-embedded organization and culture within the Company
- Extend security from technology throughout the Company's organization, practices and processes (we call this our cybersecurity mesh)
- Evolve our cyber resiliency.

To that end, we have robust cybersecurity risk management processes that include technical security controls, policy enforcement mechanisms, monitoring systems, contractual arrangements, tools and services and management oversight to assess, monitor, identify, detect and manage risks from cybersecurity threats, and to respond to, conduct forensic analysis of, escalate appropriately and report cybersecurity incidents. We proactively obtain intelligence about potential cybersecurity threats, hunt for cybersecurity threats and consistently work to enhance our cybersecurity operations.

We have adopted cybersecurity control principles based on the National Institute of Standards and Technology Cybersecurity Framework (NIST), the Center for Internet Security (CIS) and ISO 27001. Further, our cybersecurity controls are designed to comply with applicable laws concerning protection of private information, including the EU General Data Protection Regulation (GDPR), Brazil's Lei General de Proteção de Dados Pessoais (LGPD) and the California Consumer Privacy Act of 2018 (CCPA).

In developing and implementing measures to assess, identify and manage cybersecurity risk, our approach is to evaluate the possible operational and financial effects of those measures and take that information into consideration in conducting a risk-based analysis of the appropriate cybersecurity protections for the Company. We strive to protect the Company with cost-effective, efficient and non-disruptive measures, while robustly protecting the Company against cybersecurity threats.

Our cybersecurity protections include physical, administrative and technical safeguards that cover both our information systems (also referred to herein as "information technology" or "IT" systems) and the people with access to our IT systems. We develop, maintain, test and periodically update detailed plans and procedures that are designed to help us prevent, and if necessary, timely and effectively respond to, cybersecurity incidents, which provide for the appropriate Company personnel and management to be involved depending on the type and severity of the incident.

Our IT systems architecture is embedded with cybersecurity features. We utilize a range of third-party software providing layers of defense against cyberattacks, and we have employees and consultants whose jobs are to continually assess and reduce the potential attack surface, to monitor, detect and respond in near real time to incidents to minimize damage, and to enhance the security environment and scale with business needs as they evolve. We conduct continuous monitoring of our potential cybersecurity vulnerabilities and attack vectors.

Our IT systems are accessible by our employees and certain third parties as necessary and appropriate to perform services for or otherwise do business with us. We strictly limit access to our IT systems, including that we use authentication controls and conduct real-time monitoring of access.

We address the cybersecurity threat risk posed by employees and third parties with access to our IT systems, including that we integrate cybersecurity risk management into the culture of our organization by: maintaining policies addressing various aspects of security necessary to protect our IT assets and data; requiring cybersecurity awareness and training programs for persons with access to our IT systems to build their cybersecurity skills and knowledge; consistent messaging to our employees (including from our top leadership) of the importance of managing cybersecurity risk, participating in our cybersecurity training and following our cybersecurity policies; and routinely testing responses by our employees to mock efforts to breach our cybersecurity protections.

We partner with and build relationships with third parties who have access to our IT systems to support an overall ecosystem around cybersecurity that we believe helps reduce third party cybersecurity risk affecting our level of cybersecurity risk. We

assess cybersecurity risk from our suppliers and service providers and have in place oversight processes to identify and manage such risks. Those processes are cross-functional and form part of our enterprise risk management program, and they are supported by our security, compliance and sourcing organizations. We require suppliers and service providers identified as potential cybersecurity risks to adopt security-control principles based on NIST or similar global standards, and our form contracts for them include provisions drafted to reduce the cybersecurity risk that they may pose for us. We obtain various Service Organization Control 1 and 2 reports from third parties relating to physical security, information security, account administration, transactional processing and reconciliation, client reporting and layers of electronic security controls. Notwithstanding our cybersecurity controls that cover third parties, because it is more difficult to control and mitigate risk associated with third parties than risk internal to our own organization, we believe that these relationships with third parties create additional exposure to cyber risk.

In the event of a cybersecurity breach, our readiness, responsiveness and resiliency are critical. As part of our continuing efforts to assess and enhance our readiness and responsiveness, we conduct periodic mock practice scenarios in which participants at various levels of the Company, including members of senior management and IT technical personnel, play out responses to various cybersecurity breach scenarios. Thereafter, we debrief and identify areas of improvement, to continually develop response capabilities and processes that are as efficient and that operate as quickly as possible in the event of a breach, to reduce potential harm that could be caused by inefficiencies and delay. Additionally, we regularly assess our systems' resiliency and recovery capabilities in case of a cybersecurity breach, both self-managed as well as by qualified third parties.

Furthermore, our approach to improving readiness for potential cybersecurity breaches is designed to be integrated and coordinated among all aspects of the cybersecurity incident management lifecycle, including that we assess and consistently work to improve our site-level emergency response, our technology and cyber incident response, our executive-level crisis management, our business and operational continuity, our IT resilience and our disaster recovery. These efforts also take into account and balance against cybersecurity risk our Company's business needs and operations, and to inform ourselves in conducting this balancing, we obtain input from appropriate employees from our affected business operations, enterprise risk management, business continuity, business operations, information technology and cybersecurity organizations.

To enhance our cybersecurity risk management, we leverage industry associations, third-party benchmarking, audits, threat intelligence feeds and other similar resources, which inform our cybersecurity efforts and help us determine how best to allocate resources. We utilize third-party service providers to assist us in assessing, enhancing, implementing, monitoring and testing our cybersecurity program, areas of cyber risk and cyber risk management.

A cybersecurity threat resulting in a material cybersecurity incident could materially affect us and our business strategy, results of operations and financial condition, especially if it causes one or more of the following to occur: our incurring substantial costs to resolve the incident and address legal, reputational and other fallout from the incident; one or more of our IT systems become unavailable to operate our business; unauthorized third parties gain access to our sensitive and confidential business information; we lose access to information on our IT systems necessary to operate our business; and our customers' and suppliers' trust in our ability to protect their information is damaged to the extent that it impairs our ability to do business with them.

While we have a cybersecurity program designed to protect and preserve the integrity of our information systems, we also maintain cybersecurity insurance to manage potential liabilities resulting from specific cyberattacks. There is no guarantee that our cybersecurity program will be sufficient to prevent or mitigate the risk of a cyberattack or the potentially serious reputational, operational, legal or financial impacts that may result. Also, there is no guarantee that our cyberattack insurance coverage limits will fully cover any future claims or that such insurance proceeds will be paid to us in a timely manner. We have experienced cybersecurity incidents in the past that were not material, but future incidents could have a material impact on our business strategy, results of operations, financial condition and reputation. See "We are subject to information technology risks related to breaches of security pertaining to sensitive company, customer, employee and vendor information as well as breaches in the technology used to manage operations and other business processes" in Item 1A, "Risk Factors" in this Annual Report on Form 10-K.

## GOVERNANCE

Our board of directors has overall responsibility for risk management oversight, with its committees assisting the board in performing this function based on their respective areas of expertise. Our board oversees cybersecurity matters and risk, and the Audit Committee also oversees risk that includes cybersecurity risk. The board periodically reviews our processes for assessing and addressing key strategic, operational, compliance and risk management matters concerning cybersecurity, and as part of such assessment receives briefings on such matters from our Chief Information Security Officer ("CISO"). These

briefings include reports on the threat landscape, our strategies, efforts and investments to address threats, and updates on incidents. The Audit Committee also receives reports from the Company's Vice President of Internal Audit assessing internal controls that include cybersecurity controls. Furthermore, our cybersecurity risk management processes are integrated into our enterprise risk management program and our compliance risk management program, both of which are also overseen by our board.

Our CISO has approximately 20 years of experience in the cybersecurity industry. She is responsible for developing, coordinating and overseeing our cybersecurity strategy, policy, program and solutions, and for providing cybersecurity guidance to key management and internal company oversight bodies. Our CISO manages our cybersecurity organization, which covers all regions in which we operate and which is staffed with employees dedicated full-time to cybersecurity. Our CISO reports directly to our Chief Information Officer ("CIO") and reports on cybersecurity at least quarterly to senior management and semi-annually to the full board of directors, or more often as needed.

Our CISO is a standing member of our Enterprise Risk Council, which seeks to strengthen our company's processes with respect to the identification, assessment, management and monitoring the risks most likely to impact our strategic success, including cybersecurity risk. The council is chaired by our VP, Internal Audit, and its members are employees drawn from various areas of our organization. The council meets at least quarterly or more often as needed, to further strengthen risk management activities across the Company, including the risk of cybersecurity incidents.

Cybersecurity threats and incidents are monitored and addressed through the processes described above in "- Risk Management and Strategy" and, as part of such processes, cybersecurity incidents are evaluated by the company's cybersecurity organization, which escalates information about incidents, as appropriate for the severity of the incident, to the CISO and by the CISO to senior leadership.

The CISO informs, as appropriate, the Enterprise Risk Council, the CIO, the Company's senior leadership and, as noted above, the board of directors and its Audit Committee, on safeguards to prevent, detect, mitigate and remediate cybersecurity incidents. The CIO and CISO both report directly on a regular basis to the Company's senior leadership on progress towards specific IT risk management objectives, with the CISO focusing on cybersecurity objectives.

## ITEM 2. PROPERTIES

### FORESTLANDS

As of ~~December 31, 2022~~ December 31, 2023, the Company owned or managed approximately 250,000 acres of forestlands in Brazil. All owned lands in Brazil are independently third-party certified for sustainable forestry under the Brazilian National Forest Certification Program ("CERFLOR") and the Forest Stewardship Council ("FSC"). As of December 31, 2023, a third party estimated the fair value of our owned forestlands at 4.8 billion reais (approximately \$1 billion).

### MILLS AND PLANTS

Our portfolio of properties spans three continents and includes ~~five~~ six vertically-integrated mills and one non-integrated mill with an aggregate annual paper and pulp production capacity of ~~2.8 million~~ 3.3 million short tons. We have two mills in our North America segment in the United States (Ticonderoga, New York and Eastover, South Carolina), three mills in our Latin America segment in Brazil (Três Lagoas, Mato Grosso do Sul, and Luís Antônio and Mogi Guaçu, São Paulo), and ~~one mill~~ two mills in our Europe segment (Saillat, ~~France~~ France and Nymölla, Sweden). Our paper manufacturing operations are further supported by 10-year offtake agreements with International Paper (subject to their earlier termination) for paper production at the North American Riverdale, Alabama, and Georgetown, South Carolina mills for 495,000 short tons of uncoated freesheet and 160,000 short tons of uncoated bristols, a heavier weight paper grade used in products such as file folders. A listing of our production facilities by segment, the vast majority of which we own, can be found in Appendix I hereto, which is incorporated herein by reference.

In January 2023, the Company completed the previously announced acquisition of Stora Enso's uncoated freesheet paper mill in Nymölla, Sweden, for €150 million (approximately \$160 million), subject to customary purchase price adjustments. The integrated mill has the capacity to produce approximately 500,000 short tons of uncoated freesheet on two paper machines.

## CAPITAL INVESTMENTS AND DISPOSITIONS

Capital spending primarily consists of purchases of machinery and equipment related to our global mill operations. A discussion about the level of planned investments for 2023 2024 is included in [Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations](#).

## ITEM 3. LEGAL PROCEEDINGS

The Company may be involved in legal proceedings arising from time to time in the ordinary course of business. The Company is not involved in any legal proceedings, individually or in the aggregate, that we expect to result in a material adverse effect upon our financial condition or results of operations. See [Note 12 Income Taxes](#) and [Note 13 Commitments and Contingent Liabilities](#) of the Notes to our Consolidated and Combined Financial Statements included elsewhere in this Annual Report on Form 10-K, which notes are incorporated into this Item 3, Legal Proceedings, by reference.

Item 103 of Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and the proceedings involve potential monetary sanctions, unless we reasonably believe the monetary sanctions will not equal or exceed a threshold of \$1 million (which is the threshold we elected to use as permitted by this regulation). The environmental matters set forth in [Note 13 Commitments and Contingent Liabilities](#) are disclosed in accordance with such requirement and incorporated herein by reference.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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## PART II.

## ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY

The Company's common stock is traded on the New York Stock Exchange (NYSE: SLVM). As of February 17, 2023 February 16, 2024, there were approximately 6,800 5,300 record holders of common stock of the Company. This number does not include an indeterminate number of "street" holders whose shares of common stock of the Company are held of record by banks, brokers and other financial institutions.

In 2022, our Our Board of Directors approved a quarterly cash dividend of \$0.1125 \$0.25 per share of the Company's common stock payable for our first through third and fourth quarters of 2022 2023. They increased the quarterly dividend to \$0.25 \$0.30 per share beginning with the dividend payable for our first fourth quarter of 2023. The Board also approved a special dividend of \$0.30 per share, approximately \$12 million, to be paid in the fourth quarter. We expect to continue to pay regular quarterly cash dividends in the foreseeable future, though each quarterly dividend payment (regular or special) is subject to review and approval by our Board of Directors in its sole discretion. Our ability to pay dividends is, and in the future will continue to be, dependent on the then existing conditions, including our financial condition, results of operations, capital requirements, legal and contractual limitations (including covenants in our agreements governing our indebtedness) and other factors our Board of Directors deems relevant.

## PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

| Period                               | Total Number of Shares<br>Purchased (a) |    | Average Price Paid Per Share | Maximum Number (or<br>Approximate Dollar Value) of<br>Shares that May Yet Be                |  |
|--------------------------------------|---|----|------------------------------|---|--|
|                                      |   |    |                              | Total Number of Shares (or Units)<br>Purchased as Part of the Publicly<br>Announced Program | Shares that May Yet Be<br>Purchased Under the Program (in<br>millions) |
|                                      |   |    |                              |   |  |
| October 1, 2022 - October 31, 2022   | 1,223                                   | \$ | —                            | — \$  | 150  |
| November 1, 2022 - November 30, 2022 | 937,245                                 | \$ | 49.58                        | 937,231 \$  | 104  |
| December 1, 2022 - December 31, 2022 | 620,333                                 | \$ | 54.11                        | 619,604 \$  | 70   |
| Total                                | 1,558,801                               |    |                              | 1,556,835   |  |

| Period                               | Total Number of Shares<br>Purchased (a) |    | Average Price Paid Per Share | Maximum Number (or<br>Approximate Dollar Value) of<br>Shares that May Yet Be                |  |
|--------------------------------------|---|----|------------------------------|---|--|
|                                      |   |    |                              | Total Number of Shares (or Units)<br>Purchased as Part of the Publicly<br>Announced Program | Shares that May Yet Be<br>Purchased Under the Program (in<br>millions) |
|                                      |   |    |                              |   |  |
| October 1, 2023 - October 31, 2023   | 1,078                                   | \$ | 43.94                        | — \$  | 167  |
| November 1, 2023 - November 30, 2023 | 178,089                                 | \$ | 48.18                        | 176,258 \$  | 158  |

|                                      |            |       |            |     |
|--------------------------------------|------------|-------|------------|-----|
| December 1, 2023 - December 31, 2023 | 165,175 \$ | 51.38 | 164,922 \$ | 150 |
| Total                                | 344,342    |       | 341,180    |     |

(a) 1,966 3,162 shares were acquired from employees from share withholdings under the Company's long term incentive compensation program.

On May 18, 2022, the Board approved a share repurchase program under which the Company may purchase up to an aggregate amount of \$150 million of shares of its common stock (the "Repurchase Program"). In the third quarter of 2023, the Board authorized an additional \$150 million for the Repurchase Program, bringing the total program capacity to \$300 million, of which \$150 million remains available for repurchases. Pursuant to the Repurchase Program, the Company may repurchase in amounts, at prices and at such times as it deems appropriate, subject to market conditions and other considerations, including all applicable legal requirements. Repurchases may include purchases on the open market or privately negotiated transfers, under Rule 10b5-1 trading plans, under accelerated share repurchase programs, in tender offers and otherwise. The Repurchase Program does not obligate the Company to acquire any particular amount of shares of its common stock and may be modified or suspended at any time at the Company's discretion. The Company repurchased \$80 million \$70 million of shares during the year ended December 31, 2022 December 31, 2023.

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PERFORMANCE GRAPH

The following performance graph compares a \$100 investment in Company stock on October 1, 2021 with a \$100 investment in our Peer Group and the S&P SmallCap 600 Index also made at market close on October 1, 2021. The graph portrays total return, October 1, 2021 - December 31, 2022 December 31, 2023, assuming reinvestment of dividends. The performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of Section 18 of the Exchange Act nor shall such information be incorporated by reference into any other filings under the Exchange Act or the Securities Act.

Return on \$100 Investment at December 31, 2022 December 31, 2023

Stock Performance Graph.jpg

- 1. The Peer Group represents all companies within the Materials sector of the S&P SmallCap 600 Index.
- 2. Returns are calculated in \$USD.

ITEM 6 . RESERVED

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited consolidated and combined financial statements and related notes included in Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10-K. In addition to historical consolidated and combined financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs that involve significant risks and uncertainties. Our actual results could differ materially from those stated and implied in any forward-looking statements. Factors that could cause or contribute to those differences include those discussed below and elsewhere in this Annual Report on Form 10-K, particularly under the headings "Risk Factors" and "Forward-Looking Statements."

The following generally discusses 2023 and 2022 items and year-to-year comparisons between 2023 and 2022. Discussion of historical items in 2021, items and year-to-year comparisons between 2022 and 2021. Discussion of historical items in 2020, and year-to-year comparisons between 2021, and 2020, can be found in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 December 31, 2022, filed with the SEC on March 2, 2022 February 22, 2023, under Part II. Item 7. Management's Management's Discussion and Analysis of Financial Condition and Results of Operations.

SPIN-OFF

Prior to the spin-off from International Paper on October 1, 2021, we historically operated as part of International Paper and not as a standalone company. These consolidated and combined financial statements reflect the combined historical financial position, results of operations and cash flows of the Company as historically managed within International Paper for the periods prior to the completion of the spin-off and reflect our consolidated financial position, results of operations and cash flows for the period after the completion of the spin-off. The consolidated and combined financial statements have been prepared in United States ("U.S.") dollars and in conformity with accounting principles generally accepted in the United States ("U.S. GAAP"). The consolidated and combined financial statements may not be indicative of the Company's future performance and do not necessarily reflect what the results of operations, financial position and cash flows would have been had it operated as an independent company during all periods presented.

EXECUTIVE SUMMARY

Full-year 2022 2023 net income from continuing operations was \$253 million (\$5.93 per diluted share) compared with \$336 million (\$7.57 per diluted share) compared with \$227 million (\$5.16 per diluted share) for 2021. 2022. Net sales increased 28% to \$3.6 billion \$3.7 billion in the current year compared with \$2.8 billion \$3.6 billion in 2021. 2022. Cash from continuing operations was \$418 million \$504 million in the current year compared to \$423 million \$418 million in the prior year. Adjusted EBITDA was \$721 million \$607 million in 2022, 2023, which represents an increase a decrease of \$276 million \$114 million from the prior year adjusted EBITDA of \$445 million \$721 million. Additionally, our 2022 2023

adjusted EBITDA margin was 19.9% 16.3% compared to 15.7% 19.9% in the prior year and free cash flow was \$269 million \$294 million compared to \$354 million \$269 million last year. Prior year free cash flow only included one quarter of cash interest and tax payments, reflecting our spin off from International Paper on October 1, 2021.

Comparing our performance in 2022 2023 to 2021, we benefited from gains in 2022, price and mix which allowed us to outpace were flat while lower volume coupled with higher operations and costs more than offset favorable input cost inflation, primarily for energy, chemicals and distribution costs. Demand in Latin America and North America for uncoated freesheet continued to rebound was weaker than expected in the current year as schools which resulted lower volume in all three regions and offices continued significantly higher unabsorbed fixed costs due to reopen, while demand economic manufacturing downtime in western Europe declined slightly and North America. In a tough market, we created value for shareholders by managing what we could control. We repaid \$76 million in debt, generated \$294 million in free cash flow and returned \$127 million in cash to shareholders. Additionally, we announced an agreement to acquire an completed the acquisition of our uncoated freesheet mill in Nymölla, Sweden from Stora Enso for €150 million, which we closed on in January of 2023. The mill we acquired through this This strategic bolt-on acquisition has the capacity to produce approximately 500,000 short tons of uncoated freesheet, produces 85% of its energy needs from carbon-neutral, renewable biomass residuals and includes iconic brands like Multicopy. Additionally, we completed the sale of our Russian operations during the year for \$420 million, receiving approximately \$385 million in cash proceeds after foreign currency costs and transaction fees. We also strengthened our balance sheet by repaying more than \$370 million in debt. Finally, we were able to return significant cash to shareowners by paying \$10 million in dividends and repurchasing \$80 million of our common stock during 2022.

Looking ahead to 2023, 2024, we remain committed to generating strong adjusted EBITDA and free cash flow. We expect relatively stable volume with price and mix to be slightly favorable compared to input costs. We will have slightly higher planned maintenance outage expenses than last year, with outages in Saillat and Nymölla, in addition to the normal annual outages at our other mills. However, earnings will benefit from the acquisition of Nymölla flow and we are expecting favorable trends confident in energy, input our ability to continue to create value for our customers and transportation costs, shareholders. Returning cash to shareholders remains a key component of our capital allocation strategy and we expect to return at least 40% of free cash flow to shareholders in 2024.

Acquisition of Nymölla

On January 2, 2023, the Company completed the previously announced acquisition of Stora Enso's uncoated freesheet paper mill in Nymölla, Sweden. Sylvamo accounted for the acquisition under ASC 805, "Business Combinations" and the Nymölla mill's results of operations are included in Sylvamo's consolidated financial statements from the date of acquisition. See Note 7 Acquisitions to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K for further details.

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Divestiture of Russian Operations

During the second quarter of 2022, management committed to a plan to sell the Company's Russian operations (which were sold on October 2, 2022). As a result, the all historical operating results of the Company's Russian operations have been classified as "Discontinued operations, net of taxes" for all periods presented in the consolidated and combined statement statements of operations. Assets operations and liabilities the notes to the consolidated financial statements. In October 2022, the Company completed the sale of its Russian operations to Pulp Invest Limited Liability Company, a company incorporated in the Russian operations have been classified as current and long-term assets and liabilities held for sale for all periods presented in the accompanying consolidated balance sheets. Federation. See Note 8 Divestiture and Impairment of Business to our consolidated and combined financial statements included elsewhere in this Annual Report on Form 10-K for further details.

RESULTS OF OPERATIONS

When reading our financial statements and the information included in this Annual Report on Form 10-K, it should be considered that we have experienced, and continue to experience, several material trends and uncertainties that have affected our financial condition and results of operations and that could affect future performance. We believe that the following material trends and uncertainties are important to understanding our business.

Macroeconomic Conditions

The Company's operating results are typically closely tied to changes in the general economic conditions in Europe, Latin America and North America, as well as general global economic conditions. The Company's profitability and operating results are dependent on the price of our products and the market price of raw materials (primarily wood fiber and chemicals), energy sources and third-party transport of our goods. Historically, economic and market shifts, inflationary pressures, fluctuations in capacity and changes in foreign currency exchange rates have created changes in prices, sales volume and margins for our products.

Consumer Behavior

Factors that impact the demand for our products include general macroeconomic conditions, consumer preferences, movements in currency exchange rates, consumer spending, commercial printing and advertising activity, adoption of electronic mediums, white-collar employment and the shift to a hybrid work models, and increased remote schooling.

The following summarizes our results of operations for the periods presented:

| In millions for the years ended December 31 |    | 2022  | 2021     |
|---|----|-------|----------|
| NET SALES                                   | \$ | 3,628 | \$ 2,828 |
| COSTS AND EXPENSES                          |    |       |          |

|   |               |               |
|---|---------------|---------------|
| Cost of products sold (exclusive of depreciation, amortization and cost of timber harvested shown separately below) | 2,619         | 2,143         |
| Selling and administrative expenses   | 325           | 207           |
| Depreciation, amortization and cost of timber harvested   | 125           | 126           |
| Taxes other than payroll and income taxes   | 23            | 25            |
| Interest expense (income), net  | 69            | (1)           |
| <b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>  | <b>467</b>    | <b>328</b>    |
| Income tax provision  | 131           | 101           |
| <b>NET INCOME FROM CONTINUING OPERATIONS</b>  | <b>336</b>    | <b>227</b>    |
| Discontinued Operations, net of taxes   | (218)         | 104           |
| <b>NET INCOME</b>   | <b>\$ 118</b> | <b>\$ 331</b> |

### Net Sales

The net sales increase of \$800 million was primarily driven by an increase in average sales prices of our products, which more than offset higher input costs. International net sales (based on the location of the seller) totaled \$1.5 billion, or 40%, of total sales for the year ended December 31, 2022. This compares with international net sales of \$1.1 billion, or 39% of total sales for

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the year ended December 31, 2021. Additional details on net sales are provided in the section titled ["Business Segment Results."](#)

### Cost of Products Sold

Cost of products sold increased by \$476 million, primarily due to higher input and operating costs compared to the prior period.

### Selling and Administrative Expenses

The \$118 million increase in selling and administrative expenses was the result of the increase in net sales activity, as well as \$23 million and \$20 million of expense recognized in 2022 related to the transition service agreement and one-time costs associated with the spin-off, respectively. Additional details regarding the one-time costs associated with the spin-off are provided in ["Non-GAAP Financial Measures."](#)

### Interest (Income) Expense, net

The increase in interest expense, net was the result of the recognition in 2022 of a full year of interest expense primarily related to the long-term debt we incurred in conjunction with our spin-off and the inclusion in 2021 of pre-tax income of \$20 million associated with the accrual of a foreign value-added tax credit. Additional details regarding debt incurred are provided in [Note 14 Long-Term Debt](#) to our consolidated and combined financial statements included elsewhere in this Annual Report on Form 10-K.

### Income Taxes

The effective income tax rate was 28% for the year ended December 31, 2022, compared to 31% for the year ended December 31, 2021. The income tax provision and effective income tax rate decreased for the year ended December 31, 2022 primarily due to the mix of earnings in our regions and a release of the valuation allowance on our French deferred tax assets.

### Discontinued Operations

See [Note 8 Divestiture and Impairment of Business](#) to our consolidated and combined financial statements included elsewhere in this Annual Report on Form 10-K for further discussion.

## DESCRIPTION OF BUSINESS SEGMENTS

The Company's reportable business segments, Europe, Latin America and North America, are consistent with the internal structure used to manage these businesses. The following summary describes the products and services offered in each of the segments as of [December 31, 2022](#) [December 31, 2023](#):

### Europe

Our Europe segment produces a broad portfolio of uncoated freesheet papers for numerous uses and applications, and market pulp. [As of December 31, 2022, we](#) [We](#) operate [one paper and pulp mill](#) [two integrated mills](#) in the region, [one](#) in Saillat, [France](#), [France](#) and [one](#) in Nymölla, [Sweden](#). Located in the Limousin region of France, the Company's Saillat mill produces both paper and market pulp. It is the only mill in France to cover the entire production process from wood harvesting to paper, and is one of the leading cutsize producers in France and Western Europe. The Saillat mill produces UFS papers, such as copy paper, and value-added products such as tinted paper and colored laser printing paper under leading brands such as REY Adagio and Pro-Design. We also produce graphic and high-speed inkjet printing papers under the brand Jetstar. The Saillat mill has some of the highest environmental credentials for our products. [In January 2023, the Company acquired a paper mill in Nymölla, Sweden. The integrated mill has two pulp lines and the capacity to produce approximately 500,000 short tons of uncoated freesheet on two paper machines. The mill produces several brands, including Multicopy, and paper used for](#)



office printing, business forms, digital printing, offset for printing books and much more. The Nymölla mill has an excellent environmental footprint, which complements Sylvamo's purpose to produce paper in the most responsible and sustainable ways.

Latin America

Our Latin American operations focus on uncoated freesheet paper as well as market pulp through the ownership or management of approximately 250,000 acres of forestlands in Brazil and consists of three mills: two integrated mills in the State of São Paulo and one non-integrated mill in Mato Grosso do Sul. Our Brazilian uncoated freesheet brands include Chamex,

Chamequinho and Chambril. We also produce the HP papers line in Brazil. All of our products are produced exclusively from planted and sustainable certified eucalyptus.

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North America

The North American paper business manufactures uncoated freesheet papers at its mills in Eastover, South Carolina and Ticonderoga, New York and has offtake agreements to purchase the uncoated papers produced by International Paper's Riverdale and Georgetown mills in Selma, Alabama and Georgetown, South Carolina. The North American papers business comprises three product lines, Imaging Papers, Commercial Printing Papers and Converting Papers. The imaging papers business, which comprises roughly half of the North American segment's volume, produces copy paper for use in copiers, desktop and laser printers and digital imaging. These products are important for office use, home office use and in businesses such as education, healthcare and financial services. The commercial printing business comprises about 17%13% of the North American segment's volume, and end-use applications in the commercial printing business include advertising and promotional materials such as brochures, pamphlets, greeting cards, books, annual reports and direct mail. The converting business manufactures a variety of grades that are converted by our customers into envelopes, tablets, business forms, file folders and several specialty grades. Uncoated papers are sold under private label and brand names that include Hammermill®, Springhill®, Williamsburg, Accent®, DRM® and Postmark®.

BUSINESS SEGMENT RESULTS

Management provides business segment operating profit, a non-GAAP financial measure, to supplement our GAAP financial information, and it should be considered in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Management believes that business segment operating profit provides investors and analysts useful insights into our operating performance. Business segment operating profit is reconciled to Income from continuing operations before income taxes, the most directly comparable GAAP measure. Business segment operating profit may be determined or calculated differently by other companies and therefore may not be comparable among companies.

The following table presents a comparison of income from continuing operations before income taxes to business segment operating profit:

| In millions for the years ended<br>December 31        | In millions for the years ended<br>December 31        | 2022   | 2021    |
|---|---|--------|---------|
| Income From Continuing Operations Before Income Taxes | Income From Continuing Operations Before Income Taxes | \$ 467 | \$ 328  |
| Income From Continuing Operations Before Income Taxes |   |        |         |
| Income From Continuing Operations Before Income Taxes |   |        |         |
| Interest expense (income), net                        |   |        |         |
| Interest expense (income), net                        |   |        |         |
| Interest expense (income), net                        | Interest expense (income), net                        | 69     | (1)     |
| Other special items, net (b)                          | Other special items, net (b)                          | 17     | (29)    |
| Other special items, net (b)                          |   |        |         |
| Other special items, net (b)                          |   |        |         |
| Business Segment Operating Profit (a)                 |   |        |         |
| Business Segment Operating Profit (a)                 |   |        |         |
| Business Segment Operating Profit (a)                 | Business Segment Operating Profit (a)                 | \$ 553 | \$ 298  |
| Europe  | Europe  | \$ 50  | \$ (29) |
| Europe  |   |        |         |
| Europe  |   |        |         |
| Latin America   |   |        |         |
| Latin America   |   |        |         |
| Latin America   | Latin America   | 212    | 194     |
| North America   | North America   | 291    | 133     |
| North America   |   |        |         |

|                                       |                      |    |     |        |
|---------------------------------------|----------------------|----|-----|--------|
| North America                         |                      |    |     |        |
| Business Segment                      | Business Segment     |    |     |        |
| Operating Profit (a)                  | Operating Profit (a) | \$ | 553 | \$ 298 |
| Business Segment Operating Profit (a) |                      |    |     |        |
| Business Segment Operating Profit (a) |                      |    |     |        |

- (a) We define business segment operating profit as our income from continuing operations before income taxes calculated in accordance with GAAP, excluding net interest expense (income) and net business special items which includes net corporate special items. We believe that business segment operating profit is an important indicator of operating performance as it is a measure reported to our management for purposes of making decisions about allocating resources to our business segments and assessing the performance of our business segments and is presented in our financial statements footnotes in accordance with ASC 280. segments.
- (b) Special Net special items represent income or expenses that are incurred periodically, rather than on a regular basis. Other Net special items in the periods presented primarily include foreign VAT interest and refunds, transaction and integration costs related to the Nymölla acquisition, professional and legal fees related to negotiations resulting in a shareholder cooperation agreement, the impact of the step-up of acquired Nymölla inventory sold during the first quarter of 2023, certain severance costs related to our salaried workforce, one-time costs incurred in the prior year associated with the spin-off and foreign exchange hedging gains and transactions costs associated with the Nymölla acquisition, and foreign VAT refunds. gains.

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Performance Graph.jpg

The following tables present Net sales and Operating profit (loss), which is the Company's measure of segment profitability, for each of the Company's segments. See [Note 1717 Financial Information by Business Segment and Geographic Area](#) to our consolidated and combined financial statements included elsewhere in this Annual Report on Form 10-K for more information on the Company's segments.

### Europe

| In millions for the years ended December 31 | In millions for the years ended December 31 |       |         |   |  |  |  |      |      |
|---|---|-------|---------|---|--|--|--|------|------|
|   |   | 2022  | 2021    | In millions for the years ended December 31 |  |  |  | 2023 | 2022 |
| Net Sales                                   | Net Sales                                   | \$501 | \$366   |   |  |  |  |      |      |
| Operating Profit (Loss)                     | Operating Profit (Loss)                     | \$ 50 | \$ (29) |   |  |  |  |      |      |

For the year ended December 31, 2022 December 31, 2023, our Europe segment net sales increased \$135 million \$320 million compared to the same period in 2021 2022, primarily due to an increase in the market net sales contributed by Nymölla (\$405 million) which more than offset lower sales price for uncoated freesheet and pulp. mix (\$39 million), lower volumes (\$34 million) and unfavorable foreign exchange impacts.

Europe operating profit for the year ended December 31, 2022 December 31, 2023 was \$79 million higher \$75 million lower than the same period in 2021 2022 as the impact of higher lower sales price and mix (\$148 39 million), lower higher planned maintenance outages (\$22 million), higher unabsorbed costs due to economic downtime (\$25 million), higher operating costs (\$10 million) and higher lower volumes (\$5 6 million) more than offset higher operating lower input costs, primarily for energy (\$39 7 million) and higher input costs operating profit contributed by Nymölla (\$57 20 million).

### Latin America

| In millions for the years ended December 31 | In millions for the years ended December 31 |         |       |   |  |  |  |      |      |
|---|---|---------|-------|---|--|--|--|------|------|
|   |   | 2022    | 2021  | In millions for the years ended December 31 |  |  |  | 2023 | 2022 |
| Net Sales                                   | Net Sales                                   | \$1,023 | \$786 |   |  |  |  |      |      |
| Operating Profit (Loss)                     | Operating Profit (Loss)                     | \$ 212  | \$194 |   |  |  |  |      |      |

For the year ended December 31, 2022 December 31, 2023, our Latin America segment net sales increased \$237 million decreased \$17 million compared to the same period in 2021 2022, primarily driven by an increase in the market lower volumes (\$19 million) and lower sales price and mix of uncoated freesheet and pulp for both export and domestic markets. (\$7 million) offset by favorable foreign exchange impacts.

Operating profit for Latin America for the year ended December 31, 2022 December 31, 2023 was \$18 million higher \$15 million lower than the same period in 2021 2022, primarily driven by increased decreased sales price and mix (\$219 7 million), lower volumes (\$15 million) and higher input costs, primarily for energy, wood and distribution (\$12 million) which more than offset higher lower operating costs (\$83 million), increased input costs (\$107 million) primarily for purchased pulp, chemicals, and energy, higher planned maintenance outages (\$9 million) and lower volume planned maintenance outages (\$2 10 million).



## North America

| <i>In millions for the years ended December 31</i> | <i>In millions for the years ended December 31</i> |                |                |  |  |
|--|--|----------------|----------------|--|--|
|  |  | 2022           | 2021           | <i>In millions for the years ended December 31</i> |  |
| <b>Net Sales</b>                                   | <b>Net Sales</b>                                   | <b>\$2,173</b> | <b>\$1,718</b> |  |  |
| <b>Operating Profit (Loss)</b>                     | <b>Operating Profit (Loss)</b>                     | <b>\$ 291</b>  | <b>\$ 133</b>  |  |  |

For the year ended **December 31, 2022** December 31, 2023, our North America segment net sales increased \$455 million decreased \$222 million, compared to the same period in **2021** 2022, primarily due to an increase in the market driven by lower volumes (\$268 million) which more than offset higher sales price for cutsize paper and rolls and increased volume mix (\$45 million).

Operating profit for North America for the year ended **December 31, 2022** December 31, 2023 was \$158 million higher \$22 million lower than the same period in **2021** 2023 as increased sales price and mix (\$397.45 million), lower input costs, primarily for energy and distribution (\$81 million), lower operating costs (\$19 million) and volume lower planned maintenance outages (\$14.3 million) were more than offset by lower volume (\$87 million) and higher planned maintenance outages unabsorbed costs due to economic downtime (\$20.83 million), higher operating costs (\$26 million), increased input costs (\$207 million) primarily for wood, energy and distribution.

## NON-GAAP FINANCIAL MEASURES

Management provides Adjusted EBITDA, a non-GAAP financial measure, to supplement our GAAP financial information, and it should be considered in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Management uses this measure in managing the operating performance of our business and believes that Adjusted EBITDA provide investors and analysts meaningful insights into our operating performance and is a relevant metric for the third-party debt. Adjusted EBITDA is reconciled to Net income, the most directly comparable GAAP measure. Adjusted EBITDA may be determined or calculated differently by other companies and therefore may not be comparable among companies.

| <i>In millions for the years ended December 31,</i>     | <i>In millions for the years ended December 31,</i>     |               |               |   |  |
|---|---|---------------|---------------|---|--|
|   |   | 2022          | 2021          | <i>In millions for the years ended December 31,</i> |  |
| <b>Net Income</b>                                       | <b>Net Income</b>                                       | <b>\$ 118</b> | <b>\$ 331</b> |   |  |
| Less: Discontinued operations, net of taxes             | Less: Discontinued operations, net of taxes             | <b>(218)</b>  | <b>104</b>    |   |  |
| <b>Net Income From Continuing Operations</b>            | <b>Net Income From Continuing Operations</b>            | <b>336</b>    | <b>227</b>    |   |  |
| Income tax provision                                    | Income tax provision                                    | <b>131</b>    | <b>101</b>    |   |  |
| Interest expense (income), net                          | Interest expense (income), net                          | <b>69</b>     | <b>(1)</b>    |   |  |
| Depreciation, amortization and cost of timber harvested | Depreciation, amortization and cost of timber harvested | <b>125</b>    | <b>126</b>    |   |  |
| Stock-based compensation                                | Stock-based compensation                                | <b>20</b>     | <b>14</b>     |   |  |
| Transition service agreement expense                    | Transition service agreement expense                    | <b>23</b>     | <b>7</b>      |   |  |

|  |  |         |         |                        |        |  |  |        |  |
|--|--|---------|---------|------------------------|--------|--|--|--------|--|
| Net special items expense (income) (a) | Net special items expense (income) (a) | 17      | (29)    |                        |        |  |  |        |  |
| Adjusted EBITDA (b)                    | Adjusted EBITDA (b)                    | \$ 721  | \$ 445  |                        |        |  |  |        |  |
| Net Sales                              | Net Sales                              | \$3,628 | \$2,828 |                        |        |  |  |        |  |
| Adjusted EBITDA Margin                 | Adjusted EBITDA Margin                 | 19.9 %  | 15.7 %  | Adjusted EBITDA Margin | 16.3 % |  |  | 19.9 % |  |

(a) **Special** Net special items represent income or expenses that are incurred periodically, rather than on a regular basis. Net special items in the periods presented primarily include foreign VAT interest and refunds, transaction and integration costs related to the Nymölla acquisition, professional and legal fees related to negotiations resulting in a shareholder cooperation agreement, the impact of the step-up of acquired Nymölla inventory sold during the first quarter of 2023, certain severance costs related to our salaried workforce, one-time costs incurred in the prior year associated with the spin-off and foreign exchange hedging gains and transaction costs associated with the Nymölla acquisition, and foreign VAT refunds, gains.

(b) We define Adjusted EBITDA (non-GAAP) as net income (GAAP) excluding discontinued operations, net of taxes plus the sum of income taxes, net interest expense (income), depreciation, amortization and cost of timber harvested, transition service agreement expense, stock-based compensation, and, when applicable for the periods reported, special items.

Free cash flow is a non-GAAP measure and the most directly comparable GAAP measure is cash provided by operating activities from continuing operations. Management believes that free cash flow is useful to investors as a liquidity measure because it measures the amount of cash generated that is available, after reinvesting in the business, to maintain a strong balance sheet and service debt, and return cash to **shareowners, shareholders**. It should not be inferred that the entire free cash flow amount is available for discretionary expenditures. By adjusting for certain items that are not indicative of the Company's ongoing performance, free cash flow also enables investors to perform meaningful comparisons between past and present periods.

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The following are reconciliations of cash provided by operating activities from continuing operations to free cash flow:

| In millions for the years ended December 31                      | In millions for the years ended December 31                      | 2022  | 2021  | In millions for the years ended December 31 | 2023 | 2022 |
|--|--|-------|-------|---|------|------|
| Cash provided by operating activities from continuing operations | Cash provided by operating activities from continuing operations | \$418 | \$423 |   |      |      |
| Adjustments:   | Adjustments:   |       |       |   |      |      |
| Cash invested in capital projects                                | Cash invested in capital projects                                | (149) | (69)  |   |      |      |
|  | Cash invested in capital projects                                |       |       |   |      |      |
|  | Cash invested in capital projects                                |       |       |   |      |      |
| Free Cash Flow   | Free Cash Flow   | \$269 | \$354 |   |      |      |

The non-GAAP financial measures presented in this Annual Report on Form 10-K as referenced above have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of our results calculated in accordance with GAAP. In addition, because not all companies utilize identical calculations, the Company's presentation of non-GAAP measures in this Annual Report on Form 10-K may not be comparable to similarly titled measures disclosed by other companies, including companies in the same industry as the Company.

## LIQUIDITY AND CAPITAL RESOURCES

### Overview

Historically, we have generated strong annual cash flow from operating activities. However, prior to our spin-off, we were a part of International Paper's operating structure. Following the completion of the spin-off on October 1, 2021, our capital structure and sources of liquidity changed significantly from our historical capital structure. We no longer participate in cash management and funding arrangements with International Paper. Instead, our Our ability to fund the Company's cash needs depends on our ongoing ability to generate cash from operations and obtain financing on acceptable terms. Based upon our history of generating strong operating cash flow, we believe we will be able to meet our short-term liquidity needs. We believe we will meet known or reasonably likely future cash requirements through the combination of cash flows from operating activities, available cash balances and available borrowings through the issuance of third-party debt, as needed.

A major factor in our liquidity and capital resource planning is our generation of operating cash flow, which is highly sensitive to changes in the pricing and demand for our products. While changes in key operating cash costs, such as raw materials, energy, mill outages and distribution expenses do have an effect on operating cash generation, we believe that our focus on commercial and operational excellence, as well as our ability to manage costs and working capital, will provide sufficient cash flow generation.

The terms of the agreements governing our debt contain customary limitations as well as other provisions. These provisions may also restrict our business and, in the event we cannot meet the terms of those provisions, may adversely impact our financial condition, results of operations or cash flows.

Operating Activities

Cash provided by operating activities from continuing operations totaled \$418 million \$504 million for the year ended December 31, 2022 December 31, 2023, compared with cash provided by operating activities from continuing operations of \$423 million \$418 million for the year ended December 31, 2021 December 31, 2022. The decrease increase in cash provided by operating activities from continuing operations in 2022 2023 relates primarily to changes in working capital, partially offset by higher lower income.

Cash used provided for working capital components (accounts and notes receivable, inventories, accounts payable and accrued liabilities, and other) was \$85 million for the year ended December 31, 2023, compared with cash used by working capital components of \$56 million for the year ended December 31, 2022, compared with cash provided by working capital components of \$62 million for the year ended December 31, 2021. Working capital components for the year ended December 31, 2022 December 31, 2023 primarily reflect \$48 million \$104 million of cash provided by accounts payable and accrued liabilities balances and \$40 million notes receivable, \$31 million of cash provided by the unwinding of interest rate swaps, \$17 million cash provided by other operating activities, activities, and \$6 million of cash provided by inventories. This activity was offset by \$45 million \$73 million of cash used for accounts payable and notes receivable and \$99 million of cash used for inventories, accrued liabilities.

Investment Activities

The total cash inflow outflow from investing activities from continuing operations for the year ended December 31, 2022 December 31, 2023 increased from the year ended December 31, 2021 December 31, 2022, primarily due to the impact of the sale of the company's Russian operations. This was partially offset by increased capital spending for and the year ended December 31, 2022, Nymölla mill acquisition.

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The following table shows capital spending by business segment, which represents the most significant portion of our recurring investment activities.

| In millions<br>for the<br>years<br>ended<br>December<br>31 | In millions<br>for the<br>years<br>ended<br>December<br>31 | 2022  | 2021  | In millions for the years ended December 31 | 2023 | 2022 |
|--|--|-------|-------|---|------|------|
| Europe   | Europe   | \$ 7  | \$ 6  |   |      |      |
| Latin America  | Latin America  | 76    | 39    |   |      |      |
| North America  | North America  | 66    | 24    |   |      |      |
| Total  | Total  | \$149 | \$ 69 |   |      |      |

Capital spending primarily consists of purchases of machinery and equipment and reforestation related to our global mill operations. As a percentage of depreciation, amortization and cost of timber harvested, capital spending totaled 119% 147% and 55% 119% for the years ended December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

Financing Activities

Cash used in financing activities from continuing operations for the year ended December 31, 2022 December 31, 2023 primarily reflects the payments of \$20 \$70 million, \$410 \$36 million, \$26 million and \$16 million \$31 million on our outstanding principal debt balances for the Revolving Credit Facility, AR Securitization, Term Loan B, F and Term Loan F, A, respectively. Additionally, \$360 million was paid to bond holders as part of our tender offer. These amounts are primarily offset by the issuance of Term Loan A, draws on our Revolving Credit Facility and AR Securitization of \$300 million, \$70 million, and \$78 million, respectively. During the year ended December 31, 2022 December 31, 2023, the Company paid \$10 \$57 million in dividends and repurchased \$80 paid \$70 million of our to repurchase shares pursuant to the Repurchase Program. The Company also established a three-year, \$120 million accounts receivable finance facility during the year ended December 31, 2022 and had \$75 million of outstanding borrowings on this facility at December 31, 2022. Cash used in financing activities from continuing operations for the year ended December 31, 2021 December 31, 2022, primarily reflects the special payment payments of \$1.5 billion we made to International Paper on September 29, 2021, as part of our separation from International Paper. During the year ended December 31, 2021, we also repaid

\$80 \$20 million, \$40 \$410 million and \$4 \$16 million on our outstanding principal balances for the Revolving Credit Facility, Term Loan B and Term Loan F, respectively. Payments These amounts are partially offset by the draw of debt issuance costs of \$21 million and a \$5 million discount \$75 million on the debt were incurred in connection with our third-party debt transactions in accounts receivable securitization. During the year ended December 31, 2021, December 31, 2022, the Company paid \$10 million in dividends and repurchased \$80 million of our shares pursuant to the Repurchase Program.

## Contractual Obligations

Contractual obligations for future payments at December 31, 2022 December 31, 2023 primarily relate to lease commitments, raw material purchase obligations, principal debt payments and contingent payments under our agreements with International Paper. Operating and financing leases represent minimum required lease payments during the noncancelable lease term. Most real estate leases also require payment of related operating expenses such as taxes, insurance, utilities, and maintenance, which are not included in our estimated capital lease obligation. Our total estimated finance lease obligations total \$3 million in 2023, 2024, an average of \$2 million from 2024 2025 to 2027 2028 and \$11 million \$8 million thereafter.

Purchase obligations for commercial commitments include inventory obligations to purchase raw materials, including starch, electricity, fuel oil, corrugated boxes, wood and Precipitated Calcium Carbonate ("PCC"). Our total estimated commercial commitments include \$111 million in 2023, \$85 \$342 million in 2024, \$209 million in 2025 and average \$47 \$110 million annually from 2025 2026 to 2027, 2028, with \$36 \$115 million thereafter.

At December 31, 2022 December 31, 2023, contractual obligations for future payments of debt maturities (including finance lease liabilities disclosed in Note 10 Leases) by calendar year were as follows: 2023 - \$29 million, 2024 - \$28 million; 2025 - \$103 million \$155 million; 2026 - \$28 million \$43 million; 2027 - \$399 million \$414 million; 2028 - \$231 million; thereafter - \$461 \$99 million.

The contractual obligations discussed above do not include those related to the Nymölla mill acquired in January 2023.

## Capital Expenditures

For the year ended December 31, 2022 December 31, 2023, we have invested approximately \$149 million \$210 million, or 4.1% 5.6% of net sales in total capital expenditures. Of that amount, we spent approximately \$143 \$177 million, or 3.9% 4.8% of net sales, on maintenance, regulatory and reforestation capital expenditures, and approximately \$6 \$33 million, or 0.2% 0.9% of net sales, on high-return capital expenditures, projects. Our annual maintenance, regulatory and reforestation capital expenditures are expected to be in the range of approximately \$175 to \$190 million per year (before inflation) for the next several years, which we believe will be sufficient to maintain our operations and productivity. In addition, we expect to invest approximately \$30 to \$35 million in high-return projects in 2023, 2024.

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## CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires the Company to establish accounting policies and to make estimates that affect both the amounts and timing of the recording of assets, liabilities, revenues and expenses. Some of these estimates require subjective judgments about matters that are inherently uncertain.

Accounting policies whose application may have a significant effect on the reported results of operations and financial position of the Company, and that can require judgments by management that affect their application, include the accounting for impairment or disposal of long-lived assets and goodwill, income taxes, commitments and contingencies and business combinations.

