

Policy Name:	Global Fiber Procurement Policy
Effective Date:	Dec. 16, 2021
Last Reviewed Date:	Dec. 16, 2021
Version 1.0 Date:	Dec. 16, 2021
Appendix:	See Below Appendix for Additional Information on Policy

APPENDIX

To ensure and maintain full implementation of its fiber sourcing policy, Sylvamo will:

- Fully participate in annual third-party fiber sourcing audits necessary for compliance with currently held Chain of Custody certifications (FSC, SFI, PEFC, etc.)
- Apply the standards set forth in Sylvamo's Third Party Code of Conduct to maintain compliance with all applicable laws and regulations among its suppliers
- Identify and investigate potential violations of Sylvamo's Third Party Code of Conduct; if it is determined that a violation has occurred, Sylvamo will take corrective actions including but not limited to:
 - Work with offending suppliers to resolve issue; provide training and other resources to help supplier reach compliance
 - Renegotiate contract terms
 - Terminate contract and end buyer-supplier relationship; place supplier and related entities on internal supplier alert list
- Conduct due diligence through application of internal risk assessment procedures for new suppliers
 - Risk assessed in areas related to business conduct & ethics, sustainability performance, environmental management, health & safety, operations, supplier network & sourcing, reputation, cyber security, and finance
 - Suppliers deemed medium or high risk are subject to ongoing performance monitoring
- Maintain origin identification and traceability systems (ex., GIS) for compliance with Chain of Custody certifications and company sourcing policy
- Regularly assess and report ESG performance, including in areas related to fiber procurement and sourcing commitments

DEFINITIONS

Sustainably Managed Forests

Sylvamo's pursuit of sustainable forest management is aligned with the concept as described by the United Nations Food & Agriculture Organization (UNFAO), which is to maintain and enhance the economic, social and environmental values of all types of forests, for the benefit of present and future generations.

Endangered or Threatened Species

Species that meet the IUCN (2001) criteria for Vulnerable (VU), Endangered (EN) or Critically Endangered (CR), and are facing a high, very high or extremely high risk of extinction in the wild. These categories may be re-interpreted for FSC purposes according to official national classifications (which have legal significance) and to local conditions and population densities (which should affect decisions about appropriate conservation measures).

(Source: Based on IUCN. (2001). IUCN Red List Categories and Criteria: Version 3.1. IUCN Species Survival Commission. IUCN. Gland, Switzerland and Cambridge, UK.).

Source: FSC-STD-01-001 V5-2

Illegally Harvested or Acquired

Wood that has been harvested in violation of any and all laws applicable to harvesting in that location or jurisdiction including the acquisition of the harvesting rights from the rightful owner; the harvesting methods used and the payment of all relevant fees and royalties.

Source: FSC-STD-20-012 V1-1

High Conservation Value (HCV)

Any of the following values:

- HCV1 - Species Diversity: Concentrations of biological diversity including endemic species, and rare, threatened or endangered species, that are significant at global, regional or national levels.
- HCV 2 -Landscape-level ecosystems and mosaics. Intact forest landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.
- HCV 3 -Ecosystems and habitats. Rare, threatened, or endangered ecosystems, habitats or refugia.

- HCV 4 -Critical ecosystem services. Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.
- HCV 5 -Community needs. Sites and resources fundamental for satisfying the basic necessities of local communities or Indigenous Peoples (for example for livelihoods, health, nutrition, water), identified through engagement with these communities or Indigenous Peoples.
- HCV 6 - Cultural values. Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or Indigenous Peoples, identified through engagement with these local communities or Indigenous Peoples.

Source: FSC-STD-01-001 V5-2

High Conservation Value Areas

Zones and physical spaces which possess and/or are needed for the existence and maintenance of identified High Conservation Values.

Source: FSC-STD-01-001 V5-2

Indigenous Peoples

People and groups of people that can be identified or characterized as follows:

- The key characteristic or criterion is self-identification as Indigenous Peoples at the individual level and acceptance by the community as their member
- Historical continuity with pre-colonial and/or pre-settler societies
- Strong link to territories and surrounding natural resources
- Distinct social, economic or political systems
- Distinct language, culture and beliefs
- Form non-dominant groups of society
- Resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities.

(Source: Adapted from United Nations Permanent Forum on Indigenous Issues, Factsheet 'Who are Indigenous Peoples' October 2007; United Nations Development Group, 'Guidelines on Indigenous Peoples' Issues' United Nations 2009, United Nations Declaration on the Rights of Indigenous Peoples, 13 September 2007).

Source: FSC-STD-01-001 V5-2