

Risk Factors Comparison 2025-02-21 to 2024-02-16 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

The following is a summary of the material risks and uncertainties that could affect our business, financial condition and results of operations. You should read this summary together with the more detailed description of each risk factor contained below. **Risks Related to the Business Combination and the Share Issuance** • Failure to achieve the benefits and operating synergies expected from the business combination of DS Smith. Significant integration costs that could cause an interruption of, or loss of momentum in, the activities of the Company. Exposure to significant unanticipated liabilities. Shareholders are more exposed to currency exchange rate fluctuations. Failure to successfully integrate DS Smith and realize the benefits and operating synergies expected from the business combination to the extent or within the timeframes anticipated Adverse effects and pricing differentials arising from the maintenance of two exchange listings **Risks Related to Industry Conditions** Fluctuations in the prices of and the demand for our products due to factors such as economic cyclicality and changes in customer or consumer preferences, and government regulations. Changes in the cost and availability of raw materials, energy and transportation have recently affected, and could continue to affect, our profitability. Competition and downward pricing pressure in the global packaging industry could negatively impact our financial results. **Risks Related to Market and Economic Factors** Developments in general business and economic conditions could have an adverse effect on the demand for our products, our financial condition and the results of our operations. Changes in international conditions or other risks arising from conducting business internationally could adversely affect our business and operations. **Risks Related to Climate and Weather and Social and Environmental Impact Reporting** We are subject to risks associated with climate change and other sustainability matters and global, regional and local weather conditions as well as by legal, regulatory, and market responses to climate change. **Risks Related to our Operations** • We are subject to cybersecurity and 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. • We are subject to a wide variety of laws, regulations and other government requirements that may change in significant ways, and the cost of compliance with such requirements, or the failure to comply with such requirements could impact our business and results of operations. • Material disruptions at one of our manufacturing facilities could negatively impact financial results. • We operate in a challenging market for talent and may fail to attract and retain qualified personnel, including key management personnel. • Our failure to maintain good employee or labor relations may affect our respective operations. • We may be unable to realize the expected benefits and costs savings associated with restructuring initiatives, including our 80 / 20 strategic approach. • We may not achieve the expected benefits from strategic acquisitions, joint ventures, divestitures, spin- offs, capital investments, capital projects and other corporate transactions that are or will be pursued. • There are risks associated with our review of strategic options for our Global Cellulose Fibers business, and there is no assurance that this review will result in any transaction or other outcome. • Our continued growth will depend on our ability to retain existing customers and attract new customers. • Uninsured losses or losses in excess of our insurance coverage for various risks could have an adverse financial effect on our business. • We may not be able to adequately secure and protect our intellectual property rights, which could harm our competitive advantage. • We may fail to identify or leverage digital transformation initiatives. **Risks Related to Legal Proceedings and Compliance Costs** • Results of legal proceedings could have a material effect on our consolidated financial results. • We could be exposed to liability for Brazilian taxes under our agreements with Sylvamo Corporation. • If our spin- off of Sylvamo Corporation were to fail to qualify for non- recognition treatment for U. S. federal income tax purposes, then we may be subject to significant U. S. federal income taxes. **Risks Related to our Indebtedness** • Changes in credit ratings issued by nationally recognized statistical rating organizations could adversely affect our cost of financing and have an adverse effect on the market price of our securities. • The level of our indebtedness could adversely affect our financial condition and impair our ability to operate our business. • We are subject to risks associated with variable rate debt. • Downgrades in the credit ratings of banks issuing certain letters of credit will increase our cost of maintaining certain indebtedness and may result in the acceleration of deferred taxes. **Risks Related to our Pension and Healthcare Costs** • Our pension and health care costs are subject to numerous factors which could cause these costs to change. • Our U. S. funded pension plan is currently fully funded on a projected benefit obligation basis; however, the possibility exists that over time we may be required to make cash payments to the plan, reducing the cash available for our business. The Company faces a variety of risks, including risks in the normal course of business and through global, regional, and local events that could have an adverse impact on its reputation, operations, and financial performance. The following are material risk factors of which we are aware, including risk factors that could cause the Company' s actual results to differ materially from those contemplated in any forward- looking statement. If any of the events or circumstances described in any of the following risk factors occurs, our business, results of operations and / or financial condition could be materially and adversely affected, and our actual results may differ materially from those contemplated in any forward- looking statements we make in any public disclosures. Additional factors that could affect our business, results of operations and / or financial condition are discussed elsewhere in this Annual Report on Form 10- K (including in Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations) and in the Company' s other filings with the Securities and Exchange Commission. **RISKS RELATED TO THE BUSINESS COMBINATION AND THE SHARE ISSUANCE** We Moreover, risks or uncertainties not presently known to

us, or that we currently deem immaterial, may fail to successfully integrate DS Smith and realize the anticipated benefits and operating synergies expected from the business combination, which could adversely affect our business, results of operations, or financial condition and operating results. On January 31, 2025, we completed the previously announced business combination with DS Smith. The success of the business combination will depend, in significant part, on our ability to successfully integrate DS Smith, grow the revenue of the combined company and realize the anticipated strategic benefits and synergies from the business combination. The complexity and magnitude of the integration effort associated with the business combination are significant, and integrating DS Smith has resulted, and will continue to result, in significant costs. The integration process could cause an interruption of, or loss of momentum in, the other activities of the Company, and our failure to meet the challenges involved in integrating DS Smith and realize the anticipated benefits of the business combination could adversely affect our business, financial condition and results of operations. These challenges include, without limitation: • Diversion of management's attention from ongoing business concerns; • Managing the larger combined business, including in light of our increased scale and global presence; • Difficulties in the integration of operations and systems, including significant modifications to our internal control systems, processes and critical information systems; • Designing, implementing and maintaining effective internal control over financial reporting and remediating the previously disclosed material weaknesses of DS Smith; • Unanticipated expenses, difficulties of delays; and • Designing and implementing control processes to comply with additional regulations and laws related to the environment, climate change, privacy, and data protection in light of our increased scale and global presence. There are many factors beyond our control that could affect the timing or total amount of integration-related risks. The failure to effectively address any of these risks, or any other risks related to the integration of DS Smith, could materially adversely impact our business, financial condition and results of operations. In addition, the impact and extent of these integration challenges may exacerbate the other risks described in this "Risk Factors" section, which could materially adversely affect us. The anticipated benefits of the business combination may not be realized fully or at all, or may take longer to realize than we expect. Actual operating, technological, strategic and revenue benefits, if achieved at all, may be less significant than we expect or may take longer to achieve than anticipated. Further, our results of operations may differ from the projections made with respect to the business combination prior to closing, which were based on assumptions and estimates known to management at the time. If we are not able to realize the anticipated benefits and synergies expected from the business combination within a reasonable time, our business, financial condition and operating results may be adversely affected. The business combination may expose us to significant unanticipated liabilities that could adversely affect our business, financial condition and results of operations. The business combination may expose us to significant unanticipated liabilities relating to the operation of the combined company. These liabilities could include tax liabilities, employment or severance-related obligations under applicable law or other benefits arrangements, legal claims, warranty or similar liabilities to customers, and claims by or amounts owed to vendors. Particularly in international jurisdictions, the business combination, or our decision to enter new international markets where DS Smith previously conducted business, could also expose us to tax liabilities and other amounts previously owed by DS Smith. The occurrence of such unforeseen or unanticipated liabilities, should they be significant, could have a material adverse effect on our business, financial condition and results of operations. As a result of the business combination, our financial results are more exposed to currency exchange rate fluctuations and an increased proportion of assets, liabilities and earnings are denominated in non- U. S. Dollar currencies. We present our financial statements in U. S. Dollars and will have a significant proportion of net assets and income in non- U. S. Dollar currencies, primarily the Pound Sterling and Euro. Our financial condition and results of operation will therefore be more sensitive to movements in foreign exchange rates. A depreciation of non- U. S. Dollar currencies relative to the U. S. Dollar could have an adverse impact on our financial results. Our maintenance of two exchange listings may adversely affect liquidity in the market for our shares of common stock and result in pricing differentials of shares of common stock between the two exchanges. Trading in shares of common stock on the London Stock Exchange ("LSE") and the NYSE takes place in different currencies (Pound Sterling on the LSE and U. S. Dollars on the NYSE) and at different times (resulting from different time zones, different trading hours and different trading days for the LSE and the NYSE). The trading prices of shares of common stock on these two exchanges may at times differ due to these and other factors. Any decrease in the price of shares of common stock on the NYSE could cause a decrease in the trading price of shares of common stock on the LSE and vice versa. The benefits we expect of the dual listing on the NYSE and the LSE, which are increased liquidity, visibility among investors and access to investors who may be able to hold listed shares in the United Kingdom, but not the United States, and vice versa, may not be realized or, if realized, may not be sustained, and the costs and additional regulatory burdens associated with a dual listing may ultimately outweigh the associated benefits.