## Impairment of Long-Lived Assets and Goodwill

An impairment of a long-lived asset exists when the asset's carrying amount exceeds its fair value and is recorded when the carrying amount is not recoverable through undiscounted cash flows from future operations or disposals. A goodwill impairment exists when the carrying amount of goodwill exceeds its fair value. Assessments of possible impairments of long-lived assets and goodwill are made when events or changes in circumstances indicate that the carrying value of the asset may not be recoverable or may, if a business is classified as held for sale, exceed the sales price less costs to dispose. Additionally, evaluation for possible impairment of goodwill is required annually. The amount and timing of any impairment charges based on these assessments may require the estimation of future cash flows or the fair market value of the related assets based on management's best estimates of certain key factors, including future selling prices and volumes, operating, raw material, energy and freight costs, various other projected operating economic factors and other intended uses of the assets. As these key factors change in future periods, the Company will update its impairment analysis to reflect its latest estimates and projections.

The Company concluded that significant changes in the business climate in Russia represented a triggering event during the first quarter of 2022, which resulted in the performance of an interim goodwill impairment test and a recoverability test for one of our reporting units and asset groups. The Company performed interim quantitative testing of goodwill attributed to the Europe reporting unit and concluded that the fair value of the reporting unit had not been reduced below carrying value and no goodwill impairment charge was recorded. During the first quarter of 2022, we recorded an impairment charge of \$68 million associated with the long-lived assets of our Russian operations. We recorded \$228 million of further impairment charges during 2022 to reduce the carrying value of the Russian operations to the expected sale price less costs to sell and ultimately disposed of these operations on October 6, 2022.

Our policy around goodwill impairment testing permits us to perform a qualitative assessment before performing the or a quantitative goodwill impairment test. If a qualitative assessment is performed, an entity is not required to perform the quantitative goodwill impairment test unless the entity determines that, based on that qualitative assessment, it is more likely than not that its fair value is less than its carrying value.

The Company performed its annual testing of goodwill impairment by applying the qualitative assessment to its Brazil reporting unit as of October 1, 2023. For the current year evaluation, the Company assessed various assumptions, events and circumstances that would have affected the estimated fair value of the reporting unit under the qualitative assessment for the reporting units for possible impairments by performing a listed above. The results of the qualitative impairment assessment for each of its reporting units as of October 1, 2022. Based upon this analysis, we concluded indicated that it is not more likely than not that the fair value values of any of the its Brazil reporting units is unit was less than its carrying value.

The Company also performed its annual testing of goodwill impairment by applying the quantitative goodwill impairment test to its France reporting unit due to changes in market conditions and the reporting unit's outlook since the previous quantitative goodwill impairment test. The Company calculated the estimated fair value of the France reporting unit using a probability-weighted approach based on discounted future cash flows, market multiples and transaction multiples. As a result, the Company concluded that the fair value of the France reporting unit was not reduced below carrying value and no goodwill impairment charge was recorded.

In addition, the Company considered whether there were any events or circumstances outside of the annual evaluation that would reduce the fair value of its reporting units below their carrying amounts and necessitate a goodwill impairment evaluation. In consideration of all relevant factors, there were no indicators outside those discussed above that would require goodwill impairment subsequent to October 1, 2022 October 1, 2023.

No goodwill impairment charges were recorded in 2023, 2022 2021 or 2020, 2021.

## Income Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, we determine deferred tax balances on the basis of the differences between the financial statement and tax bases of

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assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax balances is recognized in income in the period that includes the enactment date.

We recognize deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. Judgment is required in evaluating the need for and magnitude of appropriate valuation allowances against deferred tax assets. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, carryback potential if permitted under the tax law and results of recent operations. If we determine that we would not be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would not benefit the projected losses in our annual effective estimated tax rate and/or make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

We record uncertain tax positions in accordance with ASC 740. Significant judgment is required in evaluating the need for and magnitude of appropriate uncertain tax positions. We estimate uncertain tax positions on the basis of a two-step process in which (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company was included in the consolidated tax returns of International Paper prior to the spin-off on October 1, 2021. Accordingly, for the periods prior to the spin-off, we calculated the provision for income taxes by using a separate-return method. Under this method, we are assumed to file a separate return with the tax authority, thereby reporting our taxable income or loss and paying the applicable tax to or receiving the appropriate refund from International Paper. We provided deferred taxes on temporary differences and on any carryforwards that we could claim on our hypothetical return and assessed the need for a valuation allowance on the basis of our projected separate-return results. Any difference between the tax provision (or benefit) allocated to us under the separate-return method and payments to be made to (or received from) International Paper for tax expense was treated as either dividends or capital contributions.

For periods subsequent to the spin-off, we calculate the provision for income taxes for Sylvamo Corporation on a standalone basis. Tax attributes which were recognized under the separate return method but not conveyed to the Company were released through an adjustment to parent company investment effective on the spin-off date.

While we believe that these judgments and estimates are appropriate and reasonable under the circumstances, actual resolution of these matters may differ from recorded estimates and amounts.

## Commitments and Contingent Liabilities

Accruals for contingent liabilities, including environmental and safety matters, taxes (including VAT), personal injury, product liability, labor and employment, contracts, sales of property and other matters, are recorded when it is probable that a liability has been incurred or an asset impaired and the amount of the loss can be reasonably estimated. Liabilities accrued for value-added tax and other legal matters require judgments regarding projected outcomes and range of loss based on historical litigation and settlement experience and recommendations of legal counsel and, if applicable, other experts. Liabilities for environmental matters require evaluations of relevant environmental regulations and estimates of future remediation alternatives and costs. Claims-based liabilities require review of recent and historical claims data. The Company utilizes its in-house legal and environmental experts to develop estimates and involves third-party specialists as needed to analyze its most complex contingent liabilities.

## Business Combinations

The Company's acquisitions of businesses are accounted for in accordance with ASC 805, "Business Combinations". We allocate the total consideration of the assets acquired and liabilities assumed based on their estimated fair value as of the business combination date. In developing estimates of fair values for long-lived assets, including identifiable intangible assets, the Company utilizes a variety of inputs including forecasted cash flows, anticipated growth rates, discount rates, customer attrition, royalty rates, estimated replacement costs, and depreciation and obsolescence factors. Determining the fair value for **tangible assets such as real and personal property** and specifically identified intangible assets such as customer lists and **tradenames developed technology** involves judgment. We may refine our estimates and make adjustments to the assets acquired and liabilities assumed over a measurement period, not to exceed one year. Upon the conclusion of the measurement period or the final determination of the values of assets acquired and liabilities assumed, whichever comes first, any subsequent adjustments are charged to the consolidated statements of operations.

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In January 2023, the Company completed the previously announced acquisition of Stora Enso's uncoated freesheet paper mill in Nymölla, Sweden. We have disclosed the **status of our preliminary final** allocation of the purchase price to the fair value of the assets and liabilities **to be** acquired **within the footnotes to the 2022 Annual Report on Form 10-K**. In [Note 7 Acquisitions](#) in Item 8. Financial Statements and Supplementary Data.

## RECENT ACCOUNTING DEVELOPMENTS

See [Note 3 Recent Accounting Developments](#) in Item 8. Financial Statements and Supplementary Data for a discussion of new accounting pronouncements.

## FOREIGN CURRENCY EFFECTS

The Company has operations in a number of countries. Its operations in those countries also export to, and compete with, imports from other regions. As such, currency movements can have a number of direct and indirect impacts on the Company's financial statements. Direct impacts include the translation of international operations' local currency financial statements into U.S. dollars and the remeasurement impact associated with non-functional currency financial assets and liabilities. Indirect impacts include the change in competitiveness of imports into, and exports out of, the countries in which we operate due to the local currency pricing of products. The currencies that have the most impact on our continuing operations are the Euro and the Brazilian real.

## MARKET RISK

We use financial instruments, including fixed and variable rate debt. We do not use financial instruments for trading purposes. Additionally, various derivative contracts are used to hedge exposures to interest rate and foreign currency risks.

### *Interest Rate Risk*

Sylvamo is subject to interest rate risk in connection with the issuance of debt. Our exposure to interest rate risk arises primarily from changes in **LIBOR**. **SOFR and LIBOR prior to our adoption of SOFR**. As of December 31, 2023, Sylvamo had floating rate debt of \$859 million comprised of Term Loan F, Term Loan A and amounts drawn on the Securitization Program, which is partially offset by \$469 million of interest rate swaps. At December 31, 2023, the applicable one-month SOFR rate was 5.36%. Based on the amounts outstanding, a 100-basis point increase in market interest rates would result in a change to annual interest expense of approximately \$4 million, including the impact of the swaps, at December 31, 2023. As of December 31, 2022, Sylvamo had floating rate debt of **\$576 million \$576 million** comprised of Term Loan F and amounts drawn on the Securitization Program. At December 31, 2022, the applicable one-month LIBOR rate was 4.38%. Based on the amounts outstanding, a 100-basis point increase in market interest rates would result in a change to annual interest expense of approximately **\$6 million \$6 million** at December 31, 2022. As of December 31, 2021, Sylvamo had floating rate debt of \$947 million comprised of Term Loan F, Term Loan B and amounts drawn on the Revolving Credit Facility. At December 31, 2021, the applicable one-month LIBOR rate was 0.10%. Based on the amounts outstanding, a 100-basis point increase in market interest rates would result in a change to annual interest expense of approximately \$4 million at December 31, 2021. For more information about our term loans, Revolving Credit Facility, and Securitization Program see [Note 14 Long-Term Debt](#) to our consolidated and combined financial statements included elsewhere in this Annual Report on Form 10-K.

### *Foreign Currency Risk*

The Company transacts business in many currencies and is also subject to currency exchange rate risk through investments and businesses owned and operated outside the United States. Our objective in managing the associated foreign currency risks is to minimize the effect of **adverse** exchange rate fluctuations on our after-tax cash flows. We address these risks on a limited basis by entering into cross-currency interest rate swaps or foreign exchange contracts. At **December 31, 2022 December 31, 2023 and 2021 2022** the net fair value of financial instruments with exposure to foreign currency risk was approximately a **\$5 \$6 million asset and a \$2 \$5 million liability**, asset, respectively. The potential loss in fair value for such financial instruments from a 10% adverse change in quoted foreign currency exchange rates would have been approximately **\$18 million \$12 million and \$8 \$18 million** at **December 31, 2022 December 31, 2023 and 2021, 2022**, respectively.

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## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information set forth in [Part II, Item 7](#) of this Annual Report on Form 10-K under "Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk" is incorporated by reference into this Item 7A.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF MANAGEMENT ON:

Financial Statements

The management of Sylvamo Corporation is responsible for the preparation of the consolidated and combined financial statements in this Annual Report on Form 10-K. The consolidated and combined financial statements have been prepared using accounting principles generally accepted in the United States of America considered appropriate in the circumstances to present fairly the Company's consolidated and combined financial position, results of operations and cash flows on a consistent basis. Management has also prepared the other information in this annual report and is responsible for its accuracy and consistency with the consolidated and combined financial statements.

As can be expected in a complex and dynamic business environment, some financial statement amounts are based on estimates and judgments. Even though estimates and judgments are used, measures have been taken to provide reasonable assurance of the integrity and reliability of the financial information contained in this annual report. We have formed a Disclosure Committee to oversee this process.

The accompanying consolidated and combined financial statements have been audited by the independent registered public accounting firm Deloitte & Touche LLP (PCAOB ID No. 34). During its audits, Deloitte & Touche LLP was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders and the Board of Directors and all committees of the board. Management believes that all representations made to the independent auditors during their audits were valid and appropriate.

Internal Control Over Financial Reporting

The management of Sylvamo Corporation is also responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Internal control over financial reporting is the process designed by, or under the supervision of, our principal executive officer and principal financial officer, and effected by our Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and therefore can provide only reasonable assurance of achieving the designed control objectives. The Company's internal control system is supported by written policies and procedures, contains self-monitoring mechanisms, and is audited by the internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. Our procedures for financial reporting include the active involvement of senior management, our Audit Committee and our staff of highly qualified financial and legal professionals.

The Company has assessed the effectiveness of its internal control over financial reporting as of December 31, 2022 December 31, 2023. In making this assessment, it used the criteria described in "Internal Control – Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management believes that, as of December 31, 2022 December 31, 2023, the Company's internal control over financial reporting was effective.

In January 2023, the Company completed the acquisition of the Nymölla, Sweden mill from Stora Enso. Due to the timing of this acquisition, we have excluded the Nymölla mill from our evaluation of the effectiveness of internal control over financial reporting. For the period ended December 31, 2023, the Nymölla mill's net sales and assets represented approximately 11% of total net sales and 9% of total assets.

The Company's independent registered public accounting firm, Deloitte & Touche LLP, has issued its report on the effectiveness of the Company's internal control over financial reporting. The report appears on page 49 52.

Internal Control Environment And Board Of Directors Oversight

Our internal control environment includes an enterprise-wide attitude of integrity and control consciousness that establishes a positive "tone at the top." This is exemplified by our ethics program that includes principles and policies on ethical business conduct that require employees to maintain the highest ethical and legal standards in the conduct of Sylvamo business, which

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have been distributed to all employees; a toll-free telephone helpline whereby any employee may anonymously report suspected violations of law or Sylvamo's policy; and our Global Ethics and Compliance Office. The internal control system further includes careful selection and training of supervisory and management personnel, appropriate delegation of authority and division of responsibility, dissemination of accounting and business policies throughout Sylvamo, and an extensive program of internal audits with management follow-up.

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The Board of Directors, assisted by the Audit Committee, monitors the integrity of the Company's financial statements and financial reporting procedures, the performance of the Company's internal audit function and independent auditors, and other matters set forth in its charter. The Audit Committee, which consists of independent directors, meets regularly with representatives of management, and with the independent auditors and the internal auditor, with and without management representatives in attendance, to review their activities. The Audit Committee's Charter takes into account the New York Stock Exchange rules relating to Audit Committees and the SEC rules and regulations promulgated as a result of the Sarbanes-Oxley Act of 2002. The Committee has reviewed and discussed the consolidated and combined financial statements for the year ended **December 31, 2022** **December 31, 2023**, including critical accounting policies and significant management judgments, with management and the independent auditors. The Committee's report recommending the inclusion of such financial statements in this Annual Report on Form 10-K will be set forth in our Proxy Statement.

/s/ JEAN-MICHEL RIBIÉRAS  
Chairman and Chief Executive Officer

/s/ JOHN V. SIMS  
Senior Vice President and Chief Financial Officer

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### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Sylvamo Corporation

#### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Sylvamo Corporation and subsidiaries (the "Company") as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, the related consolidated and combined statements of operations, comprehensive income, changes in equity, and cash flows, for each of the three years in the period ended **December 31, 2022** **December 31, 2023**, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, and the results of its operations and its cash flows for each of the three years in the period ended **December 31, 2022** **December 31, 2023**, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated **February 22, 2023** **February 21, 2024**, expressed an unqualified opinion on the **Company's** **Company's** internal control over financial reporting.

#### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

#### Emphasis of a Matter

As disclosed in Note 2 to the consolidated and combined financial statements, prior to October 1, 2021, the accompanying financial statements were derived from the consolidated financial statements and accounting records of International Paper Company. These financial statements reflect the historical financial position, results of operations and cash flows of the Company for the periods prior to October 1, 2021, as the Company was historically managed within International Paper Company. The financial statements may not be indicative of the Company's future performance and do not necessarily reflect what the results of operations, financial position and cash flows would have been had it operated as an independent company during the periods prior to October 1, 2021. Our opinion is not modified with respect to this matter.

#### Critical Audit Matter Matters

The critical audit **matter matters** communicated below **is a matter are matters** arising from the current-period audit of the financial statements that **was were** communicated or required to be communicated to the audit committee and that (1) **relates relate** to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit **matter matters** below, providing a separate **opinion opinions** on the critical audit **matter matters** or on the accounts or disclosures to which **it relates, they relate**.

### **Brazil Deductibility of Goodwill Amortization – Uncertain Tax Position – Refer to Note 12 to the financial statements**

#### *Critical Audit Matter Description*

The Company accounts for uncertain tax positions on the basis of a two-step process in which management (1) determines whether it is more likely than not that the tax position will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, recognizes the largest amount of tax benefit

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that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. Specialized skill and knowledge and significant judgment is often required to evaluate each uncertain tax position to determine whether the more likely than not recognition threshold has been met and, if met, to determine the largest amount of benefit greater than 50 percent likely of being realized upon settlement with the taxing authorities.

The Brazilian Federal Revenue Service has challenged the deductibility of goodwill amortization generated in a 2007 acquisition by Sylvamo do Brasil Ltda., a wholly-owned subsidiary of the Company. The Company has determined this tax position meets the more likely than not threshold for recognition, and no liability for this uncertain tax position has been recorded as the Company has determined that the full benefit should transaction underlying these assessments was appropriately evaluated, and that the Company's tax position will be sustained, based on Brazilian tax law.

We identified the Company's accounting for this tax position as a critical audit matter because of the complexity of the Brazilian tax laws and regulations, the materiality of the potential tax consequences, the fact that all decisions concerning this matter are to be made by the Company's former parent, and the need to involve our income tax specialists when performing audit procedures to evaluate the Company's conclusion that its position will be sustained based on Brazilian tax law.

#### *How the Critical Audit Matter Was Addressed in the Audit*

With the assistance of our income tax specialists, the audit procedures we performed related to the Company's conclusion that its position will be sustained based on Brazilian tax law included the following, among others:

- We read the correspondence from the Brazilian Federal Revenue Service that challenged the deductibility of goodwill amortization. We read and evaluated management's documentation, including relevant accounting policies and information obtained by management from outside tax specialists, that detailed the basis of the uncertain tax position.
- We tested the reasonableness of management's judgments regarding the future resolution of the uncertain tax position, including an evaluation of the technical merits of the uncertain tax position.
- We evaluated whether management has appropriately considered new information that could significantly change the recognition, measurement or disclosure of the uncertain tax position, including information gathered from inquiries of International Paper Company the Company's former parent's management regarding their intent to vigorously defend the tax position.
- We evaluated the reasonableness of management's estimates by considering how Brazilian tax law, including statutes, regulations and case law, impacted management's judgments.
- We evaluated the appropriateness and consistency of management's methods and assumptions used in the identification, recognition, measurement, and disclosure of the uncertain tax position.

### **Valuation of Acquired Real and Personal Property Assets — Refer to Note 7 to the financial statements**

#### *Critical Audit Matter Description*

The Company completed the acquisition of Stora Enso's uncoated freesheet paper mill in Nymölla, Sweden in January 2023 for a purchase price of approximately \$167 million. The purchase price was allocated to the assets acquired and liabilities assumed based on their respective estimated fair values.

We identified the valuation of certain acquired real and personal property assets with respect to the acquisition as a critical audit matter because of the estimates made by management to determine the fair value of these assets. These estimates included valuation assumptions such as estimated replacement costs, depreciation, and obsolescence factors.

This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our valuation specialists when performing audit procedures over the fair value of certain acquired real and personal property assets.

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#### *How the Critical Audit Matter Was Addressed in the Audit*

With the assistance of our valuation specialists, the audit procedures we performed related to the Company's valuation of certain acquired real and personal property assets included the following, among others:

- We tested the operating effectiveness of controls over the valuation of certain acquired real and personal property assets, including the development of certain valuation assumptions and methodologies utilized by the third-party specialist.
- We evaluated the reasonableness of management's valuation approach by comparing the approach used to generally accepted valuation practices for similar assets.
- We evaluated the reasonableness of the current market data and estimated replacement costs for comparable assets considering placed-in-service dates, historical cost, and physical depreciation factors used in the valuation by comparing the data to industry accepted and published sources.
- We tested the mathematical accuracy of the application of the economic obsolescence factors in the valuation of certain acquired real and personal property assets.
- We considered any events or transactions occurring after the acquisition date that may impact the valuation assumptions used in the valuation of certain acquired real and personal property assets.

/s/ Deloitte & Touche LLP

Memphis, Tennessee

February 22, 2023 21, 2024

We have served as the Company's auditor since 2020.

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#### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Sylvamo Corporation

#### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Sylvamo Corporation and subsidiaries (the "Company") as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2022 December 31, 2023, of the Company and our report dated February 22, 2023 February 21, 2024, expressed an unqualified opinion on those financial statements.

As described in the Report of Management on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting of its acquired uncoated freesheet paper mill in Nymölla, Sweden, completed during 2023. The acquired business constituted 11% of net sales and 9% of total assets of the consolidated financial statement amounts as of and for the year ended December 31, 2023. Accordingly, our audit did not include the internal control over financial reporting for the acquired business.

#### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Memphis, Tennessee  
February 22, 2023

21, 2024

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CONSOLIDATED AND COMBINED STATEMENTS OF OPERATIONS

| In millions, except per share amounts, for the years ended December 31  |          |          |          |
|---|----------|----------|----------|
|   | 2022     | 2021     | 2020     |
| NET SALES   | \$ 3,628 | \$ 2,828 | \$ 2,385 |
| COSTS AND EXPENSES  |          |          |          |
| Cost of products sold (exclusive of depreciation, amortization and cost of timber harvested shown separately below) | 2,619    | 2,143    | 1,929    |
| Selling and administrative expenses   | 325      | 207      | 202      |
| Depreciation, amortization and cost of timber harvested   | 125      | 126      | 135      |
| Taxes other than payroll and income taxes   | 23       | 25       | 28       |
| Interest expense (income), net  | 69       | (1)      | (4)      |
| INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES   | 467      | 328      | 95       |
| Income tax provision  | 131      | 101      | 8        |
| NET INCOME FROM CONTINUING OPERATIONS   | 336      | 227      | 87       |
| Discontinued Operations, net of taxes   | (218)    | 104      | 83       |
| NET INCOME  | \$ 118   | \$ 331   | \$ 170   |
| BASIC EARNINGS PER SHARE  |          |          |          |
| Earnings from continuing operations   | \$ 7.65  | \$ 5.16  | \$ 1.97  |
| Discontinued operations, net of taxes   | (4.97)   | 2.37     | 1.88     |
| Net earnings  | \$ 2.68  | \$ 7.53  | \$ 3.85  |

| DILUTED EARNINGS PER SHARE            |    |        |                 |
|---------------------------------------|----|--------|-----------------|
| Earnings from continuing operations   | \$ | 7.57   | \$ 5.16 \$ 1.97 |
| Discontinued operations, net of taxes |    | (4.91) | 2.37 1.88       |
| Net earnings                          | \$ | 2.66   | \$ 7.53 \$ 3.85 |

The accompanying notes are an integral part of these consolidated and combined financial statements.

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## CONSOLIDATED AND COMBINED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

| In millions for the years ended December 31   | 2022          | 2021          | 2020           |
|---|---------------|---------------|----------------|
| <b>NET INCOME</b>   | <b>\$ 118</b> | <b>\$ 331</b> | <b>\$ 170</b>  |
| <b>OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX</b>  |               |               |                |
| Defined Benefit Pension and Postretirement Adjustments:   |               |               |                |
| Amortization of pension and postretirement net loss   | —             | 1             | 1              |
| Pension and postretirement liability adjustments (less tax of \$(1), \$0 and \$1)                         | 4             | (3)           | (5)            |
| Change in cumulative foreign currency translation adjustment  | 56            | (173)         | (246)          |
| Net gains/losses on cash flow hedging derivatives:  |               |               |                |
| Net gains (losses) arising during the period (less tax of \$(17), \$1 and \$13)                           | 41            | (2)           | (25)           |
| Reclassification adjustment for (gains) losses included in net earnings (less tax of \$7, \$0 and \$(12)) | (13)          | (1)           | 24             |
| <b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX</b>  | <b>88</b>     | <b>(178)</b>  | <b>(251)</b>   |
| <b>COMPREHENSIVE INCOME (LOSS)</b>  | <b>\$ 206</b> | <b>\$ 153</b> | <b>\$ (81)</b> |

The accompanying notes are an integral part of these consolidated and combined financial statements.

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## CONSOLIDATED BALANCE SHEETS

| In millions at December 31   | 2022   | 2021   |
|--|--------|--------|
| <b>ASSETS</b>  |        |        |
| Current Assets   |        |        |
| Cash and temporary investments   | \$ 360 | \$ 159 |
| Accounts and notes receivable (less allowances of \$20 in 2022 and \$19 in 2021) | 450    | 402    |
| Contract assets  | 30     | 26     |
| Inventories  | 364    | 279    |
| Assets held for sale   | —      | 179    |
| Other current assets   | 39     | 63     |
| Total Current Assets   | 1,243  | 1,108  |
| Plants, Properties and Equipment, net  | 817    | 764    |
| Forestlands  | 322    | 278    |
| Goodwill   | 128    | 122    |
| Right of Use Assets  | 35     | 40     |
| Long-Term Assets Held for Sale   | —      | 141    |
| Deferred Charges and Other Assets  | 165    | 144    |

|   |                 |                 |
|---|-----------------|-----------------|
| <b>TOTAL ASSETS</b>   | <b>\$ 2,710</b> | <b>\$ 2,597</b> |
| <b>LIABILITIES AND EQUITY</b>   |                 |                 |
| Current Liabilities   |                 |                 |
| Accounts payable  | \$ 453          | \$ 387          |
| Notes payable and current maturities of long-term debt  | 29              | 41              |
| Accrued payroll and benefits  | 81              | 48              |
| Liabilities held for sale   | —               | 91              |
| Other current liabilities   | 165             | 191             |
| Total Current Liabilities   | 728             | 758             |
| Long-Term Debt  | 1,003           | 1,357           |
| Deferred Income Taxes   | 183             | 169             |
| Long-Term Liabilities Held for Sale   | —               | 13              |
| Other Liabilities   | 118             | 118             |
| Commitments and Contingent Liabilities (Note 13)  |                 |                 |
| Equity  |                 |                 |
| Common stock \$1.00 par value, 200.0 shares authorized, 42.6 shares and 43.9 shares outstanding at December 31, 2022 and 2021, respectively | 44              | 44              |
| Paid-in capital   | 25              | 4               |
| Retained earnings   | 2,029           | 1,935           |
| Accumulated other comprehensive loss  | (1,338)         | (1,801)         |
|   | 760             | 182             |
| Less: Common stock held in treasury, at cost, 1.6 shares and 0.0 shares at December 31, 2022 and December 31, 2021, respectively            | (82)            | —               |
| Total Equity  | 678             | 182             |
| <b>TOTAL LIABILITIES AND EQUITY</b>   | <b>\$ 2,710</b> | <b>\$ 2,597</b> |

The accompanying notes are an integral part of these consolidated and combined financial statements.

## CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS

| In millions for the years ended December 31  | 2022       | 2021       | 2020       |
|--|------------|------------|------------|
| <b>OPERATING ACTIVITIES</b>  |            |            |            |
| Net income from continuing operations  | \$ 336     | \$ 227     | \$ 87      |
| Adjustments to reconcile net income to net cash provided by (used for) operating activities: |            |            |            |
| Depreciation, amortization and cost of timber harvested                                      | 125        | 126        | 135        |
| Deferred income tax provision (benefit), net   | (7)        | (6)        | (49)       |
| Stock-based compensation   | 20         | 14         | 15         |
| Changes in operating assets and liabilities and other  |            |            |            |
| Accounts and notes receivable  | (45)       | (99)       | 58         |
| Inventories  | (99)       | 12         | 70         |
| Accounts payable and accrued liabilities   | 48         | 196        | (56)       |
| Other  | 40         | (47)       | (15)       |
| CASH PROVIDED BY OPERATING ACTIVITIES FROM CONTINUING OPERATIONS                             | 418        | 423        | 245        |
| CASH PROVIDED BY OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS, NET                      | 20         | 126        | 114        |
| <b>CASH PROVIDED BY OPERATING ACTIVITIES</b>   | <b>438</b> | <b>549</b> | <b>359</b> |
| <b>INVESTMENT ACTIVITIES</b>   |            |            |            |
| Invested in capital projects   | (149)      | (69)       | (66)       |
| Cash pool arrangements with Parent   | —          | 181        | (3)        |



|   |              |              |              |
|---|--------------|--------------|--------------|
| Cash proceeds on disposal of business, net of cash divested                         | 324          | —            | —            |
| Other   | 10           | 1            | 1            |
| CASH PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES FROM CONTINUING OPERATIONS        | 185          | 113          | (68)         |
| CASH PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES FROM DISCONTINUED OPERATIONS, NET | (5)          | 14           | (11)         |
| <b>CASH PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES</b>                            | <b>180</b>   | <b>127</b>   | <b>(79)</b>  |
| <b>FINANCING ACTIVITIES</b>   |              |              |              |
| Net transfers from Parent   | —            | (456)        | (340)        |
| Special payment to Parent   | —            | (1,520)      | —            |
| Dividends paid  | (10)         | —            | —            |
| Issuance of debt  | 75           | 1,501        | —            |
| Reduction of debt   | (450)        | (129)        | (10)         |
| Repurchases of common stock   | (80)         | —            | —            |
| Other   | (4)          | 16           | —            |
| CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS         | (469)        | (588)        | (350)        |
| CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES FROM DISCONTINUED OPERATIONS, NET  | (1)          | (1)          | —            |
| <b>CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES</b>                             | <b>(470)</b> | <b>(589)</b> | <b>(350)</b> |
| <b>Effect of Exchange Rate Changes on Cash</b>                                      | <b>32</b>    | <b>(2)</b>   | <b>30</b>    |
| <b>Change in Cash Included in Assets Held for Sale</b>                              | <b>(21)</b>  | <b>(4)</b>   | <b>(21)</b>  |
| <b>Change in Cash and Temporary Investments</b>                                     | <b>201</b>   | <b>89</b>    | <b>(19)</b>  |
| <b>Cash and Temporary Investments</b>   |              |              |              |
| Beginning of the period   | 159          | 70           | 89           |
| End of the period   | \$ 360       | \$ 159       | \$ 70        |

In millions, except per share amounts, for the years ended December 31

|   | 2023            | 2022            | 2021            |
|---|-----------------|-----------------|-----------------|
| <b>NET SALES</b>  | <b>\$ 3,721</b> | <b>\$ 3,628</b> | <b>\$ 2,828</b> |
| <b>COSTS AND EXPENSES</b>   |                 |                 |                 |
| Cost of products sold (exclusive of depreciation, amortization and cost of timber harvested shown separately below) | 2,809           | 2,619           | 2,143           |
| Selling and administrative expenses   | 343             | 325             | 207             |
| Depreciation, amortization and cost of timber harvested   | 143             | 125             | 126             |
| Taxes other than payroll and income taxes   | 23              | 23              | 25              |
| Interest expense (income), net  | 34              | 69              | (1)             |
| <b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>  | <b>369</b>      | <b>467</b>      | <b>328</b>      |
| Income tax provision  | 116             | 131             | 101             |
| <b>NET INCOME FROM CONTINUING OPERATIONS</b>  | <b>253</b>      | <b>336</b>      | <b>227</b>      |
| Discontinued Operations, net of taxes   | —               | (218)           | 104             |
| <b>NET INCOME</b>   | <b>\$ 253</b>   | <b>\$ 118</b>   | <b>\$ 331</b>   |
| <b>BASIC EARNINGS PER SHARE</b>   |                 |                 |                 |
| Earnings from continuing operations   | \$ 6.02         | \$ 7.65         | \$ 5.16         |
| Discontinued operations, net of taxes   | —               | (4.97)          | 2.37            |
| Net earnings  | \$ 6.02         | \$ 2.68         | \$ 7.53         |
| <b>DILUTED EARNINGS PER SHARE</b>   |                 |                 |                 |
| Earnings from continuing operations   | \$ 5.93         | \$ 7.57         | \$ 5.16         |
| Discontinued operations, net of taxes   | —               | (4.91)          | 2.37            |
| Net earnings  | \$ 5.93         | \$ 2.66         | \$ 7.53         |

The accompanying notes are an integral part of these consolidated and combined financial statements.

CONSOLIDATED AND COMBINED STATEMENTS OF **CHANGES IN EQUITY** **COMPREHENSIVE INCOME (LOSS)**

| <i>In millions</i>  | Shares | Common Stock | Paid-in Capital | Retained Earnings | Parent Company Investment | Accumulated Other Comprehensive Loss | Common Stock Held in Treasury, At Cost | Total Equity |
|---|--------|--------------|-----------------|-------------------|---------------------------|--------------------------------------|--|--------------|
| <b>Balance, January 1, 2020</b>   | —      | \$ —         | \$ —            | \$ —              | \$ 3,746                  | \$ (1,229)                           | \$ —                                   | \$ 2,517     |
| Adoption of ASU 2016-13 expected credit losses on trade receivables and contract assets | —      | —            | —               | —                 | 1                         | —                                    | —                                      | 1            |
| Net transfers (to) from Parent  | —      | —            | —               | —                 | (325)                     | —                                    | —                                      | (325)        |
| Comprehensive income (loss)   | —      | —            | —               | —                 | 170                       | (251)                                | —                                      | (81)         |
| <b>Balance, December 31, 2020</b>   | —      | —            | —               | —                 | 3,592                     | (1,480)                              | —                                      | 2,112        |
| Net transfers (to) from Parent  | —      | —            | —               | —                 | (424)                     | (143)                                | —                                      | (567)        |
| Special payment to Parent   | —      | —            | —               | —                 | (1,520)                   | —                                    | —                                      | (1,520)      |
| Reclassification of Parent company investment   | —      | —            | —               | 1,917             | (1,917)                   | —                                    | —                                      | —            |
| Issuance of common stock at spin-off  | 44     | 44           | —               | (44)              | —                         | —                                    | —                                      | —            |
| Stock-based employee compensation   | —      | —            | 4               | —                 | —                         | —                                    | —                                      | 4            |
| Comprehensive income (loss)   | —      | —            | —               | 62                | 269                       | (178)                                | —                                      | 153          |
| <b>Balance, December 31, 2021</b>   | 44     | 44           | 4               | 1,935             | —                         | (1,801)                              | —                                      | 182          |
| <b>Disposal of business</b>   | —      | —            | —               | —                 | —                         | 375                                  | —                                      | 375          |
| <b>Stock-based employee compensation</b>  | —      | —            | 21              | —                 | —                         | —                                    | (2)                                    | 19           |
| <b>Share repurchase</b>   | —      | —            | —               | —                 | —                         | —                                    | (80)                                   | (80)         |
| <b>Dividends (\$0.4750 per share)</b>   | —      | —            | —               | (21)              | —                         | —                                    | —                                      | (21)         |
| <b>Change in equity related to the spin-off</b>   | —      | —            | —               | (3)               | —                         | —                                    | —                                      | (3)          |
| <b>Comprehensive income (loss)</b>  | —      | —            | —               | 118               | —                         | 88                                   | —                                      | 206          |
| <b>Balance, December 31, 2022</b>   | 44     | \$ 44        | \$ 25           | \$ 2,029          | \$ —                      | \$ (1,338)                           | \$ (82)                                | \$ 678       |

| <i>In millions for the years ended December 31</i>  | 2023   | 2022   | 2021   |
|---|--------|--------|--------|
| <b>NET INCOME</b>   | \$ 253 | \$ 118 | \$ 331 |
| <b>OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX</b>  |        |        |        |
| Defined Benefit Pension and Postretirement Adjustments:   |        |        |        |
| Amortization of pension and postretirement net loss   | 1      | —      | 1      |
| Pension and postretirement liability adjustments (less tax of \$1, \$1 and \$0)                         | (2)    | 4      | (3)    |
| Change in cumulative foreign currency translation adjustment  | 91     | 56     | (173)  |
| Net gains/losses on cash flow hedging derivatives:  |        |        |        |
| Net gains (losses) arising during the period (less tax of \$10, \$17 and \$1)                           | 19     | 41     | (2)    |
| Reclassification adjustment for (gains) losses included in net earnings (less tax of \$12, \$7 and \$0) | (27)   | (13)   | (1)    |
| <b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX</b>  | 82     | 88     | (178)  |
| <b>COMPREHENSIVE INCOME (LOSS)</b>  | \$ 335 | \$ 206 | \$ 153 |

The accompanying notes are an integral part of these consolidated and combined financial statements.

Table

CONSOLIDATED BALANCE SHEETS

| <i>In millions at December 31</i> | 2023   | 2022   |
|-----------------------------------|--------|--------|
| <b>ASSETS</b>                     |        |        |
| Current Assets                    |        |        |
| Cash and temporary investments    | \$ 220 | \$ 360 |

|  |                 |                 |
|--|-----------------|-----------------|
| Restricted cash  | 60              | —               |
| Accounts and notes receivable (less allowances of \$25 in 2023 and \$20 in 2022)   | 428             | 450             |
| Contract assets  | 27              | 30              |
| Inventories  | 404             | 364             |
| Other current assets   | 54              | 39              |
| <b>Total Current Assets</b>  | <b>1,193</b>    | <b>1,243</b>    |
| Plants, Properties and Equipment, net  | 1,002           | 817             |
| Forestlands  | 364             | 322             |
| Goodwill   | 139             | 128             |
| Right of Use Assets  | 58              | 35              |
| Deferred Charges and Other Assets  | 116             | 165             |
| <b>TOTAL ASSETS</b>  | <b>\$ 2,872</b> | <b>\$ 2,710</b> |
| <b>LIABILITIES AND EQUITY</b>  |                 |                 |
| <b>Current Liabilities</b>   |                 |                 |
| Accounts payable   | \$ 421          | \$ 453          |
| Notes payable and current maturities of long-term debt   | 28              | 29              |
| Accrued payroll and benefits   | 63              | 81              |
| Other current liabilities  | 183             | 165             |
| <b>Total Current Liabilities</b>   | <b>695</b>      | <b>728</b>      |
| Long-Term Debt   | 931             | 1,003           |
| Deferred Income Taxes  | 189             | 183             |
| Other Liabilities  | 156             | 118             |
| Commitments and Contingent Liabilities (Note 13)   |                 |                 |
| <b>Equity</b>  |                 |                 |
| Common stock \$1.00 par value, 200.0 shares authorized, 44.5 shares and 44.2 shares issued and 41.2 shares and 42.6 shares outstanding at December 31, 2023 and 2022, respectively | 45              | 44              |
| Paid-in capital  | 48              | 25              |
| Retained earnings  | 2,222           | 2,029           |
| Accumulated other comprehensive loss   | (1,256)         | (1,338)         |
|  | <b>1,059</b>    | <b>760</b>      |
| Less: Common stock held in treasury, at cost, 3.3 shares and 1.6 shares at December 31, 2023 and December 31, 2022, respectively   | (158)           | (82)            |
| <b>Total Equity</b>  | <b>901</b>      | <b>678</b>      |
| <b>TOTAL LIABILITIES AND EQUITY</b>  | <b>\$ 2,872</b> | <b>\$ 2,710</b> |

The accompanying notes are an integral part of [Contents](#) these consolidated and combined financial statements.

## CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS

| In millions for the years ended December 31  | 2023   | 2022   | 2021   |
|--|--------|--------|--------|
| <b>OPERATING ACTIVITIES</b>  |        |        |        |
| Net income from continuing operations  | \$ 253 | \$ 336 | \$ 227 |
| Adjustments to reconcile net income to net cash provided by (used for) operating activities: |        |        |        |
| Depreciation, amortization and cost of timber harvested                                      | 143    | 125    | 126    |
| Deferred income tax provision (benefit), net   | —      | (7)    | (6)    |
| Stock-based compensation   | 23     | 20     | 14     |
| Changes in operating assets and liabilities and other  |        |        |        |
| Accounts and notes receivable  | 104    | (45)   | (99)   |

|   |               |               |               |
|---|---------------|---------------|---------------|
| Inventories   | 6             | (99)          | 12            |
| Accounts payable and accrued liabilities  | (73)          | 48            | 196           |
| Other   | 48            | 40            | (47)          |
| CASH PROVIDED BY OPERATING ACTIVITIES FROM CONTINUING OPERATIONS                    | 504           | 418           | 423           |
| CASH PROVIDED BY OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS, NET             | —             | 20            | 126           |
| <b>CASH PROVIDED BY OPERATING ACTIVITIES</b>  | <b>504</b>    | <b>438</b>    | <b>549</b>    |
| <b>INVESTMENT ACTIVITIES</b>  |               |               |               |
| Invested in capital projects  | (210)         | (149)         | (69)          |
| Cash pool arrangements with Parent  | —             | —             | 181           |
| Cash proceeds on disposal of business, net of cash divested                         | —             | 324           | —             |
| Acquisition of business   | (167)         | —             | —             |
| Other   | —             | 10            | 1             |
| CASH PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES FROM CONTINUING OPERATIONS        | (377)         | 185           | 113           |
| CASH PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES FROM DISCONTINUED OPERATIONS, NET | —             | (5)           | 14            |
| <b>CASH PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES</b>                            | <b>(377)</b>  | <b>180</b>    | <b>127</b>    |
| <b>FINANCING ACTIVITIES</b>   |               |               |               |
| Net transfers from Parent   | —             | —             | (456)         |
| Special payment to Parent   | —             | —             | (1,520)       |
| Dividends paid  | (57)          | (10)          | —             |
| Issuance of debt  | 446           | 75            | 1,501         |
| Reduction of debt   | (526)         | (450)         | (129)         |
| Repurchases of common stock   | (70)          | (80)          | —             |
| Other   | (12)          | (4)           | 16            |
| CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS         | (219)         | (469)         | (588)         |
| CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES FROM DISCONTINUED OPERATIONS, NET  | —             | (1)           | (1)           |
| <b>CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES</b>                             | <b>(219)</b>  | <b>(470)</b>  | <b>(589)</b>  |
| <b>Effect of Exchange Rate Changes on Cash</b>                                      | <b>12</b>     | <b>32</b>     | <b>(2)</b>    |
| <b>Change in Cash Included in Assets Held for Sale</b>                              | <b>—</b>      | <b>(21)</b>   | <b>(4)</b>    |
| <b>Change in Cash, Temporary Investments and Restricted Cash</b>                    | <b>(80)</b>   | <b>201</b>    | <b>89</b>     |
| <b>Cash, Temporary Investments and Restricted Cash</b>                              |               |               |               |
| Beginning of the period   | 360           | 159           | 70            |
| End of the period   | <b>\$ 280</b> | <b>\$ 360</b> | <b>\$ 159</b> |

The accompanying notes are an integral part of these consolidated and combined financial statements.

## CONSOLIDATED AND COMBINED STATEMENTS OF CHANGES IN EQUITY

| <i>In millions</i>                            | Shares    | Common Stock | Paid-In Capital | Retained Earnings | Parent Company Investment | Accumulated Other Comprehensive Loss | Common Stock Held in Treasury, At Cost | Total Equity |
|---|-----------|--------------|-----------------|-------------------|---------------------------|--------------------------------------|--|--------------|
| <b>Balance, January 1, 2021</b>               | —         | \$ —         | \$ —            | \$ —              | \$ 3,592                  | \$ (1,480)                           | \$ —                                   | \$ 2,112     |
| Net transfers (to) from Parent                | —         | —            | —               | —                 | (424)                     | (143)                                | —                                      | (567)        |
| Special payment to Parent                     | —         | —            | —               | —                 | (1,520)                   | —                                    | —                                      | (1,520)      |
| Reclassification of Parent company investment | —         | —            | —               | 1,917             | (1,917)                   | —                                    | —                                      | —            |
| Issuance of common stock at spin-off          | 44        | 44           | —               | (44)              | —                         | —                                    | —                                      | —            |
| Stock-based employee compensation             | —         | —            | 4               | —                 | —                         | —                                    | —                                      | 4            |
| Comprehensive income (loss)                   | —         | —            | —               | 62                | 269                       | (178)                                | —                                      | 153          |
| <b>Balance, December 31, 2021</b>             | <b>44</b> | <b>44</b>    | <b>4</b>        | <b>1,935</b>      | <b>—</b>                  | <b>(1,801)</b>                       | <b>—</b>                               | <b>182</b>   |

|  |           |              |              |                 |             |                   |                 |               |
|--|-----------|--------------|--------------|-----------------|-------------|-------------------|-----------------|---------------|
| Disposal of business                     | —         | —            | —            | —               | —           | 375               | —               | 375           |
| Stock-based employee compensation        | —         | —            | 21           | —               | —           | —                 | (2)             | 19            |
| Share repurchase                         | —         | —            | —            | —               | —           | —                 | (80)            | (80)          |
| Dividends (\$0.4750 per share)           | —         | —            | —            | (21)            | —           | —                 | —               | (21)          |
| Change in equity related to the spin-off | —         | —            | —            | (3)             | —           | —                 | —               | (3)           |
| Comprehensive income (loss)              | —         | —            | —            | 118             | —           | 88                | —               | 206           |
| Balance, December 31, 2022               | 44        | 44           | 25           | 2,029           | —           | (1,338)           | (82)            | 678           |
| <b>Stock-based employee compensation</b> | <b>1</b>  | <b>1</b>     | <b>23</b>    | <b>—</b>        | <b>—</b>    | <b>—</b>          | <b>(5)</b>      | <b>19</b>     |
| <b>Share repurchase</b>                  | <b>—</b>  | <b>—</b>     | <b>—</b>     | <b>—</b>        | <b>—</b>    | <b>—</b>          | <b>(71)</b>     | <b>(71)</b>   |
| <b>Dividends (\$1.4000 per share)</b>    | <b>—</b>  | <b>—</b>     | <b>—</b>     | <b>(60)</b>     | <b>—</b>    | <b>—</b>          | <b>—</b>        | <b>(60)</b>   |
| <b>Comprehensive income (loss)</b>       | <b>—</b>  | <b>—</b>     | <b>—</b>     | <b>253</b>      | <b>—</b>    | <b>82</b>         | <b>—</b>        | <b>335</b>    |
| <b>Balance, December 31, 2023</b>        | <b>45</b> | <b>\$ 45</b> | <b>\$ 48</b> | <b>\$ 2,222</b> | <b>\$ —</b> | <b>\$ (1,256)</b> | <b>\$ (158)</b> | <b>\$ 901</b> |

The accompanying notes are an integral part of these consolidated and combined financial statements.

## Notes to Consolidated and Combined Financial Statements

### NOTE 1 BACKGROUND AND SUMMARY OF BUSINESS

#### BACKGROUND

Sylvamo Corporation (NYSE: SLVM) is the world's paper company with mills in Europe, Latin America and North America. Our vision is to be the employer, supplier and investment of choice. We transform renewable resources into papers that people depend on for education, communication and entertainment.

On December 3, 2020, International Paper Company ("International Paper" or "Former Parent") announced that its Board of Directors had approved a plan to spin-off its Printing Papers segment along with certain mixed-use coated paperboard and pulp businesses in Europe, Latin America, and North America (collectively referred to herein as the "Company," "we," "us," or "our"), and separate into two distinct publicly-traded companies. On October 1, 2021, we settled the net parent investment and the spin-off was completed by a pro rata distribution to International Paper's shareholders of approximately 80.1% of our common stock, with International Paper retaining a 19.9% ownership interest. As a result of the spin-off, Sylvamo Corporation became an independent public company. On September 12, 2022, International Paper sold its remaining shares of Sylvamo common stock. Therefore, International Paper is no longer a related party.

Prior to the spin-off, we historically operated as part of International Paper and not as a standalone company. These consolidated and combined financial statements reflect the combined historical financial position, results of operations and cash flows of the Company as historically managed within International Paper for the periods prior to the completion of the spin-off and reflect our consolidated financial position, results of operations and cash flows for the period after the completion of the spin-off. The consolidated and combined financial statements have been prepared in United States ("U.S.") dollars and in conformity with accounting principles generally accepted in the United States ("U.S. GAAP"). The consolidated and combined financial statements may not be indicative of the Company's future performance and do not necessarily reflect what the results of operations, financial position and cash flows would have been had it operated as an independent company during all periods presented.

For the periods prior to the spin-off, the consolidated and combined statements of operations also include expense allocations for certain functions provided by International Paper, including, but not limited to general corporate expenses related to finance, legal, information technology, human resources, communications, insurance and stock-based compensation. These expenses have been allocated to the Company on the basis of direct usage when identifiable, with the remainder principally allocated on the basis of percent of capital employed, headcount or other measures. During the **years year ended 2021 and 2020** the Company was allocated approximately \$119 million **and \$169 million respectively**, of such general corporate expenses related to continuing operations, which were included within "Cost of products sold" and "Selling and administrative expenses" in the consolidated and combined statements of operations. Management considers the basis on which the expenses have been allocated to reasonably reflect the utilization of services provided to or the benefit received by the Company during the periods presented. The allocations may not, however, reflect the expenses the Company would have incurred if the Company had been an independent company for all periods presented. Actual costs that may have been incurred if the Company had been an independent company during **these periods this period** would depend on several factors, including the organizational structure, whether functions were outsourced or performed by employees, and strategic decisions made in areas such as information technology and infrastructure. The Company is unable to determine what such costs would have been had the Company been independent during these periods prior to the spin-off.

**All intracompany transactions have been eliminated. Related party transactions between the Company and International Paper relating to general operating activities have been included in these consolidated and combined financial statements. These related party transactions historically settled in cash between the Company and International Paper have been reflected in the consolidated and combined balance sheets in "Accounts and notes receivable" or "Accounts payable and accrued liabilities" with the aggregate net effect of these related party transactions reflected in the consolidated and combined statements of cash flows as either "Accounts and notes receivable" or "Accounts payable and accrued liabilities" within operating activities.**

The aggregate net effect of transactions with International Paper not settled in cash, including corporate allocations, has been reflected in the consolidated and combined statements of cash flows as "Net transfers from Parent" within financing activities.

In addition, certain of the Company's Europe locations participated in International Paper's centralized cash pooling arrangement. Amounts due from the cash pool were generally settled on a daily basis with the aggregate net activity between the Company and International Paper reflected in the consolidated and combined statements of cash flows as "Cash pool arrangements with Parent" within investing activities. Our participation in International Paper's centralized cash pooling arrangements was terminated prior to September 30, 2021.

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International Paper utilized a centralized approach to cash management and financing its operations. This arrangement is not reflective of the manner in which the Company would have been able to finance its operations had it been independent from International Paper for the periods prior to the completion of the spin-off. The cash and temporary investments held by International Paper at the corporate level were not specifically identifiable to the Company and therefore have not been reflected in the Company's consolidated and balance sheets. Cash and temporary investments in the consolidated and combined balance sheets for the periods prior to the completion of the spin-off represent only cash and temporary investments held locally by the Company.

