

# **SUSTAINABILITY REPORT 2018**





# Table of contents

- 3 ABOUT THIS REPORT
- 4 MESSAGE FROM CHIEF EXECUTIVE OFFICER  
& DIRECTOR OF SUSTAINABILITY AND  
CORPORATE SOCIAL RESPONSIBILITY
- 5 CELLMARK MISSION, VISION, VALUES
- 6 ABOUT CELLMARK
- 7 SUSTAINABILITY STRATEGY AND GOVERNANCE
- 7 RESPONSIBLE BUSINESS
- 8 PEOPLE
- 9 ELECTRONIC DATA
- 9 ENVIRONMENT
- 10 COMMUNITY
- 11 SUSTAINABLE DEVELOPMENT GOALS

# About this report

Published in June 2019, this report covers the sustainability performance of CellMark during 2018. It serves as an accompaniment to our Annual Report, where you can find more information about the company, including our financial returns for the same period.

**REPORTING FRAMEWORK**  
CellMark uses the Global Reporting Initiative’s (GRI) G4 Sustainability Reporting Guidelines to guide our selection of information and improve report quality.

**INTELLECTUAL PROPERTY**  
Included within this report there may appear various websites, registered trademarks, logos, research reports and other forms of intellectual property. Without exception, these are acknowledged as the legal property of their respective owners, whether they appear marked or unmarked.

**TONS**  
We standardize our reporting of metric tons as equivalent to 1,000 kg.

**BEST VIEWED**  
This sustainability report is best viewed using Adobe Acrobat’s PDF-viewer, which can be downloaded free of charge from Adobe’s website.



# Message from CEO

This is my first year as the CEO of CellMark and I feel very happy to be part of an entrepreneurial company that is active with sustainability. When I joined the company earlier this year, I was struck by the strong culture in the company and the many ways that sustainability is woven throughout our DNA: from a business unit dedicated to diverting waste from landfill and traded as a valued commodity, to working with mills who focus on sustainable forestry and our commitment to giving back through the PaperSeed Foundation.

We recognize that doing the right thing is the right thing to do – for our customers, suppliers, employees, service providers and the world in which we all live. We are committed to identifying opportunities to live our Guiding Principles and to continually improve upon our sustainability policy and practice.

**Christer Simrén**  
President & Chief Executive Officer



# Message from Director of Sustainability & Corporate Social Responsibility

I am pleased to share our newest sustainability report with you and hope that you find the work we are doing as engaging as I do. While we are only at the beginning of our sustainability reporting journey, we are excited to build on momentum year after year and to drive continuous improvements across our business.

We look forward to hearing input from all members of the CellMark ecosystem, including employees, customers, business partners, suppliers, and communities. I invite you to provide feedback about CellMark’s sustainability efforts by emailing [sustainability@cellmark.com](mailto:sustainability@cellmark.com).

Thank you for reading our report.

**Aliyya Shelley Mattos**  
Director of Sustainability & Corporate Social Responsibility

# CellMark Vision and Mission

**OUR VISION**  
Our vision is Surpassing Expectations.

**OUR MISSION**  
Our mission is to deliver products, services and solutions to the world market.



# Our Guiding Principles

- We **empower** each other to be creative and decisive. We are a company of global entrepreneurs where we generate ideas and welcome change.
- We **care** about the future welfare, health and well-being of our people, our business partners, and the communities where we are present.
- We **build** strong, agile teams of dedicated people with a results-oriented work ethic to align towards common goals.
- We develop **long-lasting** relationships while having fun.

**“CellMark’s Guiding Principles are the bedrock of all our actions. Integrity is the foundation of our relationships, with each other and with our business partners.”**

- We **are supportive**, promote open dialogues and treat each other with respect. We celebrate our accomplishments and learn from our experiences.
- We **develop** tools, training and guardrails to facilitate **sustainable growth**.



# About CellMark

CellMark's headquarters are located in Gothenburg, Sweden. CellMark is a privately-held supply-chain services and commodity trading company with joint-venture ownership in pellet manufacturing and recycling operations in Canada, Jamaica, the United States and Vietnam.

## CELLMARK HAS EXPERTISE IN THE FOLLOWING AREAS:

- Sales & Marketing
- Logistics & Customer Services
- Financial Services
- Regulatory & Compliance Support
- Custom Manufacturing & R&D



**“We empower each other to be creative and decisive. We are a company of global entrepreneurs who generate ideas and welcome change.”**



## Sustainability Strategy and Governance

The sustainability strategy of CellMark is built upon a foundation of core values, ethical business dealings and trust, which have been established over the past 35 years. The company was founded in 1984 by a group of young entrepreneurs looking to improve upon business operations and offerings without sacrificing culture. This sentiment continues today and is present throughout our many offices, global operations and charitable activities.

