Risk Factors Comparison 2024-02-21 to 2023-02-22 Form: 10-K

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~~Public health crises~~ **For further information about the regulatory risks of our business, see Item 1A. Risk Factors – " Our business is subject to a wide variety of other laws, regulations and other government requirements that may change in significant ways, and the cost of compliance with** such **requirements** ~~as the COVID- 19 pandemic~~ could have a material adverse effect on our business, financial condition and results of operations. " ~~COMPETITION The markets in which~~ **SUSTAINABILITY MATTERS Sylvamo remains committed to operating responsibly and sustainably, and incorporates this into our strategies and everyday processes as** we **seek to seize opportunities, address risks and create long- term value for our shareholders. Our commitment to sustainability spans our value chain, from the safety of our employees, to the responsible sourcing of raw materials, to using renewable energy and ensuring the recyclability of our products. Our commitment is part of our Code of Conduct and it requires us to** operate ~~are highly~~ **as responsible stewards for our communities and the environment. We believe that operating in this manner creates healthy communities, enhances our** competitive **position** with **our customers, increases our desirability as an investment and helps engender employee pride in the Company, helping us achieve our vision to be the world' s paper company: the employer, supplier and investment of choice. To show how we pursue our responsibility to sustain safety at our facilities, protect the environment, promote I & D and employee** well- **being** ~~established domestic and foreign manufacturers. For instance~~ , **and invest** in ~~North America,~~ the **communities where we live and work, in July 2023 we issued** ~~four~~ - **our first ESG Report since becoming a standalone public company in late 2021** ~~largest manufacturers of UFS, including Sylvamo, represent approximately 78 % of the total annual production capacity~~ . **We also launched a new sustainability hub** ~~As the use of electronic mediums and alternative products increases, and because paper production does not generally rely~~ on ~~proprietary processes, except for highly specialized papers or~~ **our** ~~products~~ **website** , ~~the areas into which Sylvamo~~ **sylvamo** ~~sells its principal products~~ **. com, to** ~~are~~ **share sustainability news** ~~increasingly competitive. Furthermore~~ , **certifications** ~~the level of competitive pressure Sylvamo may face is dependent~~ , in **- depth data** ~~part, upon exchange rates, particularly the rate between the U. S. dollar~~ and **more** ~~the Euro and the U~~ . **Our 2022 ESG Report (available** ~~S. dollar and the Brazilian real. Some of our competitors have converted mills or paper machines~~ at ~~their mills to linerboard, pulp and boxboard capacity, which reduced the supply of UFS and other printing papers. MARKETING AND DISTRIBUTION Sylvamo~~ **sylvamo** ~~sells products directly to~~ **. com / us /** ~~end~~ - **en** ~~users and converters~~ **/ sustainability) illustrates our 2022 contributions to the circular** , **low- carbon economy** ~~as well as through agents~~ , **while improving people** ~~resellers and paper distributors. DESCRIPTION OF PRINCIPAL PRODUCTS The Company~~ ' s **lives** ~~principal products are described in Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations. ENVIRONMENTAL AND OTHER REGULATIONS Sylvamo is subject to a wide range of general and industry- specific laws and regulations that are complex and changing in the regions where we operate, which include but are not limited to: environmental, health and safety; climate change; tax; privacy and data security; antitrust; product liability; intellectual property ownership and infringement; labor and employment; anti- corruption; import, export and trade; and foreign exchange controls and foreign ownership and investment. In addition, new laws or regulations affecting our facilities are routinely passed or proposed. Environmental Regulation Current or proposed laws or regulations may include those governing wood harvesting, air emissions, climate change, waste water discharges, storage, management and disposal of hazardous substances and wastes, contaminated sites, landfill operation and closure obligations, and health and safety matters. Compliance with these laws and regulations in all countries where we operate, therefore, is a significant factor in the operation of our business and may result in capital expenditures as well as additional operating costs. For example, our United States mills meet several of the U. S. Environmental Protection Agency' s (" EPA ") maximum achievable control technology (" MACT ") standards that require owners of specified pulp and paper process equipment and boilers to meet air emissions standards for certain substances. However, as required by the Clean Air Act, the EPA is required to conduct a Risk and Technology Review (" RTR ") after the application of the MACT standard to determine if the standard was protective enough for human health. Based on EPA' s evaluation of both risk and technology, it is possible that future capital project expenditures could be required as a result of future MACT and RTR regulations. Many environmental and health and safety laws where we operate provide for substantial fines or penalties and other civil and criminal sanctions for any failure to comply. Certain environmental laws provide for strict liability and, under certain circumstances, joint and several liability for investigation and remediation of the release of hazardous substances into the environment. We are committed to controlling emissions and discharges from our facilities to avoid adverse impacts on the environment, both as an environmental steward and to maintain our compliance with applicable laws and regulations. However, we may encounter situations in which our operations failed to maintain full compliance with applicable requirements, or we may learn that previous owners of our property released substances in violation of environmental laws, possibly leading to civil or criminal fines, fees, penalties or enforcement actions against us. These could include governmental or judicial orders that stop or interrupt our operations or that require us to take corrective measures at substantial costs, such as installation of additional pollution control equipment or environmental remediation. Furthermore, in the regions where we operate, governments may enact additional laws to protect the environment and against climate change, which would expose us to the cost of additional compliance and risk of potential noncompliance. See Item 1A. Risk Factors – " We are subject to extensive environmental laws and regulations and could incur substantial costs as a result of compliance with, violations of or liabilities under these laws and regulations. " We remain committed to compliance with all applicable environmental laws and to protecting the environment. In 2022, we spent approximately $ 7 million on capital projects in the~~

~~aggregate for our mills in the three regions where we operate to control environmental releases into the air and water and to assure environmentally sound management and disposal of waste. We expect to spend approximately $ 2 million in 2023 and $ 4 million in 2024 on environmental projects. Laws addressing climate change may have a material impact on us in the future. The Paris Agreement, an international treaty on climate change, went into effect in November 2016 and continues international efforts and voluntary commitments toward reducing greenhouse gas (“ GHG ”) emissions. Consistent with this objective, participating countries aim to balance GHG emissions generation and sequestration in the second half of this century or, in effect, achieve net zero global GHG emissions. To assist member countries in meeting GHG reduction obligations, the EU operates an Emissions Trading System (" EU ETS"). Our Saillat mill is directly subject to regulation under Phase III, and our Nymölla mill is subject to regulation under Phase IV, of the EU ETS. The EU ETS may in the future have a material impact on us depending on, among other factors, how the Paris Agreement' s non- binding commitments or allocation of and market prices for GHG credits under existing rules evolve over the coming years. In the United States, the EPA manages regulations to: (i) control GHGs from mobile sources by adopting transportation fuel efficiency standards; (ii) control GHG emissions from new Electric Generating Units (" EGUs"); (iii) control emissions from new oil and gas processing operations; and (iv) require reporting of GHGs from sources of GHGs greater than 25, 000 tons per year. Several U. S. states have enacted or are considering legal measures to require the reduction of emissions of GHGs by companies and public utilities. These federal and state regulations have not had a material impact on us. We monitor proposed programs, but it is unclear what impacts, if any, future GHG rules would have on our operations. Although not required by current regulations, we aim to reduce our Scope 1, 2 and 3 GHGs by 35 % and define a pathway to net zero emissions by 2030, although we cannot provide assurance that we will be successful in these efforts. Regulation of GHGs continues to evolve in the various countries~~ where we do business **through our I & D efforts and actions supporting our communities** . ~~While it is likely~~ **It reflects our intent to operate as a sustainable company** that **generates profits for our shareholders, protects** ~~there~~ -- **the environment and improves people’ s lives. In the 2022 ESG Report, we report our sustainability initiatives and progress made on those initiatives. We plan to report on sustainability initiatives and our progress for 2023 in our 2023 ESG Report to be published in 2024. We cannot guarantee that we** will **achieve** ~~be increased governmental action regarding GHGs and climate change in the future, it is not possible to predict the additional legislation or regulations relating to environmental protection and climate change that may be implemented, which countries may adopt such legislation or regulations, or the extent to which such legislation or regulations may impact our business. In addition to possible direct impacts, future legislation and regulation could impact us indirectly, such as causing higher prices for transportation, energy and other~~ -- **the goals described** ~~inputs, as well as generating more protracted air permitting processes, causing delays and higher costs to implement capital projects. We have controls and procedures~~ in ~~place to stay informed about developments concerning possible climate change legislation and regulation in the countries where we operate. We regularly assess whether such legislation or regulation may have a material effect on us, our operations and financial condition. Other~~ -- **the ESG Report** ~~Regulation Additional regional, national, state~~ and ~~local regulations apply to us~~ in ~~Europe, Latin America and North America that regulate the licensing and inspection of our facilities, including, in the United States, compliance with the Occupational Safety and Health Act that sets health and safety standards to protect our employees from accidents, and Department of Labor regulations that set employment practice standards for workers. We are subject to highly complex tax laws in various countries in Europe, Latin America and North America, most notably in the countries where we have significant operations – Brazil, France, Sweden and the United States – that if violated, could result in significant fines, interest charges and costs associated with litigation. In Brazil, our business is subject to various tax proceedings, including those discussed in Note 13 Commitments and Contingent Liabilities and Note 12 Income Taxes to the Consolidated and Combined Financial Statements included in Item 8 of~~ this Annual Report on Form 10- K ~~. Our global operations~~ **, including our 2030 goals, and our ability to achieve them is** subject ~~us~~ to ~~complex~~ **risks** and **uncertainties both** ~~evolving privacy and information security laws and regulations such as the EU General Data Protection Regulation, Brazil' s Lei Geral de Pnoteção de Dados Pessoais, the California Consumer Privacy Act of 2018 and the California Privacy Rights Act. These laws require us to comply with a range of obligations regarding the handling of personal data. There are significant penalties for non~~ **known** ~~- compliance~~ **and unknown,** including ~~monetary fines, disruption of operations and reputational harm. Moreover, governmental authorities around the world are considering, or are in the process of implementing, new data protection regulations. We identify~~ various risks **noted** ~~associated with privacy and information security laws and regulations~~ in Item 1A. Risk Factors ~~– “ We are subject to information technology risks related to breaches of security pertaining to sensitive company, customer, employee and vendor information as well as breaches in the technology used to manage operations and other business processes. ” Our operations around the world are subject to anti- corruption laws and regulations, such as the U. S. Foreign Corrupt Practices Act and the U. K. Bribery Act of 2010. For further information about the regulatory risks of our business, see Item 1A. Risk Factors – “ Our business is subject to a wide variety of laws, regulations and other government requirements that may change in significant ways, and the cost of compliance with such requirements could have a material adverse effect on our business, financial condition and results of operations. ” ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS Sylvamo’ s commitment to environmental, social and governance (“ ESG ”) matters is a core value of our company. ESG considerations are incorporated into our strategies and everyday processes as we seek to address risks, operate sustainably and responsibly and create long- term value for our shareholders. Our commitment to sustainability spans our value chain, from the safety of our employees, to the responsible sourcing of raw materials, to using renewable energy and ensuring the recyclability of our products. Our commitment is part of our Code of Conduct and it requires us to operate as responsible stewards for our communities and the environment. We believe that operating in this manner creates healthy communities, enhances our competitive position with our customers, increases our desirability as an~~ **and elsewhere herein** ~~investment and helps engender employee pride in the Company, helping us achieve our vision to be the world’ s paper company: the employer, supplier and investment of choice~~ . Sustainable Sourcing and Forest Management Sylvamo recognizes the environmental, social and economic values of forested landscapes. We seek to play an active role in preventing deforestation and forest degradation, promoting and increasing the use of responsibly managed forests, and meeting market demand for sustainably certified products, through our efforts described below. In addition to our Code of Conduct, our Environmental, Health, Safety and Sustainability Policy sets forth the principles we follow to ensure the health and safety of all employees, contractors and visitors, improve our environmental impact and our stewardship of natural resources. Our Global Fiber Procurement Policy sets forth requirements for the wood we accept, including requirements intended to protect the environment and rights of indigenous peoples and local communities. Our Third Party Code of Conduct requires the parties with which we do business to comply with all laws and encourages ~~to~~ them to reduce their impact on the environment. We make these policies available on our website ~~. The~~ **and provide more** information ~~contained on~~ **about them in** ~~or~~ **our 2022 ESG** ~~connected to our website is not incorporated by reference into this Annual~~ Report ~~on Form 10- K and should not be considered part of this or any other report that we file with or furnished to the SEC~~. Our operations strive to incorporate responsible forest stewardship to ensure healthy and productive forest ecosystems for generations to come. For example, we promote healthy and productive forest ecosystems by ~~sourcing~~ **committing to source** 100 % of our fiber from sustainably managed forests and aiming to conserve, enhance or restore 250, 000 acres of ecologically significant forestland globally by 2030. **Towards this goal, in 2023 we continued to invest in reforestation in the Atlantic Forest region of Brazil through joint efforts with international and local organizations.