The consolidated and combined financial statements for the periods prior to the completion of the spin-off include certain assets and liabilities that were historically held at the International Paper corporate level but were specifically identifiable or otherwise attributable to the Company. International Paper's third-party debt and the related interest expense have not been allocated to the Company for any of the periods presented as the Company was not the legal obligor of such debt. During the third quarter of 2021, we entered into a series of financing transactions under which we incurred \$1.5 billion of debt in conjunction with our spin-off from International Paper, consisting of two term loan facilities, the 7% senior notes due 2029 (the "2029 Senior Notes")

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and borrowings from our cash flow-based revolving credit facility. The proceeds of the debt were used primarily to fund a \$1.5 billion special payment to International Paper as part of the spin-off.

The Company operates on a calendar year-end. All intracompany transactions have been eliminated.

## Divestiture of Russian Operations

During the second quarter of 2022, management committed to a plan to sell the Company's Russian operations, which were previously part of the Europe business segment. As a result, all current and historical operating results of the Russian operations are presented as "Discontinued operations, net of taxes" in the consolidated and combined statement of operations and the notes to the consolidated and combined financial statements. All historical assets and liabilities of the Russian operations are classified as current and long-term assets and liabilities held for sale in the accompanying consolidated balance sheet. In October 2022, the Company completed the sale of its Russian operations to Pulp Invest Limited Liability Company, a company incorporated in the Russian Federation. See [Note 8 Divestiture and Impairment of Business](#) for further details.

## Acquisition of Nymölla

On January 2, 2023, the Company completed the previously announced acquisition of Stora Enso's uncoated freesheet paper mill in Nymölla, Sweden. Sylvamo accounted for the acquisition under ASC 805, "Business Combinations" and the Nymölla mill's results of operations are included in Sylvamo's consolidated financial statements from the date of acquisition. See [Note 7 Acquisitions](#) for further details.

## NOTE 2 BASIS OF CONSOLIDATION AND COMBINATION AND SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF CONSOLIDATION AND COMBINATION

Our financial statements include amounts and disclosures related to the stand-alone financial statements and accounting records of the Company for the period after the spin-off ("consolidated") in combination with amounts and disclosures that have been derived from the consolidated financial statements and accounting records of International Paper for the periods prior to the spin-off ("combined"). Any references to our financial statements, financial data and operating data refer to our accompanying consolidated and combined financial statements unless otherwise noted.

### USE OF ESTIMATES

In preparing the consolidated and combined financial statements in accordance with U.S. GAAP, management makes estimates and assumptions that affect amounts reported in the consolidated and combined financial statements and accompanying notes. Actual results may differ from those estimates.



## REVENUE RECOGNITION

The Company recognizes revenue on a point-in-time basis when the customer takes title to the goods and assumes the risks and rewards for the goods. For customized goods where the Company has a legally enforceable right to payment for the goods, the Company recognizes revenue over time, which generally is as the goods are produced.

The Company's revenue is primarily derived from fixed consideration; however, we do have contract terms that give rise to variable consideration, primarily volume rebates, early payment discounts and other customer refunds. The Company estimates its volume rebates at the individual customer level based upon the terms of the arrangement and expected volume purchases over the contract period, consistent with the most likely amount method outlined in ASC 606. The Company estimates early payment discounts and other customer refunds based on the historical experience across the Company's portfolio of customers

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to record reductions in revenue which is consistent with the expected value method outlined in ASC 606. Management has concluded that these methods result in the best estimate of the consideration the Company will be entitled to from its customers.

The Company has elected to present all sales taxes on a net basis, account for shipping and handling activities as fulfillment activities, and not record interest income or interest expense when the difference in timing of control or transfer and customer payment is one year or less. See [Note 4 Revenue Recognition](#) for further details.

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## BUSINESS COMBINATIONS

The Company allocates the total consideration of the assets acquired and liabilities assumed based on their estimated fair value as of the business combination date. In developing estimates of fair values for long-lived assets, including identifiable intangible assets, the Company utilizes a variety of inputs including forecasted cash flows, anticipated growth rates, discount rates, customer attrition, royalty rates, estimated replacement costs and depreciation and obsolescence factors. Determining the fair value for [tangible assets such as real and personal property and](#) specifically identified intangible assets such as customer lists and developed technology involves judgment. We may refine our estimates and make adjustments to the assets acquired and liabilities assumed over a measurement period, not to exceed one year. Upon the conclusion of the measurement period or the final determination of the values of assets acquired and liabilities assumed, whichever comes first, any subsequent adjustments are charged to the consolidated statements of operations. See [Note 7 Acquisitions](#) for further details.

## DISCONTINUED OPERATIONS

A discontinued operation may include a component or a group of components of the Company's operations. A disposal of a component or a group of components is reported in discontinued operations if the disposal represents a strategic shift that has or will have a major effect on the Company's operations and financial results when the following occurs: (1) a component (or group of components) meets the criteria to be classified as held for sale; (2) the component or group of components is disposed of by sale; or (3) the component or group of components is disposed of other than by sale (for example, by [abandonment or in a distribution to owners in a spin-off](#) [abandonment](#)). For any component classified as held for sale or disposed of by sale or other than by sale, qualifying for presentation as a discontinued operation, the Company reports the results of operations of the discontinued operations (including any gain or loss recognized on the disposal or loss recognized on classification as held for sale of a discontinued operation), less applicable income taxes (benefit), as a separate component in the [consolidated](#) statements of operations for current and all prior periods presented. The Company also reports assets and liabilities associated with discontinued operations as separate line items on the consolidated balance sheets for prior periods. See [Note 8 Divestiture and Impairment of Business](#) for further details.

## TEMPORARY INVESTMENTS

Temporary investments with an original maturity of three months or less and money market funds with greater than three-month maturities but with the right to redeem without notice are treated as cash equivalents and are stated at cost, which approximates market value. See [Note 9 Supplementary Financial Statement Information](#) for further details.

## RESTRICTED CASH

[Cash that is legally restricted from use is classified as restricted cash.](#) See [Note 9 Supplementary Financial Statement Information](#) for further details.

## COST OF GOODS SOLD

Costs of goods sold represents costs directly related to the manufacture of our products. Primary costs include raw materials, packaging, direct labor, overhead, warehousing costs and shipping and handling costs, such as freight to customers' destinations.

INVENTORIES

Inventories are valued at the lower of cost or market value and include costs directly associated with manufacturing products: materials, labor, **first leg freight** and manufacturing overhead. In the United States, costs of raw materials and finished paper and pulp products are generally determined using the last-in, first-out method. Other inventories are valued using the first-in, first-out or average cost methods. See [Note 99, Supplementary Financial Statement Information](#) for further details.

LEASED ASSETS

Operating lease right of use ("ROU") assets and liabilities are recognized at the commencement date of the lease based on the present value of lease payments over the lease term. The Company's leases may include options to extend the lease. These options to extend are included in the lease term when it is reasonably certain that we will exercise that option. Some leases have

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variable payments, however, because they are not based on an index or rate, they are not included in the ROU assets and liabilities. Variable payments for real estate leases are primarily related to common area maintenance, insurance, taxes and utilities. Variable payments for equipment, vehicles and leases within supply agreements are primarily related to usage, repairs

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and maintenance. As the implicit rate is not readily determinable for most of the Company's leases, the Company applies a portfolio approach using an estimated incremental borrowing rate to determine the initial present value of lease payments over the lease terms on a collateralized basis over a similar term, which is based on market and company specific information. We use the unsecured borrowing rate and risk adjust that rate to approximate a collateralized rate, and apply the rate based on the currency of the lease, which is updated on a quarterly basis for measurement of new lease liabilities. Leases having a lease term of twelve months or less are not recorded on the balance sheet and the related lease expense is recognized on a straight-line basis over the term of the lease. In addition, the Company has applied the practical expedient to account for the lease and non-lease components as a single lease component for all of the Company's leases. See [Note 1010Leases](#) for further details.

PLANTS, PROPERTIES AND EQUIPMENT

Plants, properties and equipment are stated at cost, less accumulated depreciation. Expenditures for betterments are capitalized, whereas normal repairs and maintenance are expensed as incurred. The units-of-production method of depreciation is used for the mills, and the straight-line method is used for other plants and equipment. See [Note 9 Supplementary Financial Statement Information](#) for further details.

GOODWILL

Annual evaluation for possible goodwill impairment is performed as of the beginning of the fourth quarter of each year, with additional interim evaluation performed when management believes that it is more likely than not that events or circumstances have occurred that would result in the impairment of a reporting unit's goodwill.

The Company has the option to evaluate goodwill for impairment by first performing a qualitative assessment of events and circumstances to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then the quantitative goodwill impairment test is not required to be performed. If the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, or if the Company does not elect the option to perform an initial qualitative assessment, then the Company is required to perform the quantitative goodwill impairment test. In performing this evaluation, the Company estimates the fair value of its reporting unit using a weighted approach based on discounted future cash flows, market multiples and transaction multiples. The determination of fair value using the discounted cash flow approach requires management to make significant estimates and assumptions related to forecasts of future revenues, operating profit margins and discount rates. The determination of fair value using market multiples and transaction multiples requires management to make significant assumptions related to revenue multiples and adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples. For reporting units whose carrying amount is in excess of their estimated fair value, the reporting unit will record an impairment charge by the amount that the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to the reporting unit. See [Note 111 Goodwill and Other Intangibles](#) for further discussion.

IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances that indicate that the carrying value of the assets may not be recoverable. A recoverability test is performed based on undiscounted cash flows, requiring judgments as to the weighting of operational alternatives being considered by management and estimates of the amount and timing of expected future cash flows from the use of the long-lived assets generated by their use. Impaired assets are written-down to

their estimated fair value. See [Note 11.11 Goodwill and Other Intangible](#) for further discussion. Long-lived assets classified as held for sale are measured at the lower of carrying value or fair value less cost to sell. See [Note 8s](#) for further discussion.

## EMPLOYEE RETIREMENT BENEFITS

Prior to September 1, 2021, certain of the Company's employees participated in defined benefit and other postretirement plans sponsored by International Paper in the U.S., Belgium, France, and Poland. These plans were accounted for by International Paper in accordance with accounting guidance for defined benefit pension and other postretirement benefit plans. The Company accounted for the participation of its employees in these plans as a participant in a multi-employer plan sponsored by International Paper. On September 1, 2021, the Company established legally separate plans from International Paper, in which International Paper transferred both pension liabilities and qualified pension assets to the Company for all of the Company's active participants.

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The Company also serves as the sponsor of sponsors certain direct defined benefit pension and postretirement plans in Belgium, Brazil, France, Poland, the United Kingdom and the United Kingdom, which the States. The Company accounts for these plans using the single-employer method, with the net funded status of these plans recorded as an asset or liability in the consolidated and balance sheets. See [Note 1155 Retirement and Postretirement Benefit Plans](#) for additional disclosures regarding retirement benefits.

## INCOME TAXES

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Deferred tax assets are recognized to the extent that we believe that these assets are more likely than not to be realized.

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We record uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company was included in the foreign and domestic tax returns of International Paper until its separation from International Paper on October 1, 2021. For the periods prior to the spin-off, we calculated the provision for income taxes by using a separate-return method. Any difference between the tax provision (or benefit) allocated to us under the separate-return method and payments to be made to (or received from) International Paper for tax expense is treated as either dividends or capital contributions.

While we believe that these judgments and estimates are appropriate and reasonable under the circumstances, actual resolution of these matters may differ from recorded estimates and amounts. See [Note 1122 Income Taxes](#) for further discussion.

## TRANSLATION OF FINANCIAL STATEMENTS

Balance sheets of international operations are translated into U.S. dollars at period-end exchange rates, while statements of operations are translated at average rates. Adjustments resulting from financial statement translations are included as cumulative translation adjustments in accumulated other comprehensive income (loss) ("AOCI").

## NOTE 3 RECENT ACCOUNTING DEVELOPMENTS

### RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

#### Income Taxes

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This guidance requires a public entity to disclose in their rate reconciliation table additional categories of information about federal, state and foreign income taxes and to provide more details about the reconciling items in some categories if the items meet a quantitative threshold. The guidance also requires all entities to disclose annually income taxes paid (net of refunds received) disaggregated by federal (national), state and foreign taxes and to disaggregate the information by jurisdiction based on a quantitative threshold. This guidance is effective for annual periods beginning after December 15, 2024. Early adoption is permitted and this guidance should be applied prospectively but there is the option to apply it retrospectively. The Company plans to adopt the provisions of this guidance in conjunction with our Form 10-K for the annual period ending December 31, 2025.

#### Pillar Two Directive

The Organization for Economic Co-Operation and Development (“OECD”) has been working on a project to act to prevent what it refers to as base erosion and profit shifting (“BEPS”). Most recently, the OECD, through an association of almost 140 countries known as the “inclusive framework,” has announced a consensus to address, among other things, perceived challenges presented by global digital commerce (“Pillar 1”) and the perceived need for a minimum global effective tax rate of 15% (“Pillar 2”). On December 15, 2022, the European Union formally adopted the Pillar Two Directive, and a majority of EU member states have enacted the directive into domestic law as of December 31, 2023. Other countries are taking similar actions. We have evaluated the developments and do not anticipate any material impact on our financial position, results of operations, or cash flows.

Segment Reporting

In November 2023, the FASB issued ASU 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.” This guidance requires a public entity to disclose for each reportable segment, on an interim and annual basis, the significant expense categories and amounts that are regularly provided to the chief operating decision-maker (“CODM”) and included in each reported measure of a segment’s profit or loss. Additionally, it requires a public entity to disclose the title and position of the individual or the name of the group or committee identified as the CODM. This guidance is effective for fiscal years beginning after December 31, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted and the guidance should be applied retrospectively to all periods presented in the financial statements,

unless it is impracticable. The Company plans to adopt the provisions of this guidance in conjunction with our Form 10-K for the period ending December 31, 2024.

Reference Rate Reform

In March 2020, the FASB issued ASU 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting” which was subsequently amended by ASU 2022-06, “Reference Rate Reform (Topic 848): Deferral of Sunset Date of Topic 848,” issued in December 2022. Together this guidance provides companies with optional guidance to ease the potential accounting burden associated with transitioning away from reference rates that are expected to be discontinued. This guidance is effective upon issuance and generally can be applied through December 31, 2024. We will apply

During the amendments in three months ended June 30, 2023, the Company transitioned its LIBOR-based debt arrangements and the related interest rate swaps from a reference rate of LIBOR to SOFR (“Standard Overnight Financing Rate”). See Note 14 Long-Term Debt for further details. The impact of the reference rate transition to the debt arrangements and the related interest rate swaps, along with the adoption of the provisions from this update to account for contract modifications due to changes in reference rates once those occur. We do standard, did not expect these amendments to have a material impact on our consolidated and combined financial statements. At this time, the Company does not plan to enter into additional contracts using LIBOR as a reference rate.

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NOTE 4 REVENUE RECOGNITION

EXTERNAL NET SALES BY PRODUCT

External net sales by major products were as follows:

| In millions     | In millions     | 2022   | 2021   | 2020   | In millions | 2023 | 2022 | 2021 |
|-----------------|-----------------|--------|--------|--------|-------------|------|------|------|
| Europe          | Europe          |        |        |        |             |      |      |      |
| Uncoated Papers |                 |        |        |        |             |      |      |      |
| Uncoated Papers |                 |        |        |        |             |      |      |      |
| Uncoated Papers | Uncoated Papers | \$ 396 | \$ 271 | \$ 211 |             |      |      |      |
| Market Pulp     | Market Pulp     | 105    | 77     | 60     |             |      |      |      |
| Europe          | Europe          | 501    | 348    | 271    |             |      |      |      |
| Latin America   | Latin America   |        |        |        |             |      |      |      |
| Uncoated Papers | Uncoated Papers | 954    | 732    | 579    |             |      |      |      |
| Market Pulp     |                 | —      | 37     | 53     |             |      |      |      |
| Uncoated Papers |                 |        |        |        |             |      |      |      |
| Uncoated Papers |                 |        |        |        |             |      |      |      |
| Market Pulp     |                 |        |        |        |             |      |      |      |
| (a)             |                 |        |        |        |             |      |      |      |

|                 |                 |         |         |         |
|-----------------|-----------------|---------|---------|---------|
| Latin America   | Latin America   | 954     | 769     | 632     |
| North America   | North America   |         |         |         |
| Uncoated Papers |                 |         |         |         |
| Uncoated Papers |                 |         |         |         |
| Uncoated Papers | Uncoated Papers | 2,091   | 1,643   | 1,428   |
| Market Pulp     | Market Pulp     | 82      | 68      | 54      |
| North America   | North America   | 2,173   | 1,711   | 1,482   |
| Total           | Total           | \$3,628 | \$2,828 | \$2,385 |

(a) Prior period amounts have been corrected to reflect market pulp sales.

## REVENUE CONTRACT BALANCES

A contract asset is created when the Company recognizes revenue on its customized products for which we have an enforceable right to payment.

A contract liability is created when customers prepay for goods prior to the Company transferring control over those goods to the customer. The contract liability is reduced once control of the goods is transferred to the customer. The majority of our customer prepayments are received during the fourth quarter each year for goods that will be transferred to customers over the following twelve months. Contract liabilities of \$8 million are included in current liabilities in the accompanying consolidated balance sheets as of December 31, 2023. There were no contract liabilities included in current liabilities in the accompanying consolidated balance sheets as of December 31, 2022. Contract liabilities of \$1 million are included in current liabilities in the accompanying consolidated balance sheets as of December 31, 2021.

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The difference between the opening and closing balances of the Company's contract assets and contract liabilities primarily results from the difference between the price and quantity at comparable points in time for goods which we have an unconditional right to payment or receive pre-payment from the customer, respectively.

## PERFORMANCE OBLIGATIONS AND SIGNIFICANT JUDGEMENTS

The Company's principal business is to manufacture and sell uncoated freesheet papers, along with pulp. As a general rule, none of our businesses provide equipment installation or other ancillary services outside of producing and shipping paper and pulp goods to customers.

The nature of the Company's contracts can vary based on the business, customer type, and region; however, in all instances it is the Company's customary business practice to receive a valid purchase order from the customer, in which each party's rights and related payment terms are clearly identifiable.

Contracts or purchase orders with customers could include a single type of product or it could include multiple types/grades of products. Regardless, the contracted price with the customer is agreed to at the individual product level outlined in the customer contracts or purchase orders. The Company does not bundle prices; however, we do negotiate with customers on pricing and rebates for the same products based on a variety of factors (e.g. level of contractual volume, geographical location, etc.). Management has concluded that the prices negotiated with each individual customer are representative of the stand-alone selling price of the product.

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## NOTE 5 OTHER COMPREHENSIVE INCOME

The following table presents the changes in AOCI, net of tax, reported in the consolidated and combined financial statements:

| In millions  | In millions  | 2022 | 2021 | 2020 | In millions | 2023 | 2022 | 2021 |
|--|--|------|------|------|-------------|------|------|------|
| Defined Benefit Pension and Postretirement Adjustments | Defined Benefit Pension and Postretirement Adjustments |      |      |      |             |      |      |      |
| Balance at beginning of period                         |  |      |      |      |             |      |      |      |
| Balance at beginning of period                         |  |      |      |      |             |      |      |      |

|  |  |         |         |         |
|--|--|---------|---------|---------|
| Balance at beginning of period                                       | Balance at beginning of period                                       | \$ (80) | \$ (48) | \$ (44) |
| Other comprehensive income (loss) before reclassifications           | Other comprehensive income (loss) before reclassifications           | 4       | (3)     | (5)     |
| Pension plan transfer from Parent                                    | Pension plan transfer from Parent                                    | —       | (30)    | —       |
| Amounts reclassified from accumulated other comprehensive income     | Amounts reclassified from accumulated other comprehensive income     | —       | 1       | 1       |
| Balance at end of period   | Balance at end of period   | (76)    | (80)    | (48)    |
| <b>Change in Cumulative Foreign Currency Translation Adjustments</b> | <b>Change in Cumulative Foreign Currency Translation Adjustments</b> |         |         |         |
| Balance at beginning of period                                       | Balance at beginning of period                                       | (1,719) | (1,433) | (1,187) |
| Balance at beginning of period                                       | Balance at beginning of period                                       |         |         |         |
| Transfer from Parent   | Transfer from Parent   | —       | (113)   | —       |
| Disposal of business   | Disposal of business   | 375     | —       | —       |
| Other comprehensive income (loss) before reclassifications           | Other comprehensive income (loss) before reclassifications           | 56      | (173)   | (246)   |
| Balance at end of period   | Balance at end of period   | (1,288) | (1,719) | (1,433) |
| <b>Net Gains and Losses on Cash Flow Hedging Derivatives</b>         | <b>Net Gains and Losses on Cash Flow Hedging Derivatives</b>         |         |         |         |
| Balance at beginning of period                                       | Balance at beginning of period                                       | (2)     | 1       | 2       |
| Balance at beginning of period                                       | Balance at beginning of period                                       |         |         |         |
| Other comprehensive income (loss) before reclassifications           | Other comprehensive income (loss) before reclassifications           | 41      | (2)     | (25)    |
| Amounts reclassified from accumulated other comprehensive income     | Amounts reclassified from accumulated other comprehensive income     | (13)    | (1)     | 24      |



| Balance at end of period  | Balance at end of period  | 26                      | (2)                     | 1                       |
|---|---|-------------------------|-------------------------|-------------------------|
| <b>Total Accumulated Other Comprehensive Income (Loss) at End of Period</b> | <b>Total Accumulated Other Comprehensive Income (Loss) at End of Period</b> | <b><u>\$(1,338)</u></b> | <b><u>\$(1,801)</u></b> | <b><u>\$(1,480)</u></b> |

#### NOTE 6 EARNINGS PER SHARE

Basic earnings per share from continuing operations is computed by dividing net income from continuing operations by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share from continuing operations is computed by dividing net income from continuing operations by the weighted-average number of shares of common stock outstanding during the period, increased to include the number of shares of common stock that would have been outstanding had potentially dilutive shares of common stock been issued. The dilutive effect of restricted stock units is reflected in diluted earnings per share by applying the treasury stock method. Basic and dilutive earnings per share from discontinued

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operations are computed under the same approach utilizing the same weighted-average number of shares of common stock outstanding during the period and dilutive shares.

There are no adjustments required to be made to net income from continuing operations for purposes of computing basic and diluted earnings per share from continuing operations.

These financial statements are prepared on the basis that, at the date of distribution of Sylvamo common stock by International Paper to its shareholders on October 1, 2021, Sylvamo had 43,949,277 total shares of common stock outstanding. The calculation of pro forma earnings per share from continuing operations for certain historical periods presented utilizes the number of shares of common stock outstanding at the date of distribution as the basis for the calculation of the weighted average number of shares of common stock outstanding for periods prior to the spinoff because, at that time, Sylvamo did not operate as a separate, stand-alone entity, and no shares or equity-based awards were outstanding prior to the date of distribution.

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Basic and diluted earnings per share from continuing operations are calculated as follows:

| <i>In millions, except per share amounts</i>                   | <i>In millions, except per share amounts</i>                   |        |        |       |  | 2023 | 2022 | 2021 |
|--|--|--------|--------|-------|--|------|------|------|
|  |  | 2022   | 2021   | 2020  | <i>In millions, except per share amounts</i>                   |      |      |      |
| Net income from continuing operations                          | Net income from continuing operations                          | \$ 336 | \$ 227 | \$ 87 |  |      |      |      |
| Weighted average common shares outstanding                     | Weighted average common shares outstanding                     | 43.9   | 44.0   | 44.0  | Weighted average common shares outstanding                     | 42.0 | 43.9 | 44.0 |
| Effect of dilutive securities                                  | Effect of dilutive securities                                  | 0.5    | —      | —     | Effect of dilutive securities                                  | 0.7  | 0.5  | —    |
| Weighted average common shares outstanding - assuming dilution | Weighted average common shares outstanding - assuming dilution | 44.4   | 44.0   | 44.0  | Weighted average common shares outstanding - assuming dilution | 42.7 | 44.4 | 44.0 |

|   |   |        |        |        |
|---|---|--------|--------|--------|
| Earnings per share from continuing operations - basic   | Earnings per share from continuing operations - basic   | \$7.65 | \$5.16 | \$1.97 |
| Earnings per share from continuing operations - diluted | Earnings per share from continuing operations - diluted | \$7.57 | \$5.16 | \$1.97 |
| Anti-dilutive shares (a)                                | Anti-dilutive shares (a)                                | 0.3    | 0.2    | —      |

(a) Common stock related to service-based restricted stock units and performance-based restricted stock units were outstanding but excluded from the computation of diluted earnings per share because their effect would be anti-dilutive under the treasury stock method or because the shares were subject to performance conditions that had not been met.

## NOTE 7 ACQUISITIONS

In January 2023, the Company completed the previously announced acquisition of Stora Enso's uncoated freesheet paper mill in Nymölla, Sweden, for €150 million €157 million (approximately \$160 million), subject to customary purchase price \$167 million) after post-close working capital adjustments. The integrated mill has the capacity to produce approximately 500,000 short tons of uncoated freesheet on two paper machines. The Company entered into a foreign exchange forward contract to hedge the Euro-denominated purchase price and recognized a \$10 million gain within "Cost of products sold" during the fourth quarter of 2022 as that is where we record "Other income." Cash flows from this forward contract are reflected in the consolidated and combined statements of cash flows within "Other" investment activities.

Sylvamo will account accounted for the acquisition under ASC 805, "Business Combinations" and the Nymölla mill's results of operations will be are included in Sylvamo's consolidated financial statements from the date of acquisition. Due to the timing of the closing of the acquisition, the allocation is preliminary and could be significantly revised as a result of adjustments made to the working capital adjustment element of the purchase price, additional information obtained regarding assets acquired and liabilities assumed, and revisions of estimates of fair values of both tangible and intangible assets including goodwill. These revisions may include, but are not limited to, the completion of independent appraisals and valuations related to inventory, property, plant and equipment and intangible assets. The Company will finalize its valuation and the allocation of the purchase price, along with required retrospective adjustments, if any, within a year.

The following table summarizes the preliminary final allocation of the purchase price to the fair value assigned to assets and liabilities acquired as of January 2, 2023:

|  |            |
|--|------------|
| In millions  |            |
| Assets Accounts receivable                         | \$ 190 63  |
| Goodwill Inventory                                 | 46 67      |
| Less: Liabilities Plants, properties and equipment | 115        |
| Other assets                                       | 2          |
| Total assets acquired                              | 247        |
| Accounts payable                                   | 51         |
| Other liabilities                                  | 29         |
| Total liabilities assumed                          | (76) 80    |
| Net assets acquired                                | \$ 160 167 |

In connection with the allocation of fair value, inventories were written up by \$9 million to their estimated fair value. During the first quarter of 2023, \$9 million before taxes (\$7 million after taxes) was expensed related to the impact of the step-up of acquired Nymölla inventory sold during the quarter.

Net sales of \$405 million and Income from continuing operations before income taxes of \$10 million from the acquired business are included in the Company's consolidated statement of operations for the year ended December 31, 2023. Additionally, Selling and administrative expenses for the year ended December 31, 2023 includes \$17 million in charges before taxes (\$13 million after taxes) for transaction costs associated with the acquisition.

On an unaudited pro forma basis, assuming the acquisition of the Nymölla mill had closed January 1, 2022, the consolidated results would have reflected Net sales of \$4.1 billion and Income from continuing operations before income taxes of \$535 million for the year ended December 31, 2022.

The 2022 pro forma information includes adjustments for non-recurring transaction costs associated with the acquisition of \$17 million, and incremental expense of \$9 million incurred related to the impact of the step-up of acquired Nymölla inventory sold during the first quarter.

The unaudited pro forma consolidated financial information was prepared for comparative purposes only and includes certain adjustments, as noted above. This does not reflect the effect of costs or synergies that would have been expected to result from the integration of the acquisition. The pro forma information does not purport to represent Sylvamo's actual results of operations as if the transaction described above would have occurred as of January 1, 2022, nor is it necessarily an indicator of future results.

## NOTE 8 DIVESTITURE AND IMPAIRMENT OF BUSINESS

### RUSSIAN OPERATIONS

During the second quarter of 2022, management committed to a plan to sell the Company's Russian operations. As a result, all historical operating results of the Russian operations are presented as "Discontinued operations, net of taxes" in our consolidated and combined statement of operations. All historical assets and liabilities of the Russian operations are classified as current and long-term assets and liabilities held for sale in the accompanying consolidated balance sheets. The Russian operations were previously part of the Europe business segment.

In October 2022, the Company completed the sale of its Russian operations to Pulp Invest Limited Liability Company, a company incorporated in the Russian Federation, for \$420 million. After transaction and foreign currency exchange costs of \$35 million, Sylvamo received \$385 million in cash proceeds. The Russian operations cash balance of \$61 million was divested as part of this transaction.

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The following summarizes the major classes of line items comprising "Income Before Income Taxes" reconciled to "Discontinued operations, net of tax," related to the Russian operations for all periods presented in the consolidated and combined statement of operations:

| In millions for the years ended December 31   |                 |               |              |
|---|-----------------|---------------|--------------|
|   | 2022            | 2021          | 2020         |
| <b>NET SALES</b>  | \$ 518          | \$ 674        | \$ 624       |
| <b>COSTS AND EXPENSES</b>   |                 |               |              |
| Cost of products sold (exclusive of depreciation, amortization and cost of timber harvested shown separately below) | 425             | 518           | 493          |
| Selling and administrative expenses   | 10              | 6             | 7            |
| Depreciation, amortization and cost of timber harvested   | 4               | 17            | 19           |
| Taxes other than payroll and income taxes   | 1               | 2             | 2            |
| Impairment of business  | 296             | —             | —            |
| Interest expense (income), net  | (3)             | (1)           | —            |
| <b>INCOME BEFORE INCOME TAXES</b>   | <b>(215)</b>    | 132           | 103          |
| Income tax provision  | 3               | 28            | 20           |
| <b>DISCONTINUED OPERATIONS, NET OF TAXES</b>  | <b>\$ (218)</b> | <b>\$ 104</b> | <b>\$ 83</b> |

The following summarizes the major classes of assets and liabilities of the Russian operations reconciled to current assets and long-term assets held for sale and current and long-term liabilities held for sale in the accompanying consolidated balance sheets:

| In millions as of December 31                          | 2021          |
|--|---------------|
| Cash and temporary investments                         | \$ 21         |
| Accounts and notes receivable                          | 88            |
| Contract assets  | 3             |
| Inventories  | 63            |
| Other current assets                                   | 4             |
| <b>Current Assets Held for Sale</b>                    | <b>\$ 179</b> |
| Plants, Properties and Equipment                       | \$ 121        |
| Goodwill   | 10            |
| Right of Use Assets                                    | 1             |
| Deferred Charges and Other Assets                      | 9             |
| <b>Long-Term Assets Held for Sale</b>                  | <b>\$ 141</b> |
| Notes payable and current maturities of long-term debt | \$ 1          |
| Accounts payable                                       | 58            |
| Accrued payroll and benefits                           | 3             |
| Other current liabilities                              | 29            |
| <b>Current Liabilities Held for Sale</b>               | <b>\$ 91</b>  |
| Long-Term Debt   | \$ 1          |
| Other Liabilities                                      | 12            |
| <b>Long-Term Liabilities Held for Sale</b>             | <b>\$ 13</b>  |

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The following summarizes the total cash provided by operating activities from discontinued operations, net and total cash provided by (used for) investing activities from discontinued operations, net and included in the consolidated statement of cash flows:

| In millions for the years ended December 31           | 2022   | 2021   | 2020    |
|---|--------|--------|---------|
| Cash Provided by Operating Activities                 | \$ 20  | \$ 126 | \$ 114  |
| Cash Provided by (Used for) Investment Activities (a) | \$ (5) | \$ 14  | \$ (11) |

(a) Includes cash invested in capital projects of \$5 million, \$7 million, and \$9 million for the years ended December 31, 2022, 2021, and 2020, respectively.

Prior to the disposal of the business and during the first quarter of 2022, as a result of the significant changes in the business climate impacting our Russian operations, a determination was made that the current carrying value of our Russian operations exceeded the estimated fair value. The fair value of the Russian operations was estimated based on a probability-weighted average approach of the potential cash flows from various paths the Company was evaluating evaluated to exit the business. As a result, a pre-tax charge of \$68 million (\$57 million, net of taxes) million) was recorded for the impairment and allocated to of the Russian fixed assets. Also assets during 2022, pre-tax charges the first quarter of \$228 million (\$228 million after taxes) were recorded to reduce the carrying value of the Russian operations to the expected sale price less costs to sell. Included within these charges was the reclassification of \$375 million of historical foreign currency losses related to our Russian operations from accumulated other comprehensive income (loss) into net income, 2022. These charges are included in "Impairment of business" within the summarized income statement for our Russian operations included in this footnote and is included in "Discontinued operations, net of taxes" in the consolidated and combined statement of operations.

During the second quarter of 2022, management committed to a plan to sell the Company's Russian operations. In October 2022, the Company completed the sale of its Russian operations to Pulp Invest Limited Liability Company, a company incorporated in the Russian Federation, for \$420 million. After transaction and foreign currency exchange costs of \$35 million, Sylvamo received \$385 million in cash proceeds.

As a result, all historical operating results of the Russian operations are presented as "Discontinued operations, net of taxes" in the consolidated statement of operations. The Russian operations were previously part of the Europe business segment. The following summarizes the major classes of line items comprising Income (Loss) Before Income Taxes reconciled to Discontinued Operations, net of taxes, related to the Russian operations for all periods presented in the consolidated and combined statements of operations.

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| In millions for the years ended December 31   |  | 2022     | 2021   |
|---|--|----------|--------|
| <b>NET SALES</b>  |  | \$ 518   | \$ 674 |
| <b>COSTS AND EXPENSES</b>   |  |          |        |
| Cost of products sold (exclusive of depreciation, amortization and cost of timber harvested shown separately below) |  | 425      | 518    |
| Selling and administrative expenses   |  | 10       | 6      |
| Depreciation, amortization and cost of timber harvested   |  | 4        | 17     |
| Taxes other than payroll and income taxes   |  | 1        | 2      |
| Impairment of business  |  | 296      | —      |
| Interest expense (income), net  |  | (3)      | (1)    |
| <b>INCOME BEFORE INCOME TAXES</b>   |  | (215)    | 132    |
| Income tax provision  |  | 3        | 28     |
| <b>DISCONTINUED OPERATIONS, NET OF TAXES</b>  |  | \$ (218) | \$ 104 |

The following summarizes the total cash provided by operating activities from discontinued operations, net and total cash provided by (used for) investing activities from discontinued operations, net and included in the consolidated and combined statements of cash flows:

| In millions for the years ended December 31                  |  | 2022   | 2021   |
|--|--|--------|--------|
| <b>Cash Provided by Operating Activities</b>                 |  | \$ 20  | \$ 126 |
| <b>Cash Provided by (Used for) Investment Activities (a)</b> |  | \$ (5) | \$ 14  |

(a) Includes cash invested in capital projects of \$5 million and \$7 million for the years ended December 31, 2022 and 2021, respectively.

## NOTE 9 SUPPLEMENTARY FINANCIAL STATEMENT INFORMATION

### TEMPORARY INVESTMENTS

Temporary investments totaled \$80 million \$109 million and \$64 million \$80 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

### RESTRICTED CASH

Restricted cash of \$60 million as of December 31, 2023 represents funds held in escrow related to the Brazil Tax Dispute. See [Note 14 Long-Term Debt](#) for further details.

The following table provides a reconciliation of cash, temporary investments and restricted cash in the consolidated balance sheets to total cash, temporary investments and restricted cash in the consolidated and combined statements of cash flows:

| In millions as of December 31  |  | 2023          | 2022          |
|--|--|---------------|---------------|
| Cash and temporary investments   |  | \$ 220        | \$ 360        |
| Restricted cash  |  | 60            | —             |
| <b>Total cash, temporary investments and restricted cash in the statements of cash flows</b> |  | <b>\$ 280</b> | <b>\$ 360</b> |

## ACCOUNTS AND NOTES RECEIVABLE

Accounts and notes receivable, net, by classification were:

| In millions as of December 31  | In millions as of December 31  | 2022 | 2021 | In millions as of December 31 | 2023 | 2022 |
|--------------------------------|--------------------------------|------|------|-------------------------------|------|------|
| Accounts and notes receivable: | Accounts and notes receivable: |      |      |                               |      |      |

|                 |                 |       |       |
|-----------------|-----------------|-------|-------|
| Trade           | Trade           | \$430 | \$391 |
| Trade           |                 |       |       |
| Trade           |                 |       |       |
| Notes and other | Notes and other | 20    | 11    |
| Total           | Total           | \$450 | \$402 |

Accounts and notes receivable are recognized net of the allowance for expected credit losses. The allowance for expected credit losses reflects the best estimate of losses inherent in the Company's receivables portfolio determined on the basis of historical experience, specific allowances for known troubled accounts, expectations for future economic conditions through the use of macroeconomic data and other available evidence. The allowance for expected credit losses was \$25 million and \$20 million at December 31, 2023 and \$19 million at December 31, 2022 and December 31, 2021, respectively. Based on the Company's accounting estimates and the facts and circumstances available as of the reporting date, we believe our allowance for expected credit losses is adequate.

## INVENTORIES

| In millions as of December 31    | 2022   | 2021   |
|----------------------------------|--------|--------|
| Raw materials                    | \$ 40  | \$ 37  |
| Finished paper and pulp products | 226    | 164    |
| Operating supplies               | 78     | 69     |
| Other                            | 20     | 9      |
| Total                            | \$ 364 | \$ 279 |

| In millions as of December 31     | 2023  | 2022  |
|-----------------------------------|-------|-------|
| Raw materials                     | \$ 60 | \$ 40 |
| Table of Contentsid pulp products | 213   | 226   |
| Operating supplies                | 109   | 78    |
| Other                             | 22    | 20    |

The last-in, first-out inventory method is used to value most of the Company's U.S. inventories. Approximately 71% 63% of total raw materials and finished paper and pulp products inventories were valued using this method. The last-in, first-out inventory reserve was \$54 million \$81 million and \$43 million \$54 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively. During the period ended December 31, 2023, the amount of inventories in a certain LIFO pool decreased and resulted in the liquidation of LIFO inventory layers carried at lower costs. The effect of this liquidation was to increase income from continuing operations before income taxes in the North America segment by approximately \$2 million.

## PLANTS, PROPERTIES AND EQUIPMENT, NET

| In millions as of December 31         | In millions as of December 31         | 2022   | 2021   | In millions as of December 31 | 2023 | 2022 |
|---------------------------------------|---------------------------------------|--------|--------|-------------------------------|------|------|
| Land                                  | Land                                  | \$ 8   | \$ 9   |                               |      |      |
| Buildings                             | Buildings                             | 361    | 351    |                               |      |      |
| Machinery                             | Machinery                             | 3,903  | 3,827  |                               |      |      |
| Construction in progress              | Construction in progress              | 103    | 28     |                               |      |      |
| Capital leases                        | Capital leases                        | 37     | 37     |                               |      |      |
| Gross cost                            | Gross cost                            | 4,412  | 4,252  |                               |      |      |
| Less:                                 | Less:                                 |        |        |                               |      |      |
| Accumulated depreciation              | Accumulated depreciation              | 3,595  | 3,488  |                               |      |      |
| Plants, Properties and Equipment, net | Plants, Properties and Equipment, net | \$ 817 | \$ 764 |                               |      |      |

Non-cash additions to plants, property and equipment included within accounts payable were \$36 million \$17 million, \$6 million \$36 million and \$8 million \$6 million as of December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

Annual straight-line depreciable lives generally are, for buildings – 20 to 40 years, and for machinery and equipment – 3 to 20 years. Depreciation expense was \$104 million \$118 million, \$107 million \$104 million and \$121 million \$107 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. Cost of products sold excludes depreciation and amortization expense.



## OTHER LIABILITIES AND COSTS

During the year ended December 31, 2023, the Company recorded approximately \$13 million before taxes (\$10 million after taxes) of severance costs related to a planned reduction in our salaried workforce, of which \$3 million is included within Cost of products sold and \$10 million is included within Selling and administrative expenses in our consolidated statements of operations. Of these total costs, \$2 million, \$3 million and \$8 million are related to our Europe, Latin America and North America business segments, respectively. These severance amounts are reflected in Other current liabilities in our consolidated balance sheet and will be paid in cash during 2024.

## INTEREST

Interest payments of \$63 million, \$68 million, \$10 million, \$63 million and \$1 million, \$10 million were made during the years ended December 31, 2022, December 31, 2023, 2021, 2022 and 2020, 2021, respectively.

Amounts related to interest were as follows:

| In millions                | In millions                | 2022  | 2021  | 2020 | In millions | 2023 | 2022 | 2021 |
|----------------------------|----------------------------|-------|-------|------|-------------|------|------|------|
| Interest expense           | Interest expense           |       |       |      |             |      |      |      |
| (a)                        | (a)                        | \$ 80 | \$ 32 | \$ 4 |             |      |      |      |
| Interest income            |                            | (8)   | (32)  | (8)  |             |      |      |      |
| Interest income (b)        |                            |       |       |      |             |      |      |      |
| Capitalized interest costs | Capitalized interest costs | (3)   | (1)   | —    |             |      |      |      |
| <b>Total</b>               |                            |       |       |      |             |      |      |      |

- (a) Interest expense for 2023 includes \$5 million of debt extinguishment cost related to the tender offer for our 7.00% 2029 Senior Notes. Interest expense for 2022 includes \$5 million of debt extinguishment cost related to the repayment of the total outstanding balance of Term Loan B.
- (b) Interest income for 2023 includes \$9 million of interest income related to tax settlements and \$4 million of interest income related to the recognition of a foreign value-added tax refund in the fourth quarter, Brazil.

## ASSET RETIREMENT OBLIGATIONS

At both December 31, 2022, December 31, 2023 and 2021, 2022, we had recorded liabilities of \$27 million and \$26 million, respectively, related to asset retirement obligations. These amounts are included in "Other liabilities" in the accompanying consolidated balance sheets. For asset retirement obligations which are conditional upon future events, we cannot reasonably estimate the current fair value of those potential obligations due to the uncertainty as to the timing or amounts that may be incurred.

## NOTE 10 LEASES

The Company leases various real estate, including warehouses, office space and land. The Company also leases material handling equipment, vehicles and certain other equipment. The Company's leases have a remaining lease term of up to 15 years.

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## COMPONENTS OF LEASE EXPENSE

| In millions            | In millions            | 2022  | 2021 | 2020 | In millions | 2023 | 2022 | 2021 |
|------------------------|------------------------|-------|------|------|-------------|------|------|------|
| Operating lease costs  | Operating lease costs  | \$ 18 | \$ 9 | \$ 8 |             |      |      |      |
| Variable lease costs   | Variable lease costs   | 28    | 20   | 16   |             |      |      |      |
| Short-term lease costs | Short-term lease costs | 7     | 7    | 1    |             |      |      |      |

|                                     |                                     |              |              |              |
|-------------------------------------|-------------------------------------|--------------|--------------|--------------|
| Finance lease cost                  | Finance lease cost                  |              |              |              |
| Amortization of right-of-use assets | Amortization of right-of-use assets | 4            | 3            | 2            |
| Amortization of right-of-use assets |                                     |              |              |              |
| Amortization of right-of-use assets |                                     |              |              |              |
| Interest on lease liabilities       | Interest on lease liabilities       | 1            | 1            | 1            |
| <b>Total lease cost, net</b>        | <b>Total lease cost, net</b>        | <b>\$ 58</b> | <b>\$ 40</b> | <b>\$ 28</b> |

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#### SUPPLEMENTAL BALANCE SHEET INFORMATION RELATED TO LEASES

| In millions             | In millions             | Classification   | 2022  | 2021  | In millions   | Classification | 2023 | 2022 |
|-------------------------|-------------------------|--|-------|-------|---------------|----------------|------|------|
| <b>Assets</b>           | <b>Assets</b>           |  |       |       | <b>Assets</b> |                |      |      |
| Operating lease assets  | Operating lease assets  | Right of use assets                                    | \$ 35 | \$ 40 |               |                |      |      |
| Finance lease assets    | Finance lease assets    | Plants, properties, and equipment, net (a)             | 24    | 27    |               |                |      |      |
| Total leased assets     | Total leased assets     |  | \$ 59 | \$ 67 |               |                |      |      |
| <b>Liabilities</b>      | <b>Liabilities</b>      |  |       |       |               |                |      |      |
| Current                 | Current                 |  |       |       |               |                |      |      |
| Current                 |                         |  |       |       |               |                |      |      |
| Operating               |                         |  |       |       |               |                |      |      |
| Operating               |                         |  |       |       |               |                |      |      |
| Operating               | Operating               | Other current liabilities                              | \$ 13 | \$ 15 |               |                |      |      |
| Finance                 | Finance                 | Notes payable and current maturities of long-term debt | 3     | 3     |               |                |      |      |
| Noncurrent              | Noncurrent              |  |       |       |               |                |      |      |
| Operating               | Operating               | Other Liabilities                                      | 28    | 25    |               |                |      |      |
| Operating               |                         |  |       |       |               |                |      |      |
| Operating               |                         |  |       |       |               |                |      |      |
| Finance                 | Finance                 | Long-term debt   | 14    | 17    |               |                |      |      |
| Total lease liabilities | Total lease liabilities |  | \$ 58 | \$ 60 |               |                |      |      |

(a) Finance leases above are recorded presented net of accumulated amortization of \$13 million \$16 million and \$11 million \$13 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

#### LEASE TERM AND DISCOUNT RATE

|   |   | 2022      | 2021   |   |  | 2023      | 2022      |
|---|---|-----------|--------|---|--|-----------|-----------|
|   |   | 2023      |        |   |  | 2023      |           |
| Weighted average remaining lease term (years) | Weighted average remaining lease term (years) |           |        | Weighted average remaining lease term (years) |  |           |           |
| Operating leases                              | Operating leases                              | 3.5 years |        | Operating leases                              |  | 5.3 years | 5.8 years |
| Finance leases                                | Finance leases                                | 7.4 years |        | Finance leases                                |  | 9.6 years | 7.5 years |
| Weighted average discount rate                | Weighted average discount rate                |           |        |   |  |           |           |
| Operating leases                              | Operating leases                              | 2.84 %    | 1.30 % |   |  |           |           |
| Operating leases                              | Operating leases                              |           |        |   |  | 4.94 %    | 2.84 %    |
| Finance leases                                | Finance leases                                | 3.90 %    | 3.31 % |   |  | 3.85 %    | 3.90 %    |

#### SUPPLEMENTAL CASH FLOW INFORMATION RELATED TO LEASES

| In millions  | In millions  | 2022  | 2021  | In millions | 2023 | 2022 |
|--|--|-------|-------|-------------|------|------|
| Cash paid for amounts included in the measurement of lease liabilities | Cash paid for amounts included in the measurement of lease liabilities |       |       |             |      |      |
| Operating cash flows related to operating leases                       | Operating cash flows related to operating leases                       |       |       |             |      |      |
| Operating cash flows related to operating leases                       | Operating cash flows related to operating leases                       |       |       |             |      |      |
| Operating cash flows related to operating leases                       | Operating cash flows related to operating leases                       | \$ 21 | \$ 11 |             |      |      |
| Operating cash flows related to financing leases                       | Operating cash flows related to financing leases                       | 1     | 1     |             |      |      |
| Financing cash flows related to finance leases                         | Financing cash flows related to finance leases                         | 5     | 3     |             |      |      |
| Right of use assets obtained in exchange for lease liabilities         | Right of use assets obtained in exchange for lease liabilities         |       |       |             |      |      |

|                  |                  |    |    |
|------------------|------------------|----|----|
| Operating leases | Operating leases | 14 | 32 |
| Operating leases |                  |    |    |
| Operating leases |                  |    |    |
| Finance leases   | Finance leases   | —  | 1  |

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### MATURITY OF LEASE LIABILITIES

| In millions                        | In millions                        | Operating Leases | Financing Leases | Total | In millions | Operating Leases | Financing Leases | Total |
|------------------------------------|------------------------------------|------------------|------------------|-------|-------------|------------------|------------------|-------|
| 2023                               |                                    | \$ 14            | \$ 3             | \$17  |             |                  |                  |       |
| 2024                               | 2024                               | 10               | 2                | 12    |             |                  |                  |       |
| 2025                               | 2025                               | 5                | 2                | 7     |             |                  |                  |       |
| 2026                               | 2026                               | 3                | 2                | 5     |             |                  |                  |       |
| 2027                               | 2027                               | 2                | 2                | 4     |             |                  |                  |       |
| 2028                               |                                    |                  |                  |       |             |                  |                  |       |
| Thereafter                         | Thereafter                         | 11               | 11               | 22    |             |                  |                  |       |
| Total lease payments               | Total lease payments               | 45               | 22               | 67    |             |                  |                  |       |
| Less: imputed interest             | Less: imputed interest             | 4                | 5                | 9     |             |                  |                  |       |
| Present value of lease liabilities | Present value of lease liabilities | \$ 41            | \$ 17            | \$58  |             |                  |                  |       |

### NOTE 11 GOODWILL AND OTHER INTANGIBLES

#### GOODWILL

There were no impairment charges related to goodwill for the years ended [December 31, 2022](#), [December 31, 2023](#), [2021](#), [2022](#) and [2020](#), [2021](#).