RISKS RELATING RELATED TO INDUSTRY CONDITIONS Fluctuations in the prices of and the demand for our products due to factors such as economic cyclicality and changes in customer or consumer preferences, and government regulation could materially affect our financial condition, results of operations and cash flows. Substantially all of our business has experienced, and is expected to continue to experience, cycles relating to industry capacity, customer demand, and general economic conditions. The length and magnitude of these cycles have varied over time and by product. Product prices and sales volumes have fallen in the past in periods and regions where demand was lower than available supply, and there can be no assurance that this will not recur. New or existing producers of pulp or paper products may add or adjust capacity affecting available supply. Further, changes in customer or consumer preferences may increase or decrease the demand for fiber-based products and non-fiber substitutes. Customer and consumer preferences change based on, among other factors, cost, convenience, health concerns and perceptions and an increased awareness of sustainability considerations. In some areas, customers have increasingly shown interest in

environmentally- friendly products such as fiber- based packaging. Advances in non- fiber technologies such as plastic packaging or other materials could result in decreased demand for our products. In addition, legal developments, such as new governmental regulations on single- use packaging products could significantly alter the market for our products. Any of the foregoing, including a failure to anticipate and respond to changing trends, customer preferences and technological and regulatory developments could have a material adverse effect on our business, financial condition, results of operations and / or future prospects. A lack of investor confidence in the paper and packaging industry could also have a negative impact on our business, financial condition, results of operations and / or future prospects. Changes in the cost and availability of raw materials, energy and transportation have recently affected, and could continue to affect, our profitability. We rely heavily on the use of certain raw materials (principally virgin wood fiber, recycled fiber, caustic soda, starch and adhesives), energy sources (principally biomass, natural gas, electricity and fuel oil) and third- party transport companies. The market price of virgin wood fiber varies based upon availability, demand, quality, and source. The global supply and demand for recycled fiber may be affected by factors such as trade policies between countries, individual governments' legislation and regulations, and general macroeconomic conditions. In addition, the increase in demand of products manufactured, in whole or in part, from recycled fiber, on a global basis, may cause significant fluctuations in recycled fiber prices. Taking into account ongoing inflationary conditions in domestic and global markets, we have experienced, and may continue to experience, a significant increase in various costs, including recycled fiber, energy, freight, chemical, and other supply chain costs, which has adversely affected, and may continue to adversely affect, our operations. Moreover, the availability of labor and the market price for fuel may affect third- party transportation costs. In addition, because our business operates in highly competitive industry segments, we have not always been able to, and may in the future be unable to, recoup past or future increases in the costs of any raw materials, energy sources or transportation sources from customers, which significantly affect profitability. In addition, where we are able to recoup our cost increases, there may be a delay between the onset of the cost increases and the recoupment. Any inability to recover input cost increases could lead to a material adverse effect on our business, financial condition, results of operations and / or future prospects. We have significant exposure to energy costs, in particular gas, electricity and other fuel costs. Energy prices have fluctuated dramatically in the past and may continue to increase and / or fluctuate in the future. Transportation costs are also impacted by energy costs since a key component of transportation costs relates to the cost of oil. We have employed and expect to continue to employ, strategies and tools to reduce the volatility of energy costs and ensure a degree of certainty over future energy costs. However, there can be no certainty that those strategies and tools will continue to manage such impact in the future. Volatile and increasing energy prices, including as a consequence of the conflict between Russia and Ukraine and other geopolitical conflicts, or a failure to effectively implement such strategies and tools could have a material adverse effect on our business, financial condition, results of operations and / or future prospects. Competition and downward pricing pressure in the global packaging industry could negatively impact our financial results. We operate in a competitive international environment in all operating segments. Our products compete with products produced by other forest products companies. Product innovations, manufacturing and operating efficiencies, additional manufacturing capacity, distribution and commercial strategies pursued or achieved by competitors, the increased use of artificial intelligence (" AI") and machine learning solutions in the paper industry, and the entry of new competitors, could negatively impact our financial results. In addition, our products compete with companies that produce substitutes for wood- fiber products, such as plastics and various types of metal. Customer shifts away from wood- fiber products toward such substitute products may adversely affect our business and financial results. Further, we depend on critical suppliers and key customers. An inability to foster these relationships and to manage any material changes in commercial terms and service levels could have a material adverse impact on our business, financial condition, results of operations and / or future prospects. Pricing in the paper and packaging industry can be affected by, among other things, product commoditization, changes in demand, price reductions, entrance of new competitors or capacity, changes in product supply, and the introduction of new products, technologies and equipment, including the use of AI and machine learning solutions. We face significant pressure to reduce per unit costs to achieve commercially acceptable returns. In circumstances where we are unable to adjust the relevant cost base sufficiently, pricing pressure could have a material adverse effect on our business, financial condition, results of operations and / or future prospects. **RISKS RELATED TO MARKET AND ECONOMIC FACTORS**

~~FACTORS~~ **ADVERSE DEVELOPMENTS IN GENERAL BUSINESS AND ECONOMIC CONDITIONS COULD HAVE AN ADVERSE EFFECT ON THE DEMAND FOR OUR PRODUCTS AND OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS** are affected by adverse developments in general business and economic conditions, which could have an adverse effect on the demand for our products, our financial condition and the results of our operations.

General economic conditions may adversely affect industrial non- durable goods production, consumer confidence and spending, commercial printing and advertising activity, and white- collar employment levels, all of which impact demand for our products, or otherwise adversely affect our business. We may also be adversely affected by catastrophic or other unforeseen events, including health epidemics or pandemics, such as COVID- 19, natural disasters, geopolitical events, military conflicts, terrorism, port and canal blockages and similar disruptions, political, financial or social instability, or civil or social unrest. Future health pandemics could **also** adversely impact portions of our business to varying degrees, including as the result of lower demand for certain products, supply chain and labor disruptions, and higher costs. These effects could have a material impact on our business, results of operations, cash flow, liquidity, or financial condition. Moreover, negative economic conditions or other adverse developments with respect to our business have resulted in, and may in the future result in impairment charges which could be material. Volatility or uncertainty in the financial, capital and credit markets, and negative developments associated with interest rates, asset values, currency exchange rates and the availability of credit, could also have

a material adverse effect on our business, financial condition and our results of operations. Macroeconomic conditions in the U. S., Europe and globally continue to be challenging in various certain respects, including as the result of significant inflationary pressures impacting recent periods, elevated interest rates, challenging labor market conditions, and adverse effects and uncertainty associated with current geopolitical conditions. Our operations have been adversely affected by, and could be expected to continue to be adversely affected in the future, by these negative challenging and geopolitical conditions, including as the result of lower demand for certain products, and higher raw material and labor costs. Further, because the markets for packaging products in many industrialized countries are generally mature, there is a significant degree of correlation between economic growth and demand for packaging products. Therefore, any deterioration in macroeconomic conditions in the U. S., Europe and / or globally resulting in a slowdown in economic growth may correlate with a corresponding decline in demand for packaging products in those markets. Moreover, any significant deterioration in current negative macroeconomic conditions, or any recovery therefrom that is significantly slower than anticipated, could have a material adverse effect on our business, results of operations or financial condition. Further, if current negative macroeconomic conditions result in significant disruptions to capital and financial markets, our the cost of borrowing, our ability to access capital on favorable terms, and our overall liquidity could be adversely affected. The COVID-19 pandemic Changes in international conditions or other risks arising from conducting business internationally could adversely affect impacted portions of our business to varying degrees, including as the result of lower demand for certain of our products, supply chain and operations labor disruptions, and higher costs. If public health conditions related to COVID-19 or a similar health epidemic or pandemic were to significantly worsen in the U. S. or in other markets in which we operate, our business and financial results could be adversely impacted, and we may be unable to effectively respond to or predict any such developments. CHANGES IN INTERNATIONAL CONDITIONS OR OTHER RISKS ARISING FROM CONDUCTING BUSINESS INTERNATIONALLY COULD ADVERSELY AFFECT OUR BUSINESS AND RESULTS OF OPERATIONS. As a global producer of renewable fiber-based packaging and pulp products, we could be substantially affected by operate in many different countries. As a result, we are vulnerable to risks related to the countries outside the U. S. in which we have manufacturing facilities or our international operations sell our products. These risks, which can vary substantially by country, may include economic or political instability, geopolitical events, corruption, anti-American sentiment, expropriation measures, social and ethnic unrest, natural disasters, military conflicts and terrorism, the regulatory environment (including the risks of operating in developing or emerging markets in which there are significant uncertainties regarding the interpretation and enforceability of legal requirements and the enforceability of contracts contractual rights and intellectual property rights), adverse currency fluctuations in the value of local currency versus the U. S. dollar, foreign exchange control regimes (including restrictions on currency conversion) repatriating cash from foreign countries to the U. S., downturns or changes in economic conditions (including in relation to commodity inflation), adverse tax consequences or rulings, import restrictions or controls or other trade protection measures, economic sanctions, health guidelines and safety protocols, nationalization, changes in social, political or labor conditions, and adverse developments regarding sustainability, environmental regulations and trade policies and agreements, any of which risks could negatively affect our financial results. For example, a significant portion of sales from our Global Cellulose Fibers business are concentrated in China and could be adversely affected by changes in economic conditions and demographics in China. 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 us, may also adversely impact our operating results and our business prospects in these countries. Likewise, disruption in existing trade agreements or increased trade friction between countries (such as in relation to the trade tensions between the U. S. and China), which may result in tariffs, could have a negative effect on our business and results of operations by restricting the free flow of goods and services across borders. During Additionally, the current U. S. presidential administration has indicated a desire to significantly increase the rates and broaden the scope of tariffs imposed on goods imported into the U. S., such as from China, which may strain international trade relations and increase the risk that foreign governments implement retaliatory tariffs on goods imported from the United States. Specifically, the U. S. federal government has implemented tariffs on certain foreign goods and may implement additional tariffs on foreign goods. Such tariffs and any further legislation or actions taken by the U. S. federal government that restrict trade, such as additional tariffs, trade barriers, and other protectionist or retaliatory measures taken by governments in Europe, Asia, and other countries, could adversely impact our ability to sell products and services in our international markets. Tariffs could increase the cost of our products and the components and raw materials that go into making the them third quarter of 2023. These increased costs could adversely impact the profit margin that we completed earn on our products, which could make our products less competitive and reduce consumer demand. Countries may also adopt the other sale of protectionist measures that could limit our ability ownership stake in Ilim and Ilim Group, and we no longer have investments in Russia following the completion of this sale. Prior to offer the completion of this sale, the military conflict between Russia and Ukraine adversely affected our products Ilim joint venture and our financial results services. The ultimate impact of any tariffs will depend on various factors, including if as the result of economic sanctions, actions by the Russian government, and associated domestic and global economic and geopolitical conditions. Additionally, while we no longer have any investments in Russia tariffs are ultimately implemented, we the timing of implementation, and the amount, scope, and nature of the tariffs. We may continue to be adversely affected by ongoing geopolitical instability and the economic consequences and disruptions arising therefrom, including as the result of the military conflict between Russia and Ukraine, the military conflict between Israel and Hamas in the Middle East, and increasing tensions between China and Taiwan. For example, prior to the closing of the disposal of our ownership stake in Ilim and Ilim Group in the third quarter of 2023, the military conflict between Russia and Ukraine adversely affected our Ilim joint venture and financial results, including as the result of economic sanctions, actions by the Russian government, and associated domestic and global