** We maintain longstanding partnerships with several of the world' s largest and most respected environmental and conservation organizations to restore and protect forests and advance the understanding of the role of forests as natural climate solutions **, including the Arbor Day Foundation, the Nature Conservancy, the World Wildlife Fund and various local environmental organizations in the communities where we live and work** . We also ~~work~~ **help our suppliers** with ~~our suppliers to aid~~ their efforts ~~in~~ **to** ~~developing~~ --- **develop** actions that improve forest management and fiber procurement practices. We believe that these strategic informal partnerships are essential to achieve the scale necessary for positive long-term impact and to develop sustainable solutions that address critical regional and global forestry issues. We support and use third- party certification of sustainable forest management through forest certification and chain- of- custody systems, and work to continue to meet our customer' s demand for certified- fiber products. Sylvamo follows these credible certification systems: Forest Stewardship Council ® (FSC ®), the Sustainable Forestry Initiative ® (SFI ®), **and** ~~the Canadian Standards Association Group Sustainable Forest Management System, the Brazilian Forest Certification Program,~~ the Programme for the Endorsement of Forest Certification (PEFC) ~~, EU Ecolabel and Nordic Swan Ecolabel~~. Based on the latest figures available, we source more than half of our wood from forests certified under these programs. Reduction of ~~Greenhouse Gas and~~ Water Usage ~~In 2022,~~ Sylvamo ' s mills generated more than 78...... comes from controlled sources, and it is 85 % energy self- sufficient....... a 2019 baseline. We also are working to reduce our water usage by an incremental 25 % compared ~~against~~ **to** a 2019 baseline. Our **efforts to accomplish this goal in 2023 included an intensive water engineering study at one of our mills to identify water saving projects. We intend to update our** progress reducing ~~GHGs and~~ water usage ~~is updated~~ at least annually on our Company website ~~. The information contained on or connected to our~~ - **or in our ESG** ~~website is not incorporated by reference into this Annual Report~~ **Reports** ~~on Form 10- K and should not be considered part of this or any other report that we file with or furnish to the SEC. We cannot guarantee that we will achieve these goals for 2030, and our ability to achieve them is subject to risks and uncertainties both known and unknown, including various risks noted in Item 1A. Risk Factors and elsewhere in this Annual Report on Form 10- K~~. Climate Change **and Reduction of GHG Emissions** Sylvamo recognizes that the climate is changing. Because ~~the GHGs~~ carbon dioxide and methane trap higher amounts of heat in the atmosphere than many other atmospheric gasses and remain in the atmosphere for years, we believe that it is prudent to reduce those emissions. Sylvamo seeks to reduce ~~the GHGs within~~ its ~~footprint~~ **GHG emissions** , by working to reduce our Scope 1, 2 and 3 emissions as noted above, and advancing a lower- carbon economy by designing 100 % reusable, recyclable or compostable papers that people depend on for education, communication and entertainment. **Consistent with the Paris Agreement, we are working to define a pathway to net zero GHG emissions and seek to achieve an incremental 35 % reduction in our mills' Scope 1, 2 and 3 GHG emissions by 2030, as compared against a 2019 baseline. We submitted our greenhouse gas emissions reduction targets to Science Based Targets Initiative (SBTi) for validation, which we received in April 2023. Our progress reducing Scope 1, 2 and 3 GHG emissions is updated at least annually on our Company website or our** ESG ~~sources,and it is~~ 85 % energy self- sufficient.Saillat and its partner,Dalkia,a French energy company,were selected by the French Ministry of Ecological Transition to promote renewable energy and reduce GHG emissions.Under this program,Saillat and Dalkia will implement an additional bark boiler and a new turbine ~~generator~~ to produce 25 mega- watts of green electricity for a 20- year fixed price,reducing Saillat' s energy costs and consumption of fossil fuels. **Our recently** ~~In 2023,we~~ acquired ~~a~~ mill in Nymölla,Sweden, ~~which~~ has EU Ecolabel and Nordic Swan Ecolabel certification. ~~Sylvamo participates in~~ **Our latest data shows that since 2010,our mills have reduced absolute Scope 1 and 2 GHG emissions by 38 %,or 850,000 tons of CO_2.Consistent with** the **Paris Agreement** ~~Carbon Disclosure Project (" CDP ") questionnaires concerning climate change,forests and water,to quantify and provide transparency on our environmental practices and progress.Additionally~~ ,we ~~align our sustainability reporting~~ **plan to define a pathway to net zero GHGs and seek to achieve an incremental 35 % reduction** in our **mills' Scope 1,2** ~~ESG Report with the Global Reporting Initiative~~ and **3 GHGs by 2030 as compared against a 2019 baseline** ~~the Task Force On Climate Related Financial Disclosures (" TCFD ") frameworks~~. **We also are** ~~The long-term~~ Management and Board Oversight Sylvamo has a dedicated sustainability team **of employees** led by our Chief Sustainability Officer (" CSO "). The team ~~includes personnel who develop~~ **develops** strategy and initiatives **intended** to ~~create profits for our shareholders while protecting~~ --- **protect** the environment and ~~improving~~ **improve** the lives of those we interact with ~~. Responsibility~~ **while creating profit** for ~~setting~~ **shareholders. We also have an Environmental, Social and Governance ("** ESG ~~strategy rests~~ **") Steering Team, a cross functional group of senior employee leaders that works** with our **CSO. The** ESG Steering Team **is responsible for** ~~, a cross functional employee group of senior leaders working with our~~

~~CSO and tasked with~~ advising, setting and supporting the implementation of our ~~ESG~~ **sustainability** strategy. Our CSO ~~periodically~~ **regularly** reports to the Nominating and Corporate Governance Committee of our board of directors, which is ~~the committee of our board of directors~~ responsible for oversight of ~~ESG~~ **sustainability** matters **, including oversight of climate-related matters** . ~~RAW MATERIALS Raw~~ **AVAILABLE INFORMATION Sylvamo' s internet address is www. sylavamo. com. We make available, free of charge, on or through our internet website, our annual report on Form 10- K, quarterly reports on Form 10- Q, current reports on Form 8- K, and amendments to those reports, as soon as reasonable practicable after we electronically file such** ~~materials~~ **material** ~~essential to~~ **with,** ~~our~~ **or furnish it to** ~~businesses include wood fiber~~ , **the SEC** ~~chemicals and energy~~ . FORWARD- LOOKING STATEMENTS This Annual Report on Form 10- K contains information that includes or is based upon forward- looking statements. Forward- looking statements forecast or state expectations concerning future events. These statements often can be identified by the fact that they do not relate strictly to historical or current facts. They typically use words such as " anticipate, " " assume, " " could, " " estimate, " " expect, " " project, " " intend, " " plan, " " believe, " " should, " " will " and other words and terms of similar meaning, or they are tied to future periods in connection with discussions of the Company' s performance. Some examples of forward- looking statements include those relating to our business and operating outlook, future obligations and anticipated expenditures. Forward- looking statements are not guarantees of future performance. Any or all forward- looking statements may turn out to be incorrect, and actual results could differ materially from those expressed or implied in forward- looking statements. Forward- looking statements are based on current expectations and the current economic environment. They can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and other factors that are difficult to predict. Although it is not possible to identify all of these risks, uncertainties and other factors, the **impact of the** following factors, among others **, on us or on our suppliers or customers** , could cause our actual results to differ from those in the forward- looking statements: ~~the~~ deterioration of **global and regional** economic and political conditions ~~where we operate such~~ **, including the impact of wars and other conflicts in Ukraine and the Middle East; physical, financial and reputational risks associated with climate change; public health crises that could have impacts similar to those experienced** as ~~continuing inflation that increases our costs of operating, possible economic recession decreasing demand for our products, and the war in Ukraine potentially spreading or causing significant economic disruption, particularly in Europe where we operate; workforce, natural gas, fuel and transportation shortages experienced by us and our suppliers creating challenges for our and their operations to overcome, increasing suppliers' prices charged us and increasing our costs of operating;~~ a ~~resurgence~~ **result** of the COVID- 19 pandemic **; increased costs** ~~or the occurrence of another public health crisis that results in new governmental measures implemented to address it that impede our~~ **or reduced availability of the raw materials** , **energy** ~~our suppliers' or our customers' operations~~ , ~~and that exacerbates inflation, workforce and~~ transportation ~~shortages; climate change~~ **(truck, rail** and ~~physical~~ **ocean)** and ~~financial risks~~ **labor needed** to **manufacture** ~~us associated with fluctuating regional~~ and **deliver** ~~global weather conditions or~~ **our** ~~patterns~~ **products** ; reduced **demand** ~~truck, rail and ocean freight availability resulting in higher costs to us or~~ **for** ~~poor service~~ **our products due to industry- wide declines in demand for paper, the cyclical nature of the paper industry or competition from other businesses; a material disruption at any of our manufacturing facilities** ; information technology risks **including** ~~related to~~ potential **cybersecurity** breaches ~~of security which may result in the distribution of company, customer, employee and vendor information~~ ; extensive environmental laws and regulations, as well as tax and other laws, in the United States, Brazil and other ~~countries in~~ **jurisdictions to** which we ~~operate~~ **are subject** , **including our compliance** ~~which could result in substantial~~ costs ~~to~~ **and risk of violations and liability; our reliance on a small number of customers; a failure by** us ~~as a result of compliance with, violations of or liabilities under these laws; failure~~ to attract and retain senior management and other key and skilled employees ~~, particularly in the current tight labor market~~ ; ~~the~~ loss of our commercial agreements with International Paper; ~~failure of our separation from International Paper to qualify as a tax- free transaction for U. S. federal income tax purposes;~~ our indebtedness ~~and its impact~~ **having a material adverse effect** on our **financial condition, or our** ~~ability~~ **inability** to ~~operate and satisfy~~ **generate sufficient cash to service** our **indebtedness** ~~debt obligations; the limited trading history of our common stock~~ ; and the factors disclosed in Item 1A. Risk Factors, as such disclosures may be amended, supplemented or superseded from time to time by other reports we file with the U. S. Securities and Exchange Commission (the " SEC "), including subsequent annual reports on Form 10- K and quarterly reports on Form 10- Q. We assume no obligation to update any forward- looking statements made in this Annual Report on Form 10- K to reflect subsequent events or circumstances or actual outcomes. Our annual reports on Form 10- K, quarterly reports on Form 10- Q and current reports on Form 8- K, along with all other reports and any amendments thereto filed with or furnished to the SEC, are publicly available free of charge on the Investors section of our website at www. sylvamo. com as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The information contained on or connected to our website is not incorporated by reference into this Annual Report on Form 10- K and should not be considered part of this or any other report that we filed with or furnished to the SEC. ITEM 1A. RISK FACTORS Sylvamo faces risks in the normal course of business and through global, regional and local events. In addition to the risks and uncertainties discussed elsewhere in this Annual Report on Form 10- K, including in Item **1. Business, Item** 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations, **and Item 1C. Cybersecurity,** the following are some important **risk** factors that we face. The occurrence of any of the following risk factors, or of additional risks and uncertainties not presently known to us or that we currently believe to be immaterial, could cause a material adverse effect on our business, financial condition, results of operations and cash flows. In any such case, the trading price of our common stock could decline. In addition, many of these risks are interrelated and could occur under similar business and economic conditions, and the occurrence of certain of them could in turn cause the emergence or exacerbate the effect of others. This Annual Report on Form 10- K also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward- looking statements as a result of specific factors, including the factors described below. See Item 1.