The following table presents changes in the goodwill balance as allocated to each business segment:

| In millions                                      | In millions                   | Europe | Latin America | North America | Total | In millions | Europe | Latin America | North America | Total |
|--|-------------------------------|--------|---------------|---------------|-------|-------------|--------|---------------|---------------|-------|
| Balance as of December 31, 2020                  |                               |        |               |               |       |             |        |               |               |       |
| Balance as of December 31, 2021                  |                               |        |               |               |       |             |        |               |               |       |
| Goodwill   |                               |        |               |               |       |             |        |               |               |       |
| Goodwill   |                               |        |               |               |       |             |        |               |               |       |
| Goodwill   | Goodwill                      | \$ 13  | \$ 121        | \$ —          | \$134 |             |        |               |               |       |
| Accumulated impairment losses                    | Accumulated impairment losses | (1)    | —             | —             | (1)   |             |        |               |               |       |
|  |                               | 12     | 121           | —             | 133   |             |        |               |               |       |
| Currency translation and other (a)               |                               | (2)    | (9)           | —             | (11)  |             |        |               |               |       |
| Goodwill additions/reductions                    |                               | —      | —             | —             | —     |             |        |               |               |       |
| Accumulated impairment loss additions/reductions |                               | —      | —             | —             | —     |             |        |               |               |       |
| Balance as of December 31, 2021                  |                               |        |               |               |       |             |        |               |               |       |
| Goodwill   |                               | 11     | 112           | —             | 123   |             |        |               |               |       |
| Accumulated impairment losses                    |                               | (1)    | —             | —             | (1)   |             |        |               |               |       |
|  |                               | 10     | 112           | —             | 122   |             |        |               |               |       |
| Currency translation and other (a)               |                               | —      | 6             | —             | 6     |             |        |               |               |       |

|  |  |              |               |             |              |
|--|--|--------------|---------------|-------------|--------------|
|  |  | 10           |               |             |              |
| Currency translation                             |  |              |               |             |              |
| Goodwill additions/reductions                    | Goodwill additions/reductions                    | —            | —             | —           | —            |
| Accumulated impairment loss additions/reductions | Accumulated impairment loss additions/reductions | —            | —             | —           | —            |
| Balance as of December 31, 2022                  | Balance as of December 31, 2022                  |              |               |             |              |
| Balance as of December 31, 2022                  |  |              |               |             |              |
| Goodwill   |  |              |               |             |              |
| Goodwill   |  |              |               |             |              |
| Goodwill   |  |              |               |             |              |
| Accumulated impairment losses                    |  |              |               |             |              |
|  |  | 10           |               |             |              |
| Currency translation                             |  |              |               |             |              |
| Goodwill additions/reductions                    |  |              |               |             |              |
| Accumulated impairment loss additions/reductions |  |              |               |             |              |
| Balance as of December 31, 2023                  |  |              |               |             |              |
| Balance as of December 31, 2023                  |  |              |               |             |              |
| Balance as of December 31, 2023                  |  |              |               |             |              |
| Goodwill   |  |              |               |             |              |
| Goodwill   |  |              |               |             |              |
| Goodwill   | Goodwill   | 11           | 118           | —           | 129          |
| Accumulated impairment losses                    | Accumulated impairment losses                    | (1)          | —             | —           | (1)          |
| <b>Total</b>                                     | <b>Total</b>                                     | <b>\$ 10</b> | <b>\$ 118</b> | <b>\$ —</b> | <b>\$128</b> |

(a) Represents The Company performed its annual testing of goodwill impairment by applying the effects qualitative assessment to its Brazil reporting unit as of foreign currency translations October 1, 2023. For the current year evaluation, the Company assessed various assumptions, events and reclassifications. circumstances that would have affected the estimated fair value of the reporting unit under the qualitative assessment for the reporting units listed above. The results of the qualitative assessment indicated that it is not more likely than not that the fair values of its Brazil reporting unit was less than its carrying value.

The Company also performed its annual testing of goodwill impairment by applying the quantitative goodwill impairment test to its France reporting unit due to changes in market conditions and the reporting unit's outlook since the previous quantitative goodwill impairment test. The Company calculated the estimated fair value of the France reporting unit using a probability-weighted approach based on discounted future cash flows, market multiples and transaction multiples. As a result, the Company

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concluded that the fair value of the France reporting unit was not reduced below carrying value and no goodwill impairment charge was recorded.

In addition, the Company considered whether there were any events or circumstances outside of the annual evaluation, other than those discussed above, that would reduce the fair value of its reporting units below their carrying amounts and necessitate a goodwill impairment evaluation. In consideration of all relevant factors, there were no indicators that would require goodwill impairment evaluation subsequent to October 1, 2023.

During the first quarter of 2022, the Company concluded that significant changes in the business climate in Russia represented an indicator of impairment, which resulted in the performance of an interim goodwill impairment test. The Company performed interim quantitative testing of goodwill attributed to the Europe reporting unit and concluded that the fair value of the reporting unit had not been reduced below carrying value and no goodwill impairment charge was recorded.

The Company performed its annual testing of its reporting units for possible goodwill impairments by applying the qualitative assessment to its Europe and Latin America reporting units as of October 1, 2022. For the current year evaluation, the Company assessed various assumptions, events and circumstances that would have

affected the estimated fair value of the reporting units

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under the qualitative assessment for the reporting units listed above. The results of the qualitative assessments indicated that it is not more likely than not that the fair values of its Europe and Latin America reporting units were less than their carrying values.

In addition, the Company considered whether there were any events or circumstances outside of the annual evaluation, other than those discussed above, that would reduce the fair value of its reporting units below their carrying amounts and necessitate a goodwill impairment evaluation. In consideration of all relevant factors, there were no indicators that would require goodwill impairment evaluation subsequent to October 1, 2022.

## OTHER INTANGIBLES

Identifiable intangible assets comprised the following:

| 2022                             |                                  |                       | 2021                     |                       |                       |                          |                       |                                |
|----------------------------------|----------------------------------|-----------------------|--------------------------|-----------------------|-----------------------|--------------------------|-----------------------|--------------------------------|
| 2023                             |                                  |                       |                          |                       |                       | 2023                     |                       |                                |
| In millions as of December 31,   | In millions as of December 31,   | Gross Carrying Amount | Accumulated Amortization | Net Intangible Assets | Gross Carrying Amount | Accumulated Amortization | Net Intangible Assets | In millions as of December 31, |
|                                  |                                  |                       |                          |                       |                       |                          |                       |                                |
| Customer relationships and lists | Customer relationships and lists | \$ 56                 | \$ (50)                  | \$ 6                  | \$ 56                 | \$ (48)                  | \$ 8                  |                                |
| Software                         | Software                         | 3                     | (3)                      | —                     | 3                     | (2)                      | 1                     |                                |
| Other                            | Other                            | 4                     | (3)                      | 1                     | 4                     | (4)                      | —                     |                                |
| <b>Total</b>                     | <b>Total</b>                     | <b>\$ 63</b>          | <b>\$ (56)</b>           | <b>\$ 7</b>           | <b>\$ 63</b>          | <b>\$ (54)</b>           | <b>\$ 9</b>           |                                |

The Company recognized the following amounts as amortization expense related to intangible assets:

| In millions                                       | In millions                                       | 2022 | 2021 | 2020 | In millions | 2023 | 2022 | 2021 |
|---|---|------|------|------|-------------|------|------|------|
| Amortization expense related to intangible assets | Amortization expense related to intangible assets | \$ 2 | \$ 2 | \$ 2 |             |      |      |      |

Based on current intangibles subject to amortization, estimated amortization expense for each of the succeeding years is as follows: 2023 – \$2 million, 2024 – \$2 million, 2025 – \$2 million, 2026 – \$1 million, 2027 and cumulatively thereafter – \$0 million. These amounts exclude amortization related to any Nymölla intangibles assets acquired and recognized subsequent to December 31, 2022.

## NOTE 12 INCOME TAXES

The components of the Company's income from continuing operations before income taxes by taxing jurisdiction were as follows:

| In millions  | In millions  | 2022         | 2021         | 2020         | In millions | 2023 | 2022 | 2021 |
|--|--|--------------|--------------|--------------|-------------|------|------|------|
| U.S.   | U.S.   | \$176        | \$ 80        | \$ 10        |             |      |      |      |
| Non-U.S.   | Non-U.S.   | 291          | 248          | 85           |             |      |      |      |
| <b>Income from continuing operations before income taxes</b> | <b>Income from continuing operations before income taxes</b> | <b>\$467</b> | <b>\$328</b> | <b>\$ 95</b> |             |      |      |      |

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Income tax provision by taxing jurisdictions was as follows:

| <i>In millions</i>     | <i>In millions</i>    | 2022          | 2021          | 2020           | <i>In millions</i> | 2023 | 2022 | 2021 |
|------------------------|-----------------------|---------------|---------------|----------------|--------------------|------|------|------|
| Current tax provision  | Current tax provision |               |               |                |                    |      |      |      |
| U.S. federal           | U.S. federal          | \$ 56         | \$ 26         | \$ (4)         |                    |      |      |      |
| U.S. state and local   |                       | 15            | 5             | 2              |                    |      |      |      |
| Non-U.S.               |                       | 67            | 76            | 59             |                    |      |      |      |
|                        |                       | <u>\$138</u>  | <u>\$107</u>  | <u>\$ 57</u>   |                    |      |      |      |
| Deferred tax provision |                       |               |               |                |                    |      |      |      |
| U.S. federal           |                       |               |               |                |                    |      |      |      |
| U.S. federal           | U.S. federal          | \$ (11)       | \$ (3)        | \$ (4)         |                    |      |      |      |
| U.S. state and local   | U.S. state and local  | (1)           | (1)           | (1)            |                    |      |      |      |
| Non-U.S.               | Non-U.S.              | 5             | (2)           | (44)           |                    |      |      |      |
|                        |                       | <u>\$ (7)</u> | <u>\$ (6)</u> | <u>\$ (49)</u> |                    |      |      |      |
|                        |                       | \$            |               |                |                    |      |      |      |
| Deferred tax provision |                       |               |               |                |                    |      |      |      |
| U.S. federal           |                       |               |               |                |                    |      |      |      |
| U.S. federal           |                       |               |               |                |                    |      |      |      |
| U.S. federal           |                       |               |               |                |                    |      |      |      |
| U.S. state and local   |                       |               |               |                |                    |      |      |      |
| Non-U.S.               |                       |               |               |                |                    |      |      |      |
|                        |                       | —             |               |                |                    |      |      |      |
|                        |                       | \$            |               |                |                    |      |      |      |
| Income tax provision   | Income tax provision  | <u>\$131</u>  | <u>\$101</u>  | <u>\$ 8</u>    |                    |      |      |      |

A reconciliation of income taxes using the statutory U.S. income tax rate of 21% compared to the reported income tax provision is summarized as follows:

| <i>In millions</i>                                    | <i>In millions</i>                                    | 2022  | 2021  | 2020 | <i>In millions</i>             | 2023 | 2022 | 2021 |
|---|---|-------|-------|------|--------------------------------|------|------|------|
| Income from continuing operations before income taxes | Income from continuing operations before income taxes | \$467 | \$328 | \$95 |                                |      |      |      |
| Statutory U.S. income tax rate                        | Statutory U.S. income tax rate                        | 21 %  | 21 %  | 21 % | Statutory U.S. income tax rate | 21 % | 21 % | 21 % |



|  |   |              |              |             |
|--|---|--------------|--------------|-------------|
| Income taxes using the statutory U.S. income tax rate                      | Income taxes using the statutory U.S. income tax rate | 98           | 69           | 20          |
| State and local income taxes   | State and local income taxes                          | 11           | 5            | 1           |
| Impact of rate differential on non-U.S. permanent differences and earnings |   | 11           | 27           | (2)         |
| Tax audits   |   | —            | —            | (10)        |
| Impact of rate differential on non-U.S. earnings                           |   |              |              |             |
| Non-U.S. valuation allowance   |   |              |              |             |
| Permanent benefit for non-U.S. interest deductions                         |   |              |              |             |
| Foreign currency differences and other permanent deductions                |   |              |              |             |
| Uncertain tax positions  |   |              |              |             |
| U.S. tax on non-U.S. earnings (GILTI and Subpart F)                        | U.S. tax on non-U.S. earnings (GILTI and Subpart F)   | 11           | —            | 1           |
| Other, net   | Other, net  | —            | —            | (2)         |
| <b>Income tax provision</b>  | <b>Income tax provision</b>                           | <b>\$131</b> | <b>\$101</b> | <b>\$ 8</b> |
| <b>Effective income tax rate</b>   | <b>Effective income tax rate</b>                      | <b>28 %</b>  | <b>31 %</b>  | <b>8 %</b>  |
| <b>Effective income tax rate</b>   |   |              |              |             |
|  |   | 31           | %            | 28 %        |
|  |   |              |              | 31 %        |

The components of deferred income tax assets and liabilities are as follows:

| In millions                                  | In millions                                  | 2022           | 2021           | In millions | 2023 | 2022 |
|--|--|----------------|----------------|-------------|------|------|
| Deferred income tax assets:                  | Deferred income tax assets:                  |                |                |             |      |      |
| Net operating and capital loss carryforwards | Net operating and capital loss carryforwards | \$ 21          | \$ 22          |             |      |      |
|  | Net operating and capital loss carryforwards |                |                |             |      |      |
|  | Net operating and capital loss carryforwards |                |                |             |      |      |
| Accrued payroll and benefits                 | Accrued payroll and benefits                 | 31             | 25             |             |      |      |
| Lease liabilities                            | Lease liabilities                            | 7              | 6              |             |      |      |
| Tax credits                                  | Tax credits                                  | 24             | 4              |             |      |      |
| Capitalized research and development         |  |                |                |             |      |      |
| Other  | Other  | 30             | 38             |             |      |      |
| Gross deferred income tax assets             | Gross deferred income tax assets             | 113            | 95             |             |      |      |
| Less: valuation allowance                    | Less: valuation allowance                    | (32)           | (9)            |             |      |      |
| <b>Net deferred income tax asset</b>         | <b>Net deferred income tax asset</b>         | <b>\$ 81</b>   | <b>\$ 86</b>   |             |      |      |
| Deferred income tax liabilities:             | Deferred income tax liabilities:             |                |                |             |      |      |
| Intangibles                                  | Intangibles                                  | \$ (44)        | \$ (37)        |             |      |      |
| Intangibles                                  |  |                |                |             |      |      |
| Inventories                                  |  |                |                |             |      |      |
| Right of use assets                          | Right of use assets                          | (6)            | (6)            |             |      |      |
| Deferred foreign income                      | Deferred foreign income                      | (50)           | (40)           |             |      |      |
| Plants, properties and equipment             | Plants, properties and equipment             | (84)           | (92)           |             |      |      |
| Forestlands                                  | Forestlands                                  | (48)           | (45)           |             |      |      |
| Gross deferred income tax liabilities        | Gross deferred income tax liabilities        | (232)          | (220)          |             |      |      |
| <b>Net deferred income tax liability</b>     | <b>Net deferred income tax liability</b>     | <b>\$(151)</b> | <b>\$(134)</b> |             |      |      |

The Company recognizes deferred income tax assets for deductible temporary differences and carryforwards. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized based on estimates of future taxable income. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. Based on this evaluation, as of **December 31, 2022** **December 31, 2023**, a valuation allowance of **\$32 million** **\$39 million** has been recorded to reduce the deferred tax asset to the amount that is more likely than not to be realized. **The valuation**

allowance in 2022 is primarily attributable to certain state credits and Finnish deferred assets that cannot be realized, while the valuation allowance in 2021 was primarily attributable to French deferred assets.

Although prior to the spin-off we were historically included in the consolidated income tax returns of International Paper, our income taxes for periods prior to the spin-off were computed and are reported herein under the "separate return method." During the year ended December 31, 2022, we recorded a \$3 million adjustment to the deferred tax assets and liabilities allocated during the spin-off to reflect the actual current and deferred tax positions resulting from the spin-off. The adjustment is reflected as a "change in equity related to the spin-off" in the consolidated and combined statements of changes in equity.

The Company made income tax payments, net of refunds, of \$133 million \$112 million during 2022, 2023.

The reconciliation of the beginning and ending amount of unrecognized tax benefits were as follows:

| In millions  | In millions  | 2022   | 2021   | 2020   | In millions | 2023 | 2022 | 2021 |
|--|--|--------|--------|--------|-------------|------|------|------|
| Balance at January 1   | Balance at January 1   | \$ (3) | \$(18) | \$(28) |             |      |      |      |
| (Additions) reductions for tax positions related to current year | (Additions) reductions for tax positions related to current year | (1)    | (2)    | (1)    |             |      |      |      |
| Reductions for tax positions related to prior years              | Reductions for tax positions related to prior years              | —      | —      | 11     |             |      |      |      |
| Transfer of tax positions related to prior years to Parent       | Transfer of tax positions related to prior years to Parent       | —      | 17     | —      |             |      |      |      |
| Balance at December 31   | Balance at December 31   | \$ (4) | \$ (3) | \$(18) |             |      |      |      |
| Balance at December 31   |  |        |        |        |             |      |      |      |
| Balance at December 31   |  |        |        |        |             |      |      |      |

Included in the balance of unrecognized tax benefits as of December 31, 2022 December 31, 2023, December 31, 2022 and December 31, 2021 are \$10 million, \$4 million and December 31, 2020 are \$4 million, \$3 million and \$18 million, respectively, of tax benefits that if recognized would affect the effective tax rate. The Company accrues interest on unrecognized tax benefits as a component of interest expense. Penalties, if incurred, are recognized as a component of income tax expense. During 2022, 2023, we accrued an immaterial amount \$1 million of interest, and as of

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December 31, 2022, December 31, 2023, recognized a liability for interest of \$1 million \$4 million. During 2022, we accrued \$1 million of interest, and as of December 31, 2022, recognized a liability for interest of \$3 million. During 2021, we accrued \$1 million \$1 million of interest, and as of December 31, 2021, recognized a liability for interest of \$2 million. During 2020, we did not accrue any interest, and as of December 31, 2020, recognized a liability for interest of \$2 million. \$2 million.

The Brazilian Federal Revenue Service has challenged the deductibility of goodwill amortization generated in a 2007 acquisition by International Paper do Brasil Ltda., a wholly-owned subsidiary of the Company now named Sylvamo do Brasil Ltda. ("Sylvamo Brasil"). Sylvamo Brasil received assessments for the tax years 2007-2015 totaling approximately \$111 million \$119 million in tax and \$361 million \$274 million in interest, penalties and fees as of December 31, 2022 (adjusted for variation in currency exchange rates) rates and a recent law

change pursuant to which the Brazil tax authority agreed to cancel a portion of the interest, penalties, and fees). International Paper challenged and is managing the litigation of this matter pursuant to the Tax Matters Agreement between us and International Paper. After a previous favorable ruling challenging the basis for these assessments, there were subsequent unfavorable decisions from the Brazilian Administrative Council of Tax Appeals. On behalf of Sylvamo Brasil, International Paper has appealed and at present, has advised us that it intends to further appeal these and any future unfavorable administrative judgments to the Brazilian federal courts; however, this tax litigation matter may take many years to resolve. The Company believes that the transaction underlying these assessments was appropriately evaluated, and that the Company's tax position would be sustained, based on Brazilian tax law.

Pursuant to the terms of the Tax Matters Agreement, International Paper will pay 60%, and Sylvamo will pay 40% on up to \$300 million of any assessment related to this matter, and International Paper will pay all amounts of the assessment over \$300 million. Also in connection with this agreement, all decisions concerning the conduct of the litigation related to this matter, including strategy, settlement, pursuit and abandonment, will continue to be made by International Paper, which is vigorously defending Sylvamo Brasil's historic tax position against the current assessments and any similar assessments that may be issued for tax years subsequent to 2015.

The following details the scheduled expiration dates of the Company's December 31, 2022 December 31, 2023 net operating loss and income tax credit carryforwards:

| In millions   |   |                         |            |       | 2024<br>Through<br>2032 | Indefinite | Total |
|---|---|-------------------------|------------|-------|-------------------------|------------|-------|
| In millions   | In millions   | 2023<br>Through<br>2032 | Indefinite | Total |                         |            |       |
| Non-U.S. NOLs   | Non-U.S. NOLs   | \$ 8                    | \$ 13      | \$ 21 |                         |            |       |
| U.S. federal, non-U.S. and state tax credit carryforwards | U.S. federal, non-U.S. and state tax credit carryforwards | —                       | 24         | 24    |                         |            |       |
| U.S. federal, non-U.S. and state tax credit carryforwards |   |                         |            |       |                         |            |       |
| U.S. federal, non-U.S. and state tax credit carryforwards |   |                         |            |       |                         |            |       |
| Total   | Total   | 8                       | 37         | 45    |                         |            |       |
| Less: valuation allowance                                 |   | (8)                     | (24)       | (32)  |                         |            |       |
| Total   |   |                         |            |       |                         |            |       |
| Less: related valuation allowance                         |   |                         |            |       |                         |            |       |
| Total, net  | Total, net  | \$ —                    | \$ 13      | \$ 13 |                         |            |       |

NOTE 13 COMMITMENTS AND CONTINGENT LIABILITIES

ENVIRONMENTAL AND LEGAL PROCEEDINGS

The Company is subject to environmental and legal proceedings in the countries in which we operate. Accruals for contingent liabilities, such as environmental remediation costs, are recorded in the consolidated and combined financial statements when it is probable that a liability has been incurred or an asset impaired and the amount of the loss can be reasonably estimated. The Company has estimated some probable liability associated with environmental remediation matters that is immaterial in the aggregate as of December 31, 2022 December 31, 2023.

At the Company's Mogi Guaçu mill, there are legacy basin areas that were formerly lagoons used for treatment of mill wastewater from pulp and paper manufacturing. In coordination with and in response to a request by the Environmental Company of the State of São Paulo ("CETESB"), which is the state environmental regulatory authority, there has been continuous regulatory monitoring and sampling of the former basins, which began prior to their closure in 2006, both to assess for contamination and evaluate whether additional remediation is needed beyond the basins' ongoing natural vegetation growth. This monitoring and sampling detected metal contamination, with the main constituent of potential environmental impact being mercury. The Company has presented CETESB with proposals for studies and other actions to further assess the scope and type of contamination and the possible need for an additional remediation approach.

Additionally, in October 2022, CETESB requested that the Company expand its efforts to include providing CETESB with a proposed pilot intervention (remediation) plan for a portion of the former basins. The purpose of the pilot intervention plan is to facilitate determination of the appropriate actions to take for the basins generally, guided by the results of the pilot intervention

plan in the subset portion of the basins. The Company has submitted its a proposed pilot invention intervention plan to CETESB and, is waiting for CETESB to determine if it approves the plan set forth in the response. fourth quarter of 2023 CETESB approved the pre-intervention stages of the pilot intervention plan and requested that some additional measures be added to the plan. In the first quarter of 2024, the Company submitted additional measures that were approved by CETESB.

As of December 31, 2022 December 31, 2023, the Company has recorded an immaterial liability for the ongoing and additional environmental studies and sampling of the basins. While this matter could in the future have a material impact on our results of operations or

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cash flows, the Company is unable to estimate its potential additional liability including the costs of executing certain elements of the proposed pilot intervention plan, because the further studies to be conducted and the remediation that may be required both for the pilot intervention plan and for the ultimate intervention, will depend on CETESB's approval of the proposed pilot intervention plan, the results of the pilot intervention plan, the Company's environmental studies assessing the existence of ecological risk due to the contamination and what intervention may be required beyond vegetation of the basins, the extent to which there is eventual risk of harm from the contamination, and CETESB's approval of any ultimate intervention plan for the basins.

TAXES OTHER THAN PAYROLL TAXES

See Note 1212 Income Taxes for a discussion of a goodwill amortization tax matter in Brazil.

The Company reached an amnesty agreement with the Brazilian government related to certain VAT amounts assessed in prior years. This agreement resulted in the recognition of \$9 million of interest income during the first quarter of 2023. In addition, the Company recorded a gain to adjust the recognition of a foreign VAT refund in Brazil. This resulted in \$5 million of income in cost of products sold and \$4 million of interest income during the fourth quarter of 2023.

We have other open tax matters awaiting resolution in Brazil, which are at various stages of review in various administrative and judicial proceedings. We routinely assess these tax matters for materiality and probability of loss or gain, and appropriate amounts have been recorded in our financial statements for any open items where the risk of loss is deemed probable. We currently do not consider any of these other tax matters to be material individually. However, it is reasonably possible that settlement of any of these matters concurrently could result in a material loss or that over time a matter could become material, for example, if interest were accruing on the amount at issue for a significant period of time. Also, future exchange rate fluctuations could be unfavorable to the U.S. dollar and significant enough to cause an open matter to become material. The expected timing for resolution of these open matters ranges from one year to 10 years.

GENERAL

The Company is involved in various other inquiries, administrative proceedings and litigation relating to environmental and safety matters, taxes (including VAT), personal injury, product liability, labor and employment, contracts, sales of property and other matters, some of which allege substantial monetary damages. Assessments of lawsuits and claims can involve a series of complex judgments about future events, can rely heavily on estimates and assumptions, and are otherwise subject to significant uncertainties. As a result, there can be no certainty that the Company will not ultimately incur charges in excess of presently recorded liabilities. The Company believes that loss contingencies arising from pending matters, including the matters described herein, will not have a material effect on the consolidated financial position or liquidity of the Company. However, in light of the inherent uncertainties involved in pending or threatened legal matters, some of which are beyond the Company's control, and the large or indeterminate damages sought in some of these matters, a future adverse ruling, settlement, unfavorable development, or increase in accruals with respect to these matters, could result in future charges that could be material to the Company's results of operations or cash flows in any particular reporting period.

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NOTE 14 LONG-TERM DEBT

In anticipation of our separation from International Paper, on August 16, 2021, we entered into a series of financing transactions in which we incurred long-term Long-term debt consisting of two term loans ("Term Loan F" and "Term Loan B") and the 2029 Senior Notes. The outstanding balances of these debt transactions are reflected as long-term debt is summarized in the consolidated balance sheet. following table:

| In millions as of December 31  | 2023   | 2022   |
|--------------------------------|--------|--------|
| Term Loan F - due 2027 (a)     | \$ 471 | \$ 496 |
| Term Loan A - due 2028 (b)     | 266    | —      |
| 7% Senior Notes - due 2029 (c) | 89     | 444    |
| Securitization Program         | 117    | 75     |
| Other                          | 16     | 17     |

|                       |           |            |                 |
|-----------------------|-----------|------------|-----------------|
| Less: current portion |           | (28)       | (29)            |
| <b>Total</b>          | <b>\$</b> | <b>931</b> | <b>\$ 1,003</b> |

- (a) As of December 31, 2023 and December 31, 2022, presented net of \$3 million and \$4 million in unamortized debt issuance costs, respectively.
- (b) As of December 31, 2023, presented net of \$2 million in unamortized debt issuance costs.
- (c) As of December 31, 2023 and December 31, 2022, presented net of \$1 million and \$6 million in unamortized debt issuance costs, respectively.

In addition to the debt noted above, the Company has the ability to access a cash flow-based revolving credit facility with a total borrowing capacity of \$450 million \$450 million ("Revolving Credit Facility"), which matures in 2026. As of December 31, 2022 December 31, 2023, the Company had no outstanding borrowings on the Revolving Credit Facility and \$24 \$21 million of letters of credit related to the Revolving Credit Facility, resulting in an available borrowing capacity of \$426 million \$429 million. As of December 31, 2021 December 31, 2022, the Company had \$20 million of no outstanding borrowings on the Revolving Credit Facility and \$10 million \$24 million of letters of credit related to the Revolving Credit Facility, resulting in an available borrowing capacity of \$420 million \$426 million. The Any outstanding balance on the Revolving Credit Facility is recorded within "Notes payable and current maturities of long-term debt" in the consolidated balance sheet.

On September 30, 2022 In the first quarter of 2023, the Company announced the commencement of a cash tender offer to purchase any and all of the Company's outstanding 2029 Senior Notes. The Company also solicited consents from the holders of the 2029 Senior Notes to amend certain provisions of the indenture with respect to the notes. In connection with the tender offer and the consent solicitation, the Company entered into a new senior secured term loan facility amendment which provided an aggregate principal amount of \$300 million ("Term Loan A") maturing in 2028. Term Loan A, together with the \$60 million of borrowings under the Revolving Credit Facility, were used to pay the total consideration for all notes tendered in the tender offer, plus accrued interest and all fees and expenses incurred in connection with the tender offer and consent solicitation. Upon close in the first quarter, \$360 million aggregate principal of the notes were tendered, resulting in a debt extinguishment cost of \$5 million, related to the write-off of debt issuance costs. This cost was recorded within "Interest expense (income), net."

Sylvamo North America LLC, a wholly owned subsidiary of the Company, established maintains a three-year, \$120 million \$120 million accounts receivable finance facility (the "Securitization Program"), maturing in 2025. The Company sells substantially all of its North American accounts receivable balances to Sylvamo Receivables, LLC, a special purpose entity, which pledges the receivables as collateral for the Securitization Program. The borrowing availability under this facility is limited by the balance

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of eligible receivables within the program. As of The average interest rate for the years ended December 31, 2023 and December 31, 2022 was 5.92% and 5.19%, the Company had \$75 million outstanding borrowings under the receivables securitization program at an average rate of 5.19%.

Long-term debt is summarized in the following table:

| In millions as of December 31  | 2022      |              | 2021      |              |
|--------------------------------|-----------|--------------|-----------|--------------|
| Term Loan F - due 2027 (a)     | \$        | 496          | \$        | 512          |
| Term Loan B - due 2028 (b)     |           | —            |           | 401          |
| 7% Senior Notes - due 2029 (c) |           | 444          |           | 443          |
| Securitization Program (d)     |           | 75           |           | —            |
| Other                          |           | 17           |           | 20           |
| Less: current portion          |           | (29)         |           | (19)         |
| <b>Total</b>                   | <b>\$</b> | <b>1,003</b> | <b>\$</b> | <b>1,357</b> |

- (a) As of December 31, 2022 and December 31, 2021, presented net of \$4 million and \$5 million in unamortized debt issuance costs, respectively.
- (b) As of December 31, 2021, presented net of \$5 million in unamortized debt issuance costs and \$4 million in unamortized original issue discount paid.
- (c) As of December 31, 2022 and December 31, 2021, presented net of \$6 million and \$7 million in unamortized debt issuance costs, respectively.
- (d) Subsequent to year-end, the Company repaid \$30 million of the outstanding balance on the Securitization Program.

The Company repaid the remaining outstanding balance of Term Loan B in the fourth quarter of 2022, resulting in a debt extinguishment cost of \$5 million, which included the write-off of debt issuance expense and original debt issuance discount paid. This cost was recorded within "Interest expense (income), net."

The 2029 Senior Notes are unsecured bonds with a 7.00% fixed interest rate, payable semi-annually. The obligations under the Term Loan F, Term Loan A and Revolving Credit Facility are secured by substantially all the tangible and intangible assets of Sylvamo and its subsidiaries, subject to certain exceptions, and along with the 2029 Senior Notes facility are guaranteed by Sylvamo and certain subsidiaries.

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Effective May 31, 2023, in accordance with the existing credit agreement, the Company transitioned LIBOR-based interest rates to a benchmark reference rate of SOFR. The interest rates applicable to the Term Loan F and Revolving Credit Facility are now based on a fluctuating rate of interest measured by reference to LIBOR SOFR plus a fixed percentage of 1.75% 1.85% and 1.50% 1.60%, respectively, payable monthly, with a LIBOR SOFR floor of 0.00%. The interest rate applicable to the Term Loan A is based on a fluctuating rate of interest measured in reference to SOFR plus a fixed percentage of 1.85%, subject to a SOFR floor of 0.00%.

We are receiving interest patronage credits under the Term Loan F. Patronage credits are distributions of profits from banks in the Farm Credit system, which as cooperatives are required to distribute a portion of profits to their members. Patronage distributions, which are made primarily in cash but also in equity in the lenders, are generally received in the first quarter of the year following that in which they were earned. Expected patronage credits are accrued in accounts and notes receivable as a reduction to interest expense in the year period earned. After giving effect to expected patronage distributions of 90 basis points, of which 70 basis points is expected as a cash rebate, the effective net interest rate on the Term Loan F was approximately 5.23% 6.31% and 1.05% 5.23% as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively.

In the fourth quarter of 2021, in connection with the Term Loan F, the Company entered into was party to interest rate swaps with various counterparties with a notional amount of \$400 million \$200 million maturing in 2024 and maturities ranging \$200 million maturing in 2026. In the first quarter of 2023, the Company received cash proceeds of \$12 million from the unwind of the four interest rate swaps maturing in 2024 to with a total notional amount of \$200 million. In the third quarter 2023, the Company received \$19 million from the unwind of the four interest rate swaps maturing in 2026, with a total notional value of \$200 million. The resulting gain from unwinds will be amortized into interest expense over the original contract term of the swaps, of which less than one year is remaining for the swaps originally maturing in 2024 and approximately three years is remaining for the swaps originally maturing in 2026. These The related gain from all swap proceeds has been deferred within "Accumulated other comprehensive loss" in the consolidated balance sheet.

In the first quarter of 2023, the Company entered into four new interest rate swaps with various counterparties with a notional amount of \$200 million, maturing in 2025. The interest rate swaps are designated as cash flow hedges, and are utilized to manage interest rate risk. The interest rate swaps allow for the Company to exchange the difference in the variable rates on Term Loan F determined in reference to LIBOR SOFR and the fixed interest rate per notional amount ranging from 1.05% 3.72% to 1.40% 3.75%.

During second quarter of 2023, all outstanding interest rate swap agreements related to Term Loan F were amended to provide a hedge against changes in variable rate cash flows regarding fluctuations in SOFR as compared to the previous benchmark rate of one-month LIBOR. The effective portion revisions to the interest rate swap agreements did not impact our hedge accounting because we applied the accounting expedients outlined in ASU 2020-04 and ASU 2021-01 of ASC Topic 848, Reference Rate Reform.

As of December 31, 2023 and December 31, 2022, the changes in total fair value of the interest rate swaps is reported in AOCI and reclassified into earnings in the same financial statement line item and in the same periods during which the related interest payments are recognized. The ineffective portion, which is immaterial for all years disclosed, would be immediately recognized in earnings as interest expense.

As of December 31, 2022, the total fair value of these interest rate swaps to Term Loan F was an asset of \$1 million and \$30 million. As of December 31, 2021, the total fair value of these respectively. Assets resulting from interest rate swaps was immaterial. The fair values of interest rate swap assets are reflected in "Deferred charges and other assets." The

In connection with the issuance of Term Loan A, the Company entered into interest rate swaps use Level 2 inputs, which are observable market-based inputs, other than quoted market prices with a current aggregate notional amount of \$269 million that amortize each quarter and mature in active markets for identical assets or liabilities, that are directly or indirectly observable. Interest 2028. These interest rate swaps are valued using swap curves obtained allow for the Company to exchange the difference in the variable rates on Term Loan A determined in reference to SOFR and the fixed interest rate per notional amount ranging from an independent market data provider. The 4.13% to 4.16%. In the fourth quarter of 2023, as a result of a \$20 million prepayment of Term Loan A, the Company paid \$232,000 to unwind a notional value of each is \$20 million of swaps. As of December 31, 2023, the fair value of all future interest payments between the contract counterparties, discounted to present value. The fair value of the

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future interest payments is determined by comparing the contract rate to the present value of the derived forward these interest rate using an interest rate curve, swaps resulted in a liability of \$5 million, recorded within "Other liabilities."

The Company is subject to certain covenants limiting, among other things, the ability and the ability of most of its subsidiaries to: (a) incur additional indebtedness or issue certain preferred shares; (b) pay dividends on or make distributions in respect of the Company's or its subsidiaries' capital stock or make investments or other restricted payments; (c) create restrictions on the ability of the Company's restricted subsidiaries to pay dividends to the Company or make certain other intercompany transfers; (d) sell certain assets; (e) create liens; (f) consolidate, merge, sell or otherwise dispose of all or substantially all of the Company's assets; and (g) enter into certain transactions with its affiliates.

In the fourth quarter of 2022, the The Company amended certain of its covenants and restrictions with respect is currently subject to the Revolving Credit Facility and Term Loan F. As a result of the amendment, the maximum consolidated total leverage ratio is of 3.75 to 1.00.

Further, the amendment modified the limits The limit on restricted payments that we may make prior to the resolution of the Brazil Tax Dispute to be the same as the restricted payment limits set forth in our Notes Indenture. This results in an increase in the limit from \$50 million to is \$60 million if our pro-forma consolidated leverage ratio is less than 2.50 to 1.00 and greater than or equal to 2.00 to 1.00, and from \$75 million to or \$90 million if the pro-forma consolidated leverage ratio is less than 2.00 to 1.00.

The amendment also added a separate exception to the limits in place prior to the resolution of the Brazil Tax Dispute, that allows us to repurchase or redeem up to \$150 million of the 2029 Senior Notes.



In addition, the amendment eliminates the However, limitations imposed on restricted payments are eliminated prior to the final settlement of the Brazil Tax Dispute if (i) we deposit \$120 million in an account subject to the control of the administrative agent under our credit agreement, or (ii) we deposit \$60 million in such an account and maintain \$225 million of available liquidity at the time we make restricted payments. The funds deposited in the account would be used to pay for the Company's share of the settlement of the Brazil Tax Dispute, with any excess funds returned to us if our portion of any final

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settlement amount is less than the amount on deposit. If we meet these conditions, As of December 31, 2023, the Company has deposited \$60 million in an account subject to the control of the administrative agent. Therefore, our ability to make restricted payments under the credit agreement would then be is governed by the provisions in the credit agreement in effect when as if the Brazil Tax Dispute is settled. settled, if at the time of any restricted payments we maintain \$225 million of available liquidity.

As of December 31, 2022 December 31, 2023, we were in compliance with our debt covenants.

The fair market value of total debt was approximately \$1.0 billion at December 31, 2022 December 31, 2023.

At December 31, 2022 December 31, 2023, contractual obligations for future payments of debt maturities (including finance lease liabilities disclosed in Note 10 Leases) by calendar year were as follows over the next five years: 2023 - \$29 million; 2024 - \$28 million; 2025 - \$103 million \$155 million; 2026 - \$28 million \$43 million; 2027 - \$399 million \$414 million; 2028 - \$231 million; and thereafter - \$461 \$99 million.

NOTE 15 RETIREMENT AND POSTRETIREMENT BENEFIT PLANS  
DEFINED BENEFIT PENSION PLANS

The Company sponsors and maintains pension plans for the benefit of certain of the Company's employees. The service and non-service cost components of net periodic pension expense for these employees is recorded within cost of products sold and selling and administrative expenses. The assets and liabilities related to plans sponsored by the Company are reflected in deferred charges and other assets and other liabilities, respectively.

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OBLIGATIONS AND FUNDED STATUS

The following table shows the changes in the benefit obligation and plan assets and the plans' funded status. For the current year, all plans are considered single-employer plans, and changes to the projected benefit obligation and plan assets reflect full year activity. Prior to the spin-off on October 1, 2021, all pension plans, with the exception of the U.K. and Brazil plans, were accounted for as multi-employer plans. The transfer of the projected benefit obligation ("PBO") and assets for those plans is reflected within the Pension plan transfer from Parent line below, and the activity after the spin-off date is reflected within the

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table for 2021. The changes in the benefit obligation and plan assets for the U.K. and Brazil plans are reflected for the full 2021 period as they were single-employer plans prior to the spin-off.

| In millions                             | In millions                             | 2022  | 2021  | In millions | 2023 | 2022 |
|---|---|-------|-------|-------------|------|------|
| Change in projected benefit obligation: | Change in projected benefit obligation: |       |       |             |      |      |
| Benefit obligation, January 1           | Benefit obligation, January 1           | \$462 | \$171 |             |      |      |
| Pension plan transfer from Parent       |   | —     | 287   |             |      |      |
| Benefit obligation, January 1           |   |       |       |             |      |      |
| Benefit obligation, January 1           |   |       |       |             |      |      |

|  |  |                |                |
|--|--|----------------|----------------|
| Service cost   |  |                |                |
| Service cost   |  |                |                |
| Service cost   | Service cost   | 6              | 2              |
| Interest cost  | Interest cost  | 13             | 6              |
| Actuarial loss (gain)                                  | Actuarial loss (gain)                                  | (151)          | —              |
| Benefits paid  | Benefits paid  | (7)            | (5)            |
| Expenses paid from assets                              | Expenses paid from assets                              | (1)            | (1)            |
| Effect of foreign currency exchange rate movements     | Effect of foreign currency exchange rate movements     | (15)           | 2              |
| <b>Benefit obligation, December 31</b>                 | <b>Benefit obligation, December 31</b>                 | <b>\$307</b>   | <b>\$462</b>   |
| Change in plan assets:                                 | Change in plan assets:                                 |                |                |
| Change in plan assets:                                 |  |                |                |
| Change in plan assets:                                 |  |                |                |
| Fair value of plan assets, January 1                   | Fair value of plan assets, January 1                   | \$431          | \$171          |
| Pension plan transfer from Parent                      |  | —              | 252            |
| Fair value of plan assets, January 1                   |  |                |                |
| Fair value of plan assets, January 1                   |  |                |                |
| Actual return on plan assets                           | Actual return on plan assets                           | (126)          | 2              |
| Company contributions                                  | Company contributions                                  | 3              | 10             |
| Benefits paid  | Benefits paid  | (7)            | (5)            |
| Expenses paid from assets                              | Expenses paid from assets                              | (1)            | (1)            |
| Effect of foreign currency exchange rate movements     | Effect of foreign currency exchange rate movements     | (14)           | 2              |
| <b>Fair value of plan assets, December 31</b>          | <b>Fair value of plan assets, December 31</b>          | <b>\$286</b>   | <b>\$431</b>   |
| <b>Funded status, December 31</b>                      | <b>Funded status, December 31</b>                      | <b>\$ (21)</b> | <b>\$ (31)</b> |
| Amounts recognized in the consolidated balance sheets: | Amounts recognized in the consolidated balance sheets: |                |                |
| Amounts recognized in the consolidated balance sheets: |  |                |                |
| Amounts recognized in the consolidated balance sheets: |  |                |                |

|   |   |                |                |
|---|---|----------------|----------------|
| Non-current asset   |   |                |                |
| Non-current asset   |   |                |                |
| Non-current asset   | Non-current asset   | \$ 8           | \$ 8           |
| Non-current liability   | Non-current liability   | (29)           | (39)           |
|   |   | <u>\$ (21)</u> | <u>\$ (31)</u> |
| \$  |   |                |                |
| Amounts   |   |                |                |
| recognized in accumulated other comprehensive income under ASC 715 (pre-tax): | recognized in accumulated other comprehensive income under ASC 715 (pre-tax): |                |                |
| Net prior service cost  | Net prior service cost  | \$ 2           | \$ 2           |
| Net prior service cost  |   |                |                |
| Net prior service cost  |   |                |                |
| Net actuarial loss  | Net actuarial loss  | 91             | 106            |
|   |   | <u>\$ 93</u>   | <u>\$ 108</u>  |
| \$  |   |                |                |

The accumulated benefit obligation ("ABO") for all plans was \$328 million as of December 31, 2023 and \$299 million as of December 31, 2022 and \$446 million as of December 31, 2021. The following table reflects the pension plans for which the accumulated benefit obligation or projected benefit obligation exceed the fair value of their respective plan assets at December 31:

| In millions as of December 31                          | In millions as of December 31                          | 2022  | 2021  | In millions as of December 31 | 2023 | 2022 |
|--|--|-------|-------|-------------------------------|------|------|
| <b>Pension plans with ABO in excess of plan assets</b> | <b>Pension plans with ABO in excess of plan assets</b> |       |       |                               |      |      |
| Accumulated benefit obligation                         | Accumulated benefit obligation                         | \$201 | \$279 |                               |      |      |
| Accumulated benefit obligation                         |  |       |       |                               |      |      |
| Accumulated benefit obligation                         |  |       |       |                               |      |      |
| Fair value of plan assets                              | Fair value of plan assets                              | 180   | 254   |                               |      |      |
| <b>Pension plans with PBO in excess of plan assets</b> | <b>Pension plans with PBO in excess of plan assets</b> |       |       |                               |      |      |
| Projected benefit obligation                           | Projected benefit obligation                           | \$209 | \$293 |                               |      |      |
| Projected benefit obligation                           |  |       |       |                               |      |      |
| Projected benefit obligation                           |  |       |       |                               |      |      |
| Fair value of plan assets                              | Fair value of plan assets                              | 180   | 254   |                               |      |      |

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## NET PERIODIC PENSION EXPENSE

Service cost is the actuarial present value of benefits attributed by the plans' benefit formula to services rendered by employees during the year. Interest cost represents the increase in the projected benefit obligation, which is a discounted amount, due to the passage of time. The expected return on plan assets reflects the computed amount of current-year earnings from the investment of plan assets using an estimated long-term rate of return.

Net periodic pension expense comprised the following:

| In millions                                   | In millions                                   | 2022        | 2021          | 2020          | In millions | 2023 | 2022 | 2021 |
|---|---|-------------|---------------|---------------|-------------|------|------|------|
| Service cost                                  | Service cost                                  | \$ 6        | \$ 2          | \$ 1          |             |      |      |      |
| Interest cost                                 | Interest cost                                 | 13          | 6             | 4             |             |      |      |      |
| Expected return on plan assets                | Expected return on plan assets                | (21)        | (11)          | (8)           |             |      |      |      |
| Actuarial loss (gain)                         | Actuarial loss (gain)                         | 4           | 2             | 1             |             |      |      |      |
| <b>Net periodic pension expense (benefit)</b> | <b>Net periodic pension expense (benefit)</b> | <b>\$ 2</b> | <b>\$ (1)</b> | <b>\$ (2)</b> |             |      |      |      |

## ASSUMPTIONS

The Company evaluates its actuarial assumptions annually as of December 31 (the measurement date) and considers changes in these long-term factors based upon market conditions and the requirements for employers' accounting for pensions. These assumptions are used to calculate benefit obligations as of December 31 of the current year and pension expense to be recorded in the following year (i.e., the discount rate used to determine the benefit obligation as of **December 31, 2022** **December 31, 2023** is also the discount rate used to determine net pension expense for the **2023 2024** year).

Major actuarial assumptions used in determining the benefit obligations and net periodic pension cost for our defined benefit plans are presented in the following table:

|  |  | 2022   | 2021   | 2020   |  | 2023   | 2022   | 2021   |
|--|--|--------|--------|--------|--|--------|--------|--------|
|  |  |        |        |        |  |        |        |        |
| Actuarial assumptions used to determine benefit obligations as of December 31:                 | Actuarial assumptions used to determine benefit obligations as of December 31:                 |        |        |        |  |        |        |        |
| Discount rate  | Discount rate  |        |        |        |  |        |        |        |
| Discount rate  | Discount rate  | 5.52 % | 2.79 % | 2.27 % |  | 5.27 % | 5.52 % | 2.79 % |
| Rate of compensation increase  | Rate of compensation increase  | 3.36 % | 3.36 % | 3.54 % |  | 3.30 % | 3.36 % | 3.36 % |
| Actuarial assumptions used to determine net periodic pension cost for years ended December 31: | Actuarial assumptions used to determine net periodic pension cost for years ended December 31: |        |        |        |  |        |        |        |
| Discount rate  | Discount rate  | 2.79 % | 2.79 % | 2.76 % |  |        |        |        |
| Discount rate  | Discount rate  |        |        |        |  |        |        |        |
| Discount rate  | Discount rate  | 5.52 % | 2.79 % | 2.79 % |  |        |        |        |





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of the private equity fund by the partnership agreement, 2031 and 2032. The remaining unfunded commitment of these partnership interests is \$9 million as of December 31, 2023 and \$11 million as of December 31, 2022.

FUNDING AND CASH FLOWS

The Company's funding policy for the pension plans is to contribute amounts sufficient to meet legal funding requirements, plus any additional amounts that the Company may determine to be appropriate considering the funded status of the plans, tax deductibility, cash flow generated by the Company, and other factors. The Company continually reassesses the amount and timing of any discretionary contributions. Generally, the non-U.S. pension plans are funded using the projected benefit as a target, except in certain countries where funding of benefit plans is not required.

At December 31, 2022 December 31, 2023, projected future pension benefit payments, excluding any termination benefits, were as follows:

| In millions | In millions |      |
|-------------|-------------|------|
| 2023        |             | \$ 7 |
| 2024        |             |      |
| 2024        |             |      |
| 2024        | 2024        | 8    |
| 2025        | 2025        | 10   |
| 2026        | 2026        | 13   |
| 2027        | 2027        | 14   |
| 2028-2032   |             | 103  |
| 2028        |             |      |
| 2029-2033   |             |      |

OTHER POSTRETIREMENT BENEFITS

Certain of the Company's Brazilian employees are eligible for retiree health care and life insurance benefits. The accumulated benefit obligation for this plan as of December 31, 2022 December 31, 2023 and 2021 2022 was \$7 million \$9 million and \$8 million \$7 million, respectively, which is recorded within other liabilities in the consolidated balance sheets.

DEFERRED COMPENSATION AND NON-QUALIFIED PENSION PLAN

We are responsible for certain deferred compensation and non-qualified pension plan balances related to our employees. These balances relate to employees who previously participated in plans sponsored by International Paper. As part of the spin-off, we assumed responsibility for these balances. As our employees become eligible for these benefits and these benefits are paid, we will be reimbursed by International Paper for the balances transferred upon the spin-off. As of December 31, 2022 December 31, 2023, there is a receivable of \$24 million reflected within deferred charges and other assets of our consolidated balance sheets related to the plans. The deferred compensation savings plan liability of \$16 million \$21 million as of December 31, 2022 December 31, 2023 is recorded within accounts payable in the consolidated balance sheets. The non-qualified pension plan is included within the pension obligation and funded status presented above, and the liability is recorded in other liabilities in the consolidated balance sheets.

NOTE 16 INCENTIVE PLANS

The Company has adopted the Sylvamo 2021 Incentive Compensation Plan, which includes shares under its long-term incentive plan ("LTIP") that grants certain employees, consultants, or non-employee directors of the Company different forms of awards, including time-based and performance-based restricted stock units.

The equity and incentive plan has a maximum shares reserve for the grant of 4,410,725 shares. As of December 31, 2022 December 31, 2023, 8,235,868 2,806,393 shares remain available for future grants.