economic and geopolitical conditions. These risks may be further heightened in the event of the expansion in the scope or escalation of any such ~~military~~ conflicts. **In addition, changes to economic sanctions programs, such as in response to the conflict between Russia and Ukraine, could put us at risk of violating sanctions as a result of an existing presence in a newly sanctioned jurisdiction or relationship with a newly sanctioned entity if we fail or are unable to end such presence or relationship in a timely manner.** In addition, our international operations are subject to ~~regulation under U. S. law and other~~ laws related to operations in foreign jurisdictions, including laws prohibiting bribery of government officials and other corrupt practices. ~~For example~~ **Anti- bribery laws such as the U. K. Bribery Act 2010**, the Foreign Corrupt Practices Act of 1977, as amended, ~~and similar worldwide anti- corruption laws generally prohibits~~ **prohibit** U. S. companies and their ~~representatives~~ **intermediaries** from offering, promising, authorizing or making **improper** payments to ~~foreign public~~ officials for the purpose of obtaining or retaining business ~~abroad~~. **Further**, and the U. S. Department of ~~the~~ Treasury's Office of Foreign Assets Control and other non- U. S. government entities maintain economic sanctions targeting various countries, persons and entities. **We are also subject to the laws and regulations of governmental and regulatory agencies.** Failure to comply with domestic or foreign laws could result in various adverse consequences, ~~for us~~ including the imposition of civil or criminal sanctions, **reputational** damage ~~to our reputation~~ and the prosecution of executives overseeing ~~our~~ international operations. **We are exposed to the translation of the results of overseas subsidiaries into their respective reporting currencies, as well as the impact of currency fluctuations on their commercial transactions denominated in foreign currencies. Adverse movements in foreign exchange rates relating to foreign currency denominated commodities, assets and liabilities, and transactions could have a material impact on our business, financial condition, results of operations and / or future prospects.**

RISKS RELATED TO CLIMATE AND WEATHER WE ARE SUBJECT TO RISKS ASSOCIATED WITH CLIMATE CHANGE AND SOCIAL OTHER SUSTAINABILITY MATTERS AND GLOBAL ENVIRONMENTAL IMPACT REPORTING ~~We are subject to risks associated with climate change and other sustainability matters and global~~. **REGIONAL AND LOCAL WEATHER CONDITIONS AS WELL AS BY LEGAL regional and local weather conditions as well as by legal**, **REGULATORY regulatory**, AND MARKET RESPONSES TO **CLIMATE CHANGE and market responses to climate change**. Climate change impacts, including rising temperatures and the increasing severity and / or frequency of adverse weather conditions, may result in operational impacts on our facilities, **as well as** supply chain disruptions and increased raw material and other costs. These adverse weather conditions and other physical impacts which may be exacerbated as the result of climate change include floods, hurricanes, tornadoes, earthquakes, hailstorms, wildfires, snow, ice storms and drought. Climate change may also contribute to the decreased productivity of forests, **a key source in the production of paper products**, and adverse impacts on the distribution and abundance of species, and the spread of disease and insect epidemics, any of which developments could adversely affect ~~timber harvesting forestland management and the availability of energy and water resources~~. The effects of climate change and global, regional and local weather conditions, including the resulting financial costs of compliance with legal or regulatory initiatives, could have a material adverse effect on our results of operations and business. **In recent years, There there** has been ~~an increased a~~ **heightened** focus, including from investors, customers, the general public, **domestic U. S. and foreign governmental (including but not limited to the United Kingdom and the European Union)** and nongovernmental authorities, regarding sustainability matters, including with respect to climate change, **greenhouse gas (" GHG ")** emissions, packaging and waste, sustainable supply chain practices, biodiversity, deforestation, land, energy and water use, ~~diversity and inclusion and other~~ human capital matters. This ~~increased~~ **heightened** focus on sustainability matters, including climate change, ~~may has~~ **result resulted** in more prescriptive reporting requirements with respect to sustainability metrics **and other new requirements**, an increased expectation that such metrics will be voluntarily disclosed by companies such as ours, and increased pressure **with respect to** ~~make-making~~ commitments, ~~set-setting~~ targets, or ~~establish-establishing~~ goals, and ~~take-taking~~ action to meet them, **which has caused and is expected to continue to cause the incurrence by us of increased compliance costs**. As the result of this increased focus and ~~our~~ commitment to sustainability matters, we **(either voluntarily and / or as required by applicable law and regulation)** have ~~voluntarily~~ provided disclosure and established targets and goals with respect to various sustainability matters, including climate change. For example, we have ~~made public~~ **publicly committed to** commitments regarding our ~~intended reduction of carbon emissions, including our Vision 2030 goal of reducing our~~ Scope 1, 2 and 3 GHG emissions by 35 % from 2019 ~~to~~ 2030, which have been approved by SBTi as consistent with levels required to meet the goals of the 2015 Paris Agreement. Meeting these and other sustainability targets and goals have increased, ~~and may continue to increase,~~ our capital and operational costs. **Further, we may continue to establish, increase and / or revise such disclosure, targets and goals in the future. For example, following the completion of our business combination with DS Smith, we are reassessing our Vision 2030 goals to ensure that they align with our expanded operations and capabilities, which may result in modifications to our existing targets and timelines. While we aim to leverage the strengths and synergies of our combined Company to enhance our initiatives, there is a risk that we may need to revise our Vision 2030 goals to ensure they align with our expanded business operations, increased scale and global presence. Efforts to achieve our initiatives and goals, including collecting, measuring, and reporting sustainability information, involve operational, reputational, financial, legal, and other challenges and may result in additional costs or delays related to achieving our Vision 2030 goals. Such efforts may have a negative impact on us, including our brand name, reputation, and the market price of our common stock.** There also continues to be a lack of consistency in legal and regulatory initiatives regarding climate change across jurisdictions and various governmental entities. ~~We also expect to incur additional~~ **Additional** expenses **are expected to be incurred** as a result of ~~domestic U. S. and international~~ regulators requiring additional disclosures regarding GHG emissions. Further, there can be no assurance regarding the extent to which our climate and other sustainability targets ~~will can~~ be achieved, and the achievement of these targets is subject to various risks and uncertainties, some of which are outside our control. Moreover, there is no assurance that investments made in furtherance of achieving such targets and goals will meet

investor expectations or any binding or non-binding legal standards regarding sustainability performance. If we are unable to meet climate and other sustainability targets and goals, on our projected timelines or at all, or if such goals and targets are perceived negatively, including the perception that they are not sufficiently robust or, conversely, are too costly or not otherwise in our best interests, any such developments could adversely impact our reputation as well as investor, customer and other stakeholder relationships **could be damaged**, which could adversely impact our **reputation**, business and results of operations. Moreover, not all of our competitors establish climate or other sustainability targets and goals at comparable levels to ours, which could result in competitors having lower supply chain or operating costs as well as reduced reputational risks associated with not meeting such goals. **We may be unable to manage energy demand needs within our sustainability targets and certain of our respective acquisitions, may bring new sustainability challenges. Such inability to manage sustainability demands and challenges could have a significant impact on our business, financial condition, results of operations and / or future prospects.** Other climate-related business risks that we face, include risks related to the transition to a lower-carbon economy, such as increased prices for fossil fuels; the introduction of a carbon tax; increased regulation of our operations and our products, and the resulting potential for increased litigation; and more stringent and / or complex environmental and other permitting requirements. To the extent that climate-related business risks materialize, particularly if we are unprepared for them, we may incur unexpected costs, and our business may be materially and adversely affected. **Additionally, sustainability reporting is becoming more broadly expected by regulators, investors, shareholders, and other third parties. If we do not adapt to or comply with such investor, customer, or other stakeholder expectations, or if we are perceived to have not responded appropriately or quickly enough to growing sustainability related concerns for sustainability issues, regardless of whether there is a regulatory or legal requirement to do so, we may suffer reputational damage or be precluded from doing business with certain customers. Our business, financial condition, and / or the market price of our common stock could be materially and adversely affected. Further, our sustainability and goals may not be favored by certain stakeholders, whose priorities and expectations may not align or may be opposed to one another, which could result in public scrutiny or reputational damage, and could impact the attraction and retention of investors, customers, and employees.**

RISKS RELATED TO OUR OPERATIONS We are subject to **cybersecurity and information technology risks related to breaches**. **INDEBTEDNESS** THE LEVEL OF OUR INDEBTEDNESS COULD ADVERSELY AFFECT OUR FINANCIAL CONDITION AND IMPAIR OUR ABILITY TO OPERATE OUR BUSINESS. As of December 31, 2023, we had approximately \$ 5.6 billion of outstanding indebtedness. The level of our indebtedness could have important consequences. **security pertaining to sensitive company**. **2023 customer OF SECURITY PERTAINING TO SENSITIVE COMPANY**, **employee and vendor information as well as breaches in the technology used to manage operations and other business processes**. **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 on securely managed information technology systems, some of which are provided or managed by third parties, for data capture, processing, storage and reporting. We have invested in information technology security initiatives and risk management, as well as incident response, business continuity and disaster recovery plans, but we cannot it is not possible to eliminate all systematic or external risk. **The Further, the** development and maintenance of these **information technology security** measures is costly and requires ongoing monitoring, testing and updating as technologies and processes change, and efforts to overcome security measures become increasingly sophisticated. Additionally, the **global** regulatory environment surrounding information security, data privacy and data protection is becoming increasingly restrictive and is evolving frequently. The current cyber threat environment presents increased risk for all companies, including those in our industry. Like other global companies, our systems are subject to recurring attempts by third parties to access information, manipulate data or disrupt our operations. In this regard, we, we had approximately \$ 5.6 billion of outstanding indebtedness. The level of our indebtedness could have important consequences. **experienced cyber threats and events from time to time, although none have materially affected us, including our results of operations or financial condition**. Given the current cyber threat environment, operating results the volume and intensity of cybersecurity attacks and attempted intrusions are expected to increase in the future. We work with a large number of third-party vendors, suppliers, platforms, software, applications, and technologies, each of which may be subject to a cybersecurity incident or information technology failure that impacts our business or operations. We may be required to spend significant resources to verify the implementation of cybersecurity controls by our vendors and suppliers. In addition, despite careful security and controls design, implementation, updating, monitoring and independent third-party verification, our information technology systems, together with those of our third-party providers or joint venture partners, have been and could again be compromised or disrupted due to factors such as employee error or malfeasance, cyber-attacks, including the following: • it may limit ransomware, malware, phishing attacks, advanced persistent threats, social engineering, credential stuffing or distributed denial-of-ability to obtain additional debt or equity financing for working capital, capital expenditures, product development, dividends, share repurchases, debt service requirements attacks or data or security breaches by malicious actors such as common hackers, acquisitions and general corporate criminal groups or nation-state organizations or social activist (“hacktivist”) organizations, disruptions resulting from geopolitical events, natural disasters, failures or impairments of telecommunications networks or other catastrophic events. Such attacks are increasing in complexity, purposes; • a portion of our cash flows from operations will be dedicated to payments on indebtedness and will not be available for other-- the rapid evolution purposes, including operations, capital expenditures and increased adoption future business opportunities; • the debt service requirements of our indebtedness could make it **All technologies may intensify cybersecurity risks by making cyber-attacks more difficult for to detect, contain, and mitigate. Furthermore, remote working and personal device use increases to satisfy other-- the obligations; • it may limit risks of cyber incidents and the improper dissemination of personal our or confidential information. Moreover ability to adjust to changing market conditions, including to take actions in connection with elevated interest rates (such as in**

the hardware (current elevated interest rate environment), and place software or applications we use at may have inherent vulnerabilities or defects of design, manufacture or operations or could be inadvertently or intentionally implemented or used in a manner competitive disadvantage compared to our competitors that could compromise information security have less debt; • it may increase our exposure to risks related to fluctuations in foreign currency as we earn profits in a variety of currencies around the world and our debt is denominated in U. S. dollars; • it may increase our exposure to the risk of increased interest rates insofar as we are compelled to refinance indebtedness at higher interest rates, which risk is heightened by the current high interest rate environment; and • it may increase our vulnerability to a downturn in general economic conditions or in our business, and may make us unable to carry out capital spending that is important to our growth. In addition, cybersecurity-related threats may remain undetected for an extended period of time. Any cybersecurity attack, data or security breach, other security incident, compromise, damage, disruption, outage or shutdown to our or the information technology systems or networks, or those of any businesses with which we interact could result in lost sales, business delays, negative publicity or reputational impact, and a loss of customer confidence, and have a material adverse effect on our business or financial results. Any such incident or breach could also result in operational or supply chain disruptions, data loss, corruption or manipulation, or information misappropriation including, but not limited to, interruption to systems availability, denial of access to and misuse of applications required by customers to conduct business, the acquisition, use or disclosure of data or inability to access data, the release of confidential information about our operations, and subject us to litigation and government enforcement actions. Further, in such event, access to applications required to plan operations, source materials, manufacture and ship finished goods and account for orders could be denied or misused. Theft of intellectual property or trade secrets, and loss or inappropriate disclosure of confidential company, employee, customer or vendor information, could also stem from such incidents. Moreover, any significant cybersecurity event could require us to devote significant management time and resources in response to such event, interfere with the pursuit of other important business strategies and initiatives, and cause us to incur additional expenditures, which could be material, including to investigate and remediate such event, recover lost data, prevent future compromises and adapt systems and practices in response to such events. There is no assurance that any remedial actions will meaningfully limit the success of future attempts to breach our information systems, particularly because malicious actors are increasingly sophisticated and utilize tools and techniques specifically designed to circumvent security measures, avoid detection and obfuscate forensic evidence, which means we may be unable to identify, investigate or remediate effectively or in a timely manner. Further, following completion of our business combination with DS Smith, we are subject to agreements governing our indebtedness an increasing number of cybersecurity reporting obligations in different jurisdictions that require us to meet vary in their scope and maintain application, which may add complexities in providing complete and reliable information about cybersecurity incidents to customers, counterparties, and regulators, as well as the public. The recent completion of our business combination with DS Smith has resulted in increased scale and a broader global presence, which will impact our cybersecurity risk profile. As part of the integration of the newly acquired business, we are actively assessing and addressing these cybersecurity risks to ensure robust protection of our expanded operations and data assets. Additionally, while insurance coverage designed to address certain financial ratios and covenants aspects of cyber risks may be in place, such insurance coverage may be insufficient to cover all losses or all types of claims that may arise in connection with such incidents. A We are subject to a wide variety of laws, regulations and other government requirements that may change in significant ways, and the cost of compliance with such requirements, or the failure to comply with such requirements, could impact or our prolonged downturn in general business and economic conditions results of operations. As a publicly listed company, we are subject to the reporting requirements of the Exchange Act and the Sarbanes- Oxley Act of 2002 (the “ Sarbanes- Oxley Act ”), and the listing requirements of the NYSE. By virtue of or our secondary listing on the LSE, we are now subject to the listing requirements of the LSE, the Market Abuse Regulation and Disclosure Guidance and Transparency Rules. The Exchange Act requires that we file annual and other reports significant adverse developments with respect to our business, results of operations or financial condition and results of, may affect our ability to comply with these covenants or meet those financial ratios operations and tests and could. The Sarbanes- Oxley Act require requires us to take action to reduce our debt or to act in a manner contrary to our current business objectives. Moreover, among the other things, restrictions associated with these financial ratios and covenants may prevent us from taking actions that we establish believe would be in the best interest of our business and may make it difficult maintain effective internal controls and procedures for financial reporting. Any failure to maintain effective controls or any difficulties encountered implementing required new or improved controls could cause us to fail to meet execute our business strategy successfully or our reporting obligations effectively compete with companies that are not similarly restricted. Additionally, despite these restrictions, we may be able to incur substantial additional indebtedness in the future, which might subject us to additional restrictive covenants that could affect our financial and operational flexibility and otherwise increase the risks associated with our indebtedness as noted above. WE ARE SUBJECT TO RISKS ASSOCIATED WITH OUR VARIABLE RATE DEBT We have a material interest rate risk, primarily related to variable rate debt in the aggregate amount of approximately \$ 908 million as of December 31, 2023, associated with our short- term cash investments, variable rate debts, supply chain financing, short- term debt and the installment notes and loans in the Temple- Inland timber monetization special purpose entities. Interest rates rose significantly during 2022 and 2023 and could remain high and volatile in 2024 and beyond. Changes in interest rates impact how much we earn on our short- term cash investments, the interest rate we pay on our variable rate debt and credit agreements, the cost of supply chain financing and the refinance rate of our short- term debt. For additional information, see “ Market Risk — Interest Rate Risk ” in Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations on page 44. CHANGES IN CREDIT RATINGS ISSUED BY NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATIONS COULD ADVERSELY AFFECT OUR COST OF FINANCING AND HAVE

AN ADVERSE EFFECT ON THE MARKET PRICE OF OUR SECURITIES. Maintaining an investment-grade credit rating is an important element of our financial strategy. A downgrade of the Company's ratings below investment grade will likely eliminate our ability to access the commercial paper market, may limit our access to the capital markets, have an adverse effect on **our business and** the market **trading** price of our **common stock**. **Our operations are subject** securities, increase our cost of borrowing and require us to **regulation under** post collateral for derivatives in a net liability position. Our desire to maintain **wide variety of domestic and international laws, regulations and the other government requirements** Company's investment grade rating may cause us to take certain actions designed to improve our cash flow, including sale of assets, **among others**, suspension or reduction of our dividend and reductions in capital expenditures and working capital. Under the **those** terms of the agreements governing approximately \$ 1. 1 billion of our debt as of December 31, 2023, the applicable interest rate on such debt may increase upon each downgrade in our credit rating **relating**. As a result, a downgrade in our credit rating may lead to **the environment, health and** an **and** increase in our interest expense **safety, labor and employment, data privacy, tax, trade and health care**. There can be no assurance that **laws, regulations and government requirements** such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered **changed**, suspended **applied or interpreted in ways that will require us to modify** or **our** withdrawn entirely **respective operations and objectives or affect our respective returns on investments** by **restricting existing activities and products** the rating agencies if, in each rating agency's judgment, circumstances so warrant. Any such downgrade, suspension or withdrawal of our **or** credit ratings **increasing costs**. In addition, any **failure or alleged failure to comply with applicable laws, regulations or other government requirements** could have an adversely **adverse affect effect on** our cost of borrowing, limit our access to the capital markets or **our reputation and financial results or may result in**, **among** more restrictive covenants in agreements governing the **other terms things, litigation, revocation of required licenses, internal investigations, governmental investigations or proceedings, administrative enforcement actions, fines and civil and criminal liability** any future indebtedness that we may incur. **DOWNGRADES IN THE CREDIT RATINGS OF BANKS ISSUING CERTAIN LETTERS OF CREDIT WILL INCREASE OUR COST OF MAINTAINING CERTAIN INDEBTEDNESS AND MAY RESULT IN THE ACCELERATION OF DEFERRED TAXES**. We are subject to **increasingly stringent federal, state, local and international laws governing** the **risk protection of the environment** that **continue to evolve as new guidance is provided by regulatory and governing bodies and as pending or future litigation is resolved**. The changing laws, regulations and standards relating to corporate governance, ESG matters and public disclosures in various jurisdictions create uncertainty for public companies, increase legal and compliance costs and make activities more time consuming. We have incurred, and, following completion of our business combination with DS Smith, expect to continue to incur and invest resources, significant capital, operating and other expenditures complying with applicable and forthcoming environmental laws and regulations, including with respect to GHG emissions and other climate-related matters. These investments may lead to higher operating expenses as the cost of compliance increases. Our environmental expenditures include, among other areas, those related to air and water quality, waste disposal and the cleanup of soil and groundwater, including situations where we have been identified as a bank **potentially responsible party**. There can be no assurance that future **remediation requirements and compliance** with currently issued irrevocable letters existing and new laws and requirements will not require significant expenditures, or that existing reserves for specific matters will be adequate to cover future costs. We could also incur substantial fines or sanctions, enforcement actions (including orders limiting operations or requiring corrective measures), natural resource damages claims, cleanup and closure costs, third-party claims for property damage and personal injury and reputational harm 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 **credit predict** supporting installment notes, and, **in connection** some cases, liability may be imposed without regard to contribution or to whether we knew of, or caused, the release of hazardous substances. Additionally, if our compliance efforts **with Temple Inland** new applicable laws, regulations, and standards do not align with the expectations of regulatory or governing bodies due to ambiguities in their application and implementation, or if they differ from interpretations arising from related litigation, we may face legal actions. This could negatively impact our business, financial condition, operational results, and cash flow. Our global operations are subject to complex and evolving domestic and international data privacy laws and regulations, such as the European Union's General Data Protection Regulation, the UK's 2007 sales of forestlands **General Data Protection Regulation**, any supplemental applicable European Union member state or UK national data protection laws, China's Personal Information Protection Law and comprehensive privacy laws in **may many** be downgraded below U. S. states, including California, Connecticut, Colorado, Utah, and Virginia. These laws impose a **range of compliance obligations** required rating. Prior to 2013, certain banks had fallen below the required ratings threshold and were successfully replaced, or waivers were obtained **regarding the handling of personal data**. There are significant penalties for non-compliance, including monetary fines, **disruption of operations and reputational harm**. Moreover, **their** other states and governmental authorities around replacement. As a result of continuing uncertainty in the banking world have introduced or passed, or are considering, similar legislation which may impose varying standards and requirements on data collection, use and processing activities. This increasingly restrictive and evolving global regulatory environment related to data privacy and data protection may continue to require changes to our business practices, **some and give rise to significantly expanded compliance burdens, costs and enforcement risks**. Moreover, many of the **these laws and regulations are** letter of credit banks currently in place remain subject to **uncertain application, interpretation** risk of downgrade and the number of qualified replacement banks remains limited. The downgrade of one or **enforcement standards** that more of these banks may subject us to additional costs of securing a replacement letter-of-credit bank or could result in **claims, changes to business practices, data processing and security systems, penalties, increased operating costs** acceleration of payments of up to \$ 485 million in deferred income taxes if replacement banks cannot