In 2017, CellMark began a process to formalize our understanding and reporting of sustainability within our operations and business units. We undertook a sustainability strategy-setting process and materiality assessment with third-party sustainability consultants that focused on issues of the highest priority to our wide range of

stakeholders. We are cognizant that we are still at the beginning of our journey and are seeking out appropriate metrics and targets to help us monitor our progress as we continue to refine the work that lays ahead.

At CellMark, the governance of sustainability is a shared responsibility between the Board of Directors, Management Team and the Director of Sustainability, along with a cross-functional sustainability task force.

**“CellMark’s Guiding Principles are the bedrock of all our actions. Integrity is the foundation of our relationships, with each other and with our business partners.”**

## Responsible Business

### ANTI-BRIBERY, ANTI-CORRUPTION, FRAUD

CellMark takes the threat of bribery, corruption and fraud seriously. Compliance is at the heart of our governance structure and the CellMark Board of Directors Audit Committee supports the board in all compliance matters (in particular risk management, internal controls, internal audit) and regarding financial reporting and external audits. The Compliance Manager is a member of the Audit Committee.

During 2018, CellMark published our updated Code of Conduct, outlining expectations for doing business with and for us. We encourage you to take a moment to become familiar with the acceptable behaviors outlined therein.

During this year we also saw the first full year of our new whistleblower platform and responded swiftly and effectively to all whistleblower reports which arose.

Our Sanctions Policy and underlying processes are working effectively, with no sanctions issues during 2018, and the company continues to be responsive to changing sanctions regulations. Sanctions checks are one important element of the new Counter-party Evaluation process, which is planned to be established in 2019.

We continue to prioritize internal controls and have trained staff in most of our large offices on the evolution of those controls. Our training will continue, and during 2019 we will publish an updated Anti-Bribery, Anti-Corruption and Fraud policy.



**“We develop tools, training and guardrails to facilitate sustainable growth.”**





# People

We believe that engaged and effective employees are what sets our company apart, and our people are our biggest asset. CellMark uses the Great Place to Work™ Survey as a tool to listen to employees, share perceptions and explore trends across our company. During 2018, we were fortunate to have 91% participation in our Great Place to Work™ Survey.

## Taking everything into account, 83% of our employees would say that CellMark is a great place to work.

Last year, we launched a new career platform for all new hires to enable us to be more efficient and also, fully compliant with the personal data of our applicants and employees’ confidentiality. Further, to support all employees reaching their full potential throughout their time at CellMark, we have implemented the CellMark Academy for professional development and training across our organization.

In our ambition of supporting and strenthening our employees and our business, we annually hold development and goal conversations where we set targets and monitor progress towards growth. This is an opportunity for us to identify competence development needs and live our guiding principles.

## “We develop long-lasting relationships while having fun.”

Analysis of our employment data shows us that we have a balanced distribution of female and male employees in our company, though the balance in upper levels of management could be improved upon.

### THE GREAT PLACE TO WORK™ TOP 10

- This is a physically safe place to work. **96 %**
- I can recommend our products and services. **93 %**
- Management trusts people to do a good job without watching over their shoulders. **89 %**
- This is a friendly place to work. **88 %**
- I’m proud to tell others that I work here. **88 %**
- When you join the company, you are made to feel welcome. **87 %**
- I am able to take time off from work when I think it’s necessary. **87 %**
- Our facilities contribute to a good working environment. **87 %**
- People here are given a lot of responsibility. **86 %**
- I can be myself around here. **86 %**

# Personal Data

We are General Data Protection Regulation (GDPR) compliant and take the protection of our data, and that of others, very seriously.

During 2018, CellMark developed new policies around how we manage with data, including:

- Web personal policy
- New employment and recruitment data
- Business partner data
- New intracompany agreement – how we handle personal data between offices

We set new information security policies and have made it possible for individuals to access more clearly the type of data that we retain and share about them.

We perform dry runs on a regular basis in order to test our processes and routines.

CellMark employees in Europe have all received training about GDPR.

The company keeps a database where we track agreements with outside vendors about how they handle data for our employees, and ensure that this is also GDPR complaint.

Without exception, we save data as long as it has a need and we destroy it once that purpose has been fulfilled.

## “We build strong, agile teams of dedicated people with a result-oriented work ethic to align towards common goals.”

# Environment

CellMark maintains the following certifications:

### ISO 9001

CellMark has a Quality Management System certified by Scandinavian Business Certification (SBcert). It is in accordance with the ISO 9001 standard.