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The following summarizes restricted stock unit and performance-based restricted stock unit activity for employees for the periods ended December 31, 2021 and December 31, 2022: employees:

| Restricted Stock Units |  | Performance-Based Restricted Stock Units |  |
|------------------------|--|--|--|
| Shares                 | Weighted Average Grant Date Fair Value | Shares                                   | Weighted Average Grant Date Fair Value |



| Restricted Stock Units              |                                     |           |          |          |      |       |
|-------------------------------------|-------------------------------------|-----------|----------|----------|------|-------|
| Shares                              |                                     |           |          |          |      |       |
| Shares                              |                                     |           |          |          |      |       |
| Shares                              |                                     |           |          |          |      |       |
| Outstanding as of October 1, 2021   |                                     |           |          |          |      |       |
| Outstanding as of October 1, 2021   |                                     |           |          |          |      |       |
| Outstanding as of October 1, 2021   | Outstanding as of October 1, 2021   | —         | —        | —        | —    | —     |
| Granted                             | Granted                             | 664,569   | 28.51    | —        | —    | —     |
| Granted                             |                                     |           |          |          |      |       |
| Granted                             |                                     |           |          |          |      |       |
| Shares issued                       |                                     |           |          |          |      |       |
| Shares issued                       |                                     |           |          |          |      |       |
| Shares issued                       | Shares issued                       | —         | —        | —        | —    | —     |
| Forfeited                           | Forfeited                           | —         | —        | —        | —    | —     |
| Forfeited                           |                                     |           |          |          |      |       |
| Forfeited                           |                                     |           |          |          |      |       |
| Outstanding as of December 31, 2021 |                                     |           |          |          |      |       |
| Outstanding as of December 31, 2021 |                                     |           |          |          |      |       |
| Outstanding as of December 31, 2021 | Outstanding as of December 31, 2021 | 664,569   | \$ 28.51 | —        | \$ — | —     |
| Granted                             | Granted                             | 258,518   | 39.23    | 321,271  |      | 41.47 |
| Granted                             |                                     |           |          |          |      |       |
| Granted                             |                                     |           |          |          |      |       |
| Shares issued                       |                                     |           |          |          |      |       |
| Shares issued                       |                                     |           |          |          |      |       |
| Shares issued                       | Shares issued                       | (236,086) | 28.67    | —        | —    | —     |
| Forfeited                           | Forfeited                           | (36,272)  | 31.36    | (16,675) |      | 41.47 |
| Forfeited                           |                                     |           |          |          |      |       |
| Forfeited                           |                                     |           |          |          |      |       |
| Outstanding as of December 31, 2022 | Outstanding as of December 31, 2022 | 650,729   | \$ 32.55 | 304,596  | \$   | 41.47 |
| Outstanding as of December 31, 2022 |                                     |           |          |          |      |       |
| Outstanding as of December 31, 2022 |                                     |           |          |          |      |       |
| Granted                             |                                     |           |          |          |      |       |
| Granted                             |                                     |           |          |          |      |       |
| Granted                             |                                     |           |          |          |      |       |
| Shares issued                       |                                     |           |          |          |      |       |
| Shares issued                       |                                     |           |          |          |      |       |
| Shares issued                       |                                     |           |          |          |      |       |
| Forfeited                           |                                     |           |          |          |      |       |
| Forfeited                           |                                     |           |          |          |      |       |
| Forfeited                           |                                     |           |          |          |      |       |
| Outstanding as of December 31, 2023 |                                     |           |          |          |      |       |
| Outstanding as of December 31, 2023 |                                     |           |          |          |      |       |
| Outstanding as of December 31, 2023 |                                     |           |          |          |      |       |

Restricted stock units generally vest over a period of three years with one-third of the awarded units vesting annually. The grant date fair value of restricted stock units is valued at the closing stock price on the day prior to the grant date. The expense for restricted stock unit awards is recorded, net of forfeitures, over the vesting period.

Performance-based restricted stock units cliff vest at the end of a three-year service period based upon the achievement of two defined performance conditions, Return on Invested Capital ("ROIC"), measured against our internal benchmark, and Total Shareholder Return ("TSR"), compared to a peer group of companies. Expense for performance-based units is recognized, net of forfeitures, over the three-year vesting period. As the ROIC measure contains a performance condition, compensation cost for this component is based upon the grant date fair value of the award and the number of units expected to vest based on performance. As the relative TSR component is a market condition, we utilize a Monte Carlo simulation to determine the grant date fair value and resulting expense to recognize for the units. The Monte Carlo simulation calculates the fair value of the awards on grant date based on the expected term of the award, expected dividends, the risk-free rate and the expected volatility for the Company and its competitors.

The expected term is based on the roughly three-year vesting period of the awards, and the expected dividend yield used **was is** zero as the Company **had not declared any dividends as of pays dividend equivalent units throughout the valuation date, performance period.** The risk-free rate is based upon the yield of term-matched, zero-coupon securities using the Treasury Constant Maturities yield curve. As Sylvamo did not have sufficient stock price history, the volatility estimate was calculated as a simple average of similar peers and the correlation with the index was calculated as the average index correlation of the peer group.

The Monte Carlo simulation to value the relative TSR share units used the following assumptions:

| 2022                    |         |         |
|-------------------------|---------|---------|
| Expected volatility     |         | 49.64%  |
| Risk-free interest rate |         | 1.66%   |
|                         |         |         |
|                         | 2023    | 2022    |
| Expected volatility     | 50.03 % | 49.64 % |
| Risk-free interest rate | 4.42 %  | 1.66 %  |

Stock-based compensation expense in the years prior to and until the spin-off on October 1, 2021, includes expense attributable to us based on the awards and terms previously granted to our employees and an allocation of International Paper's corporate

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and shared functional expenses. Total stock-based compensation cost and the associated income tax benefits recognized by the Company in the consolidated and combined statements of operations were as follows:

| In millions   | 2022 |    | 2021 |    | 2020 |    |
|---|------|----|------|----|------|----|
| Total stock-based compensation expense (included in selling and administrative expense) | \$   | 20 | \$   | 14 | \$   | 15 |
| Income tax benefit related to stock-based compensation                                  | \$   | 5  | \$   | 3  | \$   | 1  |

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| In millions   | 2023 |    | 2022 |    | 2021 |    |
|---|------|----|------|----|------|----|
| Total stock-based compensation expense (included in selling and administrative expense) | \$   | 23 | \$   | 20 | \$   | 14 |
| Income tax benefit related to stock-based compensation                                  | \$   | 7  | \$   | 5  | \$   | 3  |

As of **December 31, 2022** **December 31, 2023, \$16 million** **\$14 million** of compensation cost, net of estimated forfeitures, related to all stock-based compensation arrangements for Company employees had not yet been recognized. This amount will be recognized in expense over a weighted-average period of **1.6** **1.3** years.

NOTE 17 FINANCIAL INFORMATION BY BUSINESS SEGMENT AND GEOGRAPHIC AREA

The Company's business segments, Europe, Latin America and North America, are consistent with the internal structure used to manage these businesses. As discussed in [Note 88 Divestiture and Impairment of Business](#), the Company's Russian operations have been classified as discontinued operations and as a result are no longer reported within the Europe business segment for any periods presented.

Business segment operating profits are used by the Company's management to measure the earnings performance of its businesses. Management believes that business segment operating profit provides investors and analysts useful insights into our operating performance. We define business segment operating profit as our income from continuing operations before income taxes calculated in accordance with GAAP, excluding net interest expense (income) and net business special items which includes net corporate special items.

External sales are defined as those that are made to parties outside the Company's combined group, whereas sales by business segment in the Net Sales table are determined using a management approach and include intersegment sales.

INFORMATION BY BUSINESS SEGMENT

Net Sales

| In millions | In millions | 2022   | 2021   | 2020   | In millions | 2023 | 2022 | 2021 |
|-------------|-------------|--------|--------|--------|-------------|------|------|------|
| Europe      | Europe      | \$ 501 | \$ 366 | \$ 297 |             |      |      |      |

|                                  |                                  |                |                |                |
|----------------------------------|----------------------------------|----------------|----------------|----------------|
| Latin America                    | Latin America                    | 1,023          | 786            | 632            |
| North America                    | North America                    | 2,173          | 1,718          | 1,490          |
| Corporate and Intersegment Sales | Corporate and Intersegment Sales | (69)           | (42)           | (34)           |
| <b>Net Sales</b>                 | <b>Net Sales</b>                 | <b>\$3,628</b> | <b>\$2,828</b> | <b>\$2,385</b> |

The Company had one customer within our North America business segment that represented approximately 13% 14%, 12% 13% and 14% 12% of our consolidated and combined net sales for the years ended December 31, 2022 December 31, 2023, 2022 and 2021, and 2020, respectively.

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### Business Segment Operating Profit

| In millions   | In millions   | 2022         | 2021         | 2020         | In millions | 2023 | 2022 | 2021 |
|---|---|--------------|--------------|--------------|-------------|------|------|------|
| Europe  | Europe  | \$ 50        | \$ (29)      | \$ (34)      |             |      |      |      |
| Latin America   | Latin America   | 212          | 194          | 83           |             |      |      |      |
| North America   | North America   | 291          | 133          | 41           |             |      |      |      |
| <b>Business Segment Operating Profit</b>              | <b>Business Segment Operating Profit</b>              | <b>\$553</b> | <b>\$298</b> | <b>\$ 90</b> |             |      |      |      |
| Income from continuing operations before income taxes | Income from continuing operations before income taxes | \$467        | \$328        | \$ 95        |             |      |      |      |
| Interest expense (income), net                        | Interest expense (income), net                        | 69           | (1)          | (4)          |             |      |      |      |
| Corporate special items, net                          | Corporate special items, net                          | 12           | 5            | —            |             |      |      |      |
| Other special items, net                              | Other special items, net                              | 5            | (34)         | (1)          |             |      |      |      |
| <b>Business Segment Operating Profit</b>              | <b>Business Segment Operating Profit</b>              | <b>\$553</b> | <b>\$298</b> | <b>\$ 90</b> |             |      |      |      |

### Other Special Items, Net

| In millions                     | 2022        | 2021           | 2020          |
|---------------------------------|-------------|----------------|---------------|
| Europe                          | \$ 1        | \$ —           | \$ —          |
| Latin America                   | —           | (35)           | (2)           |
| North America                   | 4           | 1              | 1             |
| <b>Other Special Items, Net</b> | <b>\$ 5</b> | <b>\$ (34)</b> | <b>\$ (1)</b> |

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| In millions                     | 2023         | 2022        | 2021           |
|---------------------------------|--------------|-------------|----------------|
| Europe                          | \$ 19        | \$ 1        | \$ —           |
| Latin America                   | (3)          | —           | (35)           |
| North America                   | 8            | 4           | 1              |
| <b>Other Special Items, Net</b> | <b>\$ 24</b> | <b>\$ 5</b> | <b>\$ (34)</b> |

## Assets

| In millions as of December 31 | In millions as of December 31 | 2022           | 2021           | In millions as of December 31 | 2023 | 2022 |
|-------------------------------|-------------------------------|----------------|----------------|-------------------------------|------|------|
| Europe                        | Europe                        | \$ 258         | \$ 218         |                               |      |      |
| Latin America                 | Latin America                 | 1,129          | 1,034          |                               |      |      |
| North America                 | North America                 | 894            | 868            |                               |      |      |
| Corporate and Other (a)       | Corporate and Other (a)       | 429            | 477            |                               |      |      |
| <b>Assets</b>                 | <b>Assets</b>                 | <b>\$2,710</b> | <b>\$2,597</b> |                               |      |      |

(a) Includes corporate assets and assets of businesses held for sale. assets.

## Capital Spending

| In millions             | In millions             | 2022         | 2021         | 2020         | In millions | 2023 | 2022 | 2021 |
|-------------------------|-------------------------|--------------|--------------|--------------|-------------|------|------|------|
| Europe                  | Europe                  | \$ 7         | \$ 6         | \$ 6         |             |      |      |      |
| Latin America           | Latin America           | 76           | 39           | 45           |             |      |      |      |
| North America           | North America           | 66           | 24           | 15           |             |      |      |      |
| <b>Capital Spending</b> | <b>Capital Spending</b> | <b>\$149</b> | <b>\$ 69</b> | <b>\$ 66</b> |             |      |      |      |

## Depreciation, Amortization and Cost of Timber Harvested

| In millions  | In millions  | 2022         | 2021         | 2020         | In millions | 2023 | 2022 | 2021 |
|--|--|--------------|--------------|--------------|-------------|------|------|------|
| Europe   | Europe   | \$ 15        | \$ 18        | \$ 19        |             |      |      |      |
| Latin America  | Latin America  | 59           | 58           | 66           |             |      |      |      |
| North America  | North America  | 51           | 50           | 50           |             |      |      |      |
| <b>Depreciation, Amortization and Cost of Timber Harvested</b> | <b>Depreciation, Amortization and Cost of Timber Harvested</b> | <b>\$125</b> | <b>\$126</b> | <b>\$135</b> |             |      |      |      |

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## INFORMATION BY GEOGRAPHIC AREA

### External Net Sales (a)

| In millions   | In millions   | 2022    | 2021    | 2020    | In millions | 2023 | 2022 | 2021 |
|---------------|---------------|---------|---------|---------|-------------|------|------|------|
| United States | United States | \$2,173 | \$1,718 | \$1,490 |             |      |      |      |
| Brazil        | Brazil        | 1,008   | 734     | 576     |             |      |      |      |

|   |   |                |                |                |
|---|---|----------------|----------------|----------------|
| Europe  | Europe  | 501            | 366            | 297            |
| Americas, other than United States and Brazil | Americas, other than United States and Brazil | 15             | 52             | 56             |
| Corporate and Intersegment Sales              | Corporate and Intersegment Sales              | (69)           | (42)           | (34)           |
| <b>Net Sales</b>                              | <b>Net Sales</b>                              | <b>\$3,628</b> | <b>\$2,828</b> | <b>\$2,385</b> |

(a) Net sales are attributed to countries based on the location of the seller.

## Long-Lived Assets

| In millions as of December 31 | 2022            | 2021            |
|-------------------------------|-----------------|-----------------|
| United States                 | \$ 436          | \$ 413          |
| Brazil                        | 635             | 546             |
| Europe                        | 68              | 83              |
| <b>Long-Lived Assets</b>      | <b>\$ 1,139</b> | <b>\$ 1,042</b> |

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| In millions as of December 31 | 2023            | 2022            |
|-------------------------------|-----------------|-----------------|
| Table of Contents             | \$ 450          | \$ 436          |
| Brazil                        | 727             | 635             |
| Europe                        | 189             | 68              |
| <b>Long-Lived Assets</b>      | <b>\$ 1,366</b> | <b>\$ 1,139</b> |

## NOTE 18 RELATED PARTY TRANSACTIONS

Prior to the spin-off on October 1, 2021, we historically operated as part of International Paper and not as a standalone company. As a result of the spin-off on October 1, 2021, Sylvamo became an independent public company. The following discussion summarizes activity between the Company and International Paper both prior and subsequent to the spin-off.

On September 12, 2022, International Paper sold its remaining shares of Sylvamo stock. Therefore, International Paper is was no longer a related party party from that point forward.

## ALLOCATION OF GENERAL CORPORATE EXPENSES

The consolidated and combined statements of operations include expenses for certain centralized functions and other programs provided and administered by International Paper that were charged directly to the Company. In addition, for purposes of preparing these consolidated and combined financial statements for periods prior to the spin-off on a carve-out basis, we have been allocated a portion of International Paper's total corporate expense. See [Note 1 Background and Summary of Business](#) for a discussion of the methodology used to allocate corporate-related costs for purposes of preparing these financial statements on a carve-out basis.

Net transfers (to) from Parent are included within Parent company investment on the consolidated and combined balance sheets and statements of equity. The components of the net transfers (to) from International Paper are as follows:

| In millions                                 | 2022        | 2021            | 2020            |
|---|-------------|-----------------|-----------------|
| General financing activities                | \$ —        | \$ (661)        | \$ (494)        |
| Corporate allocations                       | —           | 112             | 154             |
| Stock-based compensation                    | —           | 10              | 15              |
| Final spin-off adjustments                  | —           | (28)            | —               |
| <b>Total net transfers (to) from Parent</b> | <b>\$ —</b> | <b>\$ (567)</b> | <b>\$ (325)</b> |

## RELATED PARTY SALES AND PURCHASES

The Company purchases certain of its products from International Paper which are produced in facilities that remained with International Paper when the Company separated from International Paper. The Company continues to purchase uncoated freesheet and bristols pursuant to an offtake agreement between the Company and International Paper. The

Company purchased inventory associated with the offtake agreements of \$462 million during the first three quarters of 2022 and \$133 million during the fourth quarter of 2021.

The Company purchases fiber pursuant to a fiber purchase agreement between the Company and International Paper. The Company purchased inventory associated with the fiber supply agreements of \$153 million during the first three quarters of 2022 and \$52 million during the fourth quarter of 2021.

The Company also purchases certain packaging materials from International Paper. These packaging purchases totaled \$12 million for the first three quarters of 2022 and were immaterial for the fourth quarter of 2021.

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## TRANSITION SERVICES AGREEMENT

Pursuant to the Transition Services Agreement, International Paper and Sylvamo provided certain services to one another on an interim, transitional basis. The services included certain information technology services, finance and accounting services and human resources and employee benefits services. The agreed-upon charges for such services were generally intended to allow the providing company to recover all costs and expenses for providing such services. The total amount of expenses incurred by the Company under the Transition Services Agreement in 2022 and 2021 was \$23 million and \$7 million, respectively. The Company is no longer receiving services under this agreement as of December 31, 2022.

## RELATED PARTY RECEIVABLE

The Company had related party receivables of \$3 million as of December 31, 2021, related to product sales to International Paper and other items. Related party receivables are included in "Accounts and notes receivable."

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## RELATED PARTY PAYABLE

The Company had related party payables of \$110 million as of December 31, 2021, related to inventory purchases from International Paper. Related party payables are included in "Accounts payable" and "Other current liabilities."

Included in our December 31, 2021 inventory purchases payable is a \$77 million related party payable, pursuant to the terms of the supply and offtake agreements between the Company and International Paper, which was repaid throughout the first six months of 2022. agreement.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## ITEM 9A. CONTROLS AND PROCEDURES

### DISCLOSURE CONTROLS AND PROCEDURES

As of December 31, 2022 December 31, 2023, an evaluation was carried out under the supervision and with the participation of the Company's management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as that term is defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act). Based upon this evaluation, our principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures were effective as of December 31, 2022 December 31, 2023.

In January 2023, the Company completed the previously announced acquisition of Stora Enso's uncoated freesheet paper mill in Nymölla, Sweden. Due to the timing of this acquisition, we have excluded this business from our evaluation of the effectiveness of internal control over financial reporting.

### CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There The Company has continued the process of integrating the acquired Nymölla mill into the Company's internal control over financial reporting. As a result of these integration activities, controls have been changed and migrated into our control environment. The initial annual assessment of internal controls over financial reporting for the Nymölla mill will be conducted over the course of our 2024 assessment cycle. Excluding the integration of the acquired Nymölla mill, there were no changes in our internal control over financial reporting during that occurred in the fourth quarter ended December 31, 2022, of 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

In connection with our spin-off from International Paper, we entered into a transition services agreement pursuant to which International Paper provided certain services to us. [See Note 18 Related Party Transactions – Transition Services Agreement](#). During the quarter ended December 31, 2022, we exited the transition services agreement. The services that were provided to us by International Paper were transitioned to services that we provide for ourselves. Both while we received services under the transition services agreement and after our exit from it, we have taken steps to ensure that adequate controls have been designed and maintained.

See [Item 8. Financial Statements and Supplementary Data](#) in this Annual Report on Form 10-K for management's annual report on our internal control over financial reporting and the attestation report of our independent public accounting firm, which is incorporated herein by reference.

#### ITEM 9B. OTHER INFORMATION

##### **None. INSIDER TRADING ARRANGEMENTS**

On December 1, 2023, Jean-Michel Ribieras, Chairman and Chief Executive Officer, adopted a trading plan intended to satisfy the affirmative defense conditions under Rule 10b5-1(c) under the Exchange Act. The plan covers the sale, at an established limit price, of all shares of stock that will he will receive on March 1, 2024, pursuant to the vesting of certain restricted stock units granted under the Sylvamo 2021 Incentive Compensation Plan. The approximate number of shares that he may receive upon vesting, and thus covered by the plan, is 37,000. The plan expires on the earlier of the date that all the shares under the plan are sold and December 31, 2024.

Except as disclosed above, none of the Company's directors or officers (as defined in Section 16 of the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (each as defined in Item 408(a) and (c) of Regulation S-K) during the Company's quarter ended December 31, 2023.

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#### ITEM 9C. DISCLOSURES REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

#### PART III.

#### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item will be incorporated by reference from the applicable portions of the definitive proxy statement of Sylvamo related to its **2023 2024** annual meeting of shareholders to be filed no later than 120 days after **December 31, 2022** **December 31, 2023** (the "Proxy Statement").

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#### ITEM 11. EXECUTIVE COMPENSATION

The information required by this item will be incorporated by reference from the applicable portions of the Proxy Statement.

#### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item will be incorporated by reference from the applicable portions of the Proxy Statement.

#### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item will be incorporated by reference from the applicable portions of the Proxy Statement.

#### ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item will be incorporated by reference from the applicable portions of the Proxy Statement.



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## PART IV.

## ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

- (1) Financial Statements - See Item 8. Financial Statements and Supplementary Data.
- (2) Financial Statements Schedules - Financial Statement Schedules have not been included because the information required to be set forth therein was not applicable or is included in the consolidated and combined financial statements or the notes thereto.

| <b>Exhibit Number</b> | <b>Description of Exhibit</b>  |
|-----------------------|--|
| 2.1                   | <a href="#">Separation and Distribution Agreement, dated as of September 29, 2021, between International Paper Company and Sylvamo Corporation (incorporated by reference to Exhibit 2.1 to Sylvamo Corporation's Current Report on Form 8-K filed with the SEC on October 1, 2021 (the "Form 8-K filed 10/1/2021"))</a> .   |
| 3.1                   | <a href="#">Amended and Restated Certificate of Incorporation of Sylvamo Corporation (incorporated by reference to Exhibit 3.1 to Sylvamo Corporation's Registration Statement on Form S-8 filed with the SEC on September 28, 2021 (the "Form S-8 filed 9/28/2021"))</a> .  |
| 3.2                   | <a href="#">Amended and Restated By-Laws of Sylvamo Corporation (incorporated by reference to Exhibit 3.2 to the Form 8-K filed 10/1/2021)</a> .   |
| 4.1                   | <a href="#">Form of Common Stock Certificate of Sylvamo Corporation (incorporated by reference to Exhibit 4.1 to Amendment No. 1 to Sylvamo Corporation's Registration Statement on Form 10 filed with the SEC on August 23, 2021)</a> .   |
| 4.2 * 4.2*            | <a href="#">Exhibit 4.2 Description of Capital Stock of Sylvamo Corporation Corporation</a> .  |
| 4.3                   | <a href="#">Indenture, dated as of September 3, 2021, among Sylvamo Corporation, International Paper Company, as Guarantor and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to Sylvamo Corporation's Current Report on Form 8-K filed with the SEC on September 3, 2021 (the "Form 8-K filed 9/3/2021"))</a> .  |
| 4.4 *                 | <a href="#">Supplemental Indenture, dated as of September 29, 2021, among the Subsidiary Guarantors named therein, each a subsidiary of Sylvamo Corporation, Sylvamo Corporation (the "Company"), The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), as trustee under the Indenture dated as of September 3, 2021, among the Company, International Paper Company, as Guarantor, and the Trustee, as trustee, (incorporated by reference to Exhibit 4.4 to the Form 10-K filed 2/22/23)</a> .  |
| 4.5                   | <a href="#">Second Supplemental Indenture, dated as of March 10, 2023, between Sylvamo Corporation and the Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to Sylvamo Corporation's Current Report on Form 8-K filed with the SEC on March 10, 2023 (the "Form 8-K filed 3/10/23"))</a> .  |
| 4.6                   | <a href="#">Form of 7.000% Senior Note due 2029 (incorporated by reference to Exhibit 4.1 to the Form 8-K filed 9/3/2021)</a> .  |
| 10.1                  | <a href="#">Credit Agreement, dated September 13, 2021, among Sylvamo Corporation, as borrower, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and the other lenders and L/C issuers party thereto (incorporated by reference to Exhibit 10.1 to Sylvamo Corporation's Current Report on Form 8-K filed with the SEC on September 15, 2021)</a> .  |
| 10.2                  | <a href="#">Credit Extension Amendment and Amendment No.2 to Credit Agreement, dated as of March 9, 2023 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time (including pursuant to Amendment No. 1, dated November 9, 2022 2)), by and among Sylvamo Corporation, as "Borrower," Credit Agricole Corporate and Investment Bank, as "Sustainability Structuring Agent," Bank of America, N.A., as "Administrative Agent," administrative agent, and the other lenders party thereto, from time to time the Credit Agreement dated September 13, 2021, among the Borrower, the Administrative Agent, and the other lenders and L/C issuers time party thereto (incorporated by reference to Sylvamo Corporation's Quarterly Report on Form 10-Q filed with the SEC on November 10, 2022 Exhibit 4.1 to (the "10-Q Form 8-K filed 11/3/10/22 23)</a> . |
| 10.3                  | <a href="#">Purchase and Sale Agreement, dated as of September 30, 2022, among Sylvamo North America, LLC, as servicer and originator, the other originators from time to time party thereto, and Sylvamo Receivables, LLC, as buyer (incorporated by reference to Exhibit 10.1 to Sylvamo Corporation's Current report on Form 8-K filed with the SEC on October 3, 2022 (the "Form 8-K filed 10/3/2022))</a> .   |

|      |  |
|------|--|
| 10.4 | <a href="#">Receivables Financing Agreement, dated as of September 30, 2022, among Sylvamo Receivables, LLC, as borrower, Sylvamo North America, LLC, as initial servicer, the lenders party thereto from time to time, PNC Bank, National Association, as administrative agent and a lender, and PNC Capital Markets LLC, as structuring agent (incorporated by reference to Exhibit 10.2 to the Form 8-K filed 10/3/2022).</a> |
| 10.5 | <a href="#">Performance Guaranty, dated as of September 30, 2022, by Sylvamo Corporation, as performance guarantor, in favor of PNC Bank, National Association, as administrative agent for the benefit of the secured parties (incorporated by reference to Exhibit 10.3 to the Form 8-K filed 10/3/2022).</a>  |

|                  |   |   |
|------------------|---|---|
| 10.6             |   | <a href="#">Cooperation Agreement, dated February 14, 2023, by and among Sylvamo Corporation and the persons and entities set forth on the exhibit thereto (incorporated by reference to Exhibit 10.1 to Sylvamo Corporation's Current Report on Form 8-K filed with the SEC on February 15, 2023).</a> |
| 10.7             |   | <a href="#">Tax Matters Agreement, dated as of September 30, 2021, between International Paper Company and Sylvamo Corporation (incorporated by reference to Exhibit 10.2 to the Form 8-K filed 10/1/2021).</a>   |
| 10.7             |   | <a href="#">Employee Matters Agreement, dated as of September 30, 2021, between International Paper Company and Sylvamo Corporation (incorporated by reference to Exhibit 10.3 to the Form 8-K filed 10/1/2021).</a>  |
| 10.8             |   | <a href="#">Supply and Offtake Agreement (Georgetown), dated as of September 30, 2021, between International Paper Company and Sylvamo North America, LLC (incorporated by reference to Exhibit 10.5 to the Form 8-K filed 10/1/2021).</a>  |
| 10.9             |   | <a href="#">Supply and Offtake Agreement (Riverdale), dated as of September 30, 2021, between International Paper Company and Sylvamo North America, LLC (incorporated by reference to Exhibit 10.6 to the Form 8-K filed 10/1/2021).</a>   |
| 10.10            |   | <a href="#">Retained Intellectual Property License Agreement, dated as of September 30, 2021, between International Paper Company and Global Holdings II, Inc. (incorporated by reference to Exhibit 10.10 to the Form 8-K filed 10/1/2021).</a>  |
| 10.11            |   | <a href="#">Retained Copyright License Agreement, dated as of September 30, 2021, between International Paper Company and Global Holdings II, Inc. (incorporated by reference to Exhibit 10.11 to the Form 8-K filed 10/1/2021).</a>  |
| 10.12            |   | <a href="#">Retained Know-How and Technology License Agreement, dated as of September 30, 2021, between International Paper Company and Global Holdings II, Inc. (incorporated by reference to Exhibit 10.12 to the Form 8-K filed 10/1/2021).</a>  |
| 10.13            |   | <a href="#">Brazil Payment Agreement, dated as of September 30, 2021, between International Paper Company and Sylvamo Corporation (incorporated by reference to Exhibit 10.15 to the Form 8-K filed 10/1/2021).</a>   |
| 10.14 10.11      |   | <a href="#">Corrugated Packaging Supply Agreement, dated as of September 1, 2021, between International Paper and Sylvamo North America, LLC (incorporated by reference to Exhibit 10.3 to the Form 8-K filed 9/3/2021).</a>  |
| 10.15            |   | <a href="#">Recyclable Material Master Purchase Agreement, dated as of September 1, 2021, between International Paper Company and Sylvamo North America, LLC (incorporated by reference to Exhibit 10.4 to the Form 8-K filed 9/3/2021).</a>  |
| 10.16            |   | <a href="#">Fiber Purchase Agreement, dated as of September 1, 2021, between International Paper and Sylvamo North America, LLC (incorporated by reference to Exhibit 10.5 to the Form 8-K filed 9/3/2021).</a>   |
| 10.17 10.12      | † | <a href="#">Sylvamo Corporation 2021 Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Form S-8 filed 9/28/2021).</a>   |
| 10.18 10.13      | † | <a href="#">Terms and Conditions of Long-Term Incentive Plan Award (incorporated by reference to Exhibit 10.24 to the Form 10-K filed 3/2/2022).</a>  |
| 10.19 * 10.14    | † | <a href="#">2023 Long-Term Incentive Plan Award Agreement Terms and Conditions (incorporated by reference to Exhibit 10.19 to the Form 10-K filed 2/22/23).</a>   |
| 10.20 10.15 *    | † | <a href="#">Sylvamo Corporation 2022 Annual 2024 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.26 to the Form 10-K filed 3/2/2022), Award Agreement Terms and Conditions.</a>   |
| 10.21 * 10.16    | † | <a href="#">Sylvamo Corporation 2023 Annual Incentive Plan (incorporated by reference to Exhibit 10.21 to the Form 10-K filed 2/22/23).</a>   |
| 10.22 10.17* *** | † | <a href="#">Sylvamo Corporation 2024 Annual Incentive Plan.</a>   |
| 10.18            | † | <a href="#">Sylvamo Corporation 2021 Executive Severance Plan (restated) (incorporated by reference to Exhibit 10.22 to the Form 10-K filed 2/22/23).</a>   |
| 10.23 10.19      | † | <a href="#">Sylvamo Corporation Restricted Stock and Deferred Compensation Plan for Non-Employee Directors (incorporated by reference to Exhibit 10.24 to the Form 10 filed 8/9/2021).</a>  |
| 10.24 10.20      | † | <a href="#">Form of Director Indemnification Agreement (incorporated by reference to Exhibit 10.25 to the Form 10 filed 8/9/2021).</a>  |
| 14.1 *           |   | <a href="#">Code of Conduct, Conduct (incorporated by reference to Exhibit 14.1 to the Form 10-K filed 2/22/23).</a>  |
| 21.1 *           |   | <a href="#">Subsidiaries.</a>   |
| 23.1 *           |   | <a href="#">Consent of Independent Registered Public Accounting Firm.</a>   |
| 31.1 *           |   | <a href="#">Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>   |
| 31.2 *           |   | <a href="#">Certification of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>   |

32 \*\* [Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

97 \* [Exhibit 97 Clawback Policy.](#)

101.INS XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document.

101.SCH XBRL Taxonomy Extension Schema.

101.CAL XBRL Taxonomy Extension Calculation Linkbase.

101.DEF XBRL Taxonomy Extension Definition Linkbase.

101.LAB XBRL Taxonomy Extension Label Linkbase.

101.PRE XBRL Extension Presentation Linkbase.

104. Cover Page Interactive Data File (formatted as Inline XBRL, and contained in Exhibit 101).

† Management contract or compensatory plan or arrangement

\* Filed herewith

\*\* Furnished herewith

\*\*\* Certain portions of the exhibit (indicated by [\*\*]) have been omitted as the Registrant has determined (i) the omitted information is not material and (ii) the omitted information would likely cause competitive harm to the Registrant if publicly disclosed.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SYLVAMO CORPORATION

By: /s/ Matthew L. Barron February 22, 2023 February 21, 2024

Name: Matthew L. Barron

Title: Senior Vice President, General Counsel and Corporate Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| Signature  | Title   | Date                       |
|--|---|----------------------------|
| <u>/s/ JEAN-MICHEL RIBIÉRAS</u><br><b>Jean-Michel Ribieras</b> | Chairman and Chief Executive Officer and Director<br>(principal executive officer)        | February 22, 2023 21, 2024 |
| <u>/s/ JOHN V. SIMS</u><br><b>John V. Sims</b>                 | Senior Vice President and Chief Financial Officer<br>(principal financial officer)        | February 22, 2023 21, 2024 |
| <u>/s/ KEVIN W. FERGUSON</u><br><b>Kevin W. Ferguson</b>       | Vice President, Controller and Chief Accounting<br>Officer (principal accounting officer) | February 22, 2023 21, 2024 |
| <u>/s/ STAN ASKREN</u><br><b>Stan Askren</b>                   | Director  | February 22, 2023 21, 2024 |
| <u>/s/ CHRISTINE BREVES</u><br><b>Christine Breves</b>         | Director  | February 22, 2023 21, 2024 |
| <u>/s/ JEANMARIE DESMOND</u><br><b>Jeanmarie Desmond</b>       | Director  | February 22, 2023 21, 2024 |
| <u>/s/ LIZANNE GOTTUNG</u><br><b>Lizanne Gottung</b>           | Director  | February 22, 2023 21, 2024 |

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| Signature  | Title    | Date                       |
|--|----------|----------------------------|
| <u>/s/ JOIA JOHNSON</u><br><b>Joia Johnson</b>     | Director | February 22, 2023 21, 2024 |
| <u>/s/ KARL L. MEYERS</u><br><b>Karl L. Meyers</b> | Director | February 21, 2024          |
| <u>/s/ DAVID PETRATIS</u><br><b>David Petratis</b> | Director | February 22, 2023 21, 2024 |
| <u>/s/ PAUL ROLLINSON</u><br><b>Paul Rollinson</b> | Director | February 22, 2023 21, 2024 |
| <u>/s/ MARK W. WILDE</u><br><b>Mark W. Wilde</b>   | Director | February 21, 2024          |
| <u>/s/ JAMES ZALLIE</u><br><b>James Zallie</b>     | Director | February 22, 2023 21, 2024 |

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## APPENDIX I

## 2022 2023 LISTING OF FACILITIES

## UNCOATED PAPERS

## U.S.:

Ticonderoga, New York

Eastover, South Carolina

Sumter, South Carolina

## International:

Luiz Antônio, São Paulo, Brazil

Mogi Guaçu, São Paulo, Brazil

Três Lagoas, Mato Grosso do Sul, Brazil

Saillat, France

Nymolla, Sweden

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## APPENDIX II

## 2022 2023 CAPACITY INFORMATION

In thousands of short tons

2022 2023

|   |             |
|---|-------------|
| Europe  |             |
| Uncoated Papers                                       | 265 765     |
| Market Pulp   | 130         |
| Europe  | 395 895     |
| Latin America   |             |
| Uncoated Papers                                       | 1,105       |
| Market Pulp   | 165         |
| Latin America   | 1,270       |
| North America   |             |
| Uncoated Papers                                       | 975         |
| Market Pulp   | 115         |
| Total owned mill capacity                             | 1,090       |
| Uncoated Papers (capacity under offtake agreements)   | 495         |
| Uncoated Bristols (capacity under offtake agreements) | 160         |
| Total capacity under offtake agreements               | 655         |
| North America   | 1,745       |
| Total   | 3,410 3,910 |

Forest Resources

We own or manage approximately 250,000 acres of forestlands in Brazil.

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Exhibit 4.2

DESCRIPTION OF CAPITAL STOCK

General

This section summarizes the rights of capital stock of Sylvamo Corporation ("Company"), certain provisions of the Company's amended and restated certificate of incorporation ("Certificate of Incorporation") and the Company's amended and restated bylaws ("Bylaws"), and certain provisions of applicable law, including the Delaware General Corporation Law ("DGCL"). The following description is a summary and is qualified by reference to the Certification of Incorporation included as Exhibit 3.1 to the Company's Registration Statement on Form S-8 filed with the U.S. Securities and Exchange Commission ("SEC") on September 28, 2021 and the Bylaws included as Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on October 1, 2021.

The Company's authorized capital stock consists of 200,000,000 shares of common stock, par value \$1.00 per share ("Common Stock") and 20,000,000 shares of preferred stock, par value \$1.00 per share ("Preferred Stock"). The number of authorized shares of Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares outstanding) by the affirmative vote of the holders of at least a majority of the voting power of the stock of the Company.

As of February 17, 2023 February 16, 2024, the Company had approximately 42.4 million 41.2 million shares of Common Stock issued and outstanding, and no shares of Preferred Stock issued or outstanding.

Equal Status

All Common Stock is identical and entitles the holders thereof to the same rights and privileges.

Voting Rights

A holder of Common Stock is entitled to one vote for each share of Common Stock held by such holder of record on the books of the Company for all matters on which stockholders of the Company are entitled to vote. There is no cumulative voting.

The Bylaws provide the voting requirements for the election of our directors.

The affirmative vote of a majority of the shares of our Common Stock present, in person or by proxy, at the meeting and entitled to vote at any annual or special meeting of stockholders will decide the election of any directors in a non-contested election. Pursuant to our Bylaws, any director nominee in a non-contested election who fails to receive the requisite majority of votes cast "for" his or her election must tender his or her resignation, and the Board, through its Nominating and Corporate Governance Committee (excluding the nominee in question), will determine whether or not to accept the resignation at its next regularly scheduled meeting. If the resignation is not accepted, our Board will disclose the explanation of its decision through a Form 8-K.

In a contested election, the affirmative vote of a plurality of the shares of our Common Stock present, in person or by proxy, at the meeting and entitled to vote at any annual or special meeting of stockholders will decide the election of any directors. An election will be considered contested if, as of the record date, there are more nominees for election than positions on the Board to be filled by election at the meeting.

The affirmative vote of a majority of the shares of our Common Stock present, in person or by proxy, at the meeting and entitled to vote at any annual or special meeting of stockholders will decide all



other matters voted on by stockholders, unless the question is one upon which, by express provision of law, under our Certificate of Incorporation, or under our Bylaws, a different vote is required, in which case such provision will control.

#### Dividend Rights

Holders of Common Stock will be entitled to participate ratably in any dividends, whether in cash, property, stock or otherwise, that may be declared by the Board from time to time out of assets or

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funds of the Company legally available for dividends, subject to the prior rights and preferences, if any, that may be applicable to Preferred Stock then outstanding.

#### Liquidation

Holders of Common Stock will be entitled, upon the Company's liquidation, dissolution or winding-up, to share equally and ratably in any assets remaining after the payment of all debt and other liabilities, subject to the prior rights, if any, of holders of any outstanding shares of Preferred Stock.

In the event of any voluntary or involuntary liquidation, dissolution, distribution of all or substantially all of the assets or winding-up of the Company, after all creditors of the Company are paid in full, and after payment of all sums, if any, payable in respect of Preferred Stock, if any, the holders of Common Stock will be entitled to share ratably in all distributions of assets pursuant to such voluntary or involuntary liquidation, dissolution, distribution of all or substantially all of the assets or winding-up of the Company.

#### Registration Rights

Pursuant to the Cooperation Agreement (the "Cooperation Agreement"), dated as of February 14, 2023 (the "Effective Date"), by and among the Company, Atlas FRM LLC and certain of its affiliates set forth on Schedule A thereto (collectively, the "Atlas Group"), the Company agreed to file within 30 days of the Effective Date a shelf registration statement with the SEC (the "Registration Statement") covering the public resale of the 6,312,454 shares of the Company's common stock set forth on the Schedule 13D filed by the Atlas Group and certain affiliated entities on April 25, 2022 (such shares, as subject to the limitations set forth therein, the (the "Registrable Securities"). The Registration Statement was filed and effective on a delayed or continuous basis and to use its reasonable best efforts to cause such shelf registration statement to be declared effective as soon as practicable after the filing thereof, March 6, 2023. Additionally, the Company agreed to prepare and file with the SEC such amendments, including post-effective amendments, and supplements as may be necessary to keep the shelf registration statement continuously effective, available for use to permit the Atlas Group to sell its sale of the Registrable Securities included therein and in compliance with the provisions of the Securities Act of 1933, as amended, until the later of (i) the date that is nine months following the expiration of the Cooperation Period (as defined in the Cooperation Agreement) and (ii) the third anniversary of the original effective date of the shelf registration statement.

The foregoing description of the Cooperation Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Cooperation Agreement, a copy of which is filed as an exhibit Exhibit 10.6 to the Company's Annual Report on Form 10-K to which this Description of Capital Stock is filed as an exhibit.

#### Other Rights

Holders of our Common Stock have no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking fund provisions applicable to our Common Stock. The rights,

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preferences and privileges of the holders of our Common Stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of Preferred Stock that our Board may designate and issue in the future.

#### Preferred Stock

Under our Certificate of Incorporation, our Board has the authority, without further action by our stockholders, to issue up to 20,000,000 shares of Preferred Stock in one or more series and to fix the designations, powers, preferences and the relative participating, optional or other special rights and qualifications, limitations and restrictions of each series, including dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, liquidation preferences and the number of shares constituting any series. No shares of Preferred Stock are outstanding.

#### **Anti-Takeover Effects of our Certificate of Incorporation, Bylaws and Applicable Law**

Certain provisions of our Certificate of Incorporation and Bylaws, as well as certain provisions of Delaware law, may discourage or make more difficult a takeover attempt that any stockholders might consider in their best interest. These provisions may also adversely affect prevailing market prices for our Common Stock. We believe that the benefits of increased protection give us the potential ability to negotiate with the proponent of an unsolicited proposal to acquire or restructure us and outweigh the

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disadvantage of discouraging those proposals because negotiation of the proposals could result in an improvement of their terms.

#### ***Authorized but Unissued Shares of Capital Stock***

##### ***Common Stock***

The remaining shares of authorized and unissued Common Stock are available for future issuance without additional stockholder approval. While the additional shares are not designed to deter or prevent a change of control, under some circumstances we could use the additional shares to create voting impediments or to frustrate persons seeking to effect a takeover or otherwise gain control by, for example, issuing those shares in private placements to purchasers who might side with our Board in opposing a hostile takeover bid.

##### ***Preferred Stock***

The existence of authorized but unissued Preferred Stock could reduce our attractiveness as a target for an unsolicited takeover bid since we could, for example, issue shares of Preferred Stock to parties who might oppose such a takeover bid or shares that contain terms the potential acquiror may find unattractive. This may have the effect of delaying or preventing a change of control, may discourage bids for the Common Stock at a premium over the market price of the Common Stock, and may adversely affect the market price of, and the voting and other rights of the holders of, our Common Stock.

#### ***Removal of Directors; Vacancies***

Our Certificate of Incorporation provides that directors may be removed, with or without cause, at any time upon the affirmative vote of holders of at least a majority of the outstanding shares of Common Stock then entitled to vote at an election of directors. Any vacancy in the Board may be filled by an affirmative vote of at least a majority of the directors then in office, even if less than a quorum, or by a sole remaining director.

#### ***No Stockholder Action by Written Consent***

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Our Certificate of Incorporation provides that stockholder action may be taken only at an annual meeting or special meeting of stockholders and may not be taken by written consent in lieu of a meeting.

#### ***Special Meetings of Stockholders***

Our Certificate of Incorporation provides that a special meeting of stockholders may be called only by or at the direction of the chairman of our Board or our chief executive officer, or by our Board pursuant to a resolution adopted by a majority of the Board, or by the corporate secretary upon written request of one or more record holders of our Common Stock representing ownership of 20% or more of our outstanding shares of Common Stock entitled to vote on the business to be brought before the proposed special meeting.

#### ***Requirements for Advance Notice of Stockholder Nominations and Proposals***

Our Bylaws establish an advance notice procedure for stockholders to make nominations of candidates for election as directors or to bring other business before an annual meeting of our stockholders. Our Bylaws provide that any stockholder wishing to nominate persons for election as directors at, or bring other business before, an annual meeting must deliver to our corporate secretary a written notice of the stockholder's intention to do so. These provisions may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of the Company. To be timely, the stockholder's notice must be delivered to our corporate secretary at our principal executive offices not less than 90 days nor more than 120 days before the first anniversary date of the annual meeting for the preceding year; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or more than 70 days after the first anniversary date of the preceding year's annual meeting, a stockholder's notice must be delivered to our corporate secretary (i) not less than 90 days nor more than 120 days prior to the meeting or (ii) no later than the close of business on the 10th day following the day on which a public announcement of the date of the meeting is first made by us.

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#### **Amendments to Certificate of Incorporation and Bylaws**

Our Certificate of Incorporation provides that our Certificate of Incorporation may be amended by the affirmative vote of the holders of a majority of the outstanding shares of our Common Stock then entitled to vote at any annual or special meeting of stockholders.

In addition, our Certificate of Incorporation and Bylaws provide that our Bylaws may be amended, altered or repealed, or new bylaws may be adopted, by the affirmative vote of a majority of the Board, or by the affirmative vote of the holders of a majority of the outstanding shares of our Common Stock then entitled to vote at any annual or special meeting of stockholders.

#### **Section 203 of the DGCL**

Our Pursuant to our Certificate of Incorporation, provides that we not will be subject to are governed by Section 203 of the DGCL until the first date on which International Paper ceases to own (directly or indirectly) 10% of the then-outstanding shares of our Common Stock. From and after such date, we will be governed by Section 203 for so long as Section 203 by its terms would apply to us. Thus, if after conducting sales of our Common Stock in this Offering, International Paper were to own less than 10% of the outstanding shares of our Common Stock, we would be governed by Section 203.

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**DGCL.** Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, with a person or group owning 15% or more of the corporation's outstanding voting stock for a period of three years following the date the person became an interested stockholder, unless:

- prior to such time, the Board approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to such time, the business combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a business combination includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. An "interested stockholder" is any entity or person who, together with affiliates and associates, owns, or within the previous three years owned, 15% or more of the

outstanding voting stock of the corporation. This provision could have an anti-takeover effect with respect to transactions our Board does not approve in advance, as well as potentially discourage takeover attempts that might result in a premium over the market price for the shares of our Common Stock held by stockholders.

#### **Choice of Forum**

Our Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed to the Company or the Company's stockholders by any of the Company's current or former directors, officers, employees, stockholders or agents, (iii) any action or proceedings asserting a claim arising under the DGCL, our Certificate of Incorporation or Bylaws, or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting or proceeding a claim against the Company that is governed by the internal affairs doctrine. As permitted by Delaware law, our Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America is, to the fullest extent permitted by law, the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act, the Exchange Act, and the rules and regulations thereunder. To the fullest extent permitted by law, each stockholder of the Company is deemed to have notice of and have consented to the provisions of our Certificate of Incorporation related to choice of forum. Neither this provision nor the

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exclusive forum provision means that stockholders have waived our compliance with federal securities laws and the rules and regulations thereunder.

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We have included this exclusive forum provision in our Certificate of Incorporation because such provision, in our view, is in the best interests of the Company and our stockholders for the following reasons: (i) the exclusive forum provision provides that certain intra-corporate disputes will be litigated in Delaware, the state in which the Company is incorporated and whose law governs such disputes; (ii) the Delaware Chancery Court has developed extensive expertise in dealing with corporate law issues, as well as a substantial and influential body of case law interpreting Delaware's corporate law; (iii) the exclusive forum provision helps us avoid multiple lawsuits in numerous jurisdictions relating to the same dispute, thus preventing corporate resources from being unnecessarily diverted to address duplicative, costly and wasteful multi-forum litigation; (iv) the exclusive forum provision provides value to the Company and our stockholders by facilitating consistency and predictability in litigation outcomes and reducing the risk that the outcome of cases in multiple jurisdictions could be inconsistent, even though each jurisdiction purports to follow Delaware law; (v) the exclusive forum provision does not materially change the substantive legal claims or remedies available to our stockholders, but rather only regulates the forum in which stockholders may file claims relating to certain specified intra-corporate disputes; and (vi) our Board has the ability to consent to an alternative forum in appropriate circumstances where the Board determines that the interests of the Company and our stockholders are best served by permitting a particular dispute to proceed in a forum other than Delaware.

#### **Limitation of Liability and Indemnification of Officers and Directors**

Our Certificate of Incorporation contains provisions permitted under the DGCL relating to the liability of directors. These provisions eliminate a director's personal liability for monetary damages resulting from a breach of fiduciary duty, except in circumstances involving:

- any breach of the director's duty of loyalty;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law;
- Section 174 of the DGCL (unlawful dividends); or
- any transaction from which the director derives an improper personal benefit.

The principal effect of the limitation on liability provision is that a stockholder is unable to prosecute an action for monetary damages against a director unless the stockholder can demonstrate a basis for liability for which indemnification is not available under the DGCL. These provisions, however, should not limit or eliminate our rights or any stockholder's rights to seek non-monetary relief, such as an injunction or rescission, in the event of a breach of director's fiduciary duty. These provisions do not alter a director's liability under U.S. federal securities laws. The inclusion of this provision in our Certificate of Incorporation may discourage

or deter stockholders or management from bringing a lawsuit against directors for a breach of their fiduciary duties, even though such an action, if successful, might otherwise have benefited us and our stockholders.

Our Certificate of Incorporation and Bylaws require us to indemnify and advance expenses to our directors and officers to the fullest extent not prohibited by the DGCL and other applicable law. Our Bylaws provide that we are required to indemnify our directors and executive officers, to the fullest extent permitted by law, against all liability and loss suffered and expenses (including attorneys' fees) incurred in connection with pending or threatened legal proceedings because of the director's or officer's positions with us or another entity that the director or officer serves at our request, subject to various conditions,

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and to pay the expenses (including attorneys' fees) actually and reasonably incurred by our directors and officers in advance of the final disposition to enable them to defend against such proceedings.

Listing

Our shares of Common Stock are listed on the NYSE under the symbol "SLVM."