be obtained. The deferred taxes are currently recorded in our **or other impacts** consolidated financial statements. See Note 15, Variable Interest Entities, on **our business** pages 78 through 80, and Note 13. **Additionally** Income Taxes, **regulatory bodies** on pages 72 through 74, in Item 8. Financial Statements and Supplementary **others tasked with enforcing privacy and data protection laws have been actively engaging in enforcement investigations and actions. These laws often provide** for **civil penalties** further information. **RISKS RELATING TO OUR PENSION AND HEALTHCARE COSTS** OUR PENSION AND HEALTH CARE COSTS ARE SUBJECT TO NUMEROUS FACTORS WHICH COULD CAUSE THESE COSTS TO CHANGE. We have defined benefit pension plans covering substantially all U. S. salaried employees hired prior to July 1, 2004 (or later for certain acquired populations -- **violations**, as described in Note 18. Retirement Plans, on pages 82 through 87, in Item 8. Financial Statements and Supplementary Data) and substantially all hourly union and non-union employees regardless of hire date. We froze participation under these plans for U. S. salaried employees, including credited service and compensation on or after January 1, 2019; however, the pension freeze does not affect benefits accrued through December 31, 2018. We provide retiree health care benefits to certain former U. S. employees, as well as **private rights** financial assistance towards the cost of **action** individual retiree medical coverage for **data breaches that may increase data breach litigation. We use** **internal and external resources to monitor compliance with relevant legislation and continually evaluate and, where necessary, modify data processing practices and policies to comply with evolving privacy laws. Nevertheless, relevant regulatory authorities could determine that our data handling practices fail to address all the requirements of** certain former U. S. salaried **new laws, which could subject us to penalties and / or 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 policies, procedures and practices will prevent the improper handling of, disclosure of or access to personal data**. **Our pension** **Improper handling and disclosure of or access to personal data in violation of other data privacy and protection laws could cause reputational harm and loss of consumer confidence and subject us to government enforcement actions (including fines), or result in private litigation, which could result in loss of revenue, increased costs, liability for monetary damages, fines and / or criminal prosecution, all of which could negatively affect our business and operating results. We are also exposed to the risk** dependent upon numerous factors resulting from actual plan experience and assumptions of **changes in tax law and tax rates in a number of jurisdictions. The costs associated to comply with these laws and regulations are substantial and possible** future laws experience. Pension plan assets are primarily made up of equity and fixed income investments. **Fluctuations** regulations or changes to existing laws and regulations (including the **imposition of higher taxes**) could require us to incur additional expenses or capital expenditures or result in **restrictions** actual market returns on **or suspensions** plan assets, changes in general interest rates and in the number of retirees **operations**. **For example, the Organization for Economic Cooperation and Development (the " OECD "), the EU and various countries (including countries in which we operate) have enacted or committed to enact a 15 % global minimum tax applied on a country- by- country basis (the " Pillar Two rule "). In may many of the countries implementing the Pillar Two rule, the first component of the Pillar Two rule became effective in 2024, with the second component expected to come into effect in 2025. It is possible that the Pillar Two rule could adversely impact pension costs our effective tax rate in future periods. Likewise** **Additionally**, changes in assumptions regarding current discount rates **administrative guidance with respect to tax law can be incomplete or vary from legislative intent, and expected rates therefore the application of return on plan assets the tax law is uncertain. While we believe our reported positions comply with relevant tax laws and regulations, taxing authorities could interpret** increase pension costs. However, the impact **application** of market fluctuations has **certain laws and regulations differently. We have** been reduced as a result of investments in our pension plan asset portfolio which hedge the impact of changes in interest rates on the plan's funded status. Drivers for fluctuating health costs include unit cost changes, health care utilization by participants, and potential changes in legal requirements and government oversight. **OUR U. S. FUNDED PENSION PLAN IS CURRENTLY FULLY FUNDED ON A PROJECTED BENEFIT OBLIGATION BASIS; HOWEVER, THE POSSIBILITY EXISTS THAT OVER TIME WE MAY BE REQUIRED TO MAKE CASH PAYMENTS TO THE PLAN, REDUCING THE CASH AVAILABLE FOR OUR BUSINESS. We record an and continue** asset or a liability associated with our pension plans equal to the surplus of the fair value of plan assets above the benefit obligation or the excess of the benefit obligation over the fair value of plan assets. At December 31, 2023, we had an overfunded U. S. qualified pension asset balance of \$ 118 million. When aggregated with U. S. nonqualified pension obligations, the benefit deficit recorded under the provisions of Accounting Standards Codification (" ASC") 715, " Compensation — Retirement Benefits," at December 31, 2023 was \$ 146 million. The amount and timing of future contributions, which could be **subject to tax audits** material, will depend upon a number of factors, including the actual earnings, changes in values of plan assets and changes in interest rates. **RISKS RELATING TO INDUSTRY CONDITIONS** CHANGES IN THE COST OR AVAILABILITY OF RAW MATERIALS, ENERGY AND TRANSPORTATION HAVE RECENTLY AFFECTED, AND COULD CONTINUE TO AFFECT OUR PROFITABILITY. We rely heavily on the use of certain raw materials (principally virgin wood fiber, recycled fiber, caustic soda, starch and adhesives), energy sources (principally biomass, natural gas, electricity and fuel oil) and third-party companies that transport our goods. The market price of virgin wood fiber varies **various taxing jurisdictions around the world** based upon availability and source. The global supply and demand for recycled fiber may be affected by factors such as trade policies between countries, individual governments' legislation and regulations, and general macroeconomic conditions. In **some** addition, the increase in demand of products manufactured, in whole or in part, from recycled fiber, on a global basis, may cause **cases** significant fluctuations in recycled fiber prices. Taking into account ongoing inflationary conditions in the U. S. and globally, we have experienced **appealed**, and may continue to experience **appeal**, a **assessments by taxing authorities, including in the court system. As such, tax controversy matters may result in previously unrecorded tax expenses, accelerated cash tax payments, higher future tax expenses, or the assessment of interest and penalties. As with many technological**

innovations, AI presents risks and challenges that could affect its adoption, and therefore our business. Uncertainty in the legal regulatory regime relating to AI may require significant increase in various costs resources to modify and maintain business practices to comply with international laws, the nature of which cannot be determined at this time. Several jurisdictions, including Europe recycled fiber, energy the U. S. federal government, freight and certain U. S. states, chemical have already proposed or enacted laws, regulations, and other supply chain costs requirements governing AI. For example, on May 21, 2024, the Council of the European Union adopted the EU AI Act, regulating the developments and deployment of AI systems. The EU AI Act imposes obligations on transparency, risk management and data governance for AI systems, particularly those classified as high risk, with significant fines for noncompliance. Other jurisdictions may decide to adopt similar or more restrictive requirements that may render the use of AI challenging. These requirements may make it harder for us to conduct our business using AI, lead to regulatory fines or penalties, require us to change our business practices, or limit AI usage, which may lead has adversely affected and is expected to inefficiencies continue to adversely affect our or results of operations. Energy prices, in particular prices for oil and natural gas, have fluctuated dramatically in the past and may continue to increase and / or fluctuate in the future. Moreover, the availability of labor and the market price for fuel may affect our costs for third-party transportation. In addition, because our businesses operate in highly competitive disadvantages, industry segments, we may have not always been able, and may in the future be unable to recoup past or future increases in the costs of any raw materials- Material disruptions at, energy sources or transportation sources through price increases to our customers. Our profitability has been, and will continue to be, affected by changes in the costs and availability of such raw materials, energy sources and transportation sources. FLUCTUATIONS IN THE PRICES OF AND THE DEMAND FOR OUR PRODUCTS DUE TO FACTORS SUCH AS ECONOMIC CYCLICALITY AND CHANGES IN CUSTOMER OR CONSUMER PREFERENCES, AND GOVERNMENT REGULATION COULD MATERIALLY AFFECT OUR FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS. Substantially all of our businesses have experienced, and are likely to continue to experience, cycles relating to industry capacity and general economic conditions. The length and magnitude of these cycles have varied over time and by product. In addition, changes in customer or consumer preferences may increase or decrease the demand for our fiber-based products and non-fiber substitutes. Moreover, customer and consumer preferences are constantly changing based on one, among other factors, cost, convenience, health concerns and perceptions and an increased awareness of sustainability considerations. These preferences may affect the prices of our products. In addition, regulatory developments, such as new or our developing regulation or single-use packaging products could significantly alter the market for our products. Consequently, our financial results are sensitive to changes in the pricing, and supply and demand for our products. In addition, our reputation and financial results may be adversely affected if we fail to anticipate trends that would enable us to offer products that respond to changing customer preferences and technological and regulatory developments. COMPETITION IN THE U. S. AND INTERNATIONALLY COULD NEGATIVELY IMPACT OUR FINANCIAL RESULTS. We operate in a competitive environment, both in the U. S. and internationally, in all of our operating segments. Our products compete with similar products produced by other forest products companies. Product innovations, manufacturing facilities and operating efficiencies, additional manufacturing capacity, marketing, distribution and pricing strategies pursued or achieved by competitors, the increased use of artificial intelligence and machine learning solutions in our industry, and the entry of new competitors into the markets we serve could negatively impact our financial results. In addition, our products also compete, in some instances, with companies in other industries that produce substitutes for wood-fiber products, such as plastics and various types of metal. Customer shifts away from wood-fiber products toward such substitute products may adversely affect our business and financial results. RISKS RELATING TO OUR OPERATIONS MATERIAL DISRUPTIONS AT ONE OF OUR MANUFACTURING FACILITIES COULD NEGATIVELY IMPACT OUR FINANCIAL RESULTS. We operate our facilities in compliance with applicable rules and regulations and take measures to minimize the risks of disruption at our facilities. A material disruption at our corporate headquarters, a or one of our manufacturing facilities facility or key mill could prevent us from meeting customer demand, reduce our sales and / or negatively impact our financial condition. 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: • adverse weather events like fires, floods, earthquakes, hurricanes, winter storms and extreme temperatures, or other catastrophes (including adverse weather conditions that may be intensified by climate change); • the effect of a drought or reduced rainfall on its water supply; • disruption in the supply of raw materials or other manufacturing inputs; • terrorism or threats of terrorism; • information system disruptions or failures due to any number of causes, including cyber-attacks; • domestic and international laws and regulations applicable to us and any of our respective business partners, including joint venture partners, around the world; • unscheduled maintenance outages; • prolonged power failures; • an equipment failure; • a chemical spill or release; • explosion of a boiler or other equipment; • damage or disruptions caused by third parties operating on or adjacent to a one of our manufacturing facilities facility; • disruptions in the transportation infrastructure, including roads, bridges, railroad tracks and tunnels; • a widespread outbreak of an illness or any other communicable disease, or any other public health crisis or any impacts related to government regulation as a result thereof; • 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. Any such downtime or facility damage could prevent us from meeting production targets, customer demand for our products and / or require us to make satisfying customer requirements, which may necessitate unplanned expenditures. If one of our machines or facilities were to incur significant downtime, our ability to meet our production targets and satisfy customer requirements could be impaired, resulting in lower sales and having have a negative effect on our business and financial results. WE MAY NOT ACHIEVE THE EXPECTED BENEFITS FROM STRATEGIC ACQUISITIONS. We operate in a challenging market for talent and may fail to attract and retain qualified personnel, JOINT VENTURES including key management personnel. Our ability to

