

# **SUSTAINABILITY REPORT 2020**



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# About this report

Published in April 2021, this report covers the sustainability performance of CellMark during 2020. It serves as an accompaniment to our Financial Summary, 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

Across the world, 2020 has been a challenging year. With the COVID-19 pandemic impacting our professional and private lives, we have had to adapt to this unprecedented challenge. Our first priority continues to be the health and safety of our employees and our business partners, while maintaining our business to the greatest extent possible. As a company operating in 70-plus offices in 30-plus countries around the world, we know how interconnected the world is, and this global pandemic only confirms this. This has highlighted how important we all must act together across the world to solve our challenges, which not only includes public health issues but also environmental, economic, and social issues.

This is why I am proud and committed to share CellMark's 2020 Sustainability Report with you. Our actions in these areas not only impact our employees, business partners, and the communities we operate in but also the entire world. This is why we work with certified suppliers focused on sustainable forestry, are a member of the National Association of Chemical Distributors, and committed to product stewardship and responsible distribution in every phase of chemical storage, handling, transportation, and disposal, and divert tons of waste from landfill to recycling each year.

Through our continued partnership with the PaperSeed Foundation, we helped over 279,000 children in six countries get a better education. In September, CellMark employees also helped raise over \$15,000 by participating in a virtual Run to Raise. All funds raised via registration and fundraising efforts were given to select non-profit organizations serving children during the COVID-19 crisis. And since the inception of our CellMark Cares donation program in 2019, we have supported 163 non-profit organizations in Belgium, Bulgaria, France, Germany, Greece, Ireland, Japan, Mexico, Poland, Spain, Sweden, Turkey, United Kingdom, United States of America, and Vietnam, chosen by our employees.



2020 has underscored how connected our world is, and we understand that our decisions as a company affect not only our employees and business partners but the entire world. That is why we will continue to improve our sustainability policies and practices, in order to make a positive impact around the world.

**Christer Simrén**  
President & CEO

*Our first priority continues to be the health and safety of our employees and our business partners, while maintaining our business to the greatest extent possible.*

*I am hopeful that the interconnectivity highlighted by the pandemic will inspire us all to build back a better, more inclusive, and environmentally focused global economy.*

## Message from Director of Sustainability & Corporate Social Responsibility

Without any doubt, the world looks very different this year than in years past. Amidst the tremendous upheaval and numerous challenges around the world, there have been bright spots of humanity that have inspired and informed our work. I am hopeful that the interconnectivity highlighted by the pandemic will inspire us all to build back a better, more inclusive, and environmentally focused global economy.

The global pandemic highlighted the need for flexibility and agility, and we are proud that the PaperSeed Foundation moved quickly to initiate a rapid response grant program to support the education of out-of-school children. Our employees also prioritized vulnerable children and young people to receive funds from the company's first Run to Raise virtual race. We continue to assess the business landscape across the CellMark ecosystem with an Environmental, Social, and Governance (ESG) lens and are pleased CellMark AB achieved silver status from EcoVadis once again.

We are committed to deeper partnership with our customers, suppliers, and service providers in support of shared ESG goals and the United Nations' Sustainable Development Goals. Your feedback, stories of success, and suggestions on how to further our sustainability aspirations across our value chain are most welcome and we look forward to working more deeply together.

**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

**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 **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.
- 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 is 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



PULP



PAPER



PACKAGING



CHEMICALS



RECYCLING



BASIC MATERIALS

SIX DIVISIONS

**“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 COVID-19 pandemic challenged global systems in unprecedented ways and while we understand that many challenges remain, we are energized by the opportunity to engage more deeply with our customers, suppliers, and service providers around new ESG initiatives. We look forward to developing shared goals and commitments around the circular economy, resource use, and greater transparency across our supply chain. These areas take work and partnership, and we believe that stakeholder engagement is crucial to our sustainability success.

We continue to work in support of the United Nations’ Sustainable Development Goals across our business, through our core operations, sustainability metrics, and corporate social responsibility programs. We are proud that our sustainability and corporate social responsibility performance was recognized with a Silver rating from EcoVadis again in 2020.



We routinely participate in supply chain and sustainability assessments and eagerly engage our stakeholders for their expertise, recommendations, knowledge, concerns, and priorities.

**“Integrity is the foundation of our relationships, with each other and with our business partners.”**

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.

We remain committed to constantly looking towards higher standards of excellence and responsibility in our policy, practice, and procedures.

# Responsible Business

**ANTI-BRIBERY, -CORRUPTION, -FRAUD**

CellMark takes the threat of bribery, corruption, and fraud seriously. Compliance is at the heart of our governance structure and the CellMark 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 oversees the work of the Audit Committee.

In 2020, we are proud to report that there were no confirmed incidents of corruption or legal action for anti-competitive behavior, anti-trust or monopoly practices.



## CELLMARK ACADEMY

Our whistleblower function is still working well; in 2020, less than 10 reports were received, and none were business related or had a financial impact. We migrated to a new Whistleblower platform in January 2021. The new tool, which is provided by NAVEX Global, is called Ethics Point Incident Management (short: EPIM) and can be accessed on cellmark.com. The new platform allows users to make a new report and follow-up on a previous report.

In order to explain the purpose, importance, and content of our Code of Conduct, we continue to share our Code of Conduct animated video and document with our business partners and are recurrently increasing efforts to ensure the adherence to our policies across our business.

Also, in 2020 the Board of Directors approved and implemented a new Modern Slavery Act Statement. CellMark is committed to the protection of human rights and works in support of the United Na-

tions’ Sustainable Development Goals, which include Goal 8: decent work and economic growth.