Business- Forward- Looking Statements. SUMMARY RISK FACTORS Our business is subject to numerous risks and uncertainties, including those described in “ Risk Factors ” below. The principal risks and uncertainties affecting our business include the following: • global and regional economic and political conditions; • ~~climate change and the~~ physical ~~and~~ **,** financial **and reputational** risks associated with **climate change** ~~fluctuating global, regional and local weather conditions or patterns~~ ; • public health crises ~~such~~ **that could have impacts similar to those experienced** as **a result of** the COVID- 19 pandemic ~~and containment measures that may be implemented~~ ; • increases in the cost or ~~decreases in the~~ availability of raw materials and energy **needed to manufacture our products** ; • reduced truck, rail and ocean freight availability; • industry- wide decline in demand for paper and related products; • the cyclical nature of the paper industry, resulting in fluctuations in paper product prices and demand; • competition from other businesses and consolidation within the paper industry; • material disruptions at one or more of our manufacturing facilities; • ~~the capital costs of our operations that could negatively affect our profitability; •~~ information technology risks ~~related to potential~~ **, including risk of cybersecurity** breaches ~~of security that could result in the distribution of company, customer, employee and vendor information and disrupt operations~~ ; • extensive laws, regulations and government requirements, including those related to the environment **and climate change** , **including** ~~in the regions where we operate that could result in substantial~~ costs of compliance and ~~costs associated with~~ any liabilities under such laws; • our reliance on a small number of significant customers; • our failure to attract and retain **senior** management and other key employees; • a significant write- down of our goodwill or other intangible assets; • failure to achieve expected investment returns on pension plan assets **or other factors affecting the plans’ funded level** ; • ~~disruptions in operations and increased labor costs due to~~ labor disputes; • inability to achieve expected benefits from strategic corporate actions; • inability to protect our intellectual property and other proprietary rights; • the loss of commercial agreements with International Paper; • our **short** ~~limited operating~~ history as a standalone public company ~~, such that our historical financial information may not be indicative of our future results~~ ; • the ~~cost~~ **failure** of ~~, and potential difficulties~~ **the transactions in connection** with ~~, fulfilling~~ our **spin** ~~obligations as a public company, including with respect to the requirements of, and related to, rules under the Sarbanes - Oxley Act of 2002; • the failure of the distribution of our stock and certain other transactions that occurred when we were spun~~ off from International Paper to qualify for non- recognition treatment for U. S. federal income tax purposes ~~, and our inability to take certain actions that could jeopardize the tax- free status of such distribution; • conflicts of interest resulting from certain of our officers equity ownership in International Paper or former International Paper positions~~ ; • the satisfaction of indemnification obligations between us and International Paper; • federal and state fraudulent transfer laws and New York and Delaware corporate law which may permit a court to void the ~~distribution and~~ transactions that separated us from International Paper; • ~~failure to fulfill our obligations under agreements relating to~~ our indebtedness **having a material adverse effect on** ~~or~~ **our** ~~the~~ **financial condition, or our** inability to generate sufficient cash to service our indebtedness; • **future offerings** ~~the limited trading history~~ of **debt** ~~our~~ - **or equity securities senior to our common** stock **, depressing** ~~resulting in potential decline or volatility of~~ its price; • **if we do not continue** ~~future offerings of debt or equity securities senior~~ to **declare dividends, repurchase shares of** our common stock **or otherwise return capital to** ~~, depressing the common stock’ s price; •~~ shareholders ~~may need to~~ **, shareholders must** rely ~~solely~~ on ~~the~~ appreciation in our stock’ s value for ~~an~~ investment ~~return~~ **returns** ~~if, in the future, we do not declare dividends, repurchase shares of our stock or otherwise return capital to shareholders~~ ; • future issuances of equity ~~may dilute~~ **, diluting** our outstanding common stock; • ~~the~~ **a shareholder’ s** sale of a substantial number of shares **of our** ~~by a shareholder that causes the~~ common stock ~~’ s~~ **, causing its** price to decline; • actions of activist shareholders ~~causing~~ **that cause** us to incur costs ~~, diverting our attention and resources,~~ and adversely ~~affecting~~ --- **affect** our stock price; and • ~~various~~ provisions in our certificate of incorporation and bylaws that could hinder a change in control of our company, cause a reduction in the price of our stock and limit the forum for actions against, and the liability of, our directors and officers. RISKS RELATING TO OUR BUSINESS Risks Relating to Economic Conditions and Other External Factors Our operations and performance depend significantly on global and regional economic and political conditions, and adverse economic or political conditions can materially adversely affect our business, financial condition ~~and~~ **,** results of operations **and cash flows** . We operate in three primary regions, each of which contributes significantly to our financial performance: Europe, Latin America and North America. Five of the seven mills that we own are located outside the United States: three in Brazil, one in France and one in Sweden (acquired in January 2023). We sold our Russian operations in 2022. Deterioration of business ~~or~~ **conditions,** economic conditions or geopolitical events in any one of the regions where we operate ~~, including, for example, civil unrest, political conflict, military conflict including spread of the war in Ukraine to other countries in Europe, deterioration of trade relations and economic instability,~~ could have a material adverse effect on our business, financial condition and results of operations **. Examples of conditions that could adversely affect us are deterioration of trade relations affecting one or more of the regions where we operate, general economic instability, or civil unrest, political conflict or military conflict; for example, spread of the war in Ukraine to other countries in Europe, spread of the Israel – Hamas war further in the Middle East, and increased disruption to transportation networks due to attacks by the Houthis in and near the Red Sea. The impact on us of these wars and conflicts has been limited and not material, but their potential to spread and, if they spread, the unpredictability of their impacts are risks for our business** . Other events in the three regions where we operate, such as strikes, high unemployment levels, lack of availability and cost of credit, and fluctuations in the value of local currency versus the U. S. dollar, may adversely affect our cost and ability to manufacture and deliver our products to customers, as well as generally affect industrial non- durable goods production, consumer spending, commercial printing and advertising activity, white- collar employment levels and consumer confidence, all of which may impact demand for our products. In addition, volatility in the capital and credit markets, which impacts interest rates, currency exchange rates and the availability of credit, may have a material adverse effect on our business, financial condition and results of operations. Trade protection measures in favor of local producers of competing products, including governmental subsidies, tax benefits and other measures giving local producers a competitive advantage over our company, could also have a material adverse effect on our results of operations and business prospects in the regions where we operate. For example, our mills in Brazil have historically benefited from policies favoring domestic producers. We cannot guarantee that any such policies will continue or that we will continue to benefit from existing or future policies **, nor can we guarantee that we will not be harmed by future policies** . Likewise, disruption in existing trade agreements or increased trade friction between countries, which can result in tariffs, anti- dumping and countervailing duties, could have a material adverse effect on our business and results of operations by restricting the free flow of goods and services across borders. Additionally, our international operations are subject to regulation under laws related to operations in foreign jurisdictions, including in the United States, the Foreign Corrupt Practices Act and the policies of the U. S. Department of Treasury' s Office of Foreign Asset Control. Failure to comply with applicable laws could result in various adverse consequences, including the imposition of civil or criminal sanctions and the prosecution of executives overseeing our international operations. We are subject to physical ~~and~~ **,** financial **and reputational** risks associated with climate change ~~and~~ **, including the impact of** global, regional and local weather conditions, ~~including~~ the availability of wood fiber ~~and~~ **,** water **and fuel, and the impact of increasing regulatory and investor focus on climate change** . Climate change has the potential to cause disruptions to our business, financial condition and results of operations. Increases in global average temperatures caused by increased concentrations of carbon dioxide and other GHGs in the atmosphere could cause significant changes in weather patterns, including changes to precipitation patterns and growing seasons. An increase in global temperature could also lead to an increase in the frequency and severity of extreme weather events and other natural disasters, such as hurricanes, tornados, hailstorms, fire, floods, snow and ice storms. Our operations and the operations of our suppliers are subject to changes in **global, regional and local** weather patterns **. These types of events could have multiple adverse impacts on our business, including, without limitation: • Severe weather events or other natural disasters** , which may ~~impact the~~ **be caused by climate change, occurring at any of our locations could cause heavy damage to or destruction of one or more of our valuable assets; for example, one of our mills or our Brazilian forestland. • The** productivity of forests, the frequency and severity of wildfires **, heavy rain or drought** , the distribution and abundance of species, and the spread of disease or insect epidemics, ~~which in turn~~ may adversely affect timber production and harvesting, ~~reduce~~ **including on** the ~~availability to us~~ **forestlands that we own or manage in Brazil which have been producing yields** of **mature** virgin fiber **that are not optimal (see " – Changes in the cost or availability of raw materials and energy used to manufacture** ~~or~~ **our** ~~reduce~~ **products could have a material adverse effect on our business, financial condition and results of operations, ") thus reducing the availability to us of, or reducing** the density and quality of ~~available~~ **, the** virgin fiber **upon which we rely to manufacture our products** . **This** ~~Changes in global, regional and local weather conditions and natural disasters also~~ could ~~impede~~ **significantly increase our costs of manufacturing our products and delay or interrupt our manufacturing** operations ~~at any one or more of our mills, harm our woodlands, adversely affect the ability to harvest timber and cause variations in our cost of raw materials including virgin fiber~~ . **• A** ~~Additionally, a~~ steady supply of significant volumes of water are necessary to the manufacturing operations at our mills, and weather events interrupting such supply may slow or interrupt our mill operations. **• Our manufacturing operations rely significantly on a steady supply of energy, and fuel is critical to the transport to us of inputs and the distribution by us of our products.** The **transition to a lower- carbon economy could increase the price of energy needed to manufacture our products, the transportation components of our input costs and costs of delivering products. • Unpredictable weather patterns or extended periods of severe weather also may result in supply chain disruptions, increased material costs and delays or stoppage of operations. • Our ability to mitigate the adverse** physical ~~effects~~ **impacts** of **climate change depends in part upon our disaster preparedness and response and business continuity planning, but we cannot guarantee that our disaster preparedness and business continuity planning would adequately mitigate such impacts. • The introduction of a carbon tax or government mandates to reduce GHG emissions, and more stringent or complex environmental and other permitting requirements, could result in costs to meet such requirements and other additional costs of compliance. • There is no assurance that we can recover, through increased prices, any increased costs to us of fiber, energy, other materials, manufacturing stoppages or delays, regulatory compliance, or any other factor related to climate change, and if we were to pass these costs on to customers, it may reduce demand for our products. • There has been an increased focus, including from investors, customers, regulators and other stakeholders regarding climate change, which have resulted or may result in more prescriptive reporting requirements with respect to climate change- related topics, including, recently, reporting requirements adopted in California and the European Union and reporting requirements proposed by the SEC, as well as increased expectation and pressure to voluntarily disclose such topics, all of which increase compliance costs. • We have established and publicly disclosed targets related to certain sustainability matters, including our 2030 goal to reduce Scope 1, 2 and 3 GHG emissions. Our sustainability targets are subject to assumptions, risks and uncertainties, many of which are outside our control. If we cannot meet these targets by 2030, or if they are perceived negatively, including the perception that they are not sufficiently robust or, conversely, are too costly, our reputation could be harmed. We are assessing our climate- related risks and determining the best strategies to address any identified risks. As a result of any or all of these climate- related risks,** climate change could ~~therefore~~ **, directly or indirectly, have a material** ~~adversely~~ - **adverse** ~~affect~~ **effect on** ~~, delay or~~ **our** ~~interrupt our manufacturing~~ **business, financial condition and results of** operations **. Additional discussion of environmental regulatory risk is included in – " We are subject to extensive environmental laws** and ~~demand~~ **regulations, and could incur substantial costs as a result of compliance with, violations of** ~~for~~ - **or** ~~our products~~ **liabilities under these laws and regulations " and Item 1. Business – Environmental and Other Regulations. A public health crisis could have a material adverse effect on** ~~or~~ **our business, financial condition and results of operations. If a public health crisis were to result in the imposition of governmental restrictions on the general public or on business activities to prevent viral spread, or were to** cause **widespread illness among** ~~us to incur significant costs in preparing for or~~ **our** ~~responding to the effects of the climatic events themselves. Our ability to mitigate the adverse physical impacts of climate change depends in part upon our~~ - **or**

our customers' or suppliers' employees – ~~disaster preparedness and response and business continuity planning. Public health crises~~ such as **occurred during** the COVID- 19 pandemic **– it** could **, in turn,** have a material adverse effect on our business, financial condition and results of operations. ~~In 2022 we did not experience any material financial impact or disruption to operations from pandemic- related events such as governmental mandates or illnesses (for example, absence from work of infected employees). We did experience increased costs due to inflation from the global constrictions in available labor, transportation and raw materials caused in part by the COVID- 19 pandemic, but we were able to mitigate some of the impact on us. See " — Changes in the cost or availability of raw materials and energy used to manufacture our products could have a material adverse effect on our business, financial condition and results of operations " and " — Reduced truck, rail and ocean freight availability could lead to higher costs or poor service, resulting in lower earnings, and could affect our ability to deliver the products we manufacture in a timely manner. " If the emergence of new strains of COVID- 19 or another public health crisis were to result in the re- imposition of governmental restrictions on the general public or on business activities to prevent viral spread, or were to cause widespread illness among our or our customers' or suppliers' employees, it could, in turn, have a material adverse effect on our business, financial condition and results of operations.~~ For example, a **global** resurgence of ~~the~~ **severe** COVID **infection** ~~- 19 pandemic~~ or another public health crisis could reduce demand for our paper as a result of school and business closures and increased remote work among the general public, disrupt operations at our mills due to employee attrition, illness, quarantines, government actions or other restrictions, and cause ~~further~~ labor shortages, supply chain disruptions and inflation that constrain our operations and increase our costs to operate. The extent of any future impact of ~~the COVID- 19 pandemic or~~ any ~~other~~ public health crisis is mostly outside of our control and will depend on various factors, including the severity of outbreaks and viral strains, the availability and effectiveness of treatments and vaccines, the extent and duration of **its** ~~the pandemic' s~~ adverse effect on economic conditions, consumer confidence, discretionary spending and preferences, labor and healthcare costs and unemployment rates. Risks Relating to Our Industry, the Products We Offer and Product Distribution Changes in the cost or availability of raw materials and energy used to manufacture our products could have a material adverse effect on our business, financial condition and results of operations. We rely heavily on the use of certain raw materials (principally virgin wood fiber, caustic soda ~~and~~ **,** starch **and water**) and energy sources (principally biomass, natural gas, electricity and fuel oil) to manufacture our products. Our profitability has been, and will continue to be, affected by changes in the cost and availability of the raw materials and energy sources we use **. In 2023** , ~~including increasing~~ **global volatility in the** costs ~~due to global inflationary pressures. In 2022, substantial inflation in the costs~~ of ~~labor,~~ raw materials and energy, ~~on a global basis~~ **and labor as well** , ~~both~~ directly and indirectly caused **unpredictability** ~~significant increases~~ in our costs of materials (including raw materials such as wood fiber and other materials such as chemicals) and energy ~~, all of which increased our costs of production~~ . ~~Further increases~~ **Any future inflation** in the costs of raw materials and energy ~~are~~ **is** not within our control and **could** ~~may further~~ increase our costs of **production. Any future shortages are also not within our control and could increase our costs and slow or stop our** production. The market price of virgin wood fiber varies based upon **demand,** availability, source **,** and the costs of **labor and** the fuels used in harvesting and transporting the fiber. The cost and availability of wood fiber can also be affected by weather, climate variations, natural disasters, general logging conditions, geography **, human activity** and regulatory activity. For example, **our mills** in **Brazil and Sweden experienced increases in the cost of virgin wood fiber in** ~~2022~~ **2023 . In Brazil** , **the increase was** due to weather- related and other circumstances, **including that the number of healthy trees reaching maturity on Brazilian forestlands that we own or manage were, and continue to be, insufficient for us to optimize the use of fiber from them in our Brazilian operations. We thus increased** the amount of ~~mature, quality~~ virgin wood fiber that **we procured** ~~was available for harvest on our Brazilian forestlands was not adequate to allow us to maximize the amounts of virgin wood fiber used~~ from ~~our forestlands in our Brazilian operations, causing us to procure~~ more expensive ~~additional fiber from~~ third party sources ~~, which had an adverse effect on our Brazilian business and its EBITDA~~ . ~~Also in 2022~~ **At our Nymölla** , **Sweden mill** ~~supply chain disruptions~~ , **the** ~~tight availability of labor and increasing market prices for fuel~~ increased ~~the costs of third- party transportation of~~ wood fiber ~~and other materials~~ **costs were primarily due** to **a shortage** ~~us and placed the local supplies~~ of wood **fiber** in ~~all of~~ the ~~regions~~ **region** ~~where we operate under pressure,~~ and ~~although we were able to mitigate~~ **exchange rate fluctuations. Regulatory activity has** the **potential to decrease the supply of wood fiber available to our operations. For example, carbon sequestration regulations limiting the availability of forestlands for harvest could increase our** cost **of wood fiber and potentially create shortages having an** impact ~~of these events~~ **on our operations. In Europe** , there is **a heightened level** ~~no assurance that we will be able to mitigate the impact~~ of **sensitivity** ~~similar events~~ in the **pricing** ~~future, particularly if shortages or costs were to increase substantially. At our Saillat mill in 2022 we faced increased costs of energy~~ and ~~some~~ **availability of** raw materials **and energy** ~~resulting in part~~ from the **geopolitical conflicts in** ~~discontinued supply of natural gas to~~ Europe ~~from Russia~~ , ~~which~~ **the Middle East and Red Sea. We cannot predict whether these geopolitical conflicts will cause future** ~~increased~~ **increases** ~~energy~~ **in the** costs ~~and exerted inflationary pressures on other materials. We were able to mitigate the impact~~ of ~~the increased costs, but there can be no assurance that we will be able to mitigate the impact of any future substantial increases in the cost of energy in Europe, especially if energy shortages were to increase in severity. The actions that Russia may take in connection with the conflict in Ukraine are unpredictable and could escalate such shortages and further inflation in the prices of energy and~~ raw materials **and energy for our mills, particularly our mills** in ~~Europe~~ **Sweden and France** . Due to the commodity nature of our products, the supply and demand for our products determines our ability to increase prices, and we could be unable to pass on increases in our operating costs to our customers. Any sustained increase in the prices of raw materials and energy required for our manufacturing operations without any corresponding increase in product pricing would reduce our operating margins and could have a material adverse effect on our business, financial condition and results of operations. Reduced truck, rail and ocean freight availability could lead to higher costs or poor service, resulting in lower earnings, and could affect our ability to deliver the products we manufacture in a timely manner. We rely on third parties to transport materials to us used in our operations and to deliver our products to our customers, including transport by third party rail, trucks and ships. If any of these providers fail to deliver materials to us in a timely manner, we may experience delays in our ability to manufacture our products and be unable to meet customer demand. If any of our transportation providers fail to deliver our products to customers in a timely manner, it may result in additional costs to us in order to remedy the untimely delivery. Further, reduced availability of transportation causes inflationary pressure on the prices charged ~~us~~ by our transportation providers, increasing our costs of production and ~~our costs of~~ delivery to customers **. If** ~~, and if~~ any of our transportation providers were to cease operations or cease doing business with us, we may be unable to replace them at **a** reasonable cost. Any of the circumstances described in this paragraph may result in lost sales, increased supply chain costs and damage to our reputation, and have a material adverse effect on our business, financial condition and results of operations. In ~~2022~~ **2023** , **we did not experience significant** supply ~~chains~~ - **chain** ~~experienced~~ disruptions ~~resulting~~ , ~~in part~~ **and freight rates normalized. However** , **by** ~~directly or indirectly from~~ the **end of 2023** ~~COVID- 19 pandemic~~ , ~~such~~ **the attacks by the Houthis on and near the Red Sea brought instability to the region, which if continued in 2024 could cause instability in ocean freight costs,** as **well** ~~labor shortages, shipping capacity constraints, port congestion, governmental responses intended to prevent influxes of persons or contact with persons potentially infected with the COVID- 19 virus, and, within the United States, significant consumer demand for products requiring transport from overseas locations and within the United States. The situation has moderated~~ as ~~of 2022 year- end, but it remains in flux and~~ - **an** ~~outside~~ **imbalance in the distribution** of **ships and containers across regions of the world. We cannot predict whether these events would occur** ~~our~~ - **or if** ~~control. If the~~ **they** ~~situation worsens, it could~~ **would** ~~have a material adverse effect on~~ **cause us to experience disruptions in our supply chain, increases in our transportation costs** ~~our~~ - **or difficulty supplying our customers** ~~business, financial condition and results of operations~~ . The industry- wide decline in demand for paper and related products could have a material adverse effect on our business, financial condition and results of operations. We rely heavily on the sale of paper products, an industry that has experienced, and is expected to continue experiencing, a ~~secular~~ decline in demand, which could put pressure on our future revenue, profit margin and growth opportunities. The global demand for uncoated freesheet (" UFS ") decreased at 2. ~~2~~ **5** % CAGR from 2017 to ~~2021~~ **2023** (which includes the COVID- 19 pandemic' s atypical impact in 2020 of a 10. 2 % decline year- over- year), based on third party RISI industry data reporting as of ~~September~~ **December** ~~2022~~ **2023** . This secular decline in demand is due in large part to competing technologies and materials, including the increased use of e- mail and other electronic forms of communication, increased and permanent product substitution, including less print advertising, more electronic billing, more e- commerce, fewer catalogs and a reduced volume of mail. The secular decline in demand **historically** has had a material adverse effect on our business, financial condition and results of operations. As the use of these alternatives **continue to** ~~grows~~ - **grow** , demand for paper products is likely to decline further, which could have a **further** material adverse effect on our business, financial condition and results of operations. The paper industry is cyclical. Fluctuations in the prices of, and the demand for, our paper products could result in lower sales volumes and smaller profit margins. The paper industry is cyclical. Historically, economic and market shifts, fluctuations in capacity and changes in foreign currency exchange rates have created cyclical changes in prices, sales volume and margins for our paper products. The length and magnitude of industry cycles have varied over time and by product, but generally reflect changes in macroeconomic conditions and levels of industry capacity. Most of our paper products are commodities that are available from other producers. While brand recognition impacts the demand for products, because commodity products have few other distinguishing qualities from producer to producer, competition for these products is significantly based on price, which is determined by supply relative to demand. The overall levels of demand for the paper products that we manufacture, and consequently our sales and profitability, reflect fluctuations in levels of end- user demand, which depend in part on general macroeconomic conditions, ~~the continuation of the current level of service and cost of postal services, as well as~~ competition **, including** from electronic substitution ~~. Generally~~ , ~~our products are produced~~ and ~~sold regionally due to their~~ - **other factors described above** ~~heavy weight, which makes export costs high relative to selling price, and which makes us dependent on demand~~ in ~~the regions in which we operate. See~~ " — The industry- wide decline in demand for paper and related products could have a material adverse effect on our business, financial condition and results of operations. " Industry supply of paper products is also subject to fluctuation, as changing industry conditions have and will continue to influence producers to idle or permanently close individual machines or entire mills or ~~retool~~ **convert** them ~~for~~ **to** different products to offset a decline in demand. Any such closures by us would result in significant cash and non- cash charges. In addition, to avoid substantial cash costs in connection with idling or closing a mill, some producers will choose to continue to operate at a loss, sometimes even a cash loss, which could prolong weak pricing environments due to oversupply. As a result, prices for our paper products are driven by many factors outside of our control, and we have little influence over the timing and extent of price changes, which are often volatile. Our profitability with respect to our products depends on managing our cost structure, particularly wood fiber, chemicals, transportation and energy costs, which represent the largest components of our operating costs and can fluctuate based upon factors beyond our control. If the prices or demand for our paper products decline, or if wood fiber, chemicals, transportation or energy costs increase, or both, our business, financial condition and results of operations could be materially adversely affected. See " — Changes in the cost or availability of raw materials and energy used to manufacture our products could have a material adverse effect on our business, financial condition and results of operations. " Competition from other businesses and consolidation within the paper industry could have a material adverse effect on our competitive position, financial condition and results of operations. We operate in a competitive environment in Europe, Latin America and North America. Product innovations, manufacturing and operating efficiencies, and marketing, distribution and pricing strategies pursued or achieved by competitors could have a material adverse effect on our business, financial condition and results of operations. In addition, there has been a trend toward consolidation in the paper industry. Consolidation could result in the emergence of competitors with greater resources and scale than ours, which could adversely impact our competitive position, financial conditions and results of operations. Further, actual or speculated consolidation among competitors, or the acquisition by, or of, our third party service providers and business partners by competitors could increase the competitive pressures faced by us as customers could delay spending decisions or not purchase our products at all. Risks Relating to Our Operations Material disruptions at one of our manufacturing facilities could have a material adverse effect on our business, financial condition and results of operations. A material disruption at our corporate headquarters or one of our manufacturing facilities, or involving any of our machines within such facilities, could prevent us from meeting customer demand and reduce our sales, which could have a material adverse effect on our business, financial condition and results of operations. Any of our manufacturing facilities, or any of our machines within an otherwise operational facility, could cease operations unexpectedly due to a number of events, including: • fires, floods, earthquakes, hurricanes or other catastrophes; • the effect of a drought, reduced rainfall or a flood on its water supply; • the effect of severe weather conditions on equipment and facilities; • disruption in the supply of raw materials **, including wood fiber,** or other manufacturing inputs; • information system disruptions or failures due to any number of causes, including cyber- attacks; • domestic and international laws and regulations applicable to our business and our business partners around the world; • unscheduled maintenance outages; • prolonged power failures; • an equipment failure or damage to any of our paper- making ~~machines~~ **equipment** ; • a chemical spill or release of pollutants or hazardous substances; • explosion of **or damage to** a boiler or other equipment; • damage or disruptions caused by third parties operating on or adjacent to one of our manufacturing facilities; • disruptions in the transportation infrastructure, including roads, bridges, railroad tracks and tunnels; • a widespread outbreak of an illness or any other communicable disease, such as the COVID- 19 pandemic or any other public health crisis; • failure of our third- party service providers and business partners to satisfactorily fulfill their commitments and responsibilities in a timely manner and in accordance with agreed upon terms; • labor difficulties; and • other operational problems. Our operations require substantial capital, and any significant capital investments could increase fixed costs, which could negatively affect our profitability. We frequently make capital investments to improve our operations. These capital expenditures could result in increased fixed costs or large one- time capital expenditures, which could negatively affect our profitability. Capital expenditures for expansion or replacement of existing facilities or equipment or to comply with future changes in environmental laws and regulations may be substantial. Our expected capital expenditures are discussed in Item 7 ~~"~~Management' s Discussion and Analysis of Financial Condition and Results of ~~operations~~ **Operations** ~~—~~ **-** Liquidity and Capital Resources ~~—~~ **-** Capital Expenditures. ~~"~~ We cannot guarantee that key pieces of equipment in our various manufacturing facilities will not need to be repaired or replaced or that we will not incur significant additional costs associated with environmental compliance. The costs of repairing or replacing such equipment and the associated downtime of the affected production line could have a material adverse effect on our business, financial condition and results of operations. If for any reason we are unable to provide for our operating needs, capital expenditures, and other cash requirements on economically favorable terms, we could experience a material adverse effect on our business, financial condition and results of operations. We are subject to information technology risks **, including risks** related to breaches of security pertaining to sensitive company, customer, employee and vendor information as well as breaches in the technology used to manage operations and other business processes. Our business operations rely upon secure information technology systems for data capture, processing, storage and reporting. Despite careful security and controls design, implementation, updating and independent third- party verification, our information technology systems ~~, and those of~~ **could become subject to employee error** ~~our~~ - **or malfeasance, cyber- attacks, geopolitical events, natural disasters, failures or impairments of telecommunications networks or other catastrophic events. Also, third parties with which we do business are potential sources of cybersecurity risks. For example, we outsource certain information technology functions that allow access to our information technology systems, which could lead to a compromise of our systems or the introduction of vulnerable or malicious code, resulting in security breaches adversely affecting us or our customers. While many of our agreements with third parties include indemnification provisions, we may not be able to recover sufficiently, or at all, under these provisions to adequately offset any losses we may incur from** third- party ~~providers or partners, could become subject to employee error or malfeasance,~~ cyber **incidents** ~~attacks, geopolitical events, natural disasters, failures or impairments of telecommunications networks or other catastrophic events~~ . Although **in 2023** we did not experience any significant breaches of our information technology systems from cybersecurity attacks ~~in 2022~~ , we cannot be certain that the security measures we maintain to protect ~~all of~~ our information technology systems are able to prevent, contain or detect ~~any~~ cyber- attacks, cyber terrorism ~~,~~ or security breaches from known **or future** cyber- attacks **. We expect cyber- attacks to continue to increase in sophistication and frequency** ~~or~~ **for** ~~malware that may be developed~~ **a number of reasons, including increases** in **technology- based products and services used by us and our customers, the growing use of mobile, cloud, and** ~~the~~ **other** ~~future~~ **emerging technologies such as artificial intelligence, and the increasing sophistication and activities of organized crime, hackers, terrorists, nation- states, activists and other external parties** . **If a cyber- attack against us successfully resulted in** ~~Network~~ **network** , system, application ~~and~~ **or** data breaches **, it** could **cause us harm,** ~~result in operational disruptions or information misappropriation~~ including, but not limited to, interruption ~~to~~ **of our** systems **'** availability, ~~and denial~~ **cyber criminals' misuse** of **our applications, our inability to** access ~~to and misuse of~~ applications required **for** ~~by our customers to conduct business with us. Access to applications required to plan~~ our operations ~~,~~ **(such that we may be delayed or unable to** source materials, manufacture and ship finished goods and account for orders **and deliveries),** ~~could be denied or misused. Theft~~ **theft** of **our** intellectual property ~~or~~ **and** trade secrets, ~~and~~ inappropriate disclosure of confidential company, employee, customer ~~or~~ **and** vendor information, **including disclosures in violation of laws** ~~could stem from such incidents. We maintain insurance against cybersecurity damages~~ , ~~but~~ **including privacy laws** , ~~nonetheless, the~~ **and our contractual obligations. The** loss to us ~~from a cybersecurity breach~~ could be significant ~~. The cost to~~ **, including financial losses resulting from** ~~remediate~~ **remediating** damages to our systems ~~suffered could be significant~~ , ~~and any~~ **loss from our inability to operate or delays in our** ~~operational~~ **operations** ~~disruptions or misappropriation of information could result in~~ **, lost sales, negative publicity, litigation and** government penalties **. As a result** , **such incidents** ~~lost sales, business delays and negative publicity, which~~ could have a material adverse effect on our business, financial condition and results of operations **. We have processes and controls in place to prevent, detect, respond to and mitigate potential cybersecurity breaches and we maintain insurance against damages from cybersecurity breaches. Nonetheless, there is no guarantee that we will not experience significant cybersecurity breaches or that our insurance for cyber- attacks will fully cover all resulting losses. For additional pertinent information, see Item 1C. Cybersecurity** . We are subject to extensive environmental laws and regulations, and could incur substantial costs as a result of compliance with, violations of or liabilities under these laws and regulations. We are subject to extensive environmental laws and regulations in Europe, Latin America and North America. Environmental laws and regulations continue to evolve, and we may become subject to increasingly stringent environmental standards in the future, particularly under air quality and water quality laws and standards ~~related~~ **, including those intended** to **address** climate change ~~issues~~ **, including climate change-related regulatory risk, discussed at " — We are subject to physical, financial and reputational risks associated with climate change, including the impact of global, regional and local weather conditions, the availability of wood fiber, water and fuel, and the impact of increasing regulatory and investor focus on climate change " and Item 1. Business-Sustainability Matters- Climate Change and Regulation of GHG' s. We anticipate continued or increased regulatory activity at the local, state, federal and international levels regarding environmental matters and environmental public policies that have an impact on our manufacturing operations. Compliance with regulations that implement new, more stringent requirements or new public policy could require significant expenditures on our part or even the curtailment of certain of our manufacturing operations** . We have incurred, and expect that we will continue to incur, significant **costs** ~~capital and operating expenditures~~ complying with applicable environmental laws and regulations. Our environmental expenditures include, among ~~other~~ **others** ~~areas~~ , those related to air and water quality, waste disposal and the cleanup of contaminated soil and groundwater. See Note 13 Commitments and Contingent Liabilities to the Consolidated and Combined Financial Statements included in Item 8 in this Annual Report on Form 10- K for additional information **on** ~~and our reserves for~~ environmental matters ~~. Increased regulatory activity at the state, federal and international level is possible regarding climate change as well as other emerging environmental issues associated with our manufacturing sites. Compliance with regulations that implement new public policy in these areas could require significant expenditures on our part or even the curtailment of certain of our manufacturing operations. Legislators and regulators, investors and non- governmental organizations are continuing to look for ways to reduce GHG emissions. Even stricter regulation of GHG emissions or the imposition of carbon pricing mechanisms could result in additional costs to us in the form of taxes or emission allowances, compliance- related costs including capital expenditures, increased energy costs, higher transportation costs and higher materials costs. Also, regulators in Europe and the U. S. have focused efforts on increased disclosure related to climate change and mitigation efforts. The SEC has included in its regulatory agenda potential rulemaking on climate change disclosures that, if adopted, would increase our compliance burden and associated regulatory costs and complexity, perhaps significantly. We also face risks arising from the increased public focus, including by governmental and nongovernmental organizations, on other environmental sustainability matters, such as packaging and waste, deforestation and land use. We also may determine to make, and may face increased pressure to make, commitments, set targets or establish additional environmental goals (including, for example, in agreements pertaining to our credit) and take actions to meet them. Environmental commitments, targets and goals could expose us to market, operational and execution risks as well as higher costs. Failure to achieve any such commitments, targets or goals, or a perception (whether or not valid) of our failure to achieve such commitments, targets or goals, could result in market, reputational, regulatory, and / or liability risks- including regulatory non- compliance, criminal or civil actions against us, assessment of fees and penalties, customer dissatisfaction, reduced revenue and profitability, and / or stockholder lawsuits- and could adversely affect our business and reputation. There can be no assurance that our future remediation requirements and compliance with existing and new laws and requirements will not require significant expenditures, or that our existing reserves for specific matters will be adequate to cover our future costs. We could also incur substantial fines or sanctions, enforcement actions (including orders limiting our operations or requiring corrective measures), natural resource damages claims, investigation, cleanup and closure costs, and third- party claims for property damage and personal injury as a result of violations of, or liabilities under, environmental laws, regulations, codes and common law. The amount and timing of environmental expenditures is difficult to predict, and, in some cases, liability may be imposed without regard to contribution or to whether we knew of, or caused, the release of hazardous substances~~ . Further, we are required to comply with environmental laws and the terms and conditions of multiple environmental permits. In the countries where we manufacture paper, our industry is subject to various performance- based rules associated with effluent and air emissions. For example, in the United States, federal, state and local laws and regulations require us to routinely obtain authorizations from and comply with the evolving standards of the appropriate governmental authorities, which have considerable discretion over the terms of permits. Failure to comply with environmental laws and permit requirements imposed by a governmental authority having jurisdiction over our operations could result in civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing our operations or requiring us to take corrective measures, install pollution control equipment, or take other remedial actions, such as product recalls or labeling changes. There can be no assurance that future environmental permits will be granted or that we will be able to maintain and renew existing permits, and the failure to do so could have a material adverse effect on our business, financial condition and results of operations. In addition, as the owner and operator of real property, we may be liable under environmental laws for investigation, cleanup, closure and other costs and damages resulting from the presence and release of hazardous substances on or from our properties or operations, including properties that we no longer own or operate. For example, at our Mogi ~~Guacu~~ **Guaçu** mill in Brazil, we are working with environmental regulators to determine the work necessary to address historic contamination on ~~land~~ **areas** that we own near the mill. See Note 13 Commitments and Contingent Liabilities to the Consolidated and Combined Financial Statements included in Item 8 in this Annual Report on Form 10- K for additional information. The amount and timing of environmental expenditures is difficult to predict, and, in some cases, our liability may be imposed without regard to contribution or to whether we knew of, or caused, the release of hazardous substances and may exceed forecasted amounts or the value of the property itself. The discovery of additional contamination or the imposition of additional cleanup obligations at our or third- party sites may result in significant additional costs. Any material liability we incur could preclude us from making capital expenditures that would otherwise benefit our business and have a material adverse effect on our business, financial condition and results of operations. **The European Union' s Deforestation Regulation (the " EUDR "), which generally becomes effective on December 30, 2024, will require companies trading in wood, cattle, cocoa, coffee, oil palm, rubber and soya, as well as products derived from these commodities such as paper, to conduct extensive diligence on the value chain to ensure the goods do not result from recent deforestation, forest degradation or breaches of local laws in order to sell such products in the European Union market. The EUDR, and other current or proposed regulations in the European Union and elsewhere, are likely to increase our compliance costs, could depress sales in such markets if our products are not in compliance by applicable effective dates, and could result in fines and penalties or reputational harm if we do not fully comply. Several Canadian provinces, most countries in Europe, and some states in the United States have adopted, and more countries and U. S. states may adopt, extended producer responsibility, or " EPR, " laws. EPR laws assign producers of the materials covered by the laws some financial responsibility for the end- of- life management of those materials within the adopting jurisdiction. These laws can apply to various types of materials, and some of them apply to packaging and paper products. California, for example, has enacted an EPR law that covers single- use packaging, and Colorado has adopted an EPR law that covers paper and packaging. EPR laws can result in fees imposed on the Company to manage the end- of- life cost of the Company' s paper (when our paper is covered by the law) or the packaging materials (when those packaging materials are covered). They also may cause us to pay higher prices for the packaging and other materials that we purchase from suppliers subject to EPR laws, who may pass through to their customers some of their increased costs resulting from such laws. Any future remediation requirements, and our compliance with existing and new laws and requirements, could require significant expenditures, and there is no assurance that our existing reserves for specific matters will be adequate to cover our future costs. We also could incur substantial fines or sanctions, enforcement actions (including orders limiting our operations or requiring corrective measures), natural resource damages claims, investigation, cleanup and closure costs, and third- party claims for property damage and personal injury as a result of violations of, or liabilities under, environmental laws, regulations, codes and common law. The amount and timing of environmental expenditures is difficult to predict, and, in some cases, liability may be imposed without regard to contribution or to whether we knew of, or caused, the release of hazardous substances. For information about risks related to climate- change, environmental laws, regulations and governmental requirements, see Item 1. Business – Environmental and Other Regulations.** Our business is subject to a wide variety of **other** laws, regulations and other government requirements that may change in significant ways, and the cost of compliance with such requirements could have a material adverse effect on our business, financial condition and results of operations. In addition to environmental laws and regulations, as discussed **immediately above and** in Item 1 Business ~~—~~**–** Environmental and Other Regulations, our operations are subject to regulation under a wide variety of other laws, regulations and government requirements in Europe, Latin America and North America, including those relating to health and safety, labor and employment, data privacy, ~~tax~~ **taxes , competition** ~~(including VAT)~~ , trade and health care. There can be no assurance that laws, regulations and government requirements will not be changed, applied or interpreted in ways that will require us to modify our operations and objectives or affect our returns on investments by restricting existing activities and products, subjecting them to escalating costs. For example, we are subject to complex and evolving U. S. and international privacy laws and regulations, including those pertaining to the handling of personal data, such as the EU General Data Protection Regulation (" GDPR "), Brazil' s Lei General de Proteção de Dados Pessoais (" LGPD ") and the California Consumer Privacy Act of 2018 (" CCPA "). The GDPR, which applies with respect to all member states of the European Union, includes operational requirements for companies receiving or processing personal data of EU residents that are partially different from those that had previously been in place and imposes significant penalties for noncompliance. Brazil' s LGPD establishes rules for the collection, use, processing, storage and transfer of personal data. The LGPD gives Brazilian data subjects expanded rights to control their personal data and access to it, and includes requirements with respect to maintaining the security of personal data, limiting the processing of personal data, reporting data breaches and cross- border data transfers. Failure to comply with the LGPD could result in potentially severe financial penalties. Application of penalties under the LGPD began on August 1, 2021. The LGPD may require additional compliance investment as well as additional changes to policies, procedures and operations. California' s CCPA, which went into effect on January 1, 2020, affords California residents and households expanded privacy protections. Moreover, governmental authorities around the world are considering, or are in the process of implementing, new data protection regulations. Many of these laws are subject to uncertain application, interpretation or enforcement standards that could result in claims, changes to our business practices, data processing and security systems, penalties, increased operating costs or other impacts on our business. These laws also often provide for civil penalties for violations, as well as private rights of action for data breaches that may increase data breach litigation. Regulatory authorities could determine that our data handling practices fail to address all the requirements of certain new laws, which could subject us to penalties and litigation. In addition, there is no assurance that our security controls over personal data, the training of employees and vendors on data privacy and data security, and the policies, procedures and practices we implement will prevent the improper disclosure of personal data. Improper disclosure of personal data in violation of the GDPR, LGPD the CCPA or of other personal data protection laws could harm our reputation, cause loss of consumer confidence, subject us to government enforcement actions (including fines), or result in private litigation against us, which could result in loss of revenue, increased costs, liability for monetary damages, fines or criminal prosecution, all of which could have a material adverse effect on our business, financial condition and results of operations. We are subject to tax laws in Europe, Latin America and North America that are subject to interpretation by taxing authorities, and we are subject to audit by taxing authorities. Additionally, administrative guidance can be incomplete or vary from legislative intent, and therefore the application of some tax law is uncertain. While we believe the positions reported by Sylvamo comply with relevant tax laws and regulations, taxing authorities could interpret our application of certain laws and regulations differently. We are currently subject to tax audits in the United States, Brazil and other taxing jurisdictions around the world. In some cases, International Paper appealed and we have continued to appeal, certain assessments by taxing authorities in the court system, particularly in Brazil. As such, tax controversy matters may result in previously unrecorded tax expenses, higher future tax expenses or the assessment of interest and penalties. See Note 13 Commitments and Contingent Liabilities and Note 12 Income Taxes to the Consolidated and Combined Financial Statements included in Item 8 in this Annual Report on Form 10- K. For example, the Brazilian Federal Revenue Service has challenged the deductibility of goodwill amortization generated in a 2007 acquisition by International Paper do Brasil Ltda., now named Sylvamo do Brasil Ltda. (" Sylvamo Brasil "), a wholly- owned subsidiary of Sylvamo (the " Brazil Tax Dispute "). Sylvamo Brasil ~~received~~ **' s** assessments for the tax years 2007- 2015 ~~totaling~~ --- **total** approximately $ ~~472~~ **119** million in tax ~~, court costs,~~ **and $ 274 million in** interest, penalties and fees ~~as of December 31, 2022~~ (adjusted for variation in currency exchange rates **and a recent law change pursuant to which the Brazil tax authority agreed to cancel a portion of the interest, penalties, and fees**). After a previous favorable ruling challenging the basis for these assessments, Sylvamo Brasil received other subsequent unfavorable decisions from the Brazilian Administrative Council of Tax Appeals. We are appealing this tax litigation in the Brazilian federal courts. The Brazilian government may enact a tax amnesty program that would allow Sylvamo Brasil to resolve the Brazil Tax Dispute for less than the assessed amount. There is no assurance that any such amnesty program will be enacted or that we will participate. Pursuant to a tax matters agreement between Sylvamo and International Paper, Sylvamo' s payments for any such liability are capped at 40 % of the first $ 300 million of any final settlement amount (up to $ 120 million). All decisions concerning the conduct of the litigation related to the Brazil Tax Dispute, including as to strategy, settlement, pursuit, abandonment and participation in any tax amnesty program, are and will continue to be made by International Paper. Sylvamo will thus have no control over any decision related to the ongoing litigation. As legally required by the Brazilian federal court, Sylvamo Brasil has provided surety bonds in connection with the Brazil Tax Dispute. International Paper has agreed to indemnify the provider of the surety bonds during the pendency of the appeal in the Brazilian federal court. If Sylvamo Brasil were unable to renew the surety bonds upon their expiration, or if Sylvamo Brasil were unable to provide additional surety bonds as and when required by the Brazilian