operate and grow our business depends on our ability to attract and retain employees with the skills necessary to operate and maintain our facilities, ~~DIVESTITURES~~ produce our products and serve our customers. The market for both hourly workers and salaried workers continues to be competitive, ~~SPIN~~ particularly for employees with specialized technical and trade experience. This, along with the current competitive labor market and ongoing inflationary conditions, has led to higher labor costs. In addition, we rely on our key executive and management personnel to manage our business efficiently and effectively. The unanticipated departure of key executive and management employees, particularly in a challenging market for attracting and retaining employees, could adversely affect our business. Moreover, changing demographics and labor work force trends, including remote work and changing work-life balance expectations, ~~CAPITAL INVESTMENTS~~ may make it difficult for us to replace retiring or departing employees. The failure to retain and / or recruit additional or substitute senior managers and / or other key employees and a failure to identify and resource for future capability requirements such that there is a gap in skills and knowledge across key business areas, ~~CAPITAL PROJECTS AND OTHER CORPORATE TRANSACTIONS THAT WE HAVE PURSUED OR MAY PURSUE~~ See Note 6 31,2025. We have also been implementing certain commercial initiatives as a part of our 80/20 strategic approach and our box-go-~~Restructuring and~~ to-market strategy. Among other ~~Other~~ things ~~Charges, Net in Item~~ **8. Financial Statements** these commercial initiatives include strategically focusing our business, pricing to better reflect the services and **Supplementary Data for additional information** value we provide, and aligning resources with our best and most strategic customers. We may be unable to realize the expected benefits from these-- ~~the strategic actions described above~~ and other restructuring initiatives ~~that which~~ we may ~~take~~ in the future undertake. In particular, restructuring activities may divert the attention of management, disrupt ~~our~~ operations and fail to achieve the intended cost and operational benefits. ~~If the Company is unable to realize the expected benefits from its restructuring initiatives, the Company's financial results could be adversely impacted.~~ In addition, because we are ~~not unable-- able~~ to predict or control market conditions, including changes in the supply and demand for our products, ~~product~~ the prices ~~or for our products or our~~ manufacturing costs, we may not be able to predict the appropriate time to undertake restructurings. Further, ~~we may incur~~ cash and non- cash charges ~~may be incurred~~ in connection with restructuring activities, which may be material. Moreover, judgment is required to estimate restructuring charges, and these estimates, and the assumptions underlying them, may change as additional information becomes available or facts or circumstances related to restructuring initiatives change. **RISKS RELATING TO LEGAL PROCEEDINGS AND COMPLIANCE COSTS WE ARE SUBJECT TO A WIDE VARIETY OF LAWS, REGULATIONS AND OTHER GOVERNMENT REQUIREMENTS THAT MAY CHANGE IN SIGNIFICANT WAYS, AND THE COST OF COMPLIANCE WITH SUCH REQUIREMENTS, OR THE FAILURE TO COMPLY WITH SUCH REQUIREMENTS, COULD IMPACT OUR BUSINESS AND RESULTS OF OPERATIONS.** Our operations are subject to regulation under . Our strategy for long- term growth, productivity and profitability depends, in part, on our ability to accomplish prudent acquisitions, joint ventures, divestitures, spin- offs, ~~capital investments, capital projects,~~ and other corporate transactions ~~that we may pursue~~ and to realize the benefits ~~we expect~~ **expected** from such transactions , **including the acquisition of DS Smith as set forth above. Ongoing capital investment is also required to expand, maintain and upgrade existing facilities, to develop new facilities and to ensure compliance with new regulatory requirements** . Our expenditures ~~for on~~ capital projects could be higher than ~~we anticipate~~ **anticipated** , ~~we the projects~~ may experience unanticipated disruptions or delays in completing the projects and ~~we may not achieve~~ the desired benefits from those projects **may not be achieved** , including as a result of a deterioration in macroeconomic conditions ~~in our business,~~ **the** unavailability of capital equipment or related materials, delays in obtaining permits or other requisite approvals or changes in laws and regulations. We are subject to the risk that ~~we may not achieve~~ the expected benefits from such transactions **may not be achieved** . This failure could require ~~us to record~~ an impairment charge **to be recorded** for goodwill or other intangible assets, which could lead to decreased assets and reduced net earnings. Among the benefits ~~we expect~~ **expected** from potential as well as completed 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 businesses and assets to purchasers who place a higher strategic value on such businesses and assets ~~than we do~~ . Corporate transactions of this nature that we may pursue involve a number of special risks, including with respect to ~~our the~~ inability to realize ~~our~~ business goals with such transactions as noted above, **including our acquisition assumptions,** the focus of ~~our~~ management' s attention on these transactions and the assimilation of acquired businesses into ~~our existing~~ operations, the demands on ~~our~~ financial, operational and information technology systems resulting from acquired businesses, **our ability to integrate personnel, labor models, financials, customer relationships, supply chain and logistics, IT and other systems successfully, business culture compatibility,** the possibility of ~~becoming~~ **becoming** responsible for substantial contingent or unanticipated legal liabilities as the result of acquisitions or other corporate transactions . ~~Any of, and increasing these--~~ **the circumstances scope geographic diversity and complexity of our operations. Moreover, effective internal controls are necessary to provide reliable and accurate financial reports, and the integration of businesses may create complexity in our financial systems and internal controls and make them more difficult to manage. Integration of businesses into our internal control system could adversely affect cause us to fail to meet our financial reporting obligations. Moreover, any failure to integrate, ~~our-- or results of operations~~ delay in integrating . IT systems of acquired businesses could create an increased risk of cybersecurity incidents. Following integration, an acquired business may not produce the expected margins or cash flows . Furthermore, we may finance these strategic transactions by incurring additional debt or issuing equity, which could increase leverage or impact our ability to access capital in the future. There are risks associated with our review of strategic options for our Global Cellulose Fibers business, and there is no assurance that this review will result in any transaction or other outcome. On October 31, 2024, we announced that we were reviewing strategic options for our Global Cellulose Fibers business. There can be no assurance that this review will result in any kind of transaction or**