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







## People

CellMark is a global company with an engaged and capable workforce. We have created an ecosystem of business from the local to the global thanks to our experienced people, their unique grit, and commitment to surpass expectations. During 2020, CellMark continued to refine our processes in support of our Guiding Principles to further harmonize working between divisions, countries, and cultures.

CellMark Academy, our e-learning platform, continues to hold an important place in supporting our employees' professional development, and we encourage all employees to take advantage of internal training and professional development. CellMark encourages our employees to undertake at least one hour per month of competence development and training and we adhere to the 70-20-10 method of professional development: 70 percent from on-the-job experience, tasks and problem solving; 20 percent from feedback, coaching (formal and informal) and networks; 10 percent from formal classroom courses like e-learning and seminars. For new employees, CellMark Academy has a comprehensive onboarding program where new employees can learn more about CellMark, its history, culture, and business areas.

Our GDPR compliant recruiting platform helps to attract the best talent to our company in a safe, secure, and unified way. The Development & Goal Conversations framework continues to be our tool for performance assessment and feedback, where we discuss future goals, development plans, and wellbeing of our employees. We have mandatory training for all employees and employees must complete Code of Conduct, Know Your Counterpart, Anti-Bribery/Anti-Corruption/Anti-Fraud and Information Security Policy training every two years.

We have a balanced workforce with 52 percent men and 48 percent women, however at the management level we continue to hold ambitions to increase gender equality in decision-making roles across the organization. Women currently make up 37 percent of managers and men comprise 63 percent of managers.

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

CellMark will once again survey the entire company on motivation and engagement using the Great Place To Work Survey® in 2021 and we will use the results to more fully understand of our strengths and development areas. Based on results from our last survey in 2018, we improved and implemented tools to support our employees in their daily work.

## Personal Data

CellMark builds strong, agile teams of dedicated people with a results-oriented work ethic to align towards common goals. We care about privacy and strive to protect personal data in the best possible way, for our people and our partners. CellMark complies with all applicable laws and regulations for the protection of personal data.

During 2020, as countries and cities began responding to the COVID-19 crisis by closing offices and shifting to remote work, we benefitted from the advantages of being well prepared when new regulations came into force. During the pandemic, “business as usual” was tested, and we are proud to have achieved positive results.

Every year, CellMark employees in Europe are required to receive training on data privacy regulation, and employees in all offices are encouraged to participate. Because these trainings are offered digitally, CellMark employees have been to continue to receive training without disruption while working from home.

In 2020, we did not have any substantiated complaints regarding data protection issues and were not subject to any investigations, allegations, or legal actions. There is a dedicated email address (dataprotection@cellmark.com) which is available on our homepage for anyone, including third parties, that is monitored on a daily basis. Employees are informed that they need to forward any form of data protection requests to the Compliance Manager.

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

CellMark is aware of the new data requirements resulting from the European Court of Justice's decision in the “Schrems II” case. We are compliant with these new changes, and our database is frequently updated and contains a full register of all relevant data processes.

CellMark is committed to the data protection principles of lawfulness, fairness, transparency, purpose limitation, data minimization, accuracy, storage limitation, integrity, and confidentiality.

## Community

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

- Employee volunteering and community support.
- CellMark Cares donations to charities of employee's choosing.
- Support of the PaperSeed Foundation.

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

CellMark supports our employees in supporting the communities where they live and work. All employees are eligible to provide \$200 to a qualifying non-profit organization annually. Since the program was initiated in 2019, employees have supported 163 non-profit organizations in Belgium, Bulgaria, France, Germany, Greece, Ireland, Japan, Mexico, Poland, Spain, Sweden, Turkey, United Kingdom, United States of America, and Vietnam.

Further, CellMark has underwritten the operations and administration of the PaperSeed Foundation since 2011 in order to allow 100 percent of all donations to directly improve the lives of children and young people around the world. Over this time period, CellMark is proud to have helped improve the lives of over 1,000,000 children and young people in resource-lacking communities around the world.

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



**PaperSeed** Foundation





# 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, nongovernmental, 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 included a standard for wood pellets, which ENplus® helped to implement all over Europe. The ENplus® quality seal ac-

counts 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).

**OK KOSHER (K)**  
OK Kosher is the world’s leading orthodox kosher certification agency, recognized as the global benchmark for kosher standards and integrity. The OK Kosher mark is one of the world’s best-known trademarks; it immediately and universally increases company marketability, accountability, and kosher acceptability. For more information, please see [www.ok.org](http://www.ok.org).

**QS**  
QS quality scheme for food covers all stages of the food chain. Strict rules apply to all participating companies in Germany and abroad, for example regarding traceability and hygiene. Auditors and independent certification bodies check regularly whether all requirements are met. For further information, please see [www.q-s.de/en](http://www.q-s.de/en).

# Sustainable Development Goals

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

**QUALITY EDUCATION**  
CellMark is a proud partner of the PaperSeed Foundation, underwriting all operations and administrative expenses of the foundation enabling 100 percent of donations to go directly to helping kids. During 2020, with CellMark’s support, the PaperSeed Foundation worked to strengthen the education of 279,000 children in six 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 five

recycling plants in North America and two further plants as joint ventures. During 2020, CellMark extended our partnership with a non-profit in Seattle whose mission is to rehabilitate people struggling with addiction, allowing them to return to their communities as productive members of society. CellMark has helped them turnaround their operations by providing debt financing, hands-on management, training, and support. In the past two years, over 120 people have gone through their program.

Our commitment to creating sustainable cities can be seen in the over 2 million tons of recycled products were sourced and traded globally in 2020.

**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.





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