federal court, Sylvamo Brasil could be required to post acceptable collateral in order to continue the litigation which additional collateral International Paper has agreed to provide on behalf of Sylvamo Brasil. If the indemnity provided by International Paper does not allow Sylvamo Brasil to secure a surety bond or International Paper is unable to provide acceptable collateral and we are not able to continue our appeals, or if the Brazil Tax Dispute is resolved unfavorably, the tax and related costs could have a material adverse effect on our business, financial condition and results of operations. Any resolution of the Brazil Tax Dispute through the Brazilian courts could take **an additional** six to nine years ~~. There are greater limitations under our credit agreement on the amount of dividends, share repurchases and other restricted payments that we are permitted to make until the Brazil Tax Dispute is resolved, which could have an adverse impact on our stock price; provided, however, that if we meet certain liquidity conditions and / or deposit a certain level of funds in a controlled account, these limitations are waived pursuant to an amendment to our credit agreement that we entered into in November 2022. For more information about the relevant terms of our credit agreement, see Note 14 Long- Term Debt~~ . Increases to income tax rates and other tax rates in the jurisdictions in which we operate could have an adverse effect on our business, financial condition and results of operations. Tax laws, regulations and administrative practices in various jurisdictions may be subject to significant change, with or without advance notice, due to economic, political and other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. There are many transactions that occur during the ordinary course of business for which the ultimate tax determination is uncertain. Our effective tax rates could be affected by numerous factors, such as changes in tax laws, regulations, administrative practices, principles and interpretations, the mix and level of earnings in a given taxing jurisdiction or our ownership or capital structures. For example, changes to U. S. tax rules in 2022 included an increase in the corporate alternative minimum tax, increasing the tax rates applicable to certain U. S. corporations' international income and imposing an excise tax on stock buybacks. These rules have not had a material adverse effect on us but could in the future, and it is difficult to predict whether and when tax law changes will be enacted that would have a material adverse effect on our business, financial condition and results of operations. Our operations are subject to anti- corruption laws and regulations, such as the U. S. Foreign Corrupt Practices Act (" FCPA "), the U. K. Bribery Act of 2010 (" Bribery Act "), and other anti- corruption laws in various jurisdictions where we operate. The FCPA, the Bribery Act, and other laws prohibit us and our officers, directors, employees, and agents acting on our behalf from corruptly offering, promising, authorizing, or providing anything of value to foreign officials for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. Our operations are also subject to economic and trade sanctions laws and regulations, such as those administered and enforced by the U. S. Department of Treasury' s Office of Foreign Assets Control, the U. S. Department of State, the U. S. Department of Commerce, the United Nations Security Council and other relevant sanctions authorities. Our global operations may expose us to the risk of violating, or being accused of violating, the foregoing or other anti- corruption or economic and trade sanctions laws. Such violations could expose us to reputational harm and could be punishable by criminal fines, imprisonment, civil penalties, disgorgement of profits, injunctions, and exclusion from government contracts, as well as other remedial measures. Investigations of alleged violations can be expensive and disruptive. Although we have implemented anti- corruption policies and procedures, there can be no guarantee that these policies, procedures, and training will effectively prevent violations by our employees or representatives in the future. Additionally, we face a risk that our business partners may violate the FCPA, the Bribery Act, or similar laws or regulations. Such violations could expose us to FCPA and Bribery Act liability, and / or our reputation may potentially be harmed by their violations and resulting sanctions and fines. Despite our compliance efforts and activities we cannot assure compliance by our employees or representatives for which we may be held responsible, and any such violation could materially adversely affect our reputation, business, financial condition and results of operations. We rely heavily on a small number of significant customers and are exposed to risks associated with the financial viability of our customers and consolidation among our customers. We rely heavily on a small number of significant customers, and if we were to lose one or more of such customers, it could have a material adverse effect on our sales and profitability. For example, our top ten customers represent approximately ~~40~~ **35** % of our net sales, including one customer that represents approximately ~~13~~ **14** % of our net sales; see Note 17 Financial Information by Business Segment and Geographic Area to the Consolidated and Combined Financial Statements included in Item 8 in this Annual Report on Form 10- K. In particular, because our business operates in a highly competitive industry, we regularly bid for new business or for renewal of existing business. Generally, our customers are not contractually required to purchase any minimum amount of products. Should our customers purchase products in significantly lower quantities than they have in the past, such decreased purchases could have a material adverse effect on our **business,** financial condition and results of operations. We are also exposed to risks associated with the ability of our customers to meet their financial obligations to us. The financial viability of our customers is key to maintaining our sales to those customers and their ability to pay for those sales. Any threat to the financial viability of our customers could result in the reduction, delay or cancellation of customer orders and their ability to pay their outstanding receivables with us which could have a material adverse effect on our business, financial condition and results of operations. In addition, consolidation among our customers could result in changes to the purchasing habits and volumes among our customers and could affect our relationship with our customers. If one of our competitors' customers acquires any of our customers, we could lose that business. Additionally, as our customers become larger and more concentrated, they could exert pricing pressure on all suppliers, including us. As a result, we could be forced to reduce the prices of our products. The loss or reduction of business from our larger customers, or the renewal of business on less favorable terms, could have a material adverse effect on our **business,** financial condition and results of operations. Our business and business prospects could be materially adversely affected if we fail to attract and retain senior management and other key employees. We are led by a strong senior management team that has extensive experience in the paper industry, and we rely upon an extensive and skilled workforce. Our ability to successfully operate our business and our future growth depends, to a significant degree, on the ability to continue to attract and retain senior management with strong leadership experience and relevant knowledge and skills. There is no guarantee that senior management individuals will not leave our company or that we will be able to attract and retain strong senior management in the future. Also, as our workforce at our mills ages and retires, we will lose operators and other members of our skilled workforce with 30 years' experience, and many of the employees replacing them will have much less tenure. This is due to a large extent on workforce preferences; that is, employee interest in manufacturing jobs with shifts covering 24 hours, seven days per week, has declined, and employees also are more open now to voluntarily leaving their positions and having multiple employers over their career than has historically been the case in our industry. Our training programs are tailored to accelerate training, but it is difficult to replace the number of years of experience our retiring operators and skilled workforce possessed. The situation is exacerbated by ~~the currently~~ tight labor ~~market~~ **markets** where our mills are located. Hybrid work options are also creating challenges to motivate and retain employees. The market for labor at all levels of experience and seniority, including for people with the specialized technical and trade experience needed for manufacturing operations, was ~~very~~ competitive in ~~2022~~ **2023** and remains ~~very~~ competitive. All of these factors drive up our cost of labor and, further, there is no guarantee that we will be able to attract and retain the skilled employees needed to successfully operate our business in the future. Additionally, we could experience labor shortages if a public health crisis were to affect the supply of labor or ability of employees to work (see " — **A** ~~Public~~ **public** health ~~crises~~ **crisis** ~~such as the COVID- 19 pandemic~~ could have a material adverse effect on our business, financial condition and results of operations ") or if our relationships with our employees represented by unions were to deteriorate (see " — We could experience disruptions in operations and increased labor costs due to labor disputes "). Loss of the services of any members of our senior management team or other key or skilled employees, significant attrition in our workforce, retirements as our workforce ages or the failure to attract and retain qualified persons to serve in management and other positions, could have a material adverse effect on our business and business prospects. A significant write- down of goodwill or other intangible assets could have a material adverse effect on our financial condition and results of operations. We review our goodwill balance for impairment at least once a year using the qualitative assessment and **, when necessary, the** quantitative goodwill impairment test allowed in accordance with current accounting standards. Future changes in the cost of capital, expected cash flows, or other factors could cause our goodwill and other intangible assets to be impaired, resulting in a non- cash charge against results of operations to write down these assets for the amount of the impairment. In addition, if we make changes in our business strategy or if external conditions adversely affect our business operations, we may be required to record an impairment charge for goodwill or intangibles, which would lead to decreased assets and reduced net operating results. If a significant write down is required, the charge could have a material adverse effect on our financial condition and results of operations. Failure to achieve expected investment returns on pension plan assets, as well as changes in interest rates or plan demographics, could adversely impact our cash flows, business, financial condition and results of operations. We sponsor various defined benefit pension plans. The assets of the pension plans are diversified in an attempt to mitigate the risk of a large loss. Required funding for our domestic defined benefit pension plan is determined in accordance with guidelines set forth in the federal Employee Retirement Income Security Act of 1974, as amended (" ERISA ") and foreign defined benefit pension plans are funded in accordance with local statutes or practice. Additional contributions to enhance the funded status of the pension plans can be made at our discretion. As of December 31, ~~2022~~ **2023** , the Sylvamo United Kingdom (" U. K. ") pension plan was fully funded, and the Sylvamo United States pension plan was ~~95~~ **94** % funded. We may need to make future contributions to reduce any underfunding and, with respect to the U. K. pension plan, we have agreed with U. K. regulators to contribute to the plan approximately $ 4 million per year through 2029 to enhance the plan' s self- sufficiency. There can be no assurance that the value of the pension plan assets, or the investment returns on those plan assets, will be sufficient to meet the future benefit obligations of such plans. In addition, during periods of adverse market conditions and declining interest rates, we may be required to make additional cash contributions to the pension plans that could reduce our financial flexibility. Changes in plan demographics, including an increase in the number of retirements or increases in life expectancy assumptions, may also increase the costs and funding requirements of the obligations related to the company' s pension plans. An increase in costs or funding requirements could adversely impact our cash flows, business, financial condition and results of operations. We could experience disruptions in operations and increased labor costs due to labor disputes. A portion of our workforce is represented by unions and operate under various collective bargaining agreements, including that some of our employees are represented by six unions in Brazil, three unions in France ~~,~~ **and** four unions in Sweden (at our newly acquired Nymölla mill), and the hourly employees at our mill in Ticonderoga, New York, are represented by one union with two branches. We must negotiate to renew or extend any union contracts near or upon their expiration. We may not be able to successfully negotiate new agreements without work stoppages or labor difficulties in the future or renegotiate them on favorable terms. If we are unable to successfully or favorably renegotiate the terms of any of these agreements, or if we experience any extended interruption of operations at any of our facilities as a result of strikes or other work stoppages, this could have a material and adverse effect on our business, financial condition and results of operations. We may not achieve the expected benefits from strategic acquisitions, joint ventures, divestitures, capital investments and other corporate transactions that we may pursue. We may pursue strategic acquisitions, joint ventures, divestitures, capital investments and other corporate transactions, such as our acquisition in January 2023 of a paper mill in Nymölla, Sweden. We may not achieve the expected benefits associated with any such transactions in which we engage. Failure to achieve the expected benefits of a transaction could require us to record an impairment charge for goodwill ~~or~~ **,** other intangible **assets or fixed** assets. Among the benefits we would expect from potential acquisitions and joint ventures are synergies, cost savings, growth opportunities and access to new markets (or a combination thereof), and in the case of divestitures, the realization of proceeds from the sale of assets to purchasers who place higher strategic value on such assets than we do. Corporate transactions of this nature which we may pursue involve a number of special risks, including our inability to realize our business goals with respect to such transactions as noted above, the focus of our management' s attention on these transactions and the integration of acquired businesses into our operations, the demands on our financial, operational and information technology systems resulting from acquired businesses, and the possibility that we may become responsible for substantial contingent or unanticipated legal liabilities as the result of acquisitions or other corporate transactions. In addition, subject to certain exceptions for immaterial transfers, if any portion of the Brazil eucalyptus forest plantations owned by Sylvamo as of October 1, 2021 are directly or indirectly transferred, Sylvamo will be required to make a payment of $ 100 million to International Paper. For these purposes, a transfer includes any sale, pledge or transfer of any legal or beneficial interest in the Brazil lands, including any grant of an option or other right or interest or entry into any contract that would result in a reduction or diminution of Sylvamo' s economic ownership in the Brazil lands. A change of control of Sylvamo would also result in the payment becoming due and payable. As a result, we would not realize the full value of any transfer of the Brazil eucalyptus forest plantations, which may make any such transaction less attractive to us, and the provision requiring payment upon a change in control of Sylvamo would be a pricing consideration in any potential strategic transaction. We may not be able to adequately protect our intellectual property and other proprietary rights that are material to our business, or to defend successfully against intellectual property infringement claims by third parties. We rely on a combination of contractual rights with third parties and copyright, trademark, patent and trade secret laws to establish and protect our intellectual property. Although we endeavor to protect our rights, third parties may infringe or misappropriate our intellectual property. We may have to litigate to enforce and protect our copyrights, trademarks, patents, trade secrets and know- how or to determine their scope, validity or enforceability. This would represent a diversion of resources that may be significant and our efforts may not prove successful. The inability to secure or protect our intellectual property assets could harm our reputation and have a material adverse effect on our business and our ability to compete with other companies in our industry. In addition, we have a license from HP Inc. for the right to produce and sell HP branded copy paper in almost all geographies globally. If we were to lose such license, our production volumes could decline and our business, financial condition and results of operations could be materially adversely affected. In addition, we may be subject to claims by third parties for (i) patent, trademark or copyright infringement, (ii) breach of patent, trademark or copyright license usage rights or (iii) misappropriation of trade secrets. Any such claims or resulting litigation could result in significant expense and liability for damages. If we were found to have infringed or misappropriated a third- party patent or other intellectual property right, we could in some circumstances be enjoined from providing certain products or services to our customers or from utilizing and benefiting from certain patents, copyrights, trademarks, trade secrets or licenses. Alternatively, we could be required to enter into costly licensing arrangements with third parties or implement a costly alternative. Any of these scenarios could harm our reputation and have a material adverse effect on our business and results of operations. Risks Related To Our Separation in October 2021 From International Paper And **Short** ~~Our Limited Operating~~ History As a Standalone Company We rely on certain commercial agreements with our former parent company, International Paper, whereby a substantial amount of our production in the United States is outsourced, and the loss of such agreements or the inability to recoup the fixed costs of such agreements, could have an adverse effect on our business, financial condition and results of operations. In connection with our separation from International Paper on October 1, 2021, we and International Paper entered into agreements that