Transfer Agent and Registrar

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The transfer agent and registrar for the Company's Common Stock is Computershare Inc. The contact information for the transfer agent and registrar is:

Computershare Inc.  
150 Royall Street  
Canton, MA 02021  
Tel: 1-866-735-0665.

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Execution version SUPPLEMENTAL INDENTURE TO BED ELIV ERED BY SUBSEQUENT GUARANTEE TO RS SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of September 29, 2021, among (i) Sylvamo Papers Holdings S.à.r.l. a private limited liability company (société à responsabilité limitée) organized and existing under the laws of Luxembourg with registered office at 6, rue Gabriel Lippmann L-5365 Munsbach Grand-Duché de Luxembourg and registered with the Luxembourg Register of Commerce and Companies (R.C.S. Luxembourg) under number B218883, (ii) Sylvamo Investments Brazil S.à.r.l. a private limited liability company (société à responsabilité limitée) organized and existing under the laws of Luxembourg with registered office at 6, rue Gabriel Lippmann L-5365 Munsbach Grand-Duché de Luxembourg and registered with the Luxembourg Register of Commerce and Companies (R.C.S. Luxembourg) under number B218890 and (iii) each of the other undersigned (each a "Subsidiary Guarantor" and collectively, the "Subsidiary Guarantors"). Each is a subsidiary of Sylvamo Corporation (or its permitted successor), a Delaware corporation (the "Company"), the Company and The Bank of New York Mellon Trust Company, N.A., as trustee under the Indenture referred to below (the "Trustee"). WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture dated as of September 3, 2021 (the "Indenture") providing for the issuance of \$450,000,000 7.000% Senior Notes due 2029 (the "Notes"); WHEREAS, the Indenture provides that under certain circumstances the Subsidiary Guarantors shall execute and deliver to the Trustee as supplemental indenture pursuant to which each Subsidiary Guarantor shall conditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Note Guarantee"); and WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture. NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Subsidiary Guarantors and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders as follows: 1. CAPITALIZED TERM S. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture. 2. AGREEMENT TO GUARANTEE. Each Subsidiary Guarantor hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article X thereof.





3. EXECUTION AND DELIVERY. (a) To evidence its Guarantee, each Subsidiary Guarantor hereby agrees that this Supplemental Indenture shall be executed on behalf of such Subsidiary Guarantor by one of its respective directors, managers or officers. (b) Each of the Supplemental Guarantors hereby agrees that its Guarantee shall remain in full force and effect subject to the conditions set forth in the Note Guarantee and the Indenture. (c) The delivery of this executed Supplemental Indenture to the Trustee shall constitute the delivery of the applicable Guarantee set forth in this Supplemental Indenture on behalf of each of the respective Subsidiary Guarantors. 4. NO RECOURSE AGAINST OTHERS. No director, officer, employee, incorporator or stockholder of the Company or any director or direct parent company of the Company, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, the Indenture, the Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws. 5. RATIFICATION OF INDEMNITY, SUPPLEMENTAL INDEMNITIES PART OF INDEMNITY. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form apart of the Indenture for all purposes, and every Holder heretofore or hereafter authenticated and delivered shall be bound hereby. 6. NEW YORK LAW TO GOVERN. THE INSTRUMENTS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUCT THE SUPPLEMENTAL INDEMNITY WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY. 7. COUNITERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. Delivery of an executed counterparty assignment page to this Supplemental Indenture by telecopier, facsimile or other electronic transmission (i.e. a ".pdf" or ".tif") shall be effective as delivery of a manually executed counterpart thereof in accordance with Section 12.10 of the Indenture. 8. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof. 9. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of

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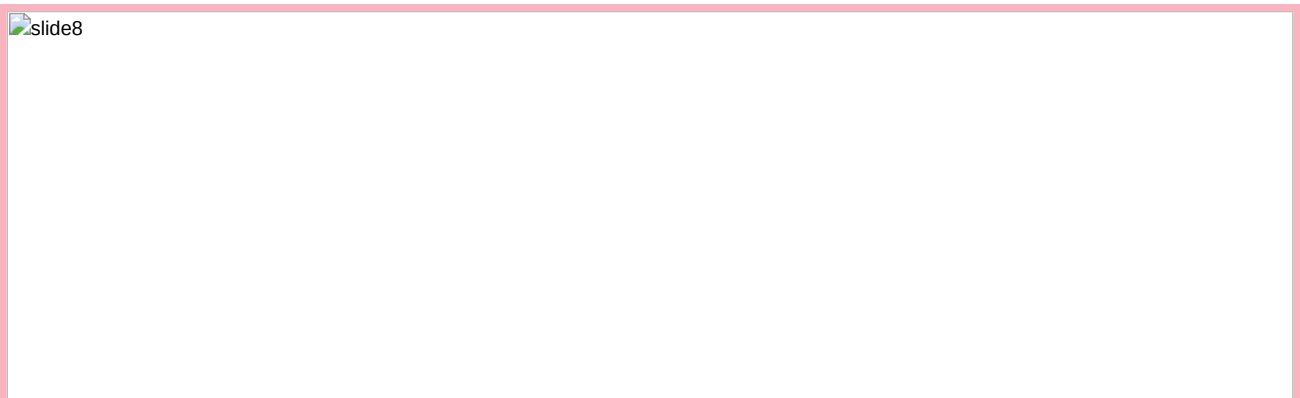
of the recitals contained herein, all of which recitals are made solely by the Subsidiary Guarantors and the Company. 10. LIMITATION ON LIABILITY. In accordance with Section 10.2(a) of the Indenture, the obligations of each Subsidiary Guarantor organized outside the United States of America are limited, where applicable, as follows: (a) Limitations under Luxembourg law. For the purpose of Section 10.2(f) of the Indenture, the amount of Luxembourg Guarantors' own funds (capitaux propres) shall be adjusted (by derogation to the rules contained in the 2002 Law and the Accounts Regulation) to take into account the fair value rather than book value of the assets of the relevant Luxembourg Guarantor.

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Execution version SUPPLEMENTAL INDENTURE TO BE DELIVERED BY SUBSEQUENT GUARANTORS SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of September 29, 2021, among (i) Sylvamo Papers Holdings S.à.r.l., a private limited liability company (société à responsabilité limitée) organized and existing under the laws of Luxembourg with registered office at 6, rue Gabriel Lippmann L-5365 Munsbach Grand-Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies (R.C.S. Luxembourg) under number B218883, (ii) Sylvamo Investments Brazil S.à.r.l., a private limited liability company (société à responsabilité limitée) organized and existing under the laws of Luxembourg with registered office at 6, rue Gabriel Lippmann L-5365 Munsbach Grand-Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies (R.C.S. Luxembourg) under number B21889 0 and (iii) each of the other undersigned (each a "Subsidiary Guarantor" and collectively, the "Subsidiary Guarantors"), each a subsidiary of Sylvamo Corporation (or its permitted successor), a Delaware corporation (the "Company"), the Company and The Bank of New York Mellon Trust Company, N.A., a trustee under the Indenture referred to below (the "Trustee"). WITNESSETH WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture, dated as of September 3, 2021 (the "Indenture"), providing for the issuance of \$450,000,000 7.000% Senior Notes due 2029 (the "Notes"); WHEREAS, the Indenture provides that in certain circumstances the Subsidiary Guarantors shall execute and deliver to the Trustee as supplemental indenture pursuant to which each Subsidiary Guarantor shall unconditionally guarantee all of the Company's obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Note Guarantee"); and WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture. NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Subsidiary Guarantors and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders as follows: 1. CAPITALIZED TERM. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture. 2. AGREEMENT TO GUARANTEE. Each Subsidiary Guarantor hereby agrees to provide an unconditional guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture included in but not limited to Article X thereof.

Exhibit 10.15

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3. EXECUTION AND DELIVERY. (a) To evidence its Guarantee, each Subsidiary Guarantor hereby agrees that this Supplemental Indenture shall be executed on behalf of such Subsidiary Guarantor by one of its respective directors, managers or officers. (b) Each of the Subsidiary Guarantors hereby agrees that its Guarantee shall remain in full force and effect subject to the conditions set forth in the Note Guarantee and the Indenture. (c) The delivery of this executed Supplemental Indenture to the Trustee shall constitute delivery of the applicable Guarantee set forth in this Supplemental Indenture on behalf of each of the respective Subsidiary Guarantors. 4. NO REGISTRATION. No director, officer, employee, incorporator or stockholder of the Company or any director, indirect parent company or Subsidiary of the Company, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, the Indenture, the Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws. 5. RA TIFICATION OF INDENTURE; SUPPLEMENTAL INDENTURES PART OF INDENTURE. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form apart of the Indenture for all purposes, and every Holder heretofore or hereafter authenticated and delivered shall be bound hereby. 6. NEW YORK LAW TO GOVERN. THE ENTIRE LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUCT THE SUPPLEMENTAL INDENTURE WITH OUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICABLE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY. 7. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. Delivery of an executed counterpart of assignment page to this Supplemental Indenture by telecopier, facsimile or other electronic transmission (i.e., pdf or ".tif") shall be effective as delivery of a manually executed counterpart thereof in accordance with Section 12.10 of the Indenture. 8. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof. 9. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of





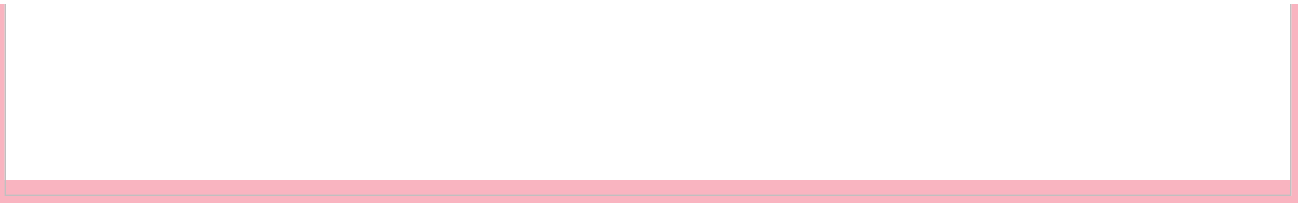




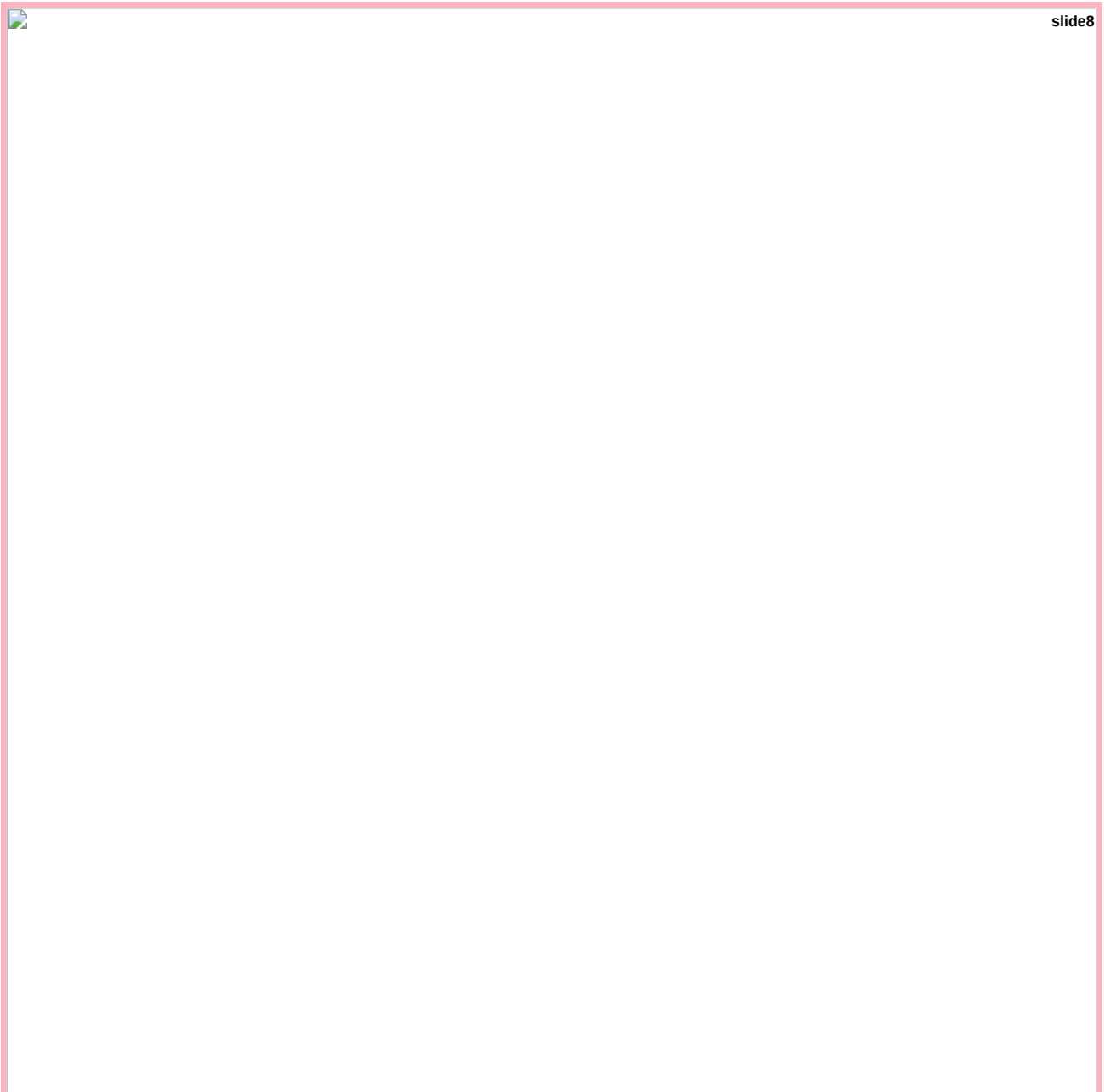




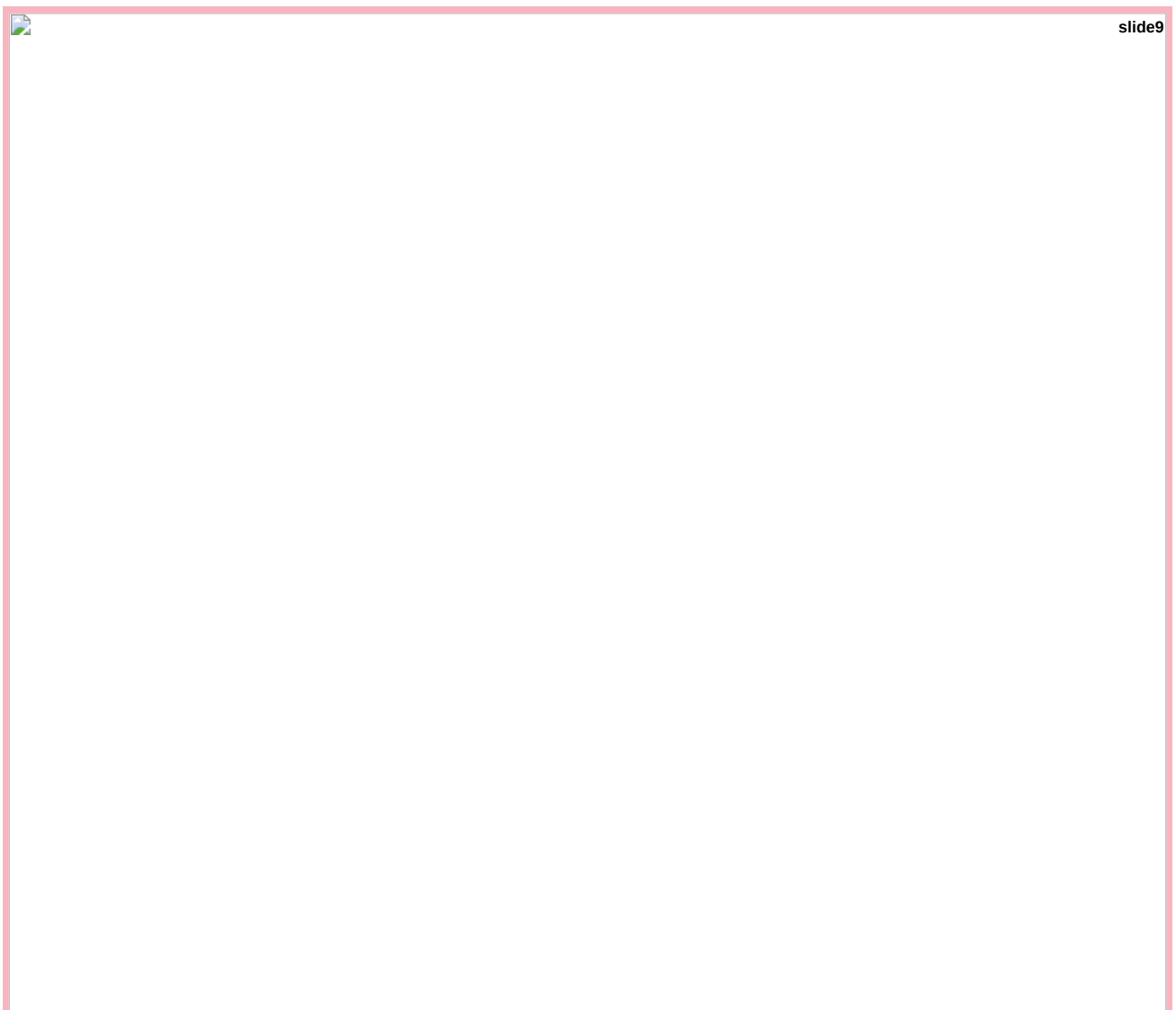
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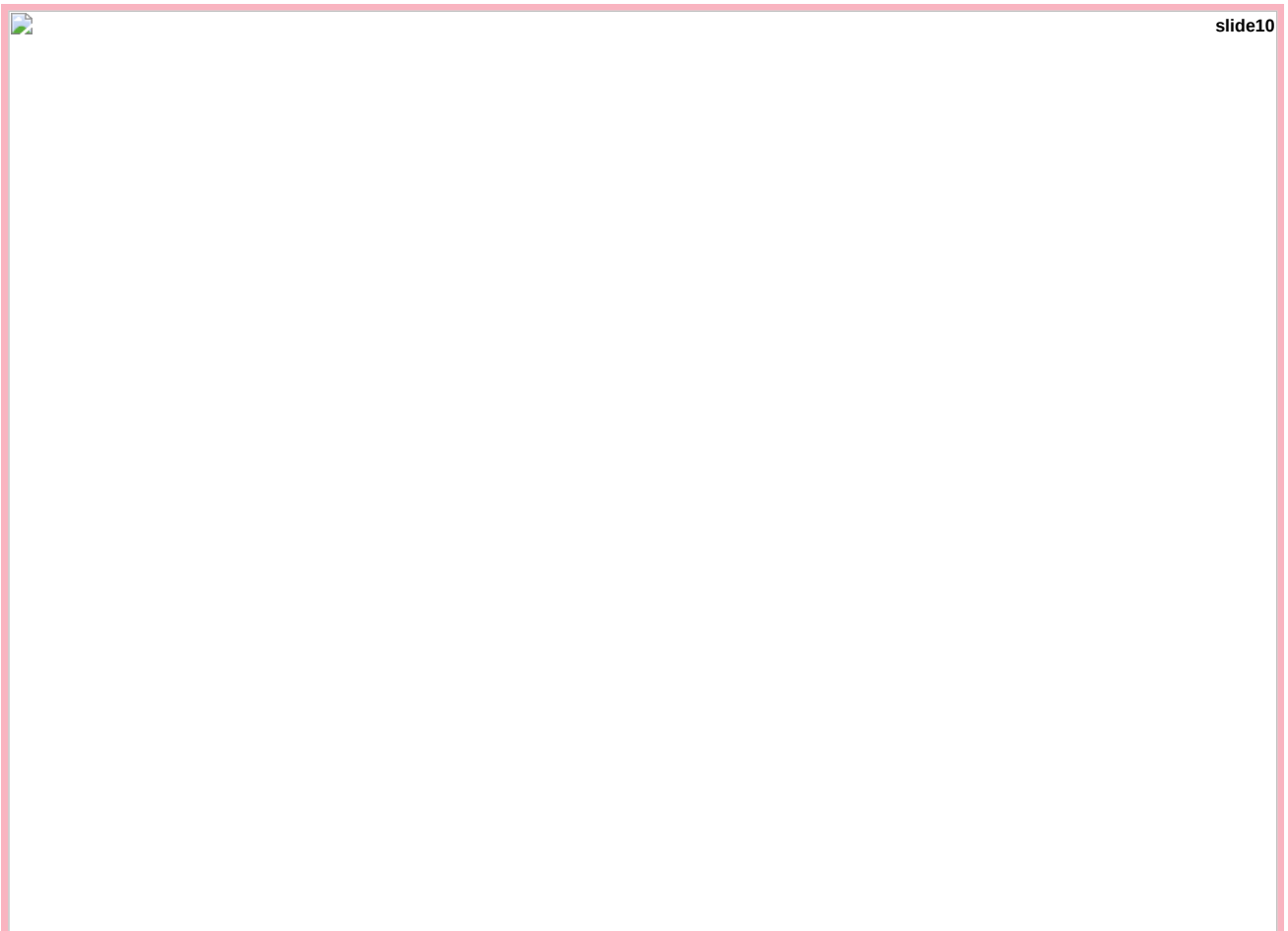
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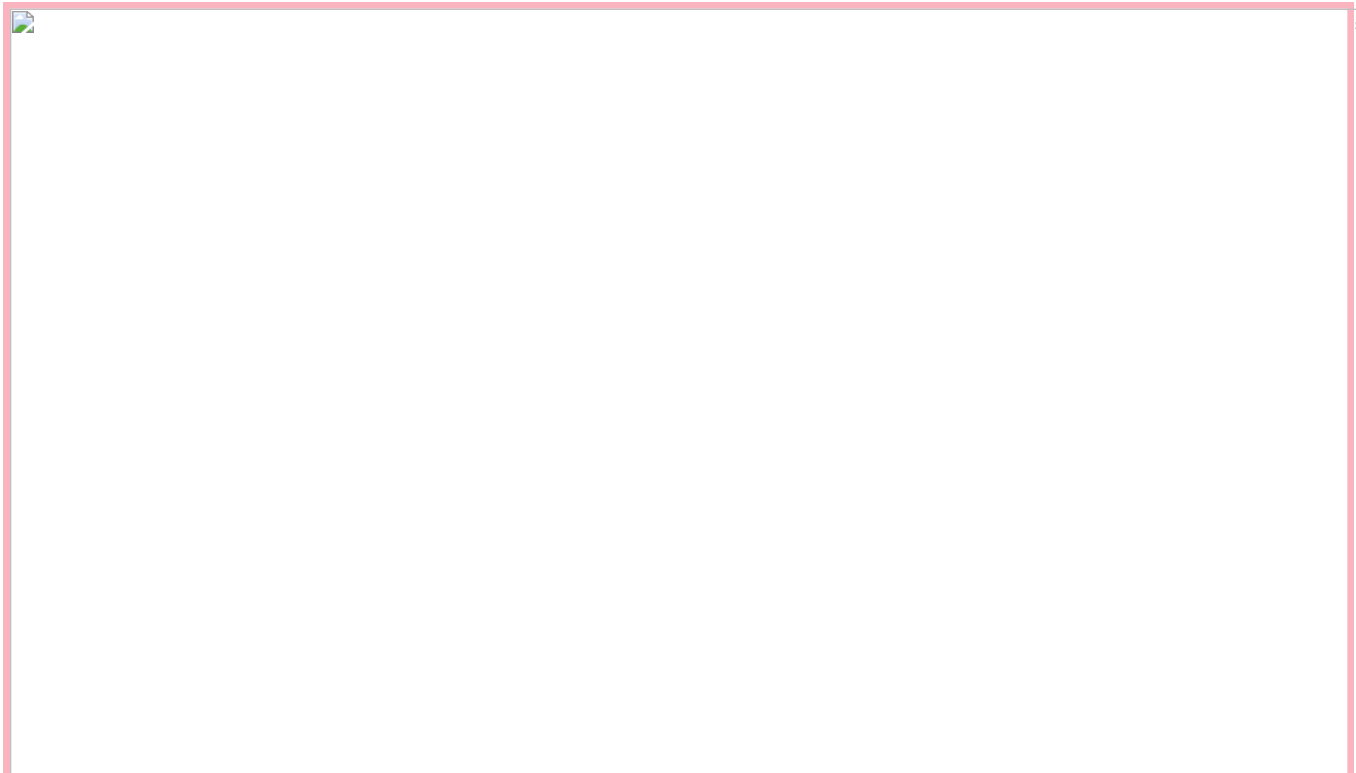
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## LONG-TERM INCENTIVE PLAN AWARD AGREEMENT TERMS AND CONDITIONS

This Long-Term Incentive Plan Award Agreement is made between you, the Participant, and Sylvamo Corporation, a Delaware corporation (the "Company"), by direction of the Management Development and Compensation Committee (the "Committee") of the Board of Directors (the "Board"). This award ("Award") is subject to the provisions of the 2021 Sylvamo Corporation Incentive Compensation Plan (the "Plan"). Terms not defined herein are defined in the Plan. Your acceptance of the Award and the Terms and Conditions described in this Award Agreement will be executed online with Morgan Stanley's StockPlan Connect.

1. **Compliance with Laws and Regulations.** It is intended that this Award, and any securities issued pursuant to this Award, will comply with all provisions of federal and applicable state securities laws.

2. **Composition of Award.** Your award is comprised of either or both (i) Restricted Share Units ("RSUs") and/or (ii) Performance Share Units ("PSUs").

**(a) Restricted Share Units**

i. RSUs are contingently awarded for a specific vesting period (the "Vesting Period") as reflected on Morgan Stanley StockPlan Connect. RSUs vest on the date specified in StockPlan Connect (the "Vesting Date"). RSUs may not be sold, transferred, pledged or assigned at any time.

ii. Payout of RSUs is contingent upon your continued service with the Company through the Vesting Date.

iii. Dividend equivalent units accrued during the Vesting Period will be reinvested in additional RSUs, which will be allocated to the same Vesting Period and will be subject to the same terms and conditions as the underlying RSUs.

**(b) Performance Share Units**

- i. Performance share units are contingently awarded for a specific three-year performance period (the "Performance Period") as reflected on Morgan Stanley StockPlan Connect. PSUs may not be sold, transferred, pledged or assigned at any time.
  - ii. Payout of PSUs is based on the Company's achievement of the performance goals over the Performance Period and continued service through the settlement date.
  - iii. Dividend equivalent units accrued during the Performance Period will be reinvested in additional PSUs, which will be allocated to the same Performance Period and earned on the same basis as the underlying PSUs.
- 3. Payment of Withholding Taxes.** The Company or any Affiliate shall have the authority and the right to deduct or withhold, or require you to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes (including FICA obligation in the United States and any social tax obligations for any non-U.S. jurisdiction) required by law to be withheld with respect to any exercise, lapse of restriction or other taxable event arising as a result of the Plan.
- 4. Method of Determining Actual Award**
- (a) RSUs:** As soon as reasonably practicable after the Vesting Date (but in no event later than 15 days thereafter), the number of RSUs that have vested under this Award will be determined and you will receive, in settlement of the Award, a number of unrestricted shares of Company common stock equal to the number of RSUs that vest less shares withheld for taxes or the equivalent cash value.
- (b) PSUs:** As soon as reasonably practicable after the Performance Period, the number of PSUs to be paid under this Award will be determined by the Committee based on Company performance achievement. The decision by the Committee will be final, conclusive and binding upon all parties, including the Company, the shareowners and you. Following the Committee's approval of the payout, you will receive unrestricted shares of Company common stock equal to the number of PSUs payable to you on the vest date.
- 5. Pro-Ration of Awards**
- (a) RSUs:** You will receive prorated RSUs in the following events: (i) termination of your employment if you are eligible for a termination allowance (including any required agreement and release); (ii) termination of your employment as a result of the Company's divestiture of your business; (iii) death; (iv) Disability; or (v) voluntary resignation after retirement eligibility as defined in the Plan. In these events, you (or, if applicable your beneficiary or estate) will receive the number of RSUs, prorated based on service during the Vesting Period, payable on the first day of the month following the date of termination.

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**(b) PSUs:** You will receive prorated PSUs in the following events: (i) termination of your employment if you are eligible for a termination allowance (including any required agreement and release); (ii) termination of your employment as a result of the Company's divestiture of your business; (iii) voluntary resignation after retirement eligibility as defined in the Plan; (iv) death; or (v) Disability. In the event of (i) termination of your employment if you are eligible for a termination allowance (including any required agreement and release); (ii) termination of your employment as a result of the Company's divestiture of your business; or (iii) voluntary resignation after retirement eligibility as defined in the Plan, you will receive prorated PSUs based on service during the Performance Period payable at the end of the Performance Period at actual Company performance. In the event of termination of employment due to (i) death or (ii) Disability, you (or, if applicable your beneficiary or estate) will receive PSUs

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**Exhibit 10.19**

prorated based on service during the Performance Period payable, on the first day of the month following the date of termination at target.

- 6. Forfeiture and Cancellation of Awards:** Your Award will be forfeited and cancelled upon termination of employment for the following reasons: (i) Cause, (ii) voluntary resignation before retirement eligibility, (iii) violation of a restricted covenant agreement, such as a Non-Competition, Non-Solicitation or Confidentiality Agreement, or (iv) your Misconduct. Your award may also be forfeited in the event of your refusal to sign any required termination agreement and release in connection with the payment of a termination allowance.
- 7. Change in Control:** Except as may be provided in the Executive Severance Plan, in the event of a Change in Control of the Company, the Award will be treated as described in the Administrative Guidelines for the Plan.
- 8. Clawback for Financial Restatement:** In the event the Company's financial statements are required to be restated as a result of errors, omissions or fraud, the Company may recover all or a portion of any Award with respect to any fiscal year of the Company the financial results of which are negatively affected by such restatement.
- 9. Clawback for Misconduct by Executive Officer:** In the event the Committee determines that a Senior Vice President or, the independent members of the Board in the case of the Chief Executive Officer has failed to abide by (i) any material provision in the Company's Code of Conduct or (ii) the provisions of any Non-Competition, Non-Solicitation or



Confidentiality Agreement or other restrictive covenant in any agreement by and between the Company or any Affiliate and the Executive Officer, all RSUs and PSUs that have not been settled as of the date of such determination (and all rights arising from such RSUs and PSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company. The Board or Committee, as appropriate, may in its sole discretion within three years following payment or vesting of any LTIP award granted to an Executive Officer, require reimbursement or recoupment of all or a portion of such LTIP award.

**10.7. Change in Control:** Except as may be provided in the Executive Severance Plan, in the event of a Change in Control of the Company, the Award will be treated as described in the Administrative Guidelines for the Plan.

**8. Clawback for Financial Restatement or Misconduct.** Your Award is subject to the Sylvamo Corporation Clawback Policy, effective July 11, 2023, as may be amended.

**9. Changes in Stock.** In the event of any stock dividend, split, reclassification or other analogous change in capitalization, or any distribution (other than regular cash dividends) to holders of the Company's common stock, the Committee will make such adjustments, if any, as it deems to be equitable in the number of RSUs and PSUs awarded to you.

**11.10. Other Terms and Conditions**

- (a) The Board or the Committee may, at any time and from time to time, amend, modify or terminate the Plan without shareowner approval, subject to certain limitations described in the plan. Further, the granting of an Award is discretionary by the Company. The Company may change the eligibility or other provisions of the Plan with Committee approval at any time.
- (b) You (or your estate or beneficiary) will promptly provide all information related to this Award that is requested by the Company for its tax returns.
- (c) You (and your surviving spouse, beneficiary, executor, administrator, heirs, successors or assigns) hereby agree to accept as binding, conclusive and final all decisions that are made by the Committee with respect to interpretations of the terms and condition of the Plan or this Award and with respect to any questions or disputes arising under the Plan or this Award.
- (d) Participation in the Plan and receipt of this Award will not give you any right to a subsequent award, or any right to continued employment by the Company for any period, nor will the granting of an Award give the Company any right to your continued services for any period. You understand that this Award is in addition to, and not a part of, your annual salary.
- (e) You agree that if execution of one or more restrictive covenant agreements is required, this Award will be contingent upon your execution of such agreement(s).
- (f) This Award is intended to be exempt from Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), and will be interpreted in accordance with such intent.

Exhibit 10.21

Certain portions of this exhibit (indicated by [\*\*\*]) have been omitted as the Registrant has determined (i) the omitted information is not material and (ii) the omitted information would likely cause competitive harm to the Registrant if publicly disclosed Exhibit 10.17

## SYLVAMO CORPORATION ANNUAL INCENTIVE PLAN (AIP)

Effective as of January 1, 2023 January 1, 2024

*Pursuant to the Sylvamo Corporation 2021 Incentive Compensation Plan*

### I. Purposes of the Plan and Plan Description

The 2023 Annual Incentive Plan (the "Plan" or "AIP"), effective as of January 1, 2023 January 1, 2024, is governed by the Sylvamo Corporation 2021 Incentive Compensation Plan, as amended from time to time.

The purposes of the Plan are to: (a) provide an incentive to reward Participants for results in improving the financial performance of the Company; (b) attract and retain the best talent available; and (c) further align the interests of the Participants and the Company's shareowners.

The Plan is an annual, cash incentive plan developed around the achievement of pre-established Performance Objectives and funded based on the Company's achievement level against those Performance Objectives.

### II. Definitions

Additional definitions, including the definitions of the performance metrics, can be found in Appendix A.

- **Award Scale**  
“Award Scale” means the conversion of the Performance Objective Achievement to a percent of Target Award earned.
- **Cause**  
“Cause” includes but is not limited to Misconduct or other activity detrimental to the business interest or reputation of the Company or continued unsatisfactory job performance without making reasonable efforts to improve. Examples include insubordination, protracted or repeated absence from work without permission, illegal activity, disorderly conduct, etc.
- **Committee**  
“Committee” means the Management Development and Compensation Committee of the Company's Board of Directors.
- **Company**  
“Company” means Sylvamo Corporation, a Delaware corporation, together with its Subsidiaries.
- **Executive Officer**  
“Executive An “Executive Officer” means an Eligible Employee in a position designated as Senior Vice President.
- **Maximum Award**  
“Maximum Award” means the an eligible Participants' Target Award (as prorated, if applicable) and the sum of eligible Participants' Target

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Awards cannot not exceed 200% of the Target Award or sum of all Target Awards.

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- **Misconduct**  
“Misconduct” includes but is not limited to an act detrimental to the business interest or reputation of the Company or any act determined to be a deliberate disregard of the Company's rules, or violation of the Eligible Employee's Non-Competition or Non-Solicitation Agreement. The determination of whether a Participant has engaged in Misconduct shall be made by the Senior Vice President & Chief People Officer or by the Committee with regard to Executive Officers, or by the Board of Directors for a determination with regard to the CEO.
- **Participant**  
“Participant” means a person who has been designated as a participant in the Plan, according to [Section IV](#).
- **Performance Objective Achievement**  
“Performance Objective Achievement” means the percentage amount assigned to a Performance Objective for a level of performance achievement.
- **Performance Objectives**  
“Performance Objectives” mean the measures identified by the Company and approved by the Committee as set forth in [Appendix A](#).
- **Performance Reward Factor**  
“Performance Reward Factor” means a percentage amount determined by the Committee to be applied to the sum of eligible Participants' Target Awards (excluding Executive Officers) multiplied by the Company's percentage achievement of its Performance Objectives.
- **Plan Year**  
“Plan Year” means the twelve-month period corresponding to the Company's fiscal year (January 1 through December 31).
- **Retirement Eligible**

"Retirement Eligible" means an employee who is at least age 55 with 10 years of service or age 65.

- SEC  
"SEC" means the Securities and Exchange Commission.
- Subsidiary  
"Subsidiary" means any company that is owned (more than 50%) or controlled, directly or indirectly, by the Company.
- Target Award  
"Target Award" means an amount equal to (a) for each Executive Officer, the percentage of base salary approved for such officer by the Committee or, for the Chief Executive Officer (the "CEO"), by the independent members of the Company's Board of Directors, (b) for other Participants employed on a full-time basis, the target award amount applicable to the actual pay grade of such Participant, an illustration of which for U.S. target awards is shown in Appendix A and (c) for other Participants employed on a part-time basis, the target award amount applicable to the actual pay grade of such Participant, prorated for the percentage of time worked.

### III. Administration of the Plan

The Plan operates at the discretion of the Committee. The Committee may exercise considerable discretion and judgment in interpreting the Plan, and adopting, from time to time, rules and regulations that govern the administration of the Plan.

The Committee has delegated authority to the CEO or his designee for the day-to-day administration of the Plan, except with respect to awards made to the CEO or any other Executive Officer.

Decisions of the Committee are final, conclusive and binding on all parties, including the Company, its shareowners, and employees.

### IV. Participation in the Plan

Participation in the Plan is limited to the CEO, Executive Officers and individuals who meet the definition of Eligible Employee as defined in Appendix A. Except as set forth in Section VI, a Participant must be an Eligible Employee as of September 30 of the Plan Year *and* on the date of the award payout in order to be eligible to receive a payout.

Employees who are eligible for participation in any other short-term, cash-based incentive compensation plan of the Company, including Mill Gainsharing Plans in the United States, with the exception of the Brazil Profit Sharing Plan, are not eligible for participation in the Plan.

An Eligible Employee who becomes eligible to participate in the Plan during the Plan Year or who moves from one eligible pay grade to another pay grade or becomes an Executive Officer or CEO will be eligible for a prorated award. An Eligible Employee who moves from an eligible position to a non-eligible position during the Plan Year will be eligible for a prorated award. An award based on will be prorated for each month in which the number of months the employee was Participant worked 15 days or more in an eligible during the Plan Year. position.

Participation in the Plan, or receipt of an award under the Plan, does not give a Participant or Eligible Employee any right to a subsequent award, or any right to continued employment by the Company for any period.

### V. Performance Objectives

#### A. Achievement

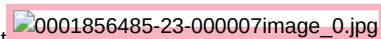
The Company's achievement of each Performance Objective will be evaluated by the Company as of the end of the Plan Year. The Company's determination of its performance achievement will be presented to the Committee for its review and approval at the February meeting following the end of the Plan Year. The Company's performance achievement under each performance metric will be evaluated by the Committee based on the Company's financial statements. If the Committee determines that events or circumstances render the performance goals to be unsuitable, the Committee may modify such performance goals in whole or in part, as the Committee deems appropriate.

### VI. Individual Participant Awards

#### A. Payout of Individual Awards

Participants each have a **Target Award**. A Participant's **Calculated Award** is equal to the participant's Target Award multiplied by the Company's actual performance percentage achieved. A Participant's **Final Award** is equal to the Participant's Calculated Award adjusted by the Participant's individual performance achievement, which may or may not include business unit, facility or mill performance, as determined by his or her manager against pre-established performance objectives or for the CEO by the Board of Directors and SVPs by the Committee. A Participant's individual award is capped at 200% of his or her Target Award (as prorated, if applicable).

The following is an example of an award payout calculation for a Participant



|   |    |          |
|---|----|----------|
| Target Award                                    | \$ | 18,700   |
| Company Performance                             |    | 106.79 % |
| Calculated Award                                | \$ | 20,000   |
| (\$18,700 X 106.79, rounded to the nearest 100) |    |          |
| Individual Performance                          |    | 115 %    |
| Final Award                                     | \$ | 23,000   |
| (\$20,000 X 115%, rounded to the nearest 100)   |    |          |

#### **B. Impact of Leave of Absence for Salaried Employees**

A Participant's Target Award will not be reduced for the number of months on a leave of absence during the Plan Year. The Participant's individual performance achievement, as determined above, against pre-established performance objectives will be considered in the Participant's Final Award.

#### **C. Cancellation of Award Upon Certain Events**

An award not yet paid (prior to actual payment, see Note below) will be cancelled as of the date of the Participant's termination of employment in the following events:

- Voluntary resignation before retirement eligibility; or
- Termination for Cause.

Note: Awards will be cancelled in the situations listed above even if time and performance have been met, but the award has not yet been physically paid at the time of termination. Any dispute as to whether any of the events described in this paragraph have occurred will be resolved by the Company or the Committee in its sole discretion in accordance with Section III.

#### **D. Proration Upon Certain Events**

An award not yet paid will be prorated based upon the number of months of employment during the Plan Year in which the Participant worked 15 days or more.

Awards paid at the target amount in connection with a termination scenario during the Plan Year are not deemed an AIP award and accordingly are not paid from the Total AIP Award Pool, but instead are charged to the appropriate cost center.

| TERMINATION SCENARIO   | LAST DAY WORKED<br>(i.e. Date of Termination)             | AMOUNT<br>TO BE PAID  | TIME OF PAYMENT                            |
|--|---|---|--|
| <i>For All AIP-eligible Employees</i>  |   |   |  |
| <b>DURING PLAN YEAR</b>  |   |   |  |
| • Death<br>• Long-Term Disability  | 1/1 through 12/31   | <u>Pro rata</u> Target Award  | As soon as practical following termination |
| • Retirement eligible <sup>1</sup><br>• Eligible for Termination Allowance <u>with</u> signed Release <sup>2</sup> ( <i>Even IF Retirement Eligible</i> ) <sup>1</sup><br>• Company's Divestiture of Participant's Business <sup>1</sup> | 1/1 through 6/30  | <u>Pro rata</u> Target Award  | As soon as practical following termination |
|  | 7/1 through 12/31   | <u>Pro rata</u> Calculated Award based on Actual performance        | At time of normal AIP payout               |
| <b>AFTER PLAN YEAR BUT BEFORE AIP PAYOUT</b>   |   |   |  |
| • Death<br>• Long-Term Disability<br>• Eligible for Termination Allowance <u>with</u> signed Release <sup>2</sup><br>• Company's Divestiture of Participant's Business<br>• Retirement eligible  | 1/1 (of year following Plan Year) through AIP payout date | <u>Full</u> prior year Calculated Award based on Actual performance | At time of normal AIP payout               |

<sup>1</sup>For the CEO and Senior Vice Presidents, these termination scenarios, regardless of termination date, will result in a pro rata calculated award based on Actual performance, to be paid at the normal AIP payout.

<sup>2</sup>U.S.: Eligible for a Termination Allowance under Company Salaried Employee Severance Plan. A U.S. Participant who does not sign the Company's Termination Agreement and Release in connection with the payment of a Termination Allowance will forfeit his or her AIP award, unless retirement eligible.

## VII. Payment of Awards

### A. Type of Payment

AIP awards are paid in cash unless deferred by the Participant. Alternatively, the Committee may, in its sole discretion, authorize payment of all or a portion of earned AIP awards to all or certain groups of Participants under the Company's Incentive Compensation Plan in shares of Company stock. For Participants

outside of the United States, management has discretion to pay AIP in any form permitted by local law.

### B. Time of Payment

Awards may be paid in one or two installments, as determined by the Committee. Each such installment will be deemed to be a separate payment for purposes of Section 409A of the Internal Revenue Code and Treas. Reg. §1.409A-2(b)(2)(iii).

In the event an award is paid in one installment, it will be made no later than March 15 following the Plan Year. In the event an award is paid in more than one installment, the first such payment will be made no later than March 15 following the Plan Year and the second such payment will be made no later than December 31 following the Plan Year. In no event will an award or any portion thereof be paid in the current Plan Year. For Participants outside of the United States, management has discretion to pay AIP at such time as is permitted by local law.

### C. Payment to Beneficiaries

If a Participant dies prior to receipt of an approved award under the Plan, the award will be paid in accordance with the charts under Section VI in a lump sum to the Participant's estate as soon as practicable but in no event later than 90 days after the date of death.

### D. Deferral of Payment

Any Participant who is eligible for and has elected to participate in the Company's Deferred Compensation Savings Plan ("DCSP") may elect to defer payment, not to exceed 85%, of any award under the Plan by filing an irrevocable AIP Deferral Election by the last business day in December of the year prior to the year in which such award would be earned. Awards or portions elected to be deferred will be credited with investment earnings or losses in accordance with provisions of, and the Participant's elections under, the DCSP. AIP awards that are deferred will be paid in accordance with the payment terms of the DCSP.

#### **IX. Recoupment or Forfeiture Clawback of Awards**

If Awards under this Plan are subject to the Company reasonably believes that a Participant has committed an act Sylvamo Corporation Clawback Policy, effective as of Misconduct either during employment or within 90 days after such employment terminates, the Company may terminate the Participant's participation in the Plan or seek recoupment of an award paid under the Plan. Recoupment July 11, 2023, as may be effectuated by a notice of recapture ("Recapture Notice") sent to such Participant within the 90-day period following the termination of employment. The Participant will be required to deliver to the Company an amount in cash equal to the gross cash payment of the award to which such Recapture Notice relates within 30 days after receiving such Recapture Notice from the Company.

The Company has sole and absolute discretion to take action or not to take action pursuant to this Section IX upon discovery of Misconduct, and its determination not to take action in any particular instance does not in any way limit its authority to terminate the participation of a Participant in the Plan and/or send a Recapture Notice in any other instance.

If any provision of this Section IX is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

#### **X. Impact of Restatement of Financial Statements Upon Previous Awards**

If any of the Company's financial statements are required to be restated, resulting from errors, omissions, or fraud, the Committee may (in its sole discretion, but acting in good faith) direct that the Company recover all or a portion of any such award made to any, all or any class of Participants with respect to any fiscal year of the Company the financial results of which are negatively affected by such restatement. The amount to be recovered from any Participant shall be the amount by which the affected award(s) exceeded the amount that would have been payable to such Participant had the financial statements been initially filed as restated, or any greater or lesser amount (including, but not limited to, the entire award) that the Committee shall determine. The Committee may determine to recover different amounts from different Participants or different classes of Participants on such bases as it shall deem appropriate. In no event shall the amount to be recovered by the Company be less than the amount required to be repaid or recovered as a matter of law. The Committee shall determine whether the Company shall effect any such recovery (i) by seeking repayment from the Participant, (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement) the amount that would otherwise be payable to the Participant under any compensatory plan, program or arrangement maintained by the Company or any of its affiliates, (iii) by withholding payment of future increases in compensation (including the payment of any discretionary bonus amount) or grants of compensatory awards that would otherwise have been made in accordance with the Company's otherwise applicable compensation practices, or (iv) by any combination of the foregoing. amended.

#### **XI. Modification, Suspension or Termination of Plan**

The Committee may at any time suspend, terminate, modify or amend any or all of the provisions of the Plan.

#### **XII. Governing Law**

The Plan is governed by the laws of the State of Delaware. To the extent that applicable law in the local jurisdiction where a Participant resides requires modifications to the implementation of these Plan provisions, the Plan shall be implemented in accordance with such applicable law as it pertains to such resident Participants.

#### **XIII. Tax Withholding**

The Company has the right to make such provisions as it deems necessary or appropriate to satisfy any obligations it may have under law to withhold federal, state or local income or other taxes incurred by reason of payments pursuant to the Plan.

#### **XIV. Section 409A**

The Plan is intended to comply with the applicable requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and will be limited, construed and interpreted in accordance with such intent.

#### **XV. Non-Transferability of Award**

No award under the Plan, and no rights or interests therein, will be assignable or transferable by a Participant (or legal representative).

### **Appendix A**

#### **2023 2024 Annual Incentive Plan (AIP)**

This Appendix A is effective as of **January 1, 2023** **January 1, 2024** and continues until **December 31, 2023** **December 31, 2024**, unless otherwise terminated, suspended, modified, or amended by the Committee prior to **December 31, 2023** **December 31, 2024**.

| Plan Provision  | 2023 2024 Definition  |
|---|---|
| <b>Performance Reward Factor</b>  | 5%  |
| <b>Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization or Adjusted EBITDA</b> | EBITDA adjusted to exclude the impact of <b>Transfer Services Agreement costs and</b> stock based compensation. In addition, Adjusted EBITDA may also reflect, in the Committee's discretion, adjustment for any impact of acquisitions, divestitures, and/or the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results.  |
| <b>Adjusted EBITDA Margin</b>   | Adjusted EBITDA as a percentage of revenues (net sales).<br><br>For purposes of calculating Adjusted EBITDA Margin, the percentage will be rounded up or down to the nearest tenth of a percentage point.   |
| <b>Capital Spending</b>   | "Invested in Capital Projects" as reported on the Consolidated Statement of Cash Flows in the Company's financial statements included in its periodic filings with the SEC. Investments in M&A (mergers and acquisitions) and new paper machines will be excluded from the total Capital Spending. Capital Spending may be adjusted, in the Committee's discretion, for any impact of acquisitions, divestitures, and/or the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results. |

|   |   |
|---|---|
| <b>Earnings Before Interest, Taxes, Depreciation and Amortization or EBITDA</b> | (1) earnings from continuing operations before interest, income taxes, equity earnings and cumulative effect of accounting changes, and before the impact of special items and non-operating pension expense, <i>plus</i> (2) depreciation, amortization, and cost of timber harvested. The EBITDA metric excludes the impact of non-operating pension expense and special items, including by way of example, but without limitation, gains or losses associated with the following: (a) asset write-downs or impairment charges; (b) litigation or claim judgments or settlements; (c) the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results; (d) accruals for reorganization and restructuring programs; (e) unusual or infrequently occurring items as described in then-current generally accepted accounting principles; (f) unusual or infrequently occurring items as described in management's discussion and analysis of the Company's financial condition and results of operations appearing in the Company's annual report to shareowners for the applicable year; and (g) acquisitions or divestitures. |
|---|---|

|                                  |   |
|----------------------------------|---|
| <b>Eligible Employee</b>         | A regular, active employee of the Company employed on a non-temporary and full-time or part-time basis whose pay grade is 7 or higher in the United States or pay grade 1 to 6 in the Corporate functions or 14 or higher outside of the United States as set forth in <u>Section IV</u> .  |
| <b>Free Cash Flow</b>            | <b>EBITDA (before special items</b> <b>Cash provided by Operating Activities from Continuing Operations (Net Income <i>plus</i> Depreciation, amortization and stock based compensation)</b> <b>cost of timber harvested, deferred income tax provision, stock-based compensation and changes in operating assets and liabilities and other) <i>less</i> one-time costs related to the spin-off, Capital Spending <i>plus/minus</i> changes cash invested in Operating Working Capital, capital projects/less taxes.</b><br><br>The dollar amount will be rounded up or down to the nearest half million. |
| <b>Operating Working Capital</b> | Trade Receivables <i>plus</i> Total Inventory <i>less</i> absolute Trade Accounts Payable as reported internally. Operating Working Capital may be adjusted, in the Committee's discretion, for any impact of acquisitions, divestitures, and/or the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results.   |

| <div>2023 2024 Performance</div> <div>Objective:</div> <div>Adjusted EBITDA Margin (50%)</div> | Performance   | Award %   | <div>+ 6.667% for each [***]% improvement greater than [***]% and up to [***]%</div> |
|--|---|---|--|
|  | <div>[*] Greater than [***]</div>                   | <div>[*] % and up to [***] %</div>  |  |
|  | <div>[***] % - [***] %</div>                        | <div>100%</div>   |  |
|  | <div>From [***] % to less than [***] %</div>        | <div>- 3.333% for each [***] % drop below [***]</div>                                   |  |
| <div>[*] % down to [***]</div>   | <div>[***] %</div>                                  |   |  |
| <div>2023 2024 Performance</div> <div>Objective:</div> <div>Free Cash Flow (50%)</div>         | Performance   | Award %   |  |
|  | <div>[ Greater than \$[***] and up to \$[***]</div> | <div>+ 3.003% for each \$[***] improvement greater than \$[***] and up to \$[***]</div> |  |
|  | <div>\$[***] – \$[***]</div>                        | <div>100%</div>   |  |
|  | <div>From \$[***] to less than \$[***]</div>        | <div>- 1.502% for each \$[***] drop below \$[***]</div>                                 |  |
| <div>[ down to \$[***]</div>   | <div>[***]</div>                                    |   |  |



|   | Pay Grade | Target Award Value* |
|---|-----------|---------------------|
|   | ***       | \$196,700           |
| <b>2023 2024 U.S. Target Awards</b><br><br><i>*Target Awards for non-U.S. participants vary based on local market practice.</i> | ***       | \$178,900 179,000   |
|   | ***       | \$151,200 160,700   |
|   | ***       | \$140,900 152,100   |
|   | ***       | \$115,000 139,600   |
|   | ***       | \$107,900 115,800   |
|   | ***       | \$87,200 93,900     |
|   | ***       | \$69,100 84,500     |
|   | ***       | \$61,500            |
|   | ***       | \$47,000 49,000     |
|   | ***       | \$44,900            |
|   | ***       | \$32,900 34,100     |
|   | ***       | \$29,000 32,200     |
|   | ***       | \$26,700            |
|   | ***       | \$18,700 21,000     |
|   | ***       | \$17,200            |
|   | ***       | \$9,200 9,500       |
|   | ***       | \$8,800 8,900       |
|   | ***       | \$8,200             |
|   | ***       | \$7,600             |
|   | ***       | \$7,100             |
|   | ***       | \$6,500             |
|   | ***       | \$6,100 6,200       |
|   | ***       | \$3,500             |
|   | ***       | \$3,200 3,300       |
|   | ***       | \$2,900 3,000       |
|   | ***       | \$2,600 2,700       |
|   | ***       | \$2,400 2,500       |
|   | ***       | \$2,200 2,300       |

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Exhibit 10.22

## Sylvamo Corporation 2021 Executive Severance Plan

1. **Purpose and Background.** The purpose of the Plan is to assist certain Company officers and executives in making a successful transition upon termination of employment by the Company without Cause, or by the officer or executive for Good Reason (as such terms are defined in the Plan).
2. **Definitions.** For purposes of this Plan, the following words and phrases have the meanings specified below:

- 2.1 “Administrator” has the meaning set forth in Section 3.
- 2.2 “Base Salary” means the annual base salary rate of a Participant as of the last day of his or her employment with the Company.
- 2.3 “Board” means the Board of Directors of the Company.
- 2.4 “Bonus” means the actual annual cash incentive awards paid to a Participant for a particular performance year.
- 2.5 “Cause” has the meaning set forth in Section 4.1.
- 2.6 “Change in Control” means the occurrence of any one or more of the following:
- (a) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any “person” or “group” (as those terms are used in Section 13(d)(3) of the Securities Exchange Act of 1934, hereinafter the “Exchange Act”) becomes the “beneficial owner” (as defined in Rules 13d-1 and 13d-5 under the Exchange Act), directly or indirectly, of the Company’s voting stock representing 30% or more of the voting power of the Company’s outstanding voting stock, provided, however, that an employee of the Company or any of its subsidiaries for whom shares are held under an employee stock ownership, employee retirement, employee savings, or similar plan and whose shares are voted in accordance with the instructions of such employee shall not be a member of a “group” (as that term is used in Section 13(d)(3) of the Exchange Act) solely because such employee’s shares are held by a trustee under said plan;
  - (b) during any period of two (2) consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Company (the “Board”) cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election, by the Company’s shareholders of each new director was approved by a vote of at least two-thirds (2/3) of the directors then still in office who were directors at the beginning of the period;
  - (c) the Company consolidates with, or merges with or into, any person, or any person consolidates with, merges with or into, the Company, in any such event pursuant to a transaction in which any of the Company’s outstanding voting stock or voting stock of such person is converted into or exchanged for cash, securities, or other property, other than any such transaction where the Company’s voting stock outstanding immediately prior to such transaction constitutes, or is converted into or exchanged for, voting stock representing more than fifty percent (50%) of the

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Exhibit 10.22

- voting power of the voting stock of the surviving person immediately after giving effect to such transaction;
- (d) the direct or indirect sale, lease, transfer, conveyance, or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its subsidiaries taken as a whole to any “person” or “group” (as those terms are used in Section 13(d)(3) of the Exchange Act) other than to the Company or one of its subsidiaries; or
  - (e) the shareholders of the Company approve a complete liquidation or dissolution of the Company.
- 2.7 “COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and any successor thereto.
- 2.8 “Code” means the U.S. Internal Revenue Code of 1986, as amended, and any successor thereto. References to a particular section of the Code include references to regulations and rulings thereunder and to successor provisions.
- 2.9 “Committee” means the Management Development and Compensation Committee of the Board.
- 2.10 “Company” means Sylvamo Corporation.
- 2.11 “Continuation Benefits” has the meaning set forth in Section 7.2.
- 2.12 “Disability” means that, as a result of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, a Participant is receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.
- 2.13 “Eligible Executive” has the meaning set forth in Section 4.
- 2.14 “Good Reason” has the meaning set forth in Section 4.2.
- 2.15 “Notice of Termination” means a notice which shall indicate the specific termination provision in this Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment which shall not be less than thirty (30) days or more than sixty (60) days after the date of delivery of the Notice of Termination.
- 2.16 “Participant” has the meaning set forth in Section 4.
- 2.17 “Participation Agreement” means a Participation Agreement substantially in the form attached hereto as Exhibit B.

- 2.18 “Plan” means this Sylvamo Corporation 2021 Executive Severance Plan, as described in this document and as amended or amended and restated from time to time.
- 2.19 “Pro Rata Target Bonus” has the meaning set forth in Exhibit A.
- 2.20 “Qualifying Termination” has the meaning set forth in Section 4.
- 2.21 “Release” has the meaning set forth in Section 8.
- 2.22 “Severance Payment” has the meaning set forth in Section 7.1 in accordance with the Severance Payment Table set forth in Exhibit A.

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**Exhibit 10.22**

- 2.23 “Severance Period” means, with respect to each Participant, a number of full and/or partial years beginning on the date the Participant’s employment is terminated, which number shall be equal to the number by which under the terms of this Plan the Participant’s Base Salary is multiplied for purposes of calculating the Participant’s Severance Payment pursuant to Section 7.1.
- 2.24 “Target Bonus” means the target Bonus opportunity (including any deferred target Bonus opportunity) for the year of Qualifying Termination for the Participant on an annualized basis.
3. Administration. The Plan shall be administered by the Committee, except that (a) for purposes of the participation of the Company’s Chief Executive Officer (“CEO”) in the Plan, the Plan shall be administered by the Committee and the other independent members of the Board established as a special committee of the Board for this purpose and (b) for purposes of Section 14, the Plan may be administered by the Committee or a person or persons appointed from time to time by the Committee, as determined by the Committee, which appointment may be revoked at any time by the Committee (as applicable, the “Administrator”). Subject to the provisions of the Plan, the Administrator shall have exclusive authority to interpret and administer the Plan, to establish appropriate rules relating to the Plan, to delegate some or all of its authority under the Plan to the extent permitted by law, and to take all such steps and make all such determinations in connection with the Plan and the benefits granted pursuant to the Plan as it may deem necessary or advisable. Any reasonable decision of the Administrator in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive, and binding on all parties concerned.
4. Eligibility; Certain Conditions to Payment. Eligibility under the Plan is limited to certain executives and officers of the Company who are employed in full-time positions in the Company’s businesses located in the U.S. (“Eligible Executives”). The Administrator in its sole discretion will, from time to time, select those Eligible Executives who will participate from time to time in the Plan (“Participants”) and will notify the Participants of such participation. Subject to the provisions of this Plan, Participants shall receive the Severance Payment and Continuation Benefits described in this Plan if the Participant’s employment with the Company is terminated (a) by the Company for a reason other than Cause, Disability, or death, or (b) by the Participant for Good Reason (any such termination, a “Qualifying Termination”). The provisions of this Plan shall not apply to any officer or executive who is covered by any other written employment, change in control, or severance agreement. Participants who receive a Severance Payment under this Executive Severance Plan shall not be eligible for a benefit under the Salaried Severance Plan for U.S. employees or its non-US equivalent.

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**Exhibit 10.22**

- 4.1 Cause. For purposes of this Plan, the term “Cause” means termination upon:
- (a) The willful and continued failure by a Participant substantially to perform Participant’s duties with the Company (other than any such failure resulting from the Participant’s incapacity due to physical or mental illness or any such actual or anticipated failure resulting from termination by the Participant for Good Reason) after a written demand for substantial performance is delivered to the Participant by the Company, which demand specifically identifies the manner in which the Company believes that the Participant has not substantially performed the Participant’s duties; or

- (b) The willful engaging by a Participant in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise.
- (c) For purposes of this definition of "Cause," no act or failure to act, on a Participant's part shall be deemed "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that the Participant's action or omission was in the best interest of the Company.

Notwithstanding the foregoing, a Participant shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Participant a copy of the Company's written finding (after reasonable notice to the Participant and an opportunity for the Participant, together with Participant's counsel, to be heard before the Company) that in the good faith opinion of the Company the Participant was guilty of conduct set forth above under Subsection 4.1(a) or 4.1(b), and specifying the particulars thereof in detail.

**4.1 Good Reason.** For purposes of this Plan, the term "Good Reason" means the occurrence, without the Participant's consent, of any one or more of the following events:

- (a) The assignment to a Participant of any duties with the Company (or with a successor or affiliated company) inconsistent with the Participant's status as an executive, or a substantial adverse alteration in the nature or status of Participant's responsibilities, from those in effect immediately prior to a Change in Control;
- (b) A reduction in a Participant's base salary as in effect on the date hereof or as the same may be increased from time to time;
- (c) The failure by the Company to continue in effect any material compensation plan in which a Participant participates (including, but not limited to, the Company Long-Term Incentive Plan or Annual Incentive Plan, each as in effect immediately prior to the Change in Control) or any substitute plans adopted prior to the Change in Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan in connection with the Change in Control, or the failure by the Company to continue the Participant's participation therein on substantially the same basis, both in terms of the amount of benefits provided and the level of the Participant's participation relative to other participants, as existed immediately prior to the Change in Control;
- (d) Except for across-the-board reductions similarly affecting all executives of the Company and all executives of any person in control of the Company: (i) the failure by the Company to

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**Exhibit 10.22**

continue to provide a Participant with benefits substantially similar to those enjoyed by the Participant under any of the Company's pension, savings, life insurance, medical, health, and accident or disability plans in which the Participant was participating at the time of the Change in Control, (ii) the taking of any action by the Company which would directly or indirectly materially reduce any of such benefits or deprive the Participant of any material fringe benefit enjoyed by the Participant at the time of the Change in Control, or (iii) the failure by the Company to provide a Participant with the number of paid vacation days to which the Participant is entitled on the basis of years of service with the Company in accordance with the Company's normal vacation policy in effect immediately prior to the Change in Control;

- (e) The failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform all of the Company's duties and obligations under this Plan;
- (f) Any purported termination of a Participant's employment which is not affected pursuant to a Notice of Termination; for purposes of this Plan, no such purported termination shall be an effective termination by the Company; or
- (g) The Company's requiring a Participant to be based at a new place of work more than fifty (50) miles from the Participant's place of work immediately prior to the Change in Control, except for required travel on the Company's business to an extent substantially consistent with the Participant's present business travel obligations.

A Participant's right to terminate employment pursuant to "Good Reason" shall not be affected by the Participant's incapacity due to physical or mental illness.

Any termination of a Participant's employment by the Company or by a Participant shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 6.

**5. Equity Awards.** This Plan does not alter or amend any vesting or other terms and conditions of any equity-based compensation awards under the Company's equity incentive plan(s), which shall be governed by the terms and conditions set forth in the equity incentive plan(s) and separate written grant agreements.

6. **Notice.** The Company or any Participant may terminate the Participant's employment at any time for any reason by delivery of notice to the other party no less than thirty (30) days or more than sixty (60) days in advance of the date of termination as set forth in Section 7.1; **provided**, that if the Company terminates the Participant's employment for Cause under Section 4.1, no advance written notice is required; and **provided**, further, that no communication, statement, or announcement shall be considered to constitute notice of termination of the Participant's employment unless it is in writing and specifically recites that it is a Notice of Termination for purposes of this Plan.

7. **Severance Payment and Continuation Benefits.**

- 7.1 **Severance Payment.** Subject to the provisions of this Plan, if the Participant experiences a Qualifying Termination, the Company, as severance, shall pay to the Participant an amount (the "**Severance Payment**") as determined by the table set out in Exhibit A.

Subject to Sections 8 and 9, the Company shall pay such Severance Payment in substantially equal monthly payments over the Severance Period; **provided**, that such payments shall begin no later than the sixty-fifth (65<sup>th</sup>) day following the Participant's termination of employment and the first payment will include any monthly installment that would have been paid during the sixty-five (65) day period following the Participant's termination of employment if the payments had begun on the first day of the Severance Period.

- (a) As a condition of receiving the Severance Payment, the Participant shall remain employed in good standing until the earlier of (a) the termination date specified in the Notice of Termination provided for in Section 6, or (b) for so long as his or her services are required by the Company. With the mutual agreement of the Participant and the Company, the Participant may remain employed beyond the period described in the preceding sentence.
- (b) If Cause is determined to have existed during the Participant's employment, and such determination is made within two (2) years following his or her termination of employment, or as otherwise required by law, the Company reserves the right, subject to Section 409A of the Code, to recoup any Severance Payment paid to the Participant.

- 7.2 **Continuation Benefits.** Subject to the provisions of this Plan, the Participant shall be entitled to continuation of group health coverage (including medical, dental, and vision benefits, to the extent permitted under the applicable plan), and the health care flexible spending account (to the extent required to comply with COBRA continuation coverage requirements) (collectively, the "**Continuation Benefits**") in accordance with the applicable plan terms and applicable law, and to the extent that such programs and plans are maintained by the Company, for the shorter of (x) the Severance Period or (y) eighteen (18) months following the date of the Participant's termination of employment (the "**Benefit Continuation Period**"); **provided**, however, that the Participant pays the full cost of his or her coverage under such plans, except that the Participant shall pay only the required contributions for any health care continuation coverage required to be provided to or on behalf of the Participant under COBRA, on the same basis as any other plan participant electing similar COBRA continuation coverage under the Company health plan; and **provided**, further, that any such coverage shall terminate to the extent that the Participant obtains comparable benefits from any other employer during the Benefit Continuation Period. The Participant shall be reimbursed by the Company for the cost of the Continuation Benefits (except that the reimbursement for his or her required contributions for COBRA health care continuation coverage shall be reduced by an amount equal to the cost paid by an active employee for similar coverage under the Company health plan), and any such reimbursement shall be treated as taxable and reduced by applicable tax withholding.

- 7.3 **Outplacement Benefits.** Company shall reimburse Participant for all reasonable expenses incurred by Participant for professional outplacement services by qualified consultants selected by Participant during a period equal to the Severance Period following Participant's Qualifying

Termination, up to a maximum amount equal to \$75,000, payable within 30 days of Participant's submission of appropriate documentation of such expenses.

## 8. Release; Participation Agreement.

- 8.1 Release. A Participant shall only be entitled to receive the Severance Payment if, within sixty-five (65) days after the Participant's termination of employment, he or she shall have executed and delivered (and, if applicable, not revoked) a release of claims against the Company (and its officers, directors, employees, affiliates, stockholders, etc.) in a form reasonably satisfactory to the Company in the Company's sole discretion (the "Release"), and any applicable revocation period for the Release has expired within such sixty-five (65) day period without the Participant revoking the Release. The form of Release shall be delivered to the Participant by the Company at the time of, or within five (5) days after, the termination of the Participant's employment. Should the Participant revoke all or any portion of the Release within any legally applicable revocation period, then the Participant will be treated hereunder as if he or she did not execute the Release and the Participant will not be entitled to any of the payments or benefits provided under Section 7.
- 8.2 Participation Agreement. No Eligible Executive shall be designated as a Participant, and no Participant shall be entitled to receive the Severance Payment, unless he or she shall have executed and delivered the Participation Agreement while employed with the Company, and such shall be in full force and effect. The Participation Agreement shall terminate without further action of the Company or a Participant if, prior to the termination of the Participant's employment with the Company, the Participant ceases to be designated as a Participant.
- 8.3 Breach of Participation Agreement. If a Participant materially breaches any provision of the Participation Agreement or the Release, the Administrator may determine that he or she (i) will forfeit any unpaid portion of the Severance Payment or right to reimbursements under Section 7.2 hereof and (ii) will repay to the Company any portion of the Severance Payment or any reimbursements received pursuant to Section 7.2 hereof previously paid to him or her.

## 9. Section 409A.

- 9.1 Notwithstanding anything to the contrary contained in this Plan, the payments and benefits provided under this Plan are intended to comply with, or be exempt from, Section 409A of the Code and the applicable guidance and regulations thereunder (collectively, "Section 409A"), and the provisions of this Plan shall be interpreted such that the payments and benefits provided under the Plan are either exempt from, or are in compliance with, Section 409A. Notwithstanding the foregoing, neither the Company nor the Administrator has any obligation to take any action to prevent the assessment of any additional income tax, interest, or penalties under Section 409A on any person and none of the Company, its subsidiaries, or any of their employees, agents or

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representatives, including the Administrator, shall have any liability to any Participant with respect thereto. It is also intended that the terms "termination" and "termination of employment" and like terms as used herein shall constitute a "separation from service" within the meaning of Section 409A. The Administrator may modify the payments and benefits under this Plan at any time solely as necessary to avoid adverse tax consequences under Section 409A; provided, however, that this Section 9 shall not create any obligation on the part of the Administrator to make such modifications or take any other action.

- 9.2 Anything in the Plan to the contrary notwithstanding, each payment of the Severance Payment made to a Participant shall be treated as a separate and distinct payment from all other such payments for purposes of Section 409A.
- 9.3 Anything in the Plan to the contrary notwithstanding, if a Participant is a "specified employee" (within the meaning of Treasury Regulation Section 1.409A-1(i)) on the date of the Participant's termination of employment, then any payment or benefit which would be considered "nonqualified deferred compensation" within the meaning of Section 409A that the Participant is entitled to receive upon the Participant's "separation from service" within the meaning of Section 409A and which otherwise would be payable during the six (6)-month period immediately following the Participant's termination of employment will instead be paid, or commence to be paid, without interest, on the first regularly scheduled payroll date to occur on or after the seventh (7<sup>th</sup>) month following the Participant's termination of employment (or, if earlier, the date of the Participant's death).
- 9.4 With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A: (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for

reimbursement, or in-kind benefits to be provided, in any other taxable year; and (iii) such payments shall be made on or before the last day of the Participant's taxable year following the taxable year in which the expense occurred, or such earlier date as required hereunder.

10. **Withholding.** The Company shall be entitled to withhold from payments to or on behalf of the Participant any amount of tax or other withholding required by law.
11. **Governing Law.** This Plan shall be construed, interpreted, and governed in accordance with the laws of the State of Delaware, without reference to rules relating to conflicts of law, except to the extent preempted by the Employee Retirement Income Security Act of 1974, as amended ("ERISA").
12. **Effect on Other Plans.** This Plan supersedes in all respects any prior severance or termination benefit plan or policy of the Company that applies to Participants. Any other Company plan that relates to a specific benefit shall supersede this Plan with respect to that specific benefit (e.g., annual or long-term incentive plan shall govern benefits under those plans).

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13. **Amendment and Modification of Plan.** This Plan may be modified, amended, or terminated at any time by the Board without notice to Participants. Notwithstanding the foregoing, (a) for a period of two (2) years following a Change in Control, the Plan may not be discontinued, terminated, or amended in such a manner that decreases the Severance Payment payable to any Participant or that makes any provision less favorable for any Participant without the consent of the Participant, and (b) subject to Section 9 or as may otherwise be required to comply with Section 409A of the Code or Section 10D of the Securities Exchange Act of 1934, as amended, the Plan may not be modified, amended, or terminated in a manner adverse to Participants as of the date of the modification, amendment, or termination without six (6) months' advance written notice of such modification, amendment, or termination (including modifying the eligibility of the Eligible Executives who are already Participants to participate in the Plan).

14. **Claims, Inquiries, and Appeals.**

- 14.1 **Applications for Benefits and Inquiries.** Any application for benefits, inquiries about the Plan, or inquiries about present or future rights under the Plan must be submitted to the Administrator in writing by an applicant (or his or her authorized representative), to as follows:

Vice President, Compensation & Benefits  
c/o Sylvamo Corporation  
6400 Poplar Avenue  
Memphis, TN 38197

- 14.2 **Denial of Claims.** In the event that any application for benefits is denied in whole or in part, the Administrator must notify the applicant, in writing, of the denial of the application, and of the applicant's right to review the denial. The written notice of denial will be set forth in a manner designed to be understood by the applicant, and will include specific reasons for the denial, specific references to the Plan provisions upon which the denial is based, a description of any information or material that the Administrator needs to complete the review and an explanation of why such information or material is necessary, and an explanation of this Plan's review procedure and the time limits applicable to such procedure, including a statement of the applicant's right to bring a civil action under Section 502(a) of ERISA following a denial on review of the claim, as described in Section 14.5 below.

This written notice will be given to the applicant within ninety (90) days after the Administrator receives the application, unless special circumstances require an extension of time, in which case the Administrator has up to an additional ninety (90) days for processing the application. If an extension of time for processing is required, written notice of the extension will be furnished to the applicant before the end of the initial ninety (90)-day period.

This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Administrator is to render its decision on the application. If written notice of denial of the application for benefits is not furnished within the specified time, the

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application shall be deemed to be denied. The applicant will then be permitted to appeal the denial in accordance with the review procedure described below.

- 14.3 Request for a Review.** Any person (or that person's authorized representative) for whom an application for benefits is denied (or deemed denied), in whole or in part, may appeal the denial by submitting a request for a review to the Administrator within sixty (60) days after the application is denied (or deemed denied). The Administrator will give the applicant (or his or her representative) a reasonable opportunity to review pertinent documents in preparing a request for a review and submit written comments, documents, records, and other information relating to the claim. A request for a review will be in writing and will be addressed to:

Vice President, Compensation & Benefits  
c/o Sylvamo Corporation  
6400 Poplar Avenue  
Memphis, TN 38197

A request for review must set forth all of the grounds on which it is based, all facts in support of the request, and any other matters that the applicant feels are pertinent. The Administrator may require the applicant to submit additional facts, documents, or other material as it may find necessary or appropriate in making its review.

**Decision on Review.** The Administrator will act on each request for review within sixty (60) days after receipt of the request, unless special circumstances require an extension of time (not to exceed an additional sixty (60) days), for processing the request for a review. If an extension for review is required, written notice of the extension will be furnished to the applicant within the initial sixty (60)-day period. This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Administrator is to render its decision on the review. The Administrator will give prompt, written notice of its decision to the applicant. In the event that the Administrator confirms the denial of the application for benefits in whole or in part, the notice will outline, in a manner calculated to be understood by the applicant, the specific reasons for the denial, the specific Plan provisions upon which the decision is based, a statement that the applicant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim, and a statement of the applicant's right to bring a civil action under Section 502(a) of ERISA. If written notice of the Administrator's decision is not given to the applicant within the time prescribed in this Section 14.4, the application will be deemed denied on review.

- 14.4 Rules and Procedures.** The Administrator will establish rules and procedures, consistent with the Plan and with ERISA, as necessary and appropriate in carrying out its responsibilities in reviewing benefit claims. The Administrator may require an applicant who wishes to submit additional information in connection with an appeal from the denial (or deemed denial) of benefits to do so at the applicant's own expense.

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- 14.5 Exhaustion of Remedies.** No legal action for benefits under the Plan may be brought until the claimant (a) has submitted a written application for benefits in accordance with the procedures described by Section 15.1, (b) has been notified by the Administrator that the application is denied (or the application is deemed denied due to the Administrator's failure to act on it within the established time period), (c) has filed a written request for a review of the application in accordance with the appeal procedure described in Section 15.3, and (d) has been notified in writing that the Administrator has denied the appeal (or the appeal is deemed to be denied due to the Administrator's failure to take any action on the claim within the time prescribed by Section 15.4).

- 15. No Employment Rights.** Neither this Plan nor the benefits hereunder shall be a term of the employment of any employee, and the Company shall not be obligated in any way to continue the Plan. The terms of this Plan shall not give any employee the right to be retained in the employment of the Company.

- 16. Effective Date.** This Plan shall become effective as of October 1, 2021.

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EXHIBIT A  
SEVERANCE PAYMENT TABLE

| Participant   | Severance Payment   |
|---|---|
| #1. CEO (only in the event of a Qualifying Termination that occurs within two (2) years following a Change in Control)                    | 1. Two and one-half (2½) times the Participant's Base Salary.<br>2. Two and one-half (2½) times the Target Bonus.<br>3. An amount equal to the product of (A) the Target Bonus for the Participant (if any) for the year in which the Qualifying Termination occurs, multiplied by (B) a fraction (in no case greater than 1) the numerator of which is the number of days from (and including) the first day of the applicable performance period for such Bonus through (and including) the date of such Qualifying Termination and the denominator of which is the total number of days in the applicable performance period for such Bonus (such amount, the "Pro Rata Target Bonus").<br>4. Outplacement benefits as described in Section 7.3 ("Outplacement Benefits"). |
| #2. CEO (except as provided in #1 above)  | 1. Two (2) times the Participant's Base Salary.<br>2. Two (2) times the Target Bonus.<br>3. Outplacement Benefits   |
| #3. Senior Leadership Team (only in the event of a Qualifying Termination that occurs within two (2) years following a Change in Control) | 1. One and one-half (1½) times the Participant's Base Salary.<br>2. One and one-half (1½) times the Target Bonus.<br>3. An amount equal to the Pro Rata Target Bonus.<br>4. Outplacement Benefits   |
| #4. Senior Leadership Team (except as provided in #3 above)   | 1. One (1) times the Participant's Base Salary.<br>2. Outplacement Benefits   |

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EXHIBIT B  
PARTICIPATION AGREEMENT

This Participation Agreement (the "Agreement") dated [], is by and between **Sylvamo Corporation**, a Delaware corporation (the "Company"), and [] ("Executive").

WHEREAS, Executive has accepted employment in a senior position with the Company and is a participant in the Company 2021 Executive Severance Plan, as may be amended or amended and restated from time to time (the "Severance Plan"); and

WHEREAS, the Company deems it essential to the protection of its confidential information and competitive standing in its market to have its senior leadership have reasonable restrictive covenants in place; and

WHEREAS, Executive agrees and acknowledges that the Company has a legitimate interest to protect its confidential information and competitive standing.

NOW THEREFORE, in consideration for the provisions stated below, and intending to be legally bonded thereby, the parties agree as follows:

1. Executive has been informed and is aware that the execution of this Agreement is a necessary term and condition of Executive's employment, continued employment, or receipt of severance payment.
2. The term "**Confidential Information**" as used in this Agreement shall be broadly interpreted to include, without limitation, materials and information (whether in written, electronic, or other form and whether or not identified as confidential at the time of disclosure) concerning technical matters, business matters, business plans, operations, opportunities, plans, processes, procedures, standards, strategies, policies, programs, software, schematics, models, systems, results, studies, analyses, compilations, forecasts, data, figures, projections, estimates, components, records, methods, criteria, designs, quality control, research, samples, work-in-progress, prototypes, , materials, clients and prospective clients, customer lists, contracts, projects, suppliers, referral sources, sales, marketing, bidding, purchasing, personnel, financial condition, assets, inventory, accounts payable, accounts receivable, tax matters, books of account, financing, collections, intellectual property, trade secrets, and all other know-how and information of the Company or any subsidiary of the Company which has not been published or disclosed to the general public. While employed by the Company and at all times thereafter, Executive will keep Confidential Information, including trade secrets, confidential and shall not, directly or indirectly, use for himself or herself or use for,

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or disclose to, any party other than the Company, or any subsidiary of the Company (other than in the ordinary course of Executive's duties for the benefit of the Company or any subsidiary of the Company), any Confidential Information. At the termination of Executive's employment, or at any other reasonable time the Company or any of its subsidiaries may request, Executive shall promptly deliver to the Company all memoranda, notes, records, plats, sketches, plans, or other documents (including, without limitation, any "soft" copies or computerized or electronic versions thereof) containing Confidential Information, including trade secrets or any other information concerning Company's business, including all copies, then in Executive's possession or under Executive's control whether prepared by Executive or others. Notwithstanding the foregoing, Company employees, contractors, and consultants may disclose trade secrets in confidence, either directly or indirectly, to a Federal, State, or local government official or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or in a complaint or other document filed in a lawsuit or other proceeding if such filing is made under seal. Additionally, Company employees, contractors, and consultants who file retaliation suits for reporting a suspected violation of law may disclose related trade secrets to their attorney and use them in related court proceedings, as long as the individual files documents containing the trade secret under seal and does not otherwise disclose the trade secret except pursuant to Court order.

3. In consideration of the Company's obligations under this Agreement, Executive agrees that while employed by the Company and for a period of one (1) year thereafter, without the prior written consent of the Board of Directors of the Company (the "**Board**"), he or she shall not, directly or indirectly, as principal, manager, agent, consultant, officer, director, stockholder, partner, investor, lender, or employee or in any other capacity, carry on, be engaged in, or have any financial interest in, any entity which is in competition with the business of the Company or its subsidiaries. Notwithstanding the foregoing, if the Severance Plan is discontinued, terminated, or amended in such a manner that materially decreases the severance payment payable to Executive or that makes any provision materially less favorable for Executive without the consent of Executive, the restrictions set forth in this paragraph 3 shall not apply to Executive.
4. In consideration of the Company's obligations under this Agreement, Executive agrees that while employed by the Company and for a period of one (1) year thereafter, without the prior written consent of the Board, he or she shall not, on his or her own behalf or on behalf of any person, firm or company, directly or indirectly, (a) solicit or offer employment to or hire any person who is or has been employed by the Company or its subsidiaries at any time during the twelve (12) months immediately preceding such solicitation or (b) solicit or entice away or in any manner attempt to persuade any client, vendor, partner, customer, or prospective customer of the Company to discontinue or diminish his, her, or its relationship or prospective relationship with the Company or to otherwise provide his, her, or its business to

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any corporation, partnership, or other business entity which engages in any line of business in which the Company is engaged (other than the Company).

5. For purposes of this Agreement, an entity shall be deemed to be in competition with the Company if it enters into or engages in any business or activity that substantially and directly competes with the business of the Company. For purposes of this paragraph 5, the business of the Company is defined to be: the sale and manufacture of uncoated free sheet, printing papers, converting and specialty papers, and fluff pulp; in each case by the Company and its direct and indirect subsidiaries or affiliated or related companies. Notwithstanding this paragraph 5 or paragraph 8, nothing herein shall be construed so as to preclude Executive from investing in any publicly or privately held company, provided that no such investment in the equity securities of an entity with publicly traded equity securities may exceed one percent (1%) of the equity of such entity, and no such investment in any other entity may exceed five percent (5%) of the equity of such entity, without the prior written approval of the Board.
6. Executive agrees that he or she will not at any time make, directly or indirectly, any negative, derogatory, disparaging, or defamatory comment, whether written, oral, or in electronic format, to any reporter, author, producer, or similar person or entity or to any general public media in any form (including, without limitation, books, articles, or writings of any other kind, as well as film, videotape, audio tape, digital recording, computer/Internet format, social media, or any other medium) that concerns directly or indirectly the Company its business or operations, or any of its current or former agents, employees, officers, directors, customers, or clients. Executive understands that nothing in this section or this Agreement limits Executive's ability to communicate with any government agencies or otherwise participate or cooperate with an investigation conducted by the Equal Employment Opportunity Commission, the Securities and Exchange Commission, or other similar agency, including providing documents or other information, without notice to the Company.
7. Upon the termination of Executive's employment for any reason, Executive, or his or her estate, shall surrender to the Company all correspondence, letters, files, contracts, mailing lists, customer lists, advertising materials, ledgers, supplies, equipment, checks, and all other materials and records of any kind that are the property of the Company or any of its subsidiaries or affiliates, that may be in Executive's possession or under his or her control, including, without limitation, any "soft" copies or computerized or electronic versions thereof.
8. Executive agrees that the covenant not to compete, the covenants not to solicit, and the covenant not to make disparaging comments are reasonable under the circumstances and will not interfere with his or her ability to earn a living or otherwise to meet his or her financial

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obligations. Executive and the Company agree that if in the opinion of any court of competent jurisdiction such restraint is not reasonable in any respect, such court shall have the right, power, and authority to excise or modify such provision or provisions of this covenant which appear unreasonable and to enforce the remainder of the covenant as so amended. Executive agrees that any breach of the covenants contained in this Agreement would irreparably injure the Company. Accordingly, Executive agrees that, in the event that a court enjoins Executive from any activity prohibited by this Agreement, the Company may, in addition to pursuing any other remedies it may have in law or in equity, cease making any payments otherwise required under the Severance Plan and Executive's employment agreement with the Company (if any) and obtain an injunction against Executive from any court having jurisdiction over the matter restraining any further violation of this Agreement by Executive.

9. Executive acknowledges and agrees that cash and equity incentive compensation paid in connection with this employment and any severance payments or benefits after the termination of Executive's employment, including under the Sylvamo Corporation 2021 Executive Severance Plan, shall be subject to cancellation and recoupment by the Company, and shall be repaid by Executive to the Company, to the extent required by law, regulation or listing requirement, or by any Company policy adopted pursuant thereto.
10. No waiver or modification of all or any part of this Agreement will be effective unless set forth in a written document signed by both the Company and Executive expressly indicating their intention to waive or modify the specified provisions of this Agreement. If the Company chooses not to enforce its rights in the event Executive breaches some or all of the terms of this Agreement, the Company's rights with respect to any such breach shall not be considered a waiver of a future breach by Executive of this Agreement, regardless of whether the breach is of a similar nature or not.

11. This Agreement accurately sets forth and entirely sets forth the understandings reached between Executive and the Company with respect to the matters treated herein. If there are any prior written or oral understandings or agreements pertaining to the subject matter addressed in this Agreement, they are specifically superseded by this Agreement and have no effect, except that any other restrictive covenant agreements by and between Executive and the Company shall remain in full force and effect. This Agreement is binding on Executive and the Company, and our respective successors, assigns, and representatives. This Agreement shall terminate without further action of the parties if, prior to the termination of Executive's employment with the Company, Executive ceases to be designated as a Participant in the Severance Plan.

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12. Because of Company's and Executive's substantial contacts with the State of Tennessee, the fact that Company's headquarters is located in Tennessee, the parties' interests in ensuring that disputes regarding the interpretation, validity, and enforceability of this Agreement are resolved on a uniform basis, and Company's making and execution of this Agreement in Tennessee, the parties agree that the Agreement shall be interpreted and governed by the laws of the State of Tennessee, without regard for any conflict of law principles. The parties agree that the exclusive venue and jurisdiction for any litigation concerning or arising out of or based on this Agreement shall be the federal and state courts located in Tennessee. The parties expressly consent to the personal jurisdiction and venue of said courts. The provisions of this paragraph shall not restrict the ability of Company or Executive to enforce in any court any judgment obtained in Tennessee federal or state court.

IN WITNESS WHEREOF, and the Company and Executive have executed this Agreement on the date(s) noted next to their respective signatures.

SYLVAMO CORPORATION EXECUTIVE

By: By:  
Title: Title:  
Date: Date:

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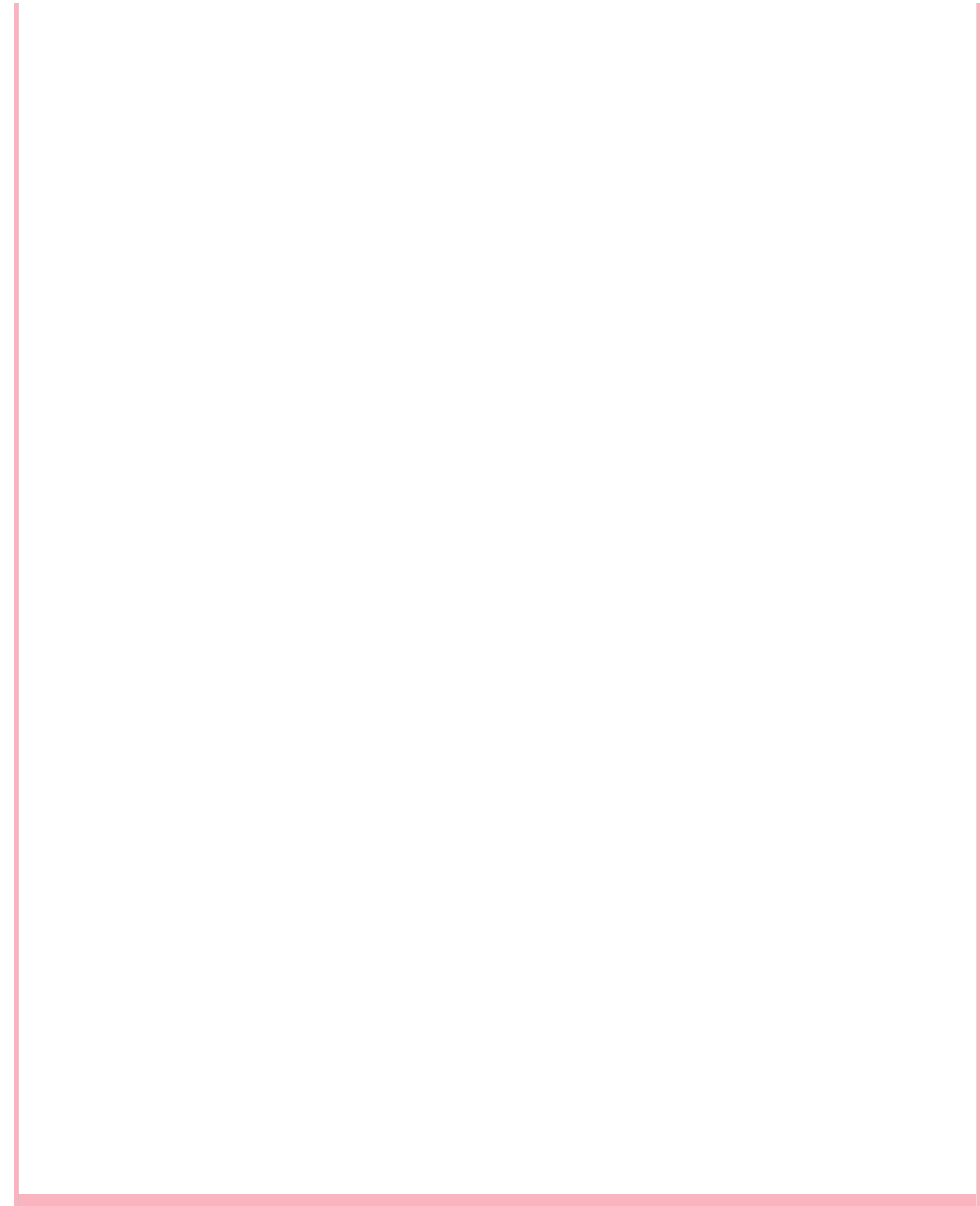


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Page 3 Dear Colleagues, At Sylvamo, we always do the right things, in the right ways, for the right reasons – this is our overarching value. Our values declare what is most important to us and play an important role in the pursuit of our vision to be the world's paper company: the employer, supplier and investment of choice. Ethics are among our core values. We hold ourselves and each other accountable in accordance with our values. We foster a culture of trust.

openness and accountability. Ethics guide our actions and decisions and are a constant reminder of what we believe and how we operate. Ethics help foster a safe and engaging workplace that positively influences our relationships with each other, our customers, suppliers, investors, the communities where we live and those who rely on our paper. We all share responsibility for operating ethically. Our individual actions, positive or negative, determine our company culture and reputation. That's why it is important to understand the right things to do, recognize the situations that could cause concern and Speak Up! as soon as we suspect wrongdoing. We should always feel free to voice our concerns without fear of retaliation. Our Code of Conduct serves as a guide for how we conduct ourselves every day and helps us successfully address ethical challenges. It promotes a culture where we are confident that when we raise a concern in good faith, it will be addressed. Ensuring that Sylvamo is an ethical company depends on all of us — we can't take it for granted and we have to continually work on it. Our Code of Conduct provides guidance and resources — it's up to us to make it part of the way we conduct ourselves each day. Jean-Michel Ribiéras Chairman and Chief Executive Officer Chairman's Message Code of Conduct



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Page 4 Our Values We always do the right things, in the right ways, for the right reasons. People We care about people's health, safety and development. We look out for each other to ensure everyone returns home safely each day. We foster an inclusive and diverse culture in which all individuals feel welcome, included and valued. Customers We leverage a deep understanding of end-use markets and customers' businesses to help them succeed. Investors We deliver consistently on our compelling investment thesis. Ethics We hold ourselves and each other to act in accordance with our values. We foster a culture of trust, openness and accountability. Stewardship 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. Continuous Improvement Every day, we strive to be better than the day before. Safer. Smarter. More efficient.

Code of Conduct



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Page 5 Why the Code of Conduct? Ethics Ethics are a core value at Sylvamo. The Code of Conduct addresses how we live out our ethical values in our day-to-day jobs, workplaces and business relationships. Unity The Code of Conduct gives us common standards to follow so we act consistently with trust in all our business dealings. Every employee, officer and member of the Board of Directors is expected to uphold the entire Code of Conduct. Guidance The Code of Conduct tells you what the company expects of you. It helps define what is and what is not ethical behavior. When there are standards in the Code of Conduct and our company policies that are stricter than the requirements of the law, we follow the stricter standard. Compliance Sylvamo is subject to the laws and regulations of the countries where we work and operate. In some cases, these laws and regulations apply beyond country borders. Following the standards set forth in the Code of Conduct, our company policies and applicable laws protect us from noncompliance. Commitment We expect third parties with whom we do business to act in compliance with our Third Party Code of Conduct, which is based on the principles of this Code of Conduct. Resources and Reporting If you have a good-faith belief that someone has violated or may violate a law or company policy, you have a duty to Speak Up! and report that information immediately. The Code of Conduct gives you the resources you need to get your report to the right person. Waivers Waivers or exceptions to any portion of the Code of Conduct will only be granted under exceptional circumstances. A waiver for any executive officer or director can only be given if approved by the Board of Directors or a committee of the Board of Directors. Any decision to grant a waiver or exception will be promptly and publicly disclosed. Code of Conduct



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Page 6 Resources and Reporting At Sylvamo, we foster a culture of trust, openness and accountability and comply with high ethical standards. If we notice or suspect violations of applicable laws, our Code of Conduct or a company policy, we will take appropriate action up to and including a report to authorities. Code of Conduct



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Page 7 Speak Up! You have a duty to Speak Up! when: • You see or suspect unethical or illegal conduct • You believe you may have been involved in misconduct • You have questions or are unsure about what course of action to take  
See Something? Say Something! If you see or suspect wrongdoing, be proactive, do the right thing and Speak Up! You can report your concerns to one of the contacts listed in the "Resources and Reporting" section of this Code. It is our shared responsibility to Speak Up! We Do Not Tolerate Retaliation Reporting illegal or unethical behavior is vitally important to our culture of openness and accountability. By seeking advice, raising an ethical concern or making a report of suspected misconduct, we are doing the right thing and following the Code of Conduct. The company's promise to employees who make reports in good faith is that they can do so without fear of retaliation. No one can take action against you for asking a question or raising a genuine concern. If you suspect that retaliation is occurring in response to a good-faith report, say something immediately. Anyone who retaliates against someone for making a report, or who discourages or prevents someone from raising a concern, may be subject to disciplinary action or liability under applicable laws. Q&A What does retaliation look like? Retaliation can include a demotion to a less desirable job or shift, termination, negative performance reviews or discipline that is not supported by facts, denial of training opportunities, threats or harassment. Retaliation can also include more subtle conduct such as refusing to speak to someone, spreading hurtful rumors or excluding someone from work activities. Lead with Trust • Uphold the highest standards of ethical conduct. Be fair, honest and trustworthy in all your business relationships and comply with all laws and company policies. • Act as a responsible steward of people, communities, resources, capital and our entire ecosystem. • Protect the dignity, health, privacy, safety and welfare of your co-workers, our business partners and the communities where we live, always treating those around you with respect. • Perform your work with pride and excellence, creating value for our people, customers and investors. • Report any known or suspected violations of company policies or law. Code of Conduct.



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Page 8 How Do I Report a Concern? If you find yourself in a situation that raises ethical concerns and you are not sure what you should do, Sylvamo has resources that can answer your questions. Employees who become aware of illegal activities or unethical conduct at the company – including violations of the law, company policy or this Code of Conduct – have a duty and are required to promptly report them to one of the following: • Your immediate supervisor or your supervisor's manager • The Chief Ethics and Compliance Officer • The Global Ethics and Compliance office at [compliance@sylvamo.com](mailto:compliance@sylvamo.com) • The HelpLine at [HelpLine.Sylvamo.com](https://HelpLine.Sylvamo.com) • Human Resources ("HR"), Environmental Health and Safety ("EHS"), Internal Audit or the Legal department. You do not have to follow any particular chain of command to report an ethical concern. In certain instances, supervisors are required to forward reports to the Global Ethics and Compliance office. We treat all reports as confidentially as possible and prohibit retaliation against anyone who makes a report in good faith. Employees should take care to report violations to a person whom they believe is not involved in the matter giving rise to the violation. Any employee who has a concern about Sylvamo's accounting practices, internal controls or auditing matters should report his or her concerns to the Global Ethics and Compliance office or the Legal department. How the HelpLine Works Sylvamo provides a confidential HelpLine for employees, contractors, business partners and the general public, where they can raise concerns about potential violations of company policies or legal compliance. For employees, the HelpLine is designed to supplement existing reporting channels, not replace them. You can see an overview of the HelpLine process below. 1. You report a concern to the HelpLine at [HelpLine.Sylvamo.com](https://HelpLine.Sylvamo.com). In many locations, you do not have to give your name if you don't want to. 2. Reports go to the Global Ethics and Compliance office for investigation and resolution. 3. We look into every report. During the investigation process, if you have given your name, an investigator may interview you, along with others. 4. If we do not find proof of a violation, then the investigator will close the matter. If we uncover a violation or weakness in a company process, policy or procedure, we will address it. 5. You may follow up on your report by phone or online. Sylvamo prohibits retaliation against anyone who makes a report in good faith, even if no violation has actually occurred.



