



Sylvamo UK Tax Strategy



Pursuant to sections 161 and 19(2) of Schedule 19 of the 2016 Finance Act, Sylvamo UK Limited (“Sylvamo UK”), formerly known as International Paper (UK) Limited, is herewith publishing an outline of its tax strategy.

The company has changed its name in response to the global spinoff of its printing papers business by International Paper. As of October 1, 2021, the ultimate parent of Sylvamo UK is Sylvamo Corporation (“Sylvamo”, “the Company”). Sylvamo is a publicly-traded company, listed on the New York Stock Exchange and includes in its organizational structure companies within and outside of the US operating in the printing papers business. Sylvamo UK is one of the legal entities which is part of Sylvamo organization.

Sylvamo relies on a set of core values that are solid, enduring and time-tested which are applied across all business functions, including tax. Sylvamo is committed to doing what is in the best interest of our shareholders, the company, and our employees. We are each individually accountable for faithfully following the laws that apply to Sylvamo. Wherever we operate, we uphold the highest ethical standards of conduct on the job. We pride ourselves in operational excellence, and exercise integrity when managing the information and assets that are at the heart of our business.

Sylvamo has a Corporate Ethics Office and employees are periodically required to reaffirm, in writing, their commitment to the Code of Conduct. We are committed to doing the right things, in the right ways, for the right reasons.

Sylvamo Worldwide

Sylvamo is one of the world’s leading producers of printing and writing papers. Sylvamo’s primary product is uncoated paper. The Company produces papers for use in copiers, desktop and laser printers, digital imaging. End-use applications include advertising and promotional materials such as brochures, pamphlets, greeting cards, books, annual reports and direct mail. Uncoated papers also produces a variety of grades that are converted by our customers into envelopes, tablets, business forms and file folders. Headquartered in Memphis, Tennessee, USA, Sylvamo employs approximately 7,000 people worldwide, with mills located in Europe, Latin America, and North America, serving customers around the globe.



Sylvamo in the UK

Sylvamo UK is part of the Company's European, region. Sylvamo Europe with its regional headquarter in Brussels, Belgium, employes approximately 2,500 people and operates two pulp and paper mills in France and Russia along with forestry operations in both countries, a shared services center in Krakow, Poland as well as sales offices throughout the region. Sylvamo UK is the Company's operating unit in the UK.

Sylvamo UK's main activity is the distribution in the UK and Ireland of printing papers and other fiber-based products that are manufactured by Sylvamo mills located in Brazil, France and Russia as well as business communication related thereto. Sylvamo UK aims to provide to its customers a broad portfolio of papers for a multitude of uses and applications for the office and commercial printing.

Tax risks and their management

The standards set forth in Sylvamo's Code of Conduct apply in all countries in which Sylvamo conducts business. Sylvamo in the UK is committed to effectively manage tax risks in compliance with its Code of Conduct and all applicable rules and regulations. All tax and finance professionals at Sylvamo are committed to observe the respective applicable laws and to act within the standards set by the internal Code of Conduct.

Moreover, as an affiliate of a US public company, Sylvamo UK must also comply with all applicable financial policies, internal controls, processes and audit procedures such that, amongst others, potential risks, including tax risks, can to the extent possible be identified and properly addressed as the case might be. Sylvamo's VP of Tax reports on these topics to the Audit Committee of the Board of Directors.

Sylvamo in the UK continually reviews its tax obligations through a periodic control and reconciliation of tax accounts, the monitoring of legislative and regulatory developments, managing relationship with tax authorities and seeking advice from tax advisory firms when needed.



The key role and responsibility in terms of tax compliance and controls lie with the Controller of Sylvamo UK while the ultimate accountability resides with Sylvamo's VP of Tax.

Attitude towards tax planning

Sylvamo UK manages its affairs in a generally tax efficient manner and seeks external tax advices to confirm, when necessary, that operations and transactions comply with tax laws and regulations.

Relative to the size, reach and complexity of the Sylvamo organization globally, the Sylvamo UK operations are modest in size and principally centered on routine activities for the distribution and marketing of paper products manufactured by Sylvamo mills in a number of countries outside of the UK.

Against this background, the main point of attention from a tax point of view for the UK entities is to ensure that transactions with Sylvamo affiliated companies meet OECD principles, relevant transfer pricing documentation is in place and that benchmarking studies are being undertaken.

Approach towards dealings with HMRC

Sylvamo in the UK maintains a good and professional working relationship with Her Majesty's Revenue and Customs (HMRC). Sylvamo UK undertakes all necessary actions to comply with UK laws and regulations in a professional and timely manner. Sylvamo maintains an open and constructive dialogue with tax authorities and other governmental bodies that is built on respect and trust.

By way of illustration, Sylvamo UK possesses a Certificate of Authorized Economic Operator (AEO) granted by HMRC in 2017 thanks to a good dialogue and further to a review of Sylvamo UK's operations by HMRC.