govern certain commercial relationships following the separation, including related to the supply and purchase of certain raw materials and finished products and licenses of certain intellectual property and technology. For example, we are party to offtake agreements related to International Paper' s Georgetown, South Carolina, and Riverdale, Alabama, mills, which provide us with UFS products important to our business. International Paper has had the right to terminate the offtake agreement related to the Georgetown mill since January 1, 2023, and ~~it will have~~ the right to terminate the offtake agreement related to the Riverdale mill **since** ~~as of~~ January 1, 2024, in each case on six months' notice, and termination of these agreements could significantly reduce our UFS production capacity in the United States. Such rights have not been exercised as of the date of this Annual Report on Form 10- K. Also, we believe that the Georgetown and Riverdale mills, as paper mills, are subject to the same or similar economic, external, industry and operational risks that our own mills face (as described in these " Risk Factors "). The expiration or termination of one or more of our commercial agreements with International Paper, or the inability of its Georgetown or Riverdale mill to produce our products at a reasonable cost to us or at all, could have an adverse effect on our business, financial condition and results of operations if we are unable to acquire or sell the raw materials or finished products to third parties on similar terms or at all. Moreover, we are required to pay certain fixed costs under the offtake agreements regardless of the level of orders received, and we will not be able to terminate the offtake agreements for Georgetown and Riverdale until January 1, 2025 and January 1, 2026, respectively, even if demand has decreased such that we are no longer able to sell the UFS and other products produced at those facilities. As a result, until these early termination dates, we will not be able to reduce or eliminate the costs associated with the offtake agreements, which may have an adverse effect on our business, financial condition and results of operations and cash flow. We have ~~limited operating history~~ **been a standalone company for less than three full years** , and our historical financial information may not be indicative of our future results ~~as a stand- alone company~~ . We have **operated** ~~a limited history operating~~ as a separate, stand-alone public company since our spin- off from International Paper on October 1, 2021. Our historical financial information in this Annual Report on Form 10- K **that includes periods prior to the fourth quarter of 2021** reflects allocations for services historically provided by International Paper, and these allocated costs are different from the actual costs we incur for these services as a separate company. In some instances, the costs incurred for these services may be higher than the share of total International Paper expenses allocated to our business historically. The historical financial information that predates the spin-off also does not reflect the increased costs associated with being a separate, public company, including changes in our cost structure, personnel needs, financing and operations of our business as a separate public company. Thus, the historical financial information in this Annual Report on Form 10- K, including for periods prior to ~~our~~ **the fourth quarter of** 2021 ~~fourth fiscal quarter~~ , may not reflect what our results of operations ~~,~~ **and** financial position would have been had we been a separate, public company during such periods or be indicative of what our results of operations ~~,~~ **and** financial position may be in the future ~~. Further, we have a different credit profile than International Paper. As of the date of this Annual Report on Form 10- K, our Moody' s long- term family rating is Ba2 and our S & P issuer rating is BB. Our failure to maintain a satisfactory credit rating could adversely affect our liquidity, capital position, borrowing costs under our indebtedness and access to capital markets. Fulfilling our obligations incident to being a public company, including with respect to the requirements of and related rules under the Sarbanes- Oxley Act of 2002, is, and is expected to continue to be, expensive and time- consuming, and we could experience difficulties with our accounting, management and financial reporting systems necessary to comply with public company reporting, disclosure controls and internal control over financial reporting requirements. As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the " Exchange Act "), including that we are required to prepare and file annual and quarterly financial statements and other reports with the SEC. We also are subject to other reporting and corporate governance requirements under the listing standards of the New York Stock Exchange (" NYSE ") and the Sarbanes- Oxley Act of 2002 (the " Sarbanes- Oxley Act "), which impose significant compliance- related costs and obligations. Thus, we are required to have procedures and practices as a public company that are not required of private companies, resulting in additional costs that we did not have prior to our separation from International Paper, including costs associated with external and internal auditing, investor relations, stock administration, regulatory compliance, retention of independent directors, director and officer liability insurance costs, registrar and transfer agent fees. As a public company, we are required to: • prepare and file periodic and current reports, and distribute other shareholder communications, in compliance with U. S. federal securities laws and NYSE rules; • comply with public company corporate governance requirements that include enhanced roles and duties for our board of directors and its committees; • institute comprehensive compliance, investor relations and internal audit functions; and • evaluate and maintain our system of internal control over financial reporting, and report on management' s assessment thereof, in compliance with rules and regulations of the SEC and the Public Company Accounting Oversight Board. The requirement that we perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting, as required by Section 404 (a) of the Sarbanes- Oxley Act, was phased in for us as a new public company and is fully applicable to us starting with the year ended December 31, 2022. Likewise, our independent registered public accounting firm is required to provide an attestation report on the effectiveness of our internal control over financial reporting pursuant to Section 404 (b) of the Sarbanes- Oxley Act. In addition, we are required under the Exchange Act to maintain disclosure controls and procedures and internal control over financial reporting. Any failure to implement or maintain required controls, or difficulties encountered in doing so, could have a material adverse effect on our results of operations or cause us to fail to meet our reporting obligations. If we are unable to conclude that we have effective internal control over financial reporting, or if our independent registered public accounting firm is unable to provide us with an unqualified report regarding the effectiveness of our internal control over financial reporting (at such time as it is required to do so), investors could lose confidence in the reliability of our financial statements. This could result in a decrease in the value of our common stock. Failure to comply with the Sarbanes- Oxley Act could potentially subject us to sanctions or investigations by the SEC or other regulatory authorities~~ . If the distribution of shares of Sylvamo and certain related transactions in connection with our separation from International Paper were to fail to qualify for non- recognition treatment for U. S. federal income tax purposes, then International Paper, Sylvamo and International Paper' s shareholders may be subject to significant U. S. federal income taxes. International Paper received a private letter ruling from the U. S. Internal Revenue Service (the " IRS "), and an opinion of a nationally recognized tax counsel, regarding certain aspects of ~~the~~ **our** separation **from International Paper** , the distribution of shares of Sylvamo and certain related transactions, confirming that such transactions are generally tax- free for U. S. federal income tax purposes to International Paper, Sylvamo and International Paper shareholders. A tax opinion is not binding on the IRS or the courts, and there can be no assurance that the IRS or a court will not take a contrary position. If any of the representations or covenants relied upon for the tax opinion or the private letter ruling are or become inaccurate, are incomplete or are not complied with by International Paper, Sylvamo or any of their respective subsidiaries, the private letter ruling or tax opinion ~~,~~ may be invalid in whole or in part **,** and the conclusions reached therein could be jeopardized. If the IRS ultimately determines, and a court confirms, that any aspect of the separation, the distribution or any related transaction is taxable, then (i) International Paper could incur significant U. S. federal income tax liabilities and / or (ii) International Paper shareholders that received Sylvamo stock in the distribution could be required to include taxable income or gain with respect to their receipt of Sylvamo stock. Sylvamo may be required to indemnify International Paper for such tax liability in certain circumstances, pursuant to the tax matters agreement; however, there can be no assurance that Sylvamo would have the resources or liquidity needed to satisfy any claim under the indemnity. Even if the separation and distribution otherwise qualify for non- recognition of gain or loss under Section 355 of the Internal Revenue Code (the " Code "), the separation and distribution could be taxable to International Paper (but not International Paper shareholders) pursuant to Section 355 (e) of the Code if there is a 50 % or more (by vote or value) change in ownership of either International Paper or Sylvamo, directly or indirectly, as part of a plan or series of related transactions that include the distribution. For this purpose, any acquisitions of International Paper' s or Sylvamo' s common stock within two years before or after the distribution are presumed to be part of such a plan, although International Paper or Sylvamo might be able to rebut that presumption based on either applicable facts and circumstances or because of the application of a " safe harbor " with respect to such transaction described in the U. S. tax regulations. **Satisfaction** ~~We are unable to take certain actions because such actions could jeopardize the tax- free status~~ of ~~the separation from~~ **indemnification obligations to** International Paper ~~by distribution of Sylvamo shares to International Paper shareholders, and such restrictions could have a significant adverse impact on us. The tax matters agreement prohibits us from taking actions that could reasonably be expected to cause the distribution of shares of Sylvamo to be taxable or to jeopardize the conclusions of the tax opinion or the IRS ruling. In particular, the tax matters agreement provides that for two years after the separation (through October 1, 2023), we must refrain from engaging in certain transactions, including: • entering into any agreement, understanding or arrangement or engaging in any substantial negotiations with respect to any transaction involving the acquisition, issuance, repurchase or change of ownership of our capital stock, or options or other rights in respect of our capital stock, subject to certain exceptions relating to open market stock repurchases; • issuing equity securities beyond certain thresholds; • ceasing the active conduct of our business; and • dissolving, liquidating, merging or consolidating with any other person. The tax matters agreement provides that, nevertheless, we are permitted to take any of the actions described above if we obtain International Paper' s consent, or if we obtain a private letter ruling from the IRS or a tax opinion that is reasonably acceptable to International Paper to the effect that the action will not affect the tax- free status of the separation and distribution. However, the receipt by us of any such consent, opinion or ruling will not relieve us of any obligation we have to indemnify International Paper for an action we take that causes the separation and distribution to be taxable to International Paper. The tax matters agreement also prohibits us from taking or failing to take any other action, including certain restrictions on the repurchase of our shares, that is reasonably likely to cause the separation, the distribution and certain related transactions to not qualify as a transaction that is generally tax- free for U. S. federal income tax purposes. Because of these restrictions, until October 1, 2023, we may be limited in the amount of capital stock that we can issue to make acquisitions or to raise additional capital. Also, the possibility that we may be required to pay under the indemnity obligation to International Paper may discourage, delay or prevent a third party from acquiring control of us during this two- year period in a transaction that our shareholders might consider favorable. Certain of our officers may have actual or potential conflicts of interest because of their International Paper equity ownership or their former International Paper positions. Our Chief Executive Officer, Chief Financial Officer and certain other of our executive officers were, prior to our separation from International Paper, officers or employees of International Paper, and thus have professional relationships with International Paper' s executive officers, directors or employees. In addition, because of their former International Paper positions, they may own International Paper common stock or restricted stock, and, for some of these individuals, their individual holdings may be significant compared to their total assets. These relationships and financial interests may create, or may create the appearance of, conflicts of interest when these officers are faced with decisions that could have different implications for International Paper and us. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between International Paper and us regarding the terms of the agreements governing the separation and the relationship thereafter between the companies. These agreements include the distribution and separation agreement, the tax matters agreement, the employee matters agreement, the offtake agreements and any other commercial agreements between the parties or their affiliates. Satisfaction of indemnification obligations following the separation~~ could have a material adverse effect on our financial condition and results of operations. Pursuant to the distribution and separation agreement, tax matters agreement and certain other agreements we entered into with International Paper in connection with ~~the~~ **our** separation **from International Paper** , International Paper agreed to indemnify us for certain liabilities, and we agreed to indemnify International Paper for certain liabilities. Payments that we may be required to make under our indemnity of International Paper are not subject to any cap, may be significant and could negatively impact our business, particularly with respect to indemnities provided in the tax matters agreement. We may also incur significant costs related to environmental liabilities that **may arise** ~~we assumed from International Paper in connection with the separation arising~~ at our mills ~~and~~ **, or** other sites that were not owned by International Paper at the time of separation but were primarily operated or used by International Paper' s former printing papers business ~~. See, for example, the information in Note 13 Commitments and Contingent Liabilities to the Consolidated and Combined Financial Statements included in Item 8 in this Annual Report on Form 10- K~~ . Third parties could also seek to hold us responsible for any of the liabilities that International Paper has agreed to retain. Indemnities from International Paper may not be sufficient to protect us against the full amount of such liabilities if, for example, International Paper is not able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from International Paper any amounts for which we are indemnified by it, we may be temporarily required to bear these losses ourselves, requiring us to divert cash that would otherwise have been used in furtherance of our operating business. Each of these risks could have a material adverse effect on our financial condition and results of operations. ~~Federal and state fraudulent transfer laws and New York and Delaware corporate law may permit a court to void the separation and related transactions, which could have a material adverse effect on our business, financial condition and results of operations. In connection with our separation from International Paper, International Paper undertook a series of internal corporate reorganization transactions which, along with the contribution of certain of the entities and assets associated with International Paper' s former printing papers business to Sylvamo, the distribution of shares of Sylvamo common stock to International Paper' s shareholders, and a special payment of $ 1. 5 billion by Sylvamo to International Paper, which could be subject to challenge under federal and state fraudulent conveyance and transfer laws as well as under New York or Delaware corporate law. Under applicable laws, any transaction, contribution or distribution completed as part of the separation could be voided as a fraudulent transfer or conveyance if, among other things, the transferor received less than reasonably equivalent value or fair consideration in return and the transferor was insolvent or rendered insolvent by reason of the transfer. We cannot be certain as to the standards a court would use to determine whether or not any entity involved in the separation was insolvent at the relevant time. In general, however, a court would look at various facts and circumstances related to the entity in question, including evaluation of whether or not: • the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets; • the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or • it could pay its debts as they become due. If a court were to find that any transaction, contribution or distribution conducted in connection with the separation was a fraudulent transfer or conveyance, the court could void the transaction, contribution or distribution. In addition, the distribution could also be voided if a court were to find that it is not a legal distribution or dividend under New York corporate law. The resulting complications, costs and expenses of either finding could have a material adverse effect on our business, financial condition and results of operations.