other outcome, or, if any transaction or other outcome occurs, the timing or terms thereof. Moreover, our ability to affect any transaction or other outcome may be dependent on a number of factors that may be beyond our control, such as market conditions, industry trends, regulatory approvals, and the availability of financing on favorable terms. In addition, even if this review ultimately results in a transaction or other outcome, there can be no assurance that such transaction or other outcome will have a positive effect on shareholder value. Further, there can be no assurance that this review of strategic options will not cause the diversion of management's attention, interfere with our ability to retain or attract key personnel, disrupt our business, adversely impact important business relationships, adversely impact our financial results, or expose us to litigation. In addition, we may incur significant costs and expenses in connection with this process. It is also possible that speculation regarding any developments related to this review and perceived uncertainties associated therewith could cause the market price of our common stock to fluctuate significantly or to decline. Our continued growth will depend on our ability to retain existing customers and attract new customers. Our future growth will depend on our ability to retain existing customers, attract new customers as well as make existing customers and new customers increase their volume commitments. There can be no assurance that customers will continue to use our products or that they will be able to continue to attract new volumes at the same rate as in the past. A customer's use of our products may decrease for a variety of reasons, including the customer's level of satisfaction with our products and services, the expansion of business to offer new products, the effectiveness of our support services, the pricing of our products, the pricing, range and quality of competing products, the effects of global economic conditions, regulatory limitations, trust, perception and interest in the paper and packaging industry and in their products. Furthermore, the complexity and costs associated with switching to a competitor may not be significant enough to prevent a customer from switching packaging providers. Any failure by us to retain existing customers, attract new customers, and increase revenue from both new and existing customers could have a material adverse effect on our business, results of operations, financial condition, and / the trading price of our or common stock future prospects. WE COULD BE EXPOSED These efforts may require substantial financial expenditures, commitments of resources, developments of processes, and other investments and innovations without a guarantee that existing customers will be retained and / or new customers will be attracted. Uninsured losses or losses in excess of our insurance coverage for various risks could have an adverse financial effect on our business. We maintain business insurance that we consider to be adequate and appropriate for our business and activities. Certain types of risks such as losses due to natural disasters, riots, acts of war or terrorism are, however, either uninsurable or not economically insurable. In addition, even if a loss is insured, we may be required to pay a significant deductible on any claim for recovery of such loss prior to the insurer being obliged to reimburse the loss, or the amount of the loss may exceed the coverage for the loss. Any uninsured losses could have a material adverse effect on our business, financial condition, results of operations and / or future prospects. We may not be able to adequately secure and protect our intellectual property rights, which could harm our competitive advantage. We rely on intellectual property laws to protect our rights to certain aspects of our systems, products and processes including product designs, proprietary technologies, research and concepts. For example, our packaging business owns hundreds of patents covering our designs and products. Trademarks and licenses and their effective management play an important role in protecting intellectual property rights. The actions taken by us to protect our respective proprietary rights may be inadequate to prevent imitation or unauthorized use. The laws of various countries offer different levels of protection for intellectual property rights and there can be no assurance that our intellectual property rights will not be challenged, invalidated, misappropriated or circumvented by third parties. Any of these possibilities could have a material adverse effect on our business, financial condition, results of operations and / or future prospects. We may fail to identify or leverage digital and / or AI transformation initiatives. We may fail to identify or leverage digital and / or AI transformation initiatives in areas from point-of-sale through to manufacture and delivery to customers, or miss the opportunity to meet the demand for smart products. Failure to implement digital and data programs or identify or prioritize the latest digital and / or AI transformation initiatives may result in us falling behind our competitors with regards to speed to market, smart product offerings, manufacturing capacity and service levels, each of which could have a material adverse effect on our business, financial condition, results of operations and / or future prospects. RISKS RELATED TO LIABILITY FOR BRAZILIAN TAXES UNDER OUR AGREEMENTS WITH SYLVAMO CORPORATION LEGAL PROCEEDINGS AND COMPLIANCE COSTS Results of legal proceedings could have a material effect on our consolidated financial results. We are a party to various legal, regulatory and governmental proceedings and other related matters, including with respect to environmental matters. In addition, we are and may become subject to other loss contingencies, both known and unknown, which may relate to past, present and future facts, events, circumstances and occurrences. Should an unfavorable outcome occur in connection with the legal, regulatory or governmental proceedings or our other loss contingencies or we become subject to any such loss contingencies in the future, there could be a material adverse impact on our financial results. See Note 13- Commitments and Contingent Liabilities of Item 8. Financial Statements and Supplementary Data for further information. For example, we (through both International Paper and our newly acquired DS Smith subsidiaries operating in Italy) are among a number of companies operating in the paper packaging industry subject to a decision by the Italian Competition Authority concerning anti-competitive behavior in Italy. We are further subject to a number of actual and threatened claims for compensation arising out of or relating to the decision by the Italian Competition Authority. Given the early stages of these claims and our intention to defend robustly against such claims, it is too early to predict or reasonably estimate the overall outcome or ultimate potential liability (if any) that might be incurred in connection therewith, and there can be no guarantee that the aggregate of possible damages could not have a material impact on our financial condition. We could be exposed to liability for Brazilian taxes under our agreements with Sylvamo Corporation. In connection with the

spin-off of Sylvamo Corporation (“Sylvamo”), we previously entered into agreements with Sylvamo and its subsidiaries, including among others a tax matters agreement. Under the tax matters agreement, we could have significant payment obligations in connection with certain Brazilian tax matters. Under this agreement, we have agreed to pay 60 % of the first \$ 300 million of any liability resulting from the resolution of these Brazilian tax matters (with Sylvamo paying the remaining 40 % of the first \$ 300 million of any such liability) and 100 % of any liability resulting from the Brazilian tax matters over \$ 300 million. **These Brazilian tax matters relate to assessments for the tax years 2007- 2015 of approximately \$ 95 million in tax (adjusted for variation in currency exchange rates) and approximately \$ 235 million in interest, penalties, and fees (adjusted for variation in currency exchange rates). Accordingly, the assessments total approximately \$ 119-330 million (adjusted for variation in currency exchange rates) in, although interest, penalties and fees continue to accrue over time. Under the tax matters agreement, our potential liability for such assessments would plus interest, penalties, and fees. The interest, penalties, and fees currently total be approximately \$ 274-210 million (adjusted for variation in currency exchange rates). If we were found liable, which reflects a recent law change pursuant to which the Brazil tax authority pay such amounts, this could have an adverse effect on January 16-our business, financial condition 2024 agreed to cancel a portion of the interest, penalties, results of operations and / fees. Accordingly, the assessments currently total approximately \$ 393 million (adjusted for- or cash flow variation in currency exchange rates). See Note 14-13- Commitments and Contingent Liabilities on pages 74 through 78 of Item 8. Financial Statements and Supplementary Data for further information. WE OPERATE IN-If our spin-off of Sylvamo Corporation were to fail to qualify for non- recognition treatment for U. S. federal income tax purposes, then we may be subject to significant U. S. federal income taxes. We received opinions from tax advisors and a private letter ruling from the U. S. Internal Revenue Service (the “ IRS ”) regarding the qualification of the spin-off of Sylvamo and certain related transactions as a transaction that is generally tax- free for U. S. federal income tax purposes to Sylvamo, us and our shareholders who received a distribution of Sylvamo common stock in connection with the spin-off. A tax opinion is not binding CHALLENGING MARKET FOR TALENT AND MAY FAIL TO ATTRACT AND RETAIN QUALIFIED PERSONNEL, INCLUDING KEY MANAGEMENT PERSONNEL. Our ability to operate and grow our business depends on the IRS our- or ability to attract the courts, and retain employees with the there can skills necessary to operate and maintain our facilities, produce our products and serve our customers. The market for both hourly workers and salaried workers continues to be competitive, particularly no assurance that the IRS for- or employees with specialized technical and trade experience. This, along with the current competitive labor market and ongoing inflationary conditions, has led to higher labor costs, particularly at our converting facilities. Although our focused efforts to attract and retain employees, including by offering higher levels of compensation in certain instances, resulted in a court will not take decreased attrition rate in 2023 compared to the prior two years’ historically high attrition rates, recruiting and retaining talent (particularly those early in their careers) continues to be a challenge-contrary position. In addition, we rely-our advisors and the IRS relied on key executive certain representations and management personnel to manage covenants delivered by us and Sylvamo in rendering such opinions and in the private letter ruling. If any of the representations our- or business efficiently covenants relied upon for the tax opinions or private letter ruling were inaccurate, incomplete or not complied with by us, Sylvamo or any of their respective subsidiaries, the tax opinions and effectively private letter ruling may be invalid and the conclusions reached therein could be jeopardized. The loss-If the IRS ultimately determines that the spin-off is taxable key executive and management employees, particularly in then the spin-off could be treated for U. S. federal income tax purposes as a challenging market taxable gain to us (determined as of the date of the spin-off). In such event, significant U. S. federal income tax liabilities could be incurred by us. These income tax liabilities may be indemnifiable by Sylvamo pursuant to a tax matters agreement between us and Sylvamo. However, there can be no assurance that Sylvamo would have adequate resources for- or liquidity if it were required to indemnify us. RISKS RELATED TO OUR INDEBTEDNESSChanges in credit ratings issued by nationally recognized statistical attracting---- rating organizations and retaining employees, could adversely affect our business. Moreover, changing demographics and labor work force trends, including remote work and changing work- life balance expectations, may make it difficult for us to replace retiring or departing employees. If we fail to attract and retain qualified personnel, or if we continue to experience excessive turnover, we may continue to experience higher labor costs- cost and labor shortages, and our business may be adversely impacted. In addition, a significant number of financing our employees are represented by unions. We may not be able to successfully negotiate new union contracts once our current contracts with unions expire without work stoppages or labor difficulties, or we may be unable to renegotiate such contracts on favorable terms. Negotiations between the company and USW regarding the mill master collective bargaining agreement (which expired August 2023) and related mill joint pension council master agreement (which expired September 2023) resulted in new agreements which will expire August 2027 and September 2027, respectively. Negotiations between the Company and USW regarding the converting master collective bargaining agreement (which expires April 2024) and related converting joint pension council master (which expires September 2024) are scheduled to begin on February 19, 2024. USW represents approximately 10, 600 employees in our converting facilities. We have also experienced work stoppages in the past..... that we face may remain undetected for an extended period of time. In the event that our information systems are disrupted or compromised, or the information systems of any businesses with which we interact, are disrupted or compromised, in a manner which impacts us or our information systems, as a result of any cybersecurity attack, data or security breach, or other security incident, any such developments could result in lost sales, business delays, negative publicity or reputational impact, and a loss of customer confidence, and have a material adverse effect on our business-the market price of or our securities. Maintaining an investment- grade credit rating is an important element of our financial results-strategy. Any such incident-A downgrade of ratings below investment grade will likely eliminate or our ability breach could also result in operational or supply chain disruptions, data loss, corruption or manipulation, or information misappropriation including, but not limited to, interruption to systems availability, denial of access**