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Page 10 Operating Safety Safety is essential at Sylvamo because, above all, we care about people. We look out for each other to ensure that everyone returns home safely each day. Our Policy We strive to design, operate and maintain injury-free workplaces for our employees and everyone who enters our facilities. We promote safety accountability for our colleagues and ourselves. Intentional Safety Leadership We are committed to providing safe and healthy work environments. We operate our facilities according to applicable health and safety laws and we are both intentional and proactive in eliminating or mitigating hazards. We communicate what we have learned about potential hazards across the company to improve overall safety performance. Every employee, regardless of role or title, is empowered to take immediate action to stop unsafe work or hazardous activities. Stricter than Law Our policies may be stricter than the law. For example, we expect accurate and timely reporting of safety incidents, regardless of whether they trigger any regulatory reporting. Our Responsibilities Work procedures and company policies are designed to protect the well-being of our employees and the quality of our work. We do not cut corners when it comes to the safety of our people and facilities. Employees who are instructed to do anything that might compromise safety — such as skipping procedural steps in order to meet a deadline — should immediately Speak Up!, stop work and take their concerns to a supervisor. If a supervisor does not adequately address your concern, feel free to report it through the other available channels, such as the HelpLine. Prohibited Behavior Our co-workers, communities, customers and shareowners expect us to work safely, and our policies require it. You must Speak Up! about any verbal or physical conduct that could lead to violence. For the security and well-being of all, our employees must work free from the influence of any substance or activity that would threaten the safety or effectiveness of their work. All of us are responsible for our own safety and the safety of our co-workers Watch Out! Look for the following safety risks and report them: • Failure to follow established procedures, including Zero Energy State/Lock-Out Tag-Out • Inadequate protection against contact with hazardous substances • Ignoring driver safety procedures, including failure to follow the company's mobile device policy • Ignoring the company's physical security procedures, including our policy on facility access and use of employee badges Tips for Leaders Empower your team by demonstrating safety leadership, insisting on safe work practices and acknowledging safe work behavior. Be a Safety Leader • Understand and follow laws, regulations and our safety policies and procedures. • Insist on stopping unsafe or improper operations, actions or behavior. • Wear personal protective equipment. • Know what to do in the event of an emergency. • Come to work free of any substance that might impair judgment or threaten safety. • Speak Up! We should not assume someone else will report a safety risk. Code of Conduct



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Page 11 Preventing Harassment and Discrimination We are committed to creating an equal opportunity work environment where everyone is treated fairly and is free from harassment and discrimination. Our Policy We treat each other and all our stakeholders with respect and dignity. We are also committed to fair treatment. We make employment decisions based on qualifications, skills, work performance and our company's business needs. When making decisions, we do not discriminate in any way based on race, ethnicity, color, religion, sex, sexual orientation, marital status, age, disability, gender identity or expression, genetic information, national origin, military or veteran status or any other classifications protected by the laws that apply to us. We do not tolerate harassing, abusive, belittling or violent behavior. Retaliation against anyone who Speaks Up! to report such behavior in good faith is a violation of our values and this Code. What is harassment? Harassment can be words or actions that create a hostile work environment. Some examples are: Lead with Trust • Consider how others may perceive your words and actions. • Act immediately to discourage or prevent behavior that degrades, intimidates or threatens others. • Report all instances of harassment and discrimination. • Be intentional about treating others with dignity and respect. • Do not tolerate any retaliation against those who report discrimination or harassment. On the Job Creating a respectful workplace that is free from harassment and discrimination requires that we all think about how our actions and comments may affect others. We can each play a role in ensuring that our workplace is a positive environment by making it clear that we do not tolerate any form of discrimination or harassment and by reporting inappropriate conduct. Our leaders are responsible for supporting an atmosphere that values individuals. Inappropriate behavior can create an uncomfortable and unsupportive work environment. When we refuse to allow harassment or discrimination, we create an atmosphere in which everyone can contribute his or her best effort every day. Verbal: jokes or slurs about gender, race or ethnicity, comments about a person's body Physical: unwelcome touching, sexual advances or any physical conduct that another person would find threatening or humiliating Visual: sexually or racially explicit or derogatory content, posters, cartoons or pornographic images, obscene gestures Code of Conduct



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Page 12 Inclusion and Diversity We foster an inclusive culture in which all individuals feel welcomed, included and valued. We treat each other with respect and dignity. Our Policy We promote an inclusive and diverse culture where all individuals feel valued, are engaged and contribute to the company's success. We form teams that reflect the global communities in which we work and serve our customers. Our duty is to build and sustain a work environment that embraces individuality and collaboration to drive exceptional results. On the Job We expect our leaders to create inclusive and diverse teams that value individuality and collaboration. Working together with different backgrounds and perspectives keeps us on the cutting edge of innovation. When teams are inclusive, they promote a sense of belonging that encourages all of us to perform at our best and bring our values and mission to life. We encourage collaboration and self-development and we offer tools and training to help our employees master their current jobs, broaden their skills and advance their careers in the company. Q&A What does the company mean by "inclusion" and "diversity?" Inclusion is a sense of belonging for all, achieved through intentional and ongoing actions that show we value each other and respect our differences. Diversity refers to traits that make each individual unique, such as gender, age, race and ethnicity, culture, sexual orientation, religious beliefs and life experiences. Tips for Leaders • Set a good example by respecting differences and treating everyone fairly. • Demonstrate that all viewpoints matter and everyone has an opportunity to grow. • Make employees feel like their contributions make a difference and recognize their achievements. • Try to be objective. Decisions should not be influenced by your personal feelings, unconscious biases and preferences. • Celebrate differences. Code of Conduct



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Page 14 Human Rights We believe Sylvamo can help promote respect for human rights through our actions and values. Our Policy We do not tolerate child labor, forced labor or any form of coercion, physical punishment or abuse of laborers. We recognize lawful employee rights of free association and collective bargaining. We comply with employment laws of every country in which we operate and expect the same of our business partners. Our Commitment We are committed to protecting and advancing human rights globally. Our commitment to human rights is embodied in our Code of Conduct and corporate policies. Suppliers and Human Rights Sylvamo seeks to do business with suppliers and other third parties who demonstrate high standards of ethical business conduct. We take steps to ensure that these third parties understand the standards we apply to ourselves and expect from those who do business with us. Our expectations are set forth plainly in our Third Party Code of Conduct. We regularly train our employees in the standards of behavior, policies and procedures that set forth the manner in which we conduct business. Our Responsibilities We expect all employees to comply with all applicable laws that recognize and respect human rights, including those that condemn slave labor, indentured labor, bonded labor and child labor, and set forth guidance to eradicate them. Employees who interact with suppliers and our supply chain should follow established procedures for making our expectations clear to them, monitoring them and reporting any noncompliance with the principles of our Third Party Code of Conduct. Watch Out! If you observe or become aware of these warning signs, report them: • Workers have fearful, anxious behavior or appear malnourished • Workers appear too young • Workers are restricted from taking breaks or leaving • Workers have paid fees to get their job • An employer is holding workers' identification documents Lead with Trust • Treat each other with respect and dignity. • Refuse to tolerate the employment of children, forced labor or any other human rights abuse. • Perform due diligence on potential business partners. • Follow our Third Party Code of Conduct and policy on the engagement of third parties. • Report any human rights concerns to the Global Ethics and Compliance office, Legal department or HelpLine. • By setting these expectations for ourselves and our business partners, we actively promote and contribute to the fight against human rights infringements. Code of Conduct



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Page 15 Conflicts of Interest Always make business decisions that serve the company's interests rather than your own. Our Policy We all have a duty to our investors, the company and each other to make business decisions that are in the best interest of Sylvamo. You must avoid, resolve or report any situation that creates — or even appears to create — a conflict between the company's interests and any personal interests. Our Responsibilities We do not let personal, romantic, social, political, financial or other nonbusiness-related interests cloud our judgment or influence business decisions. You are responsible for:

- Avoiding situations that may pose, or appear to pose, a conflict of interest.
- Recognizing when personal financial considerations and connections to customers, competitors and suppliers may improperly influence you.
- Removing yourself from the decision-making process when a conflict or the appearance of a conflict arises.
- Reporting conflicts of interest to your supervisor and the Global Ethics and Compliance office when they arise.
- Providing complete and accurate information about relationships and business interests that may pose a conflict.

Potential Conflicts of Interest Although it is not possible to list every activity or situation that might raise a conflict of interest issue(s), the list below is included to help you recognize some of the more significant ones:

- Corporate Opportunities: Using corporate property, information or position for personal gain or competing with the company.
- Gifts: Receiving from, or giving to, a supplier, customer or competitor, gifts, gratuities, special allowances, discounts or other benefits not generally available.
- Loans: Providing loans to, or guarantees of obligations to, employees or their family members. Such activity will not be allowed without the prior written approval of the Legal department, and if appropriate, the Board of Directors or a committee of the Board. The company will not extend, maintain or arrange for any personal loan to or for any director or executive officer (or the equivalent thereof).
- Outside Activity: Engaging in any outside activity that materially detracts from or interferes with the performance by an employee of his or her services to the company.
- Outside Employment: Serving as a director, representative, employee, partner, consultant or agent of, or providing services to, an organization or individual that is a supplier, customer or competitor of the company.
- Personal Interests: Having a direct or indirect personal interest in a transaction involving the company.
- Personal Investments: Directly or indirectly, owning a material amount of stock in, being a partner or a creditor of, or having another financial interest in, or being engaged in the management of, a supplier, customer or competitor.

All potential and actual conflicts of interest or material transactions or relationships that reasonably could be expected to give rise to such a conflict or the appearance of such a conflict must be promptly communicated to the Legal department or Global Ethics and Compliance office. Employees should take care to report conflicts to a person whom they believe is not involved in the matter giving rise to the conflict. Any employee who has a doubt about whether a conflict of interest exists after consulting this provision of the Code should contact the Legal department or Global Ethics and Compliance office for guidance. Supervisors should refer potential conflicts to the Legal department or Global Ethics and Compliance office for review. Code of Conduct



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Page 16 Conflicts of Interest Avoid the Risk Conflicts of interest may arise in various ways. If you think you have a conflict of interest, but you're not sure, ask yourself: Could this situation, behavior or relationship ... • Be inconsistent with our company's values and policies? • Influence me to act in favor of my family or personal interests? • Give the appearance of not putting the company's interests first? • Give the appearance that I am using the company's assets for my family's benefit or personal gain? • Influence – or appear to influence – my ability to make unbiased and objective decisions? • Cause damage to the company's reputation? • Interfere with my job performance? Disclosure is always the best option if you are unsure about a potential conflict. Lead with Trust • Make business decisions based on objective facts and using good judgment • Avoid situations that benefit you personally or even appear to do so. • Promptly disclose actual or potential conflicts of interest to the Legal department. • Follow instructions we receive from the Legal department to resolve conflicts. Code of Conduct



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Page 17 Anti-Corruption We believe bribery is wrong and hurts our ability to compete effectively on the merits of our products and services. Our Policy We create high-quality, sustainable paper for our customers and long-term value for our investors. Our success is not based on unethical or illegal behavior. We never offer, give or promise to pay bribes. This policy applies even in locations where the practices forbidden in this policy are commonplace or culturally acceptable. Our Responsibilities We avoid even the appearance of impropriety. We recognize that even if we do not violate any applicable laws, the appearance of doing so or allegations of improper conduct can damage our reputation and cause us to lose business. Every employee should endeavor to deal fairly with each of our customers, suppliers, competitors and other employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practices. We notify the Global Ethics and Compliance office or the Legal department of offers of bribes or kickbacks. We know and understand the third parties we engage We do not tolerate or allow the use of bribes, corruption or any unethical practice by any employee or third party working on our behalf. Knowing the third parties whom we engage is important to ensuring that we live up to this standard. For this reason: • We conduct due diligence before engaging a third party. • We report internally any facts that suggest a third party is not following our standards of conduct. • We take appropriate action if we identify any indication that a third party is engaging in inappropriate activities. We follow established internal controls Sylvamo maintains internal controls, including rules to ensure that our transactions are authorized, access to our assets is appropriately limited and our transactions are recorded in a manner that allows us to report our financial results accurately. We do not circumvent these controls. We are also required by law to record all transactions accurately. We do not intentionally mischaracterize any payments we make or receive. We only provide payments, or something of value, for legitimate business purposes. This means: • We do not provide anything of value to influence anyone improperly. • We only provide reasonable business courtesies. • We only provide political contributions in accordance with our policies. Lead with Trust • Walk away from environments in which sales and other business transactions involve bribery. • Review company policies before giving or accepting anything of value. • Follow approval procedures before giving anything of value to a government official. Code of Conduct




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Page 18 Giving and Accepting Gifts and Other Business Courtesies We do not give or accept gifts or courtesies that create, or may appear to create, an obligation of reciprocity, a conflict of interest or violate our anti-corruption policy. Our Policy Gifts, hospitality, gratuities, entertainment, travel-related expenses, loans, cash, prizes or other "favors" are all considered "business courtesies" under Sylvamo policy. Business courtesies are a common way we create goodwill and strengthen our business relationships, but an overly generous gift can appear to be intended to influence decisions that will benefit the giver or make the recipient feel obligated to reciprocate in some way. Our Responsibilities We do not give or accept gifts or any business courtesies that are, or would look like, an attempt to influence, manipulate or create pressure to reciprocate. In some cases, providing business courtesies may even be illegal, such as in certain

circumstances when the recipient is a government official. Moreover, some regions or departments within the company have more restrictive standards regarding value amounts and prior approval requirements. You must understand these before you give or receive a business courtesy. Refer any questions you have to the Legal department or the Global Ethics and Compliance office. What is Allowed It is okay to give or accept gifts or other business courtesies when they are: ✓ Reasonable in value, customary and given or accepted openly and transparently ✓ Given or accepted to promote legitimate business relationships ✓ Properly recorded according to company accounting requirements ✓ Tasteless and commensurate with Sylvamo's commitment to treat everyone with respect and dignity ✓ Not likely to tarnish the company's reputation What is Not Allowed We should never give or accept gifts or business courtesies that are: ✗ Prohibited by law or regulation ✗ Cash or gifts that work like cash, such as gift cards or gift certificates ✗ Lavish, repeated or could be interpreted as bribes, even when acceptable by local custom ✗ Known to be prohibited by the employer of the recipient ✗ Intended to improperly gain preferential treatment or to obtain or retain business ✗ Given to secure an unfair business advantage or appear to be so intended ✗ Likely to put Sylvamo's reputation at risk Q&A What should I do if I receive a gift that violates Sylvamo policy? Return the gift and politely explain to the giver that our company policy prohibits you from accepting it. Make sure you tell your supervisor and the Legal department that you received the gift and returned it. If you are concerned that you might offend the giver by returning the gift, report it to the Legal department, so that we may consider how to handle the situation. Code of Conduct



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Page 19 Avoiding Insider Trading Never share confidential information you have as a company insider or use it for personal gain. Our Policy Sylvamo stock is publicly traded. By working for Sylvamo, you may become aware of material information about our company — or another company — that has not yet been released to the public. U.S. federal and state laws refer to such information as "material, nonpublic information." This is nonpublic information that a reasonable investor would want to know about when deciding whether to buy, sell or hold company stock — in other words, information that is likely to affect stock prices. If you have access to material, nonpublic information, you are an "insider." This would include directors, officers and employees (management and nonmanagement), as well as spouses, friends or brokers who may have acquired such information directly or indirectly from an insider tip. Based on the law and our policy, you should always keep material information confidential, even when you think it would not influence what someone decides to do with his or her market holdings. Material, nonpublic information can include: • Inventions, new products or technical specifications • Contracts and pricing Strategic or marketing plans • Major management changes • Mergers and acquisitions • Manufacturing data and production downtime • Financial data • Product costs • Regulatory actions • Nonpublic information about a customer or supplier Prohibited Activities The law in this area is complex, but it generally forbids people who have material, nonpublic information about a company to trade in the company's stock — including, except in limited instances, through employee benefit plans. The law also forbids "tipping" anyone about such information or otherwise sharing it. Laws in non-U.S. jurisdictions impose similar restrictions on material, nonpublic information and are relevant particularly in the case of our company's subsidiaries. "Tippers" can be prosecuted even if they do not trade and have not made any profit. In addition to violating the Code, insider trading and tipping are illegal. Substantial civil and criminal penalties may be assessed against people who trade while in possession of material nonpublic information and can also be imposed upon companies and so-called controlling persons such as officers and directors, who fail to take appropriate steps to prevent or detect insider trading violations by their employees or subordinates. To avoid severe consequences, employees should review this policy before trading in securities and consult with the Global Ethics and Compliance office or the Legal department if any doubts exist as to what constitutes "material nonpublic information." Q&A I want to sell Sylvamo stock to make a down payment on a house. Due to my job, I know we are considering an acquisition, but I don't know if the company will go through with it. Should I be worried about insider trading? Yes. You need to consider insider trading rules regardless of your reason for buying or selling company stock. You can only buy or sell Sylvamo stock when you do not have material, nonpublic information and are not subject to a trading blackout. If you are unsure, contact the Legal department for guidance. Remember, you can be held personally liable for insider trading, and penalties can include jail time. Lead with Trust • Keep nonpublic information confidential, even from family and friends. • Do not discuss confidential information in public places or on social media. • Understand that our duty to protect nonpublic information extends beyond our last day of employment. Code of Conduct



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Page 21 Fair and Honest Dealings We ensure all of our business relationships, interactions and transactions are fair, honest and transparent. Our Policy We believe success comes from acting with trust, and we treat all suppliers, customers and business partners honestly, fairly and objectively. We must never engage in: • Unfair or deceptive trade practices • False or misleading claims about our own products or those of our competitors • Activities that will defraud anyone Our Responsibilities Not only do we live our core values in day- to-day business decisions, but we also expect our business partners to act in a manner consistent with our Third Party Code of Conduct. We evaluate business partners that act as our representatives by conducting risk-based due diligence. These standards are embodied in our Third Party Code of Conduct. Strategic Partnerships Our global business strategy involves partnering with suppliers, contractors, joint venture partners and other businesses that operate in a variety of legal and cultural environments around the world. While we respect the legal and cultural differences among the regions in which they operate, we only partner with those who embrace and practice high ethical standards. Money Laundering Prevention Laws Sometimes complex commercial transactions can hide funding for criminal activity such as fraud, bribery, tax evasion, illegal narcotics, terrorism or weapons trafficking. Money laundering prevention laws require that payments be transparent and all involved parties be clearly identified. We comply with money laundering prevention laws all over the world, and we will only do business with reputable customers who are involved in legitimate business activities. We take measures to avoid receiving payments that may be the proceeds of criminal activity. Tax Evasion Prevention Laws As an international company, we follow laws around the world that are designed to prevent tax evasion. These laws prevent our company, our employees and third parties who work on our behalf from engaging in any form of tax evasion or aiding others in committing tax evasion. Contact the Global Ethics and Compliance office immediately if you suspect tax evasion has occurred or that a third party is attempting to use our company to facilitate tax evasion. Watch Out! Be alert for signs of potential money laundering, tax evasion or other illegal activities, such as when a business partner: • Provides minimal, vague or fictitious information • Refuses to identify principals or others holding a beneficial third party interest • Requests fund transfers to or from countries that are not related to the transaction Lead with Trust • Confirm that our business partners are engaged in legitimate trade. • Do business with partners who share our commitment to trust and compliance with the law. • Refuse to use deception or misrepresentation to obtain an unfair business advantage. • Do the right thing, even when no one is looking. Code of Conduct



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Page 22 Antitrust and Competition We believe in competing vigorously to win and retain customers in a fair and ethical manner, in accordance with all applicable laws and regulations, and on the merits of our paper and services. Our Policy We follow all applicable antitrust and competition laws. These laws generally prohibit activities that unreasonably restrain trade, harm competition or abuse a dominant position. We never collude with competitors. Our Responsibilities We do not enter into, or propose, agreements with competitors that deprive customers of the benefits of competition. We avoid even the appearance of improper conduct. Do not agree, or propose an agreement, with competitors on: • Terms of sale to customers, including pricing • Production output • Customers to whom we sell or territories in which we sell • Anything that unreasonably restrains trade or harms competition Do not share, or agree to share, competitively sensitive information with competitors such as: volume, production costs, production schedules, customers, pricing, strategic plans, criteria for supplier selection and sales territories. Promptly report receipt of commercially sensitive information about a competitor to the Legal department. Prior to attending any meetings where competitors may be present, contact the Legal department to get prior approval and guidelines for attending such meetings. We avoid agreements with customers or suppliers that unreasonably restrain trade. This means we: • Only share information that is necessary to further legitimate business functions • Do not engage in group boycotts – that is, agreements among competitors, customers or suppliers to refuse to conduct business or to limit interaction with other entities that would reduce competition We seek legal advice on activity with competitors that may have an anticompetitive effect, such as: • Exclusivity agreements • Discounts or rebates based on volume or loyalty standards, or discounts only offered to select customers • Pricing agreements • Territorial restrictions • Bundling multiple products for sale • Joint purchasing arrangements • Any proposed merger, acquisition or joint venture formation Lead with Trust • Be vigilant during interactions with a competitor, recognizing that even casual remarks can trigger antitrust allegations. • Avoid unnecessary contact with competitors. Code of Conduct



Page 23 Competitive Information We never use underhanded or illegal means to collect information about a competitor. Our Policy While we are passionate players in a highly competitive global industry, we never use illegal or unethical means to obtain information on our competitors or on competitive products and services. We respect the nonpublic information of other companies, just as we expect them to respect ours. Our Responsibilities We may obtain information about other companies from certain sources, like their websites, regulatory filings or ads. However, we do not: • Steal information • Allow third parties to get information for us by unethical means • Use trade information improperly • Acquire inside information using false pretenses • Get competitive information directly from a competitor • Use information that was improperly obtained The following list can help you determine which sources of competitive information are acceptable and which are not. Acceptable Not Acceptable Public websites and social media Emails intended for others Government agencies Business plans, pricing information or process documents that Sylvamo is not authorized to have Public filings Materials governed by a confidentiality agreement Newspapers, newsletters, magazines Third party market research or analysis If you have any concerns about how we are gathering competitive information, Speak Up! and let your manager know, or contact the Legal department for more guidance. Code of Conduct



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Page 24 International Business We follow U.S. trade laws and the laws of every country in which we operate. Our Policy We follow the laws regulating international trade transactions, including those pertaining to customs, exports and sanctions. In the case of any conflict between foreign and United States law, or in any situation where an employee has a doubt as to the proper course of conduct, it is incumbent upon an employee to immediately consult the Legal department. Violations of international trade laws can result in serious penalties, as well as risks to the company's reputation and its ability to conduct business globally. Export Control We must follow the export control laws of all countries where we operate. Exports can be tangible items, such as paper products. There are also intangible exports, such as electronic data or other information that can be "exported" through conversations or emails. Anti-Boycott Laws By law, we cannot participate in restrictive trade practices or boycotts that are not sanctioned by the U.S. government. We must not enter into any agreement, provide any information, or make any statement that might be viewed as supporting any boycott prohibited by U.S. law. To learn more about the extent that U.S. law conflicts with another country's law, consult with the Legal department. Q&A A customer has asked me to send paper to a country with which U.S. trade laws prohibit doing business. May I route the shipment to a company subsidiary outside the United States and have them sell it to the customer in the restricted country? No. The law prohibits any company-owned or company-controlled entity from selling to such a country. Routing it through a neutral country does not avoid the restriction on Sylvamo. Lead with Trust • Understand anti-boycott laws and consult with the Legal department. • Know and follow the current restrictions on trading and financial dealings with specific countries, groups and organizations. • Avoid doing business with countries or third parties that are subject to trade embargoes or economic sanctions. • Take steps to know our customers and suppliers. Code of Conduct



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Page 26 Safeguarding Company Assets We are entrusted with protecting the company's physical, electronic and information assets because they support the foundation of our business success. Our Policy We have an obligation to protect Sylvamo's assets and safeguard them from theft, waste and misuse. The company's assets include everything the company uses to conduct business. Examples of company assets include machinery, vehicles, products, tools, scrap material, money, charge cards, computer hardware and software and computer networks. Information is also a critical asset that must be protected, including personal data, confidential business information, business processes and intellectual property. Your work hours are also a company asset. We use these assets for the benefit of the company and its investors, not for our personal benefit. Our Responsibilities Proper and efficient use of company, supplier, customer and other third party assets, such as electronic communication systems, information (proprietary or otherwise), material, facilities and equipment, as well as intangible assets, is each employee's responsibility. We protect company assets at all times and are committed to fiscal responsibility. We make the best use of our work time by devoting ourselves to pursuing the company's business objectives. We are observant and report when any of the company's assets are missing, damaged, unsafe or in need of repair. We recognize our responsibility to immediately report any loss or theft of company information, especially personal information. Remember: ✓ Get approval from a supervisor before giving away, borrowing or making significant personal use of company assets. ✓ Report misused, lost or stolen laptops or other company devices without delay to the Legal department, IT or appropriate authorities. ✗ Never use company assets for personal benefit or any illegal activity. ✗ Do not use a corporate credit card to make personal purchases. ✗ Do not use company email for noncompany business, political campaigning or unauthorized fundraising. Q&A I supervise an employee who has used his corporate credit card several times "by mistake" to buy personal items. I would like to have all his transactions reviewed. What should I do? As a supervisor, you have a responsibility to monitor your employees' use of their corporate credit cards and make sure they understand that intentional misuse of them can result in termination of employment. If you are concerned about a particular employee's card misuse, you can contact Corporate Card Services or the Legal department for assistance. Lead with Trust • Prevent loss, waste, destruction or theft of company assets. • Get approval from a supervisor before giving away, borrowing or making personal use of company assets. • Report lost or stolen laptops or other company devices without delay to compliance@sylvamo.com. Code of Conduct



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Page 27 Respecting Privacy and Safeguarding Records We process personal information in accordance with the law, and we use data classification and records retention procedures to safeguard data in our care. Our Policy We diligently safeguard our company's information, recognizing that responsibly managing and protecting it is critical to our success. Our Responsibilities We follow data privacy laws to safeguard information about individuals. We have records and information management policies and procedures to ensure that company records are maintained, stored and, when appropriate, destroyed in compliance with legal and regulatory requirements as well as the company's needs. Privacy We respect privacy rights and are committed to protecting the personal data of our employees as well as our customers, business partners and visitors to our websites. Personal data includes anything that can be used to identify an individual. Examples of personal data include contact information, performance reviews, national identification numbers, health and medical data, etc. We collect personal data only for legitimate business purposes and we limit collection to what is needed. We handle personal data responsibly and according to law and ensure that it is shared only with those who have a need to use it for their jobs. If you have any questions or concerns about handling personal data, contact [compliance@sylvamo.com](mailto:compliance@sylvamo.com) Data Classification The company takes reasonable steps to identify and protect information assets, both electronic and hard-copy, and our information assets are classified in four categories from "public" to "highly restricted." Classifications will determine the level of protection required to guard against unauthorized access and disclosure. Retaining Relevant Records We must all comply with the company's records retention requirements and procedures. Requests by third parties, including those involving governmental agencies, lawsuits or any legal matter, can create the need to retain records beyond normal retention periods. We must preserve any records that are relevant to any legal matter or investigation involving the company. Employees who receive a "legal hold" notice may not alter or discard any information that it identifies. What should I do if I learn of a potential data breach? If you become aware of any suspected or confirmed breach or compromise of personal data or confidential company information, report it immediately to [compliance@sylvamo.com](mailto:compliance@sylvamo.com) or the Sylvamo HelpLine. Q&A My department follows the company's data retention policy and appropriately classifies data, but I have directed my staff to keep some outdated records just in case they are needed in the future. Is this okay? No. You must follow the company's record retention policy and schedules. Retaining documents that are designated as obsolete puts an unnecessary burden on our physical and electronic storage resources. We may also have an obligation to delete certain personal information that we no longer need. Finally, failure to dispose of documents responsibly and in a timely manner could result in accusations that the company selectively disposes of our records. Of course, records under "legal hold" are an exception. You have an obligation to retain "legal hold" documents until the Legal department gives instructions to return them to the normal retention schedule. Code of Conduct



Page 28 Accurate Records, Reporting and Accounting We keep appropriately detailed and transparent records that accurately reflect transactions and activities. Our Policy Recording, keeping and sharing information accurately and honestly is important not only to comply with legal obligations, but also because many people depend on our information to make good business decisions. The federal and state securities laws impose continuing disclosure requirements on us and require us to regularly file certain reports to the SEC and the New York Stock Exchange and disseminate them to our investors. Such reports must comply with all applicable legal and exchange requirements and may not contain material misstatements or omit material facts. Accordingly, we follow stringent standards in the recording of our financial records and accounts. Our subsidiaries across the globe also abide with the reporting and accounting rules applicable in their countries. Our Responsibilities We are responsible for all the records we create, from timecards to equipment maintenance records to corporate balance sheets. We must report all business information, including costs, sales, expenses, test data, quality control, regulatory data and other information about our business accurately, completely and in a timely manner. All employees directly or indirectly involved in preparing the reports described herein, any employees who regularly communicate with the press, investors and analysts concerning the company and all representatives who assist the company in preparing such reports and communications will ensure that such reports and communications: (i) are comprehensive, timely, accurate and understandable and (ii) meet all legal requirements. Information cannot be falsified or concealed under any circumstance. Any employee who receives instructions to the contrary should immediately report the matter to the Legal department. Tips for Leaders Help your employees understand what is required of them under this policy. Make sure you: • Take steps to ensure accuracy in everything you approve • Confirm that all expenses your employees submit are valid business expenditures • Immediately report any suspected fraud, including attempts to manipulate books, records, internal controls or financial reports • Cooperate with our internal and external auditors Q&A During the last week of the quarter, my supervisor asked me to record a sale that will not be finalized for another couple of weeks. I am sure the sale will go through, but I am a little uncomfortable. Should I do what he asked? No. We record costs and revenues in the correct time periods. We do not consider a sale to be complete until there is a sales agreement and the revenue can be collected. Lead with Trust • Record all assets, liabilities revenue and expenses in a timely manner. • Report any unrecorded funds or assets or false entries found in the company's books and records. • Refuse to artificially increase sales on company books and records. Code of Conduct



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Page 29 Intellectual Property and Confidential Information Sylvamo's intellectual property and confidential information are essential to the company's success, and we are all responsible for protecting it. Our Policy Our intellectual property and confidential information are some of the company's most valuable assets. You must not use or share any information, whether with outsiders or with those inside the company who are not authorized to know, about our inventions, trade secrets, patents, copyrights and trademarks. Our employees and business partners must maintain the confidentiality of information (whether or not it is considered proprietary) entrusted to them not only by the company, but also by suppliers, customers and others related to our business, including, but not limited to, new product and marketing strategies, manufacturing processes, product specifications, research and development ideas, pricing plans, information about potential investments and any data the company has designated as "restricted" or "highly restricted." Our Responsibilities The responsibility to protect intellectual property and other confidential information applies at all times. It extends outside the workplace and working hours and continues even after employment ends. Examples of confidential information include trade secrets, new product or marketing plans, customer lists, research and development ideas, manufacturing processes and acquisition or divestiture prospects. Employees should take steps to safeguard confidential information by keeping such information secure, limiting access to such information to those employees who have a "need to know" in order to do their job, and avoiding discussion of confidential information in public areas: for example, in elevators, on planes, on mobile phones or on unapproved social media applications. Confidential information may be disclosed to others when disclosure is authorized by the company or legally mandated. Protecting the Information and Intellectual Property of Others All of our employees should also protect confidential information they may have received from outside sources. Using the intellectual property of others without proper authorization can result in significant fines, criminal penalties, civil lawsuits and damages — both for our company and for individual violators. This obligation extends to: • Confidential information that new employees bring with them • Information that a consultant may share about another company, if it was given to him or her in confidence — including information about third parties such as our customers • Copyrighted content found on the Internet or provided by our customers, vendors or other external sources Q&A I am on a team that is doing some unique development work on packaging products. May I discuss the work I am doing on my personal blog? You should avoid discussing your work on the project using any form of communication, unless it is with employees or others who are authorized to know about the project. I am in charge of putting together a presentation for our team and found some great images and a movie clip on the internet that really emphasize our key points. Is there a problem with using his content? Unless we receive specific written permission, we may not use the creative content of others. The Legal department or your marketing or communications group may be able to help secure permission or find legal alternatives. Code of Conduct



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Page 31 Charitable Activities Obtain approval for participating in community engagement activities on company time, and make sure they do not create, or appear to create, a conflict of interest. Our Policy Through various charitable activities, Sylvamo supports the communities in which we live and work. These efforts, either through donations of company resources or through the activities of company employees, will be conducted in a lawful manner and without creating conflicts of interest. How We Contribute We act as a force for good in our communities. We mobilize our people, products and resources to address critical community needs. The majority of our contributions are in the form of corporate donations, in-kind contributions, employee volunteerism and contributions by our local facilities and the corporation to community-based educational, civic and cultural programs. Our employees are also involved in volunteer work. In some regions, we also provide community support through local company foundations and other charitable resources. Choosing Your Cause Employees may contribute to causes that support Sylvamo's commitment to support critical needs in our communities. Proposed contributions or use of company funds or resources must be approved in advance and in accordance with established authorization schedules. Watch Out! Our policy prohibits charitable contributions that are unlawful. In some situations, charitable contributions may violate anti-bribery provisions. Authorities have viewed contributions as providing a benefit to a government official when that government official is closely associated with the charity (e.g., a board member). It is important to seek legal advice before providing a contribution to a charity that may be associated with a government official. Q&A A local politician has asked our mill manager for a \$5,000 donation from Sylvamo for the construction of a new hospital. What steps must we take to make the donation? Sylvamo's standards and policies, as well as applicable laws, must be considered when dealing with government officials. Because the donation could be seen as a substitute for a political payment or a bribe, you will need to contact the Legal department to determine whether the donation is legal and in the best interest of the company. Code of Conduct



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Page 32 Political Activities Obtain approval for political activities on company time, and make sure they do not create, or appear to create, a conflict of interest. Our Policy We may take positions on political issues and lobby on behalf of Sylvamo's interests and goals, but we always remain in compliance with the law. Employees should not use company funds to support a candidate, campaign or political issue on behalf of Sylvamo without the knowledge and approval of the Vice President of Global Government Relations. Lobbying Unless authorized by the Global Government Relations office, lobbying activities by employees must be reported. Lobbying can include efforts to influence legislation, regulation, administrative action or decision-making. If you believe your actions may constitute lobbying, report them to the Global Government Relations office, or consult the Legal department. Avoid Conflicts of Interest We encourage personal participation by employees in the political life of their communities. However, you must use your own resources and you must not allow your personal activities to conflict with your duties to the company. For example, you must

not: • Use company funds or company assets to support your personal choice of political party, candidate or cause • Engage in personal political activities while on company time • Advertise or otherwise use your employment status with Sylvamo to raise funds or campaign for yourself or other candidates • Do anything that might compromise, or appear to compromise, your work responsibilities Some political activities, such as running for office, may involve a conflict of interest, and you must disclose them to the Legal department and get written approval before engaging in them. In some cases, disclosure cannot resolve the conflict, in which case you will have to take steps to remove it. Q&A I was appointed by the mayor of my hometown to serve on a community planning committee. The work may involve out-of-town trips and meetings during work hours. What should I do? Company policy does not prohibit you from accepting the appointment; however, you should discuss the situation with your supervisor and make sure the work does not interfere with your scheduled work hours. This may mean that you will have to use vacation days or take a leave of absence to fulfill your duties on the planning board. One of my co-workers forwarded an email to me from a candidate that I do not support. When I asked her not to send me any more of those emails, she just laughed and said that I was too sensitive. Can I take this to Human Resources? Your co-worker should not be using company email to send political messages to support a candidate. In addition, your co-worker should be more respectful of your opinions. Talking to Human Resources about this matter is the right choice. Code of Conduct



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Page 33 Environmental Compliance and Stewardship We incorporate environmental, social and governance considerations into our strategies and everyday processes. Our Policy We are responsible stewards of people and communities, natural resources and capital. We ensure that we adequately address risks, operate sustainably and responsibly, and create long-term value for all of our stakeholders. We strive to leave everything in better shape for future generations. We are committed to: • Sustaining forests • Reducing emissions • Improving watersheds • Sourcing responsibly • Improving efficiencies • Reducing waste Employees whose work may impact the environment must be thoroughly familiar with the applicable permits, requirements and procedures associated with their jobs. Third Party Certifications We support third party certification to meet globally recognized standards in the countries where we operate. To meet the expectations of our employees, customers and other stakeholders, we will continue to lead forest stewardship efforts globally to build a better future for people, the planet and our company. We work with landowners to advance responsible forest management practices and increase the availability of certified fiber. We also work with conservation organizations to support healthy forest ecosystems, enhance ecologically significant areas, and conserve and restore forests worldwide. Our fiber sourcing policies and practices support our commitment to protecting forests and their ecosystems for generations to come. The End Result Our entire business depends on the sustainability of forests. We will continue to be a champion for responsible forest stewardship to ensure healthy and productive forest ecosystems for generations to come. Code of Conduct



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**Exhibit 21.1**

**SYLVAMO CORPORATE  
SUBSIDIARIES AS OF DECEMBER 31, 2022 2023**

| Name  | Jurisdiction               |
|---|----------------------------|
| Comptoir des Bois de Brive SAS                    | France                     |
| Global Holdings I, LLC                            | Delaware, United States    |
| Global Holdings II, Inc.                          | Delaware, United States    |
| Instituto Chamex                                  | Brazil                     |
| Sylvamo Agroflorestal Ltda.                       | Brazil                     |
| Sylvamo Celimo SAS                                | France                     |
| Sylvamo Comercial Ltda.                           | Brazil                     |
| Sylvamo Deutschland GmbH                          | Germany                    |
| Sylvamo do Brasil Ltda.                           | Brazil                     |
| Sylvamo Europe SRL                                | Belgium                    |
| Sylvamo Exports Ltda.                             | Brazil                     |
| Sylvamo Financing Sweden AB                       | Sweden                     |
| Sylvamo Foret Services SAS                        | France                     |
| Sylvamo France SA                                 | France                     |
| Sylvamo Investments Brazil S.à r.l.               | Luxembourg                 |
| Sylvamo Investments France SAS                    | France                     |
| Sylvamo Investments Sweden AB                     | Sweden                     |
| Sylvamo Nordic Sales Company Oy                   | Finland                    |
| Sylvamo North America, LLC                        | Delaware, United States    |
| Sylvamo Papers Holding S.à r.l.                   | Luxembourg                 |
| Sylvamo Polska sp.z o.o. sp.z o.o.                | Poland                     |
| Sylvamo Pulp and Paper Sales (Shanghai) Co., Ltd. | People's Republic of China |
| Sylvamo Receivables, LLC                          | Delaware, United States    |
| Sylvamo Sweden AB                                 | Sweden                     |
| Sylvamo UK Limited                                | Scotland                   |
| Sylvamo Ukraine SE                                | Ukraine                    |

Exhibit 23.1

#### CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-259869 on Form S-8 and Registration Statement No. 333-270299 on Form S-3 of our reports dated February 22, 2023 February 21, 2024, relating to the consolidated and combined financial statements of Sylvamo Corporation and the effectiveness of Sylvamo Corporation's internal control over financial reporting appearing in this Annual Report on Form 10-K of Sylvamo Corporation for the year ended December 31, 2022 December 31, 2023.

/s/Deloitte & Touche, LLP

Memphis, Tennessee

February 22, 2023 21, 2024

Exhibit 31.1

## CERTIFICATION

I, Jean-Michel Ribieras, certify that:

1. I have reviewed this annual report on Form 10-K of Sylvamo Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 22, 2023 21, 2024

By: /s/ Jean-Michel Ribieras  
Jean-Michel Ribieras  
Chairman and Chief Executive Officer

Exhibit 31.2

## CERTIFICATION

I, John V. Sims, certify that:

1. I have reviewed this annual report on Form 10-K of Sylvamo Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 22, 2023 21, 2024

By: /s/ John V. Sims  
John V. Sims  
Senior Vice President and Chief Financial Officer

Exhibit 32

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Sylvamo Corporation (the "Company") for the period ended December 31, 2022 December 31, 2023 (the "Report"), each of the undersigned certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Jean-Michel Ribieras  
Jean-Michel Ribieras  
Chairman and Chief Executive Officer  
February 22, 2023 21, 2024

By: John V. Sims  
John V. Sims  
Senior Vice President and Chief Financial Officer  
February 22, 2023 21, 2024



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## Global Corporate Compliance Policy

Policy No:  
 Policy Name: Clawback Policy  
 Effective Date: 07/11/23  
 Policy Status: Current as of 07/11/23

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Once printed or duplicated, this is not a controlled document. Controlled documents exist in electronic form on the ["Ethics and Compliance Policies" page](#) of the Sylvamo intranet, Vamos.

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**PURPOSE**

The Board of Directors (the **"Board"**) of Sylvamo Corporation (the **"Company"**) believes that it is in the best interests of the Company and its shareholders to adopt this Clawback Policy (the **"Policy"**), which provides for the recovery of certain incentive compensation in the event of an Accounting Restatement (as defined below) and in the event of Misconduct (as defined below). This Policy is designed to comply with, and shall be interpreted consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the **"Exchange Act"**), Rule 10D-1 promulgated under the Exchange Act (**"Rule 10D-1"**) and Section 303A.14 of the New York Stock Exchange Listed Company Manual (the **"Listing Standards"**).

**1. APPLICATION**

In the event of an Accounting Restatement, this Policy shall apply to Incentive-Based Compensation received by a Covered Executive (a) after beginning services as a Covered Executive; (b) if that person served as a Covered Executive at any time during the performance period for such Incentive-Based Compensation; and (c) while the Company had a listed class of securities on a national securities exchange. In addition to the Covered Executives, the MDCC may, in its sole discretion, apply this Policy in the event of an Accounting Restatement to any, all or any class of Participants. This Policy shall also cover a Misconduct Recovery for all Participants in the AIP and LTIP.

**DETAILS****2. RECOUPMENT OF ERRONEOUSLY AWARDED COMPENSATION**

In the event the Company is required to prepare an Accounting Restatement, the Company shall promptly recoup the amount of any Erroneously Awarded Compensation received by any Covered Executive or other Participant, as calculated pursuant to Section 3 hereof, during the Applicable Period.

Sylvamo Business Use

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In the event of Misconduct, the Company shall promptly recoup the amount of Incentive-Based Compensation as directed by the MDCC.

**3. ERRONEOUSLY AWARDED COMPENSATION: AMOUNT SUBJECT TO RECOVERY IN THE EVENT OF AN ACCOUNTING RESTATEMENT**

The amount of **"Erroneously Awarded Compensation"** subject to recovery under the Policy in the event of an Accounting Restatement, as determined by the Administrator, is the amount of Incentive-Based Compensation received by the Covered Executive or other Participant that

exceeds the amount of Incentive-Based Compensation that would have been received by the Covered Executive or other Participant had it been determined based on the restated amounts.

Erroneously Awarded Compensation shall be computed by the Administrator without regard to any taxes paid by the Covered Executive or other Participant in respect of the Erroneously Awarded Compensation.

By way of example, with respect to any compensation plans or programs that take into account Incentive-Based Compensation, the amount of Erroneously Awarded Compensation subject to recovery hereunder includes, but is not limited to, the amount contributed to any notional account based on Erroneously Awarded Compensation and any earnings accrued to date on that notional amount.

For Incentive-Based Compensation earned based on stock price or TSR: (a) the Administrator shall determine the amount of Erroneously Awarded Compensation based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive-Based Compensation was received; and (b) the Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the New York Stock Exchange ("NYSE").

#### 4. ADMINISTRATION

Except as specifically set forth herein, this Policy shall be administered by the Management Development and Compensation Committee ("MDCC") of the Board (the "Administrator"). The Administrator is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. Any determinations made by the Administrator shall be final and binding on all affected individuals and need not be uniform with respect to each individual covered by the Policy. In the administration of this Policy, the Administrator is authorized and directed to consult with the full Board or such other committees of the Board, such as the Audit Committee, as may be necessary or appropriate as to matters within the scope of such other committee's responsibility and authority. Subject to any limitation at applicable law, the Administrator may authorize and empower any officer or employee of the Company to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee).

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Clawback Policy – Global Corporate Compliance Policy  
Sylvamo Business Use

#### 5. METHOD OF RECOUPMENT

The Administrator shall determine, in its sole discretion, the timing and method for promptly recouping Erroneously Awarded Compensation or the Misconduct Recovery, which may include without limitation (a) seeking reimbursement of all or part of any Incentive-Based Compensation, (b) cancelling prior Incentive-Based Compensation, whether vested or unvested or paid or unpaid, (c) canceling or offsetting against any planned future Incentive-Based Compensation, (d) forfeiture of deferred compensation, subject to compliance with Section 409A of the Internal Revenue Code and the regulations promulgated thereunder, and (e) any other method authorized by applicable law or contract. Subject to compliance with any applicable law, the Administrator may effect recovery under this Policy from any amount otherwise payable to the Covered Executive or other Participant, including amounts payable to such individual under any otherwise applicable Company plan or program, including base salary, bonuses or commissions and compensation previously deferred by the Covered Executive or Participant.

The Company is authorized and directed pursuant to this Policy to recoup Erroneously Awarded Compensation or the Misconduct Recovery in the event of Misconduct in compliance with this Policy unless the Administrator has determined that recovery would be impracticable solely for the following limited reasons, and subject to the following procedural and disclosure requirements:

- The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount of Erroneously Awarded Compensation or Misconduct Recovery to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Administrator must make a reasonable attempt to recover such erroneously awarded compensation, document such reasonable attempt(s) to recover, and provide that documentation to NYSE. The foregoing sentence shall not apply to Misconduct Recovery.
- Recovery of Erroneously Awarded Compensation or Misconduct Recovery would violate home country law of the issuer where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded

Compensation based on violation of home country law of the issuer, the Administrator must satisfy the applicable opinion and disclosure requirements of Rule 10D-1 and the Listing Standards. The foregoing sentence shall not apply to Misconduct Recovery.

- Recovery of Erroneously Awarded Compensation or Misconduct Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

## 6. NO INDEMNIFICATION OF COVERED EXECUTIVES OR OTHER PARTICIPANTS

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Clawback Policy – Global Corporate Compliance Policy  
Sylvamo Business Use

Notwithstanding the terms of any indemnification or insurance policy or any contractual arrangement with any Covered Executive or other Participant that may be interpreted to the contrary, the Company shall not indemnify any Covered Executive or other Participant against the loss of any Erroneously Awarded Compensation or Misconduct Recovery, including any payment or reimbursement for the cost of third-party insurance purchased by any Covered Executive or Participant to fund potential clawback obligations under this Policy.

## 7. ADMINISTRATOR INDEMNIFICATION

Any members of the Administrator, any other members of the Board and any Company officers who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent under applicable law and Company policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board or Company officers under applicable law or Company policy.

## 8. EFFECTIVE DATE; RETROACTIVE APPLICATION

This Policy shall be effective as of July 11, 2023 (the “Effective Date”). The terms of this Policy shall apply to any Incentive-Based Compensation that is received by Covered Executives or Participants on or after the Effective Date, even if such Incentive-Based Compensation was approved, awarded, granted or paid prior to the Effective Date. Without limiting the generality of Section 5 hereof, and subject to applicable law, the Administrator may effect recovery under this Policy from any amount of compensation approved, awarded, granted, payable or paid prior to, on or after the Effective Date.

## 9. AMENDMENT; TERMINATION

The MDCC may amend, modify, supplement, rescind or replace all or any portion of this Policy at any time and from time to time in its discretion, and shall amend this Policy as it deems necessary to comply with applicable law or any rules or standards adopted by a national securities exchange on which the Company's securities are listed.

## 10. OTHER RECOUPMENT RIGHTS; COMPANY CLAIMS

The Board intends that this Policy shall be applied to the fullest extent of the law. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company under applicable law or pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

Nothing contained in this Policy, and no recoupment or recovery as contemplated by this Policy, shall limit any claims, damages or other legal remedies the Company or any of its affiliates may have against a Covered Executive or Participant arising out of or resulting from any actions or omissions by such person.

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## 11. SUCCESSORS

This Policy shall be binding and enforceable against all Covered Executives and other Participants and their beneficiaries, heirs, executors, administrators and other legal representatives.

## 12. GOVERNING LAW

To the extent not governed by federal law, this Policy shall be construed in accordance with and governed by the laws of the State of Tennessee. The parties agree to jurisdiction and venue of federal and state courts located in Tennessee.

## 13. EXHIBIT FILING REQUIREMENT

A copy of this Policy and any amendments thereto shall be posted on the Company's website and filed an exhibit to the Company's annual report on Form 10-K.

## 14. DEFINITIONS

As used in this Policy, the following definitions shall apply:

- **"Accounting Restatement"** means an accounting restatement of the Company's financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
- **"Administrator"** has the meaning set forth in Section 4 hereof.
- **"Annual Incentive Plan"** or **"AIP"** is the Sylvamo Corporation Annual Incentive Plan, which is a cash-based, one-year incentive compensation plan for certain employees.
- **"Applicable Period"** means the three completed fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement, as well as any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years (except that a transition period that comprises a period of at least nine months shall count as a completed fiscal year). The **"date on which the Company is required to prepare an Accounting Restatement"** is the earlier to occur of (a) the date the Board or the Audit Committee concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement, in each case regardless of if or when the restated financial statements are filed.
- **"Covered Executives"** means the Company's current and former executive officers, as determined by the Administrator in accordance with the definition of executive officer set forth in Rule 10D-1 and the Listing Standards.

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- **"Erroneously Awarded Compensation"** has the meaning set forth in Section 3 of this Policy.
- A **"Financial Reporting Measure"** is any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measure. Financial Reporting Measures include but are not limited to the following (and any measures derived from the following): Company stock price; total shareholder return (**"TSR"**); revenues; net income; operating income; profitability of one or more reportable segments; financial ratios (e.g., accounts receivable turnover and inventory turnover rates); earnings before interest, taxes, depreciation and amortization (**"EBITDA"**); funds from operations and adjusted funds from operations; liquidity measures (e.g., working capital, operating cash flow); return measures (e.g., return on invested capital, return on assets); earnings measures (e.g., earnings per share); sales per square foot or same store sales, where sales is subject to an Accounting Restatement; revenue per user, or average revenue per user, where revenue is subject to an Accounting

Restatement; cost per employee, where cost is subject to an Accounting Restatement; any of such financial reporting measures relative to a peer group, where the Company's financial reporting measure is subject to an Accounting Restatement; and tax basis income. A Financial Reporting Measure need not be presented within the Company's financial statements or included in a filing with the Securities Exchange Commission.

- **"Incentive-Based Compensation"** means any cash or equity compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-Based Compensation is **"received"** for purposes of this Policy in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of such Incentive-Based Compensation occurs after the end of that period.
- **"Long-Term Incentive Plan"** or **"LTIP"** means the Sylvamo Corporation Long-Term Incentive Plan, which is an equity-based, multi-year incentive plan for certain employees.
- **"Misconduct"** means that an individual has failed to abide by (i) any material provision in the Company's Code of Conduct or (ii) the provisions of any Non-Competition, Non-Solicitation or Confidentiality Agreement or other restrictive covenant in any agreement by and between the Company or any affiliate and the individual. This determination is made for purposes of this Policy by the MDCC for a Covered Executive and other Participants, and by the independent members of the Board in the case of the Chief Executive Officer.
- a. **"Misconduct Recovery"** means a requirement by the Administrator to recover due to Misconduct an amount of Incentive-Based Compensation received by a Participant in the LTIP or AIP. The MDCC in the event of a Covered Executive or other Participant, or the Board in the event of the Chief Executive Officer, may, in its sole discretion, require reimbursement or recoupment of (i) all or a portion of an LTIP award within three years

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following payment or vesting and/or (ii) any AIP award received by a Covered Executive or Participant on or after the Effective Date.

- **"Participant"** means any individual, whether or not a Covered Executive, who participates in and receives Incentive-Based Compensation under an Incentive-Based Compensation plan sponsored by the Company or an affiliate.

## 15. RESOURCES

Any questions about this policy should be direct to the General Counsel.

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