~~ Risks Relating To Our Indebtedness Our indebtedness could have a material adverse effect on our financial condition ~~and prevent us from fulfilling our obligations under the agreements governing our indebtedness~~ . **As of December 31, 2023** ~~In connection with our separation from International Paper~~ , we **have** ~~entered into~~ a $ 450 million cash flow- based revolving credit facility, **a** $ ~~450~~ **269** million term loan " ~~B~~ **A** " ~~facility and~~ **maturing in 2028, a** $ ~~520~~ **475** million term loan " F " ~~facility~~ **maturing in 2027** , ~~and we issued~~ $ ~~450~~ **90** million of senior notes **due** ~~. On September 30, 2022~~ **2029 that are outstanding** , **and** ~~we established~~ a $ 120 million accounts receivable finance facility **maturing in 2025** . As of December 31, ~~2022~~ **2023** , the aggregate principal amount **of all** of our outstanding debt was approximately $ ~~1~~ **950** ~~billion~~ **million** . Our level of debt **and its maturity dates** could have important consequences to our shareholders, including: • limiting our ability to obtain additional financing to fund future working capital, capital expenditures, product development, acquisitions or other general corporate requirements; • requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, product development, acquisitions and other general corporate purposes; • increasing our vulnerability to general adverse economic and industry conditions; • increasing our effective tax rate; • exposing us to the risk of increased interest rates to the extent that our borrowings are at variable rates of interest **or upon incurring new debt at maturity at new interest rates** ; • limiting our ability to deduct the full amount of the interest payments on any debt ~~we incur in connection with our separation from International Paper or any other borrowings~~ from our taxable income; • limiting our flexibility in planning for and reacting to changes in the industry in which we compete; • placing us at a competitive disadvantage compared to other, less leveraged competitors or competitors with comparable debt and more favorable terms; and • increasing our cost of borrowing. We and our subsidiaries may incur significant additional indebtedness in the future. If new indebtedness is added to our current indebtedness levels, the related risks that we face would increase. We may not be able to generate sufficient cash to service our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful ~~.~~ Our ability to make scheduled payments on or refinance our anticipated debt obligations will depend on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to financial, business, legislative, regulatory and other factors beyond our control, including those discussed under " — Risks Related to Our Business. " We might not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, which would trigger default under the credit agreement, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The agreements governing our indebtedness contain restrictive covenants that limit our ability to conduct our business, including our ability to dispose of assets and the use of the proceeds from those dispositions, require that we use the proceeds from any future incurrence of debt or issuance of equity to repay existing indebtedness and limit our ability to incur additional indebtedness. We may not be able to consummate ~~those~~ dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, could have a material adverse effect on our financial condition and results of operations and our ability to satisfy our obligations under our indebtedness. A failure to make scheduled payments on our debt, or a breach of any of the covenants under the agreements governing our indebtedness, if not waived by lenders or noteholders, as applicable, or to the extent applicable, cured within specified periods, would result in an event of default under those agreements. Lenders or noteholders under the agreements governing our indebtedness could declare all outstanding principal and interest to be due and payable, and lenders could further terminate their commitments to loan money under our existing revolving credit facility or foreclose against the assets securing their borrowings, which could force us to file for bankruptcy protection and either restructure or liquidate. Any of these events could result in our shareholders losing some or all of the value of their investments. Further, an event of default may result in the acceleration of any other debt to which a cross- acceleration or cross- default provision applies. In the event the lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. Risks Relating To Our Common Stock ~~Our common stock has traded only since October 1, 2021, providing a limited trading history on which to evaluate it as an investment, resulting in potential decline in or volatility of its price. Our common stock commenced trading on the NYSE on October 1, 2021. The limited trading history of our common stock may make it a less desirable investment for some, potentially making it more difficult for shareholders to sell our shares at an attractive price, or at all, and could lead to our share price being depressed or volatile. We cannot predict the prices at which our common stock may trade, and many factors could cause the trading price of our common stock to rise and fall, including the following: • actual or anticipated fluctuations in our operating results due to factors related to our business; • success or failure of our business strategies; • our quarterly or annual earnings, or those of other companies in our industry; • our ability to obtain financing as needed; • our announcements or our competitors' announcements regarding new products, enhancements, significant contracts, acquisitions or strategic investments; • changes in the estimates of our operating performance or changes in recommendations by any securities analysts that elect to follow our stock; • actions by institutional shareholders and other large shareholders including future sales of our common stock; • overall market fluctuations; • changes in laws, rules and regulations affecting our business; • the gain or loss of significant customers or changes in our customers' preferences; • developments related to the COVID- 19 pandemic or another public health crisis; and • general economic conditions and other external factors. In particular, we cannot assure stockholders that they will be able to sell our shares or that they will avoid loss upon a sale. Stock markets have experienced extreme volatility in recent years that has been unrelated to the operating performance of a particular company. These broad market fluctuations could also adversely affect the trading price of our common stock. In the past, following periods of volatility in the market price of a company' s securities, class action litigation has often been instituted against the affected company. Any litigation of this type brought against us could result in substantial costs and a diversion of our management' s attention and resources, which could have a material adverse effect on our business, financial condition and results of operations.~~ Future offerings of debt or equity securities ranking senior to our common stock could adversely affect the market price of our common stock. In the future, we may decide to issue senior or subordinated debt securities or preferred stock or other equity securities that rank senior to our common stock. Indentures or other instruments governing such securities may include covenants restricting our operating flexibility and ability to pay dividends and make other distributions to our shareholders. Additionally, any convertible or exchangeable securities that we issue in the future could have rights, preferences and privileges more favorable than those of our common stock and could result in dilution to owners of our common stock. We and, indirectly, our shareholders, will bear the cost of issuing and servicing such securities. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of our common stock will bear the risk of our future offerings, reducing the market price of our common stock and diluting the value of their common stock holdings in us. Continued payment of dividends on, and repurchases of, our common stock are subject to the continued discretion of our board of directors and, consequently, shareholders' ability to achieve a return on their investment could become limited to appreciation in the price of our common stock. ~~In~~ **Since** 2022, we ~~commenced paying~~ **have paid** quarterly dividends ~~on~~ and **have been opportunistically** repurchasing shares of our common stock. Our continued declaration and payment of **quarterly** dividends, continued repurchases of shares, and institution of any other ~~distributions~~ **return** of ~~capital~~ **cash** to **our** shareholders **, including payment of any special dividends,** will nonetheless be at the discretion of our board of directors and will depend on many factors, including our earnings, financial condition and results of operations, capital requirements, level of indebtedness, covenants contained within agreements governing our indebtedness, contractual restrictions with respect to payment of dividends and the repurchase of shares, ability to obtain cash or other assets from our subsidiaries, restrictions imposed by applicable law, general business conditions and other factors that our board of directors may deem relevant. As of December 31, ~~2022~~ **2023** , we have repurchased $ ~~80 million of the $~~ 150 million **of the total $ 300 million** authorized **thus far** by our board of directors for ~~our~~ repurchases of our common stock **. Any** ~~, and any~~ repurchases in excess of the ~~$ 150 million authorization~~ **remaining amount authorized for repurchases** would require further authorization by our board of directors. Additionally, the agreements governing our indebtedness ~~currently~~ limit the amount of " restricted payments, " including dividends and share repurchases, that we are permitted to make while our indebtedness remains outstanding, and these limitations are greater until the Brazil Tax Dispute (as defined ~~herein) is resolved. See Note 12 Income Taxes to the Consolidated and Combined Financial Statements included in Item 8~~ in this Annual Report on Form 10- K **) is resolved, unless we meet certain liquidity conditions and / or deposit a certain level of funds into a controlled account. In September 2023, we deposited $ 60 million into a controlled account that resulted in the waiver of these limitations** for ~~further discussion of~~ **as long as the funds remain in the account. For more information about** the Brazil Tax Dispute **and the terms of our indebtedness, see " – Our business is subject to a wide variety of other laws, regulations and other government requirements that may change in significant ways, and the cost of compliance with such requirements could have a material adverse effect on our business, financial condition and results of operations, " and Note 14 Long- Term Debt and Note 12 Income Taxes to the Consolidated and Combined Financial Statements included in Item 8 in this Annual Report on Form 10- K** . There can be no assurance that we will continue to pay dividends or repurchase shares of our common stock in the future. Therefore, the success of an investment in shares of our common stock may in the future depend only upon any future appreciation in their value. There is no guarantee that shares of our common stock will appreciate or even maintain their value. Shareholders’ percentage ownership in Sylvamo will be diluted by equity compensation and potential use of our shares as consideration for any future acquisitions, strategic investments or financing of ongoing operations. We grant stock- based equity awards to our directors and certain officers and other employees as partial compensation for their services for us. Equity awards dilute shareholders’ ownership in Sylvamo. In addition, we may issue equity as all or part of the consideration paid for acquisitions and strategic investments that we may make in the future or to finance our ongoing operations. If any of our shareholders sells a substantial number of shares of our common stock, the market price of our common stock could decline. Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales (or the possibility that these sales may occur), or speculation that a holder of a large number of shares of our common stock intends to sell its shares, could reduce the market price of our common stock. As of ~~December 31~~ **February 16** , ~~2022~~ **2024** , we **have 41** ~~had approximately 42~~ . ~~6~~ **2** million shares of our common stock outstanding, of which approximately ~~4~~ **6** . ~~1~~ **3** million are ~~currently~~ subject to certain restrictions on transfer imposed by contract or the U. S. federal securities laws. We **may** ~~have agreed to register certain shares of our common stock for public resale, and once we register these shares, a greater number of these currently restricted shares will~~ be ~~able to be sold into the public market than would otherwise be the case. As a result, all or a significant portion of these restricted shares could be sold from time to time. This could cause the market price of our common stock to drop significantly, even if our business is performing well. We have been, and may continue to be,~~ subject to the actions of activist shareholders, which could cause us to incur substantial costs, divert management' s attention and resources, and adversely affect our business and stock price. We ~~have been, and~~ may ~~continue to~~ be ~~,~~ the subject of increased activity by activist shareholders. Responding to shareholder activism can be costly and time- consuming, disrupt our operations and divert the attention of management and our employees from executing our business plans. If faced with an activist shareholder in the future, we may not be able or willing to respond to the activist shareholder’ s requests, which could result in a proxy contest and disrupt our operations. Activist campaigns could create perceived uncertainties as to the future direction of the Company or its leadership and strategic plans and may also result in the loss of potential business opportunities, harm our ability to attract qualified personnel and business partners and cause us to incur additional legal, financial advisory and other costs. Activist shareholder activity, or the mere presence of an activist shareholder among our investor base, could adversely impact the market price for our common stock or cause periods of significant price volatility. Anti- takeover provisions in our certificate of incorporation and bylaws could discourage, delay or prevent a change of control of our company and could affect the trading price of our common stock. Our certificate of incorporation and bylaws contain certain provisions that may discourage, delay or prevent a change in our management or change of control, including that they, collectively: • authorize the issuance of “ blank check ” preferred stock that could be issued by our board of directors to thwart a takeover attempt; • provide that vacancies on our board of directors, including vacancies resulting from an enlargement of our board of directors, may be filled only by a majority vote of directors then in office; • prohibit shareholder action by written consent, thereby requiring all actions to be taken at a meeting of the shareholders; and • establish advance notice requirements for nominations of candidates for election as directors or to bring other business before an annual meeting of our shareholders. These provisions could prevent our shareholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions could adversely affect the prevailing market price of our common stock if the provisions are viewed as discouraging takeover attempts in the future. Our certificate of incorporation and bylaws could also make it difficult for shareholders to replace or remove our management. Furthermore, the existence of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our common stock. These provisions could facilitate management entrenchment that could delay, deter, render more difficult or prevent a change in our control, which may not be in the best interests of our shareholders. Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain litigation that may be initiated by our shareholders, which could limit our shareholders’ ability to obtain a favorable judicial forum for disputes with us or our current or former directors, officers or shareholders. Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any (1) derivative action or proceeding brought on our behalf, (2) action asserting a claim of breach of a fiduciary duty owed to us or our shareholders by any of our directors, officers, employees or agents, (3) action asserting a claim arising out of or pursuant to the Delaware General Corporation Law (the “ DGCL ”) or our certificate of incorporation or bylaws, or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware or (4) action asserting a claim governed by the internal affairs doctrine. Unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America will, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended (the “ Securities Act ”), the Exchange Act, and the rules and regulations thereunder. Neither this provision nor the exclusive forum provision will mean that shareholders have waived our compliance with federal securities laws and the rules and regulations thereunder, but it does mean that our shareholders are deemed to have notice of and have consented to these provisions concerning choice of forum. The choice of forum provision in our certificate of incorporation may limit our shareholders’ ability to bring a claim in a judicial forum that they find favorable for disputes with us or any of our current or former directors, officers or shareholders, which may discourage lawsuits with respect to such claims. Additionally, a court could determine that the exclusive forum provision is unenforceable. If a court were to find the choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable to an action in which we assert the choice of forum, we could incur additional costs associated with resolving the action in other jurisdictions, which could have a material adverse effect on our business, financial condition and results of operations. Our certificate of incorporation limits the personal liability of our directors for breaches of fiduciary duty. Our certificate of incorporation contains provisions permitted under the DGCL relating to the liability of directors. These provisions eliminate a director' s personal liability to the fullest extent permitted by the DGCL for monetary damages resulting from a breach of fiduciary duty, except in circumstances involving: • any breach of the director' s duty of loyalty; • acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; • under Section 174 of the DGCL (unlawful dividends); or • any transaction from which the director derives an improper personal benefit. **Additionally, as permitted by Delaware law, we intend to ask our shareholders to approve amending our certificate of incorporation to include provisions similar to those described above eliminating, in certain circumstances, our officers' personal liability for monetary damages resulting from breaches of fiduciary duty.** The principal effect of the limitation on liability provision is that a shareholder cannot prosecute an action for monetary damages against a director unless the shareholder is able to demonstrate a basis for liability for which indemnification is not available under the DGCL. These provisions, however, should not limit or eliminate our rights or any shareholder' s rights to seek non- monetary relief, such as an injunction or rescission, in the event of a breach of a director' s fiduciary duty. These provisions do not alter a director' s liability under federal securities laws. The inclusion of this provision in our certificate of incorporation could discourage or deter shareholders or management from bringing a lawsuit against directors for a breach of their fiduciary duties, even though such an action, if successful, might otherwise have benefited us and our shareholders. ~~ITEM 1B. UNRESOLVED STAFF COMMENTS~~