### FSC

The Forest Stewardship Council® is an independent, non-governmental, non-profit organization established to promote the responsible management of the world’s forests. For further information, please see [www.fsc.org](http://www.fsc.org)

### PEFC

The Programme for the Endorsement of Forest Certification (PEFC) promotes sustainable forest management — environmentally, socially beneficial and economically viable management of forests for present and future generations through independent third-party forest certification. For further information, please see [www.pefc.org](http://www.pefc.org)

### NACD

The National Association of Chemical Distributors (NACD) is an international association of chemical distributors and supply chain partners who process, formulate, blend, re-package, warehouse, transport and market chemical products. Members are committed to product stewardship and responsible distribution in every phase of chemical storage, handling, transportation and disposal. For more information, please see [www.nacd.com](http://www.nacd.com)

### ENPLUS

In order to offer the same wood pellet quality all over Europe, new European standards for solid biomass fuels were introduced in 2011. They include a standard for wood pellets (EN-14961-2), which ENplus helps to implement all over throughout Europe. The ENplus quality seal accounts for the whole wood pellet supply chain – from production to delivery to the final customer, therefore ensuring high quality as well as transparency. For more information, please see [www.enplus-pellets.eu/](http://www.enplus-pellets.eu/)

### CCOF

CCOF is a nonprofit organization that advances organic agriculture for a healthy world through organic certification, education, advocacy, and promotion. CCOF envisions a world where organic is the norm. For further information, please see [www.ccof.org](http://www.ccof.org).







# Community

CellMark Cares is the corporate social responsibility program at CellMark and includes:

- Employee volunteering.
- CellMark Cares donations to charities of employee’s choosing.
- Support of PaperSeed.

**“We care about the future welfare, health and well-being of our people, our business partners, and the communities where we are present.”**

## CellMark believes in the power of education to break the cycle of poverty.

Since 2011, CellMark has underwritten the operations and administration of the PaperSeed Foundation to allow 100% of all donations to directly improve the lives of children and young people around the world. Over this time period, CellMark has helped improve the lives of over 600,000 children and young people in resource-lacking communities around the world.

# Sustainable Development Goals

CellMark works in support of the United Nations Sustainable Development Goals.

### QUALITY EDUCATION

CellMark is a partner of the PaperSeed Foundation, underwriting all operations and administrative expenses of the foundation enabling 100% of donations to go directly to helping kids. During 2018, with CellMark’s support, the PaperSeed Foundation worked to strengthen the education of 230,000 children in 9 countries.

### AFFORDABLE AND CLEAN ENERGY

CellMark Energy is a global leader in the production, trade and proliferation of biomass-based alternative fuels and waste-to-energy commodities. Further, in our lignosulphonate commodity trading, CellMark supports reduced energy usage in the production of ceramics and clay bricks, coal briquettes and recycled paper.

### SUSTAINABLE CITIES AND COMMUNITIES

Recycling is one of our core business areas. We strive to keep waste in the recycling stream and out of landfill. We operate four recycling plants in North America and two further plants as joint ventures. Our commitment to creating sustainable cities can be seen in the 2,312,947 tons of recycled products were sources and traded globally in 2018.

### LIFE ON LAND

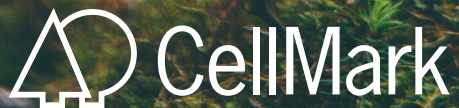
CellMark maintains a broad range of third-party certifications, including those from the Forest Stewardship Council® (FSC®) and the Programme for the Endorsement of Forest Chain of Custody Standards (PEFC). These certifications demonstrate our commitment to sustainable, intelligently managed forestry, which makes trees a renewable resource and keeps the world’s woodlands healthy and productive.

## SUSTAINABLE DEVELOPMENT GOALS

<b>1</b> NO POVERTY 	<b>2</b> ZERO HUNGER 	<b>3</b> GOOD HEALTH AND WELL-BEING 	<b>4</b> QUALITY EDUCATION 	<b>5</b> GENDER EQUALITY 	<b>6</b> CLEAN WATER AND SANITATION 
<b>7</b> AFFORDABLE AND CLEAN ENERGY 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>10</b> REDUCED INEQUALITIES 	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 	<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 
<b>13</b> CLIMATE ACTION 	<b>14</b> LIFE BELOW WATER 	<b>15</b> LIFE ON LAND 	<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS 	<b>17</b> PARTNERSHIPS FOR THE GOALS 	<b>SUSTAINABLE DEVELOPMENT GOALS</b> 



CELLMARK.COM



LILLA BOMMEN 3 C | P O BOX 11927 | SE-404 39 GÖTHEBURG | SWEDEN | +46 31 100 300