to and misuse of applications required by our customers to conduct business with us, the acquisition **commercial paper market**, **may limit** use or disclosure of data or inability to access to data, the **capital markets** release of confidential information about our operations, **have** and **an adverse effect on the market price of** subject us to litigation and government enforcement actions. Further, in such event, access to applications required to plan our operations, source materials, manufacture and ship finished goods and account for orders could be denied or **our securities** misused. Theft of intellectual property or trade secrets, **increase borrowing costs** and loss or inappropriate disclosure of confidential company, employee, customer or vendor information, could also stem from such incidents. Moreover, any significant cybersecurity event could require us to devote significant management time **post collateral for derivatives in a net liability position. The desire to maintain** and **an investment grade rating may** resources in response to such event, interfere with the pursuit of other important business strategies and initiatives, and cause us to incur additional **take certain actions designed to improve our respective cash flow, including a sale of assets, suspension or reduction of dividends and reductions in capital** expenditures, which could be material, including to investigate and **working capital** remediate such event, recover lost data, prevent future compromises and adapt systems and practices in response to such events. **Certain** There is no assurance that any remedial actions will meaningfully limit the success of future attempts to breach our information systems, particularly because malicious actors are increasingly sophisticated and utilize tools and techniques specifically designed to circumvent security measures, avoid detection and obfuscate forensic evidence, which means we may be unable to identify, investigate or **our** remediate effectively **debt agreements provide or for an interest rate increase in case of** a timely manner **credit rating downgrade. This applies** Additionally, while we have insurance coverage designed to address certain aspects **agreements governing approximately \$ 539 million** of cyber risks in place, such insurance coverage may be insufficient to cover all losses or **our debt** all types of claims that may arise in connection with such incidents. **WE MAY BE UNABLE TO REALIZE THE EXPECTED BENEFITS AND COST-SAVINGS ASSOCIATED WITH RESTRUCTURING INITIATIVES, INCLUDING OUR STRATEGIC ACTIONS ANNOUNCED IN OCTOBER 2023.** We have restructured portions of our operations from time to time, have current restructuring initiatives taking place, and it is likely that we will engage in restructuring activities in the future. In particular, as previously disclosed in October 2023, the Company committed to certain strategic actions impacting its Containerboard and Global Cellulose Fibers businesses as further described below. Consistent with this initiative, in December 2023, the Company permanently closed its containerboard mill in Orange, Texas and permanently ceased production on two of its pulp machines at its Riegelwood, North Carolina and Pensacola, Florida mills. The Company recorded charges associated with these actions during the three months ended December 31, 2023 **2024. As** See Note 6- Restructuring and Other..... **Our operations are subject to regulation under a result** wide variety of U. S. federal and state and non-U. S. laws, **a downgrade in credit** regulations and other government requirements including, among others, those relating to **rating may lead** to the environment, health and **an increase in interest expenses** safety, labor and employment, data privacy, tax, trade and health care. There can be no assurance that laws, regulations and government requirements **our credit ratings will remain in effect for any given period of time or that such ratings** will not be changed **lowered, suspended** applied or interpreted in ways that will require us to modify our **or withdrawn entirely** operations and objectives or affect our returns on investments by restricting existing activities and products, or subjecting us to increased costs. In addition, any failure or alleged failure to comply with applicable laws, regulations or other **the government requirements-rating agencies if, in each rating agency's judgment, circumstances so warrant. Any such downgrade, suspension or withdrawal of credit ratings** could adversely affect our reputation **cost of borrowing**, and limit access to the capital markets or result in more restrictive covenants in **agreements governing the terms of any future indebtedness that we may incur. The level of our indebtedness could adversely affect our financial condition and impair our ability to operate our business. As of December 31, 2024, we had approximately \$ 5. 6 billion of outstanding indebtedness. The level of our indebtedness could have important consequences to our financial condition, operating results and business, including the following:**

- it may limit **or our** result in **ability to obtain additional debt or equity financing for working capital**, among capital expenditures, **product development, dividends, share repurchases, debt service requirements, acquisitions and general corporate or other things, litigation, revocation purposes;**
- **a portion** of required licenses, internal investigations, governmental investigations or **our proceedings-cash flows from operations will be dedicated to payments on indebtedness and will not be available for other purposes**, administrative enforcement including operations, capital expenditures and future business opportunities;
- the debt service requirements of our indebtedness could make it more difficult for us to satisfy other obligations;
- it may limit our ability to adjust to changing market conditions, including to take actions in connection with changes in interest rates (such **finances and civil and criminal liability. For example, as part in the current elevated interest rate environment**), and place us at a competitive disadvantage compared to our competitors that have less debt;
- it may increase our exposure to risks related to fluctuations in foreign currency as we earn profits in a variety of currencies around the world and our debt is denominated in U. S. dollars;
- it may increase our exposure to the risk of increased interest rates insofar as we are compelled to refinance indebtedness at higher interest rates, which risk is heightened by the current high interest rate environment; and
- it may increase our vulnerability to a downturn in general economic conditions or in our business, and may make us unable to carry out capital spending that is important to our growth. In addition, we are subject to **agreements** increasingly stringent federal, state, local and international laws governing **our indebtedness that require us** the protection of the environment. We have incurred, and expect to continue to incur, **meet and maintain certain financial ratios and covenants. A significant capital, operating or prolonged downturn in general business and economic conditions, or other significant adverse developments** expenditures complying with applicable and forthcoming environmental laws and regulations, including with respect to GHG emissions and other climate-related matters. Additionally, new environmental laws, regulations or **our** other requirements to address GHG emissions **results of operations or financial condition, may affect or our** climate change may cause **ability to comply with these covenants or meet those**

financial ratios and tests and could require us to incur additional compliance costs, take action to reduce our debt or to act in a manner contrary to our current business objectives. Moreover, including costs, the restrictions associated with these financial ratios and covenants may prevent us from taking actions that we believe would be in the best interest of our business and may make it difficult for us to execute our business strategy successfully or effectively compete with companies that are not similarly restricted unable to predict at the current time. Moreover, Additionally, despite these restrictions has historically been, and we may continue to be able, a lack of consistency between jurisdictions regarding legal requirements with respect to climate and GHG emission matters, which has created and may continue to create economic and regulatory uncertainty. Our environmental expenditures include, among other areas, those related to air and water quality, waste disposal and the cleanup of soil and groundwater, including situations where we have been identified as a potentially responsible party. Moreover, we may be directly impacted by, and are working to manage, the risks and costs to us, our customers and our vendors of the effects of climate change, GHGs, and the availability of energy and water resources. These risks include the potentially adverse impact on forests, which are a key resource in the production of our products, increased product costs and changes in the types of products that customers purchase. There can be no assurance that future remediation requirements and compliance with existing and new laws and requirements will not require significant expenditures, or that existing reserves for specific matters will be adequate to cover future costs. We could also incur substantial additional indebtedness fines or sanctions, enforcement actions (including orders limiting our operations or requiring corrective measures), natural resource damages claims, cleanup and closure costs, third-party claims for property damage and personal injury and reputational harm 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 future, which might release of hazardous substances. Our global operations subject us to additional complex and evolving U. S and international data privacy laws and regulations, such as European's Union General Data Protection Regulation, China's Personal Information Protection Law and comprehensive privacy laws in many states, including California, Connecticut, Colorado, Utah, and Virginia. These laws impose a range of compliance obligations regarding the handling of personal data. There are significant penalties for non-compliance including monetary fines, disruption of operations and reputational harm. Moreover, other states and governmental authorities around the world have introduced or passed, or are considering, similar legislation which may impose varying standards and requirements on our data collection, use and processing activities. This increasingly restrictive covenants and evolving regulatory environment at the international, federal and state level related to data privacy and data protection may continue to require changes to our business practices and give rise to significantly expanded compliance burdens, costs and enforcement risks. Moreover, many of these laws and regulations are subject to uncertain application, interpretation or enforcement standards that could affect result in claims, changes to our financial business practices, data processing and operational flexibility and otherwise security systems, penalties, increased increase operating costs or other the risks associated impacts on our businesses. Additionally, regulatory bodies and others tasked with our indebtedness enforcing privacy and data protection laws have been actively engaging in enforcement investigations and actions. These laws often provide for civil penalties for violations, as noted above well as private rights of action for data breaches that may increase data breach litigation. We proactively use internal and external resources to monitor compliance with relevant legislation and continually evaluate and, where necessary, modify our data processing practices and policies to comply with evolving privacy laws. Nevertheless, relevant 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 / or 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 implemented or may implement in the future will prevent the improper handling of, disclosure of or access to personal data. Improper handling and disclosure of or access to personal data in violation of other data privacy and 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 and / or criminal prosecution, all of which could negatively affect our business and operating results. We are subject to taxes in the U risks associated with variable rate debt. We S. and various foreign jurisdictions, and changes in laws, regulation or interpretation of existing laws and regulations in the U. S. and other jurisdictions where we are subject to interest rate risk associated with short taxation, could increase our taxes and have an adverse effect on our financial results. For example, the Organization for Economic Cooperation and Development ("OECD") has proposed a 15 % global minimum tax applied on a country-by-term cash investments, variable rate debts, supply chain financing and short-term debt country basis (the "Pillar Two rule"), and many countries (including countries in which we operate) have enacted or begun the process of enacting laws adopting the Pillar Two rule. The first component of the Pillar Two rule is expected to begin applying in 2024, with the second component expected to go into effect in 2025. While we do not currently expect the Pillar Two rule to have a material impact on our effective tax rate, our analysis is ongoing as the OECD continues to release guidance and as countries begin implementing legislation. Future developments could change our current assessment, and it is possible that the Pillar Two rule could adversely impact our effective tax rate in future periods. In addition, the application of tax law is subject to interpretation and to audit by taxing authorities. Additionally, administrative guidance can be incomplete or vary from legislative intent, and therefore the application of the tax law is uncertain. While we believe the positions reported by the Company comply with relevant tax laws and regulations, taxing authorities could interpret our application of certain laws and regulations differently. We are currently subject also exposed to tax audits interest rate risk in the U. S. relation to our installment notes and loans in other the taxing jurisdictions around the world Temple Inland timber monetization special purpose entities. We In some cases, we have variable rate debt appealed, and may continue to appeal, assessments by taxing authorities in the aggregate amount court system. As such, tax controversy matters may result in previously unrecorded tax expenses, accelerated cash tax

payments, higher future tax expenses, or the assessment of **approximately \$ 908 million as of December 31, 2024.** interest **Interest rates rose** and penalties. As with many technological innovations, artificial intelligence (“AI”) presents risks and challenges that could affect its adoption, and therefore our business. Uncertainty in the legal regulatory regime relating to artificial intelligence may require significant **significantly during 2022** resources to modify and maintain business practices to comply with U. S. and non-U. S. laws, the nature of which cannot be determined at this time. Several jurisdictions, including Europe, the U. S. federal government, and certain U. S. states, have already proposed or enacted laws, regulations, and other requirements governing AI. For example, on October 30, 2023, the Biden administration issued an Executive Order to, among other things, establish extensive new standards for AI safety and security. Other jurisdictions may decide to adopt similar or more restrictive requirements that may render the use 21