

SUSTAINABILITY REPORT 2021

Table of contents

- 3 ABOUT THIS REPORT
- 4 MESSAGE FROM OUR CEO
- 6 OUR GUIDING PRINCIPLES
- 7 ABOUT CELLMARK
- 8 SUSTAINABILITY STRATEGY AND GOVERNANCE
- 8 RESPONSIBLE BUSINESS
- 10 PEOPLE
- 12 HEALTH AND SAFETY
- 12 PERSONAL DATA
- 13 IT AND DIGITALIZATION
- 14 ENVIRONMENT
- 15 CERTIFICATIONS
- 16 COMMUNITY
- 17 COVID-19 PANDEMIC ACTIONS
- 18 SUSTAINABLE DEVELOPMENT GOALS
- 19 AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

About this report

Published in April 2022, this report covers the sustainability performance of CellMark during 2021. 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 our CEO

The COVID-19 pandemic continued to be a struggle for the global community, businesses, and people everywhere during 2021. Like the previous year, our first priority was to secure the health and safety of our employees and business partners, while focusing on maintaining our business to the greatest extent possible.

The challenges we met during 2021 have once again highlighted how important it is that we all act together in the effort to solve our global issues related to public health, environment, economy, and society. These issues cannot be resolved by one individual, company, or global player alone – it takes a team. CellMark is proud to be a part of this global team effort. We are aware of our place in the ecosystem of global trade, and we recognize our responsibilities. That is why we continually build our organization around principles of good corporate citizenship, and constantly strive for improvement.

This Sustainability Report is a summary of our sustainability performance during 2021. We continue to work with certified suppliers focused on sustainable forestry. Through our membership in the National Association of Chemical Distributors (NACD), we commit to product stewardship and responsible distribution in every phase of chemical storage, handling, transportation, and disposal. In our recycling business, we divert tons of waste from landfills each year to value-added re-use. Through our consistent and diligent efforts in these areas, we continue to act in support of the United Nations’ Sustainable Development Goals, working to improve our sustainability performance throughout our business operations.

Through our partnership with the non-profit organization PaperSeed Foundation from 2011 to 2021, we have helped 1,223,087 children get a better education. In September, CellMark employees also helped raise additional funds by participating in our virtual activity event, Run to Raise. All proceeds were given directly to the PaperSeed Foundation and its project to provide a library for children in Kenya. We also supported different non-profit organizations globally with funds of \$16,200 USD through the CellMark Cares employee donation program. This effort allows all employees to designate a USD \$200 donation to a non-profit organization of their choosing once each calendar year.

Closing the books on 2021, we are pleased with the progress of our sustainability efforts during the year. Pleased – but certainly not satisfied. We will continue to improve our sustainability policies and practices year after year, constantly being on the lookout for new ways to make a positive impact in the communities where we operate.

Christer Simrén
President & CEO





About CellMark

CellMark is a privately-owned independent marketing and supply chain services company providing products, services, and solutions to the world market. We run six successful international divisions handling the trading and supply of pulp, paper, packaging, recycling, chemicals, and basic materials. We are also developing operations for plastics and biomass for energy.

CELLMARK HAS EXPERTISE IN THE FOLLOWING AREAS:

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

SIX DIVISIONS



PULP



PAPER



PACKAGING



CHEMICALS



RECYCLING



BASIC MATERIALS

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 **are supportive**, promote open dialogues and treat each other with respect. We celebrate our accomplishments and learn from our experiences.
- We **care** about the future welfare, health and well-being of our people, our business partners, and the communities where we are present.
- We **develop** tools, training, and guardrails to facilitate **sustainable growth**.
- 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.

+900 EMPLOYEES **+70** OFFICES
+7 MILLION TONS OF SHIPMENT **+3** COUNTRIES
FOOTPRINT IN MORE THAN 12 MARKETS **+3.6** BILLION USD TURNOVER

Sustainability Strategy and Governance

Environmental, Social and Governance (ESG) is increasingly important for a global company like CellMark. The governance of sustainability is a shared responsibility between the Board of Directors, Management Team, and Vice President of ESG, along with a cross-functional sustainability task force.

In 2021, we executed an internal reorganization allowing us to improve the visibility and performance of ESG issues across the company. We also continued to engage even more deeply with our partners around new ESG initiatives. We believe stakeholder engagement is crucial to our



sustainability success. We welcome the increased requirements of transparency and reporting that are coming from our partners, and we have a comprehensive internal strategy ensuring we continue to be compliant.

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 continue to assess our corporate social responsibility performance with EcoVadis in 21 sustainability criteria across four themes: Environment, Ethics, Labor & Human Rights, and Sustainable Procurement. We are proud that we were recognized with a silver rating from EcoVadis again in 2021.

We routinely participate in supply chain and sustainability assessments and eagerly engage our stakeholders for their expertise, recommendations, knowledge, concerns, and priorities. We remain committed to constantly looking towards higher standards of excellence and responsibility in our policy, practice, and procedures.

Responsible Business

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, particularly concerning risk management, internal controls, financial reporting, and external audits.

Our Anti-Bribery/Anti-Corruption/Anti-Fraud Policy is an important document in our daily operations. On CellMark Academy, our internal e-learning platform, we offer a digital course to educate our employees about the policy. By year-end 2021, 97 percent of all employees had completed the course.



CELLMARK ACADEMY

The Management Team supports the goal of 100 percent completion as soon as possible, and we continuously work to achieve this goal. CellMark Academy also provides employees current information on compliance training, including sanctions checks and counterpart transparency.

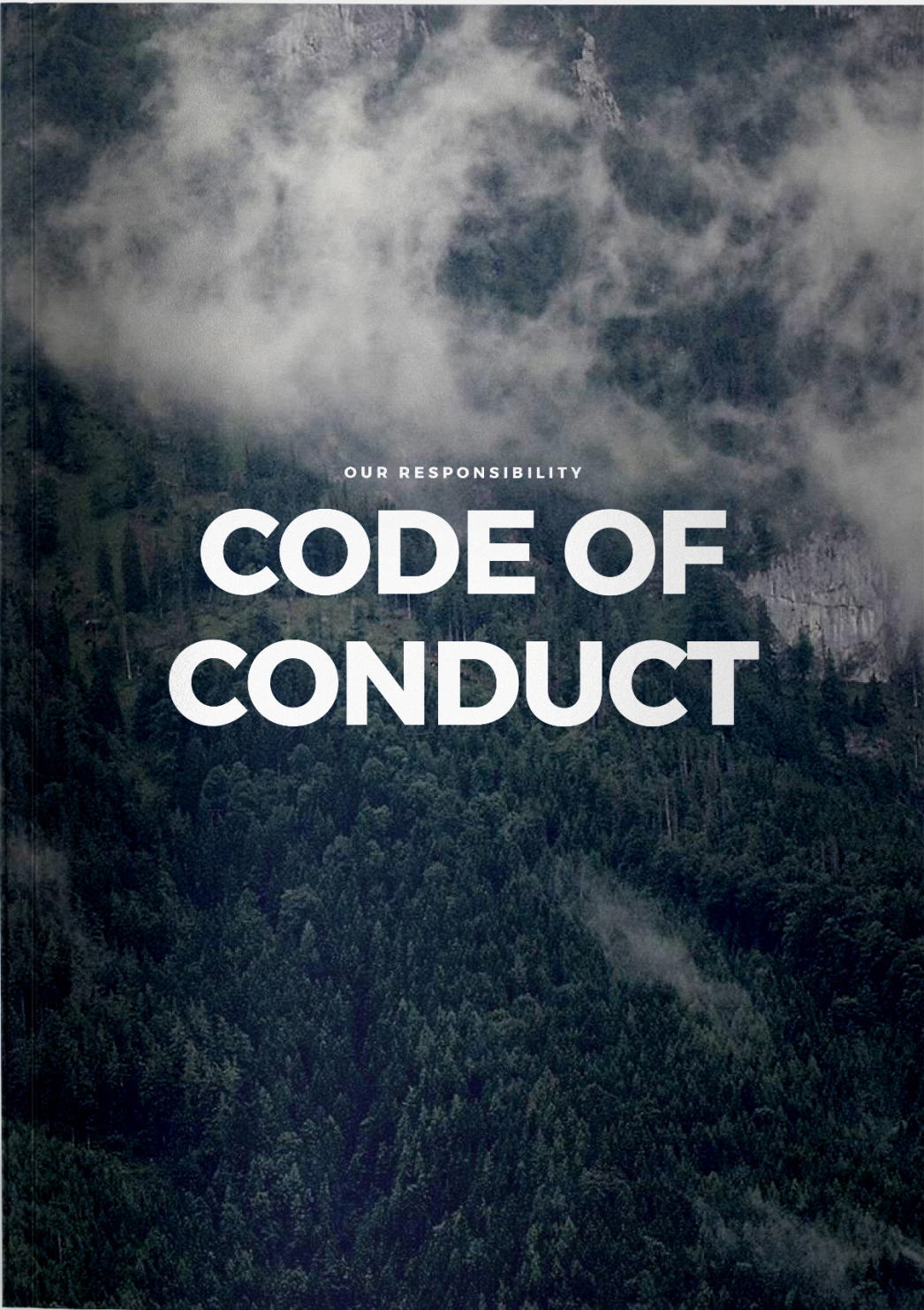
In 2021, we are proud to report that there were no confirmed inci-

dents of corruption or legal action for anti-competitive behavior, anti-trust, or monopoly practices.

Our whistleblower function is still working well. In 2021, only three reports were received, and none were business related, had a financial impact or were related to discrimination, corruption, or information security.

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 recurrently increase efforts to ensure adherence to our policies across our business.

CellMark is committed to the protection of human rights. We support the United Nations’ Sustainable Development Goals, which include Goal 8: decent work and economic growth. We also have a Modern Slavery Act Statement in place that can be found on our website.



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 2021, CellMark continued to refine our processes in support of our Guiding Principles to further harmonize working between divisions, countries, and cultures.

CellMark is a global company with an engaged and capable workforce. We have created an ecosystem of businesses, from local to global, thanks to our experienced people with individual drive and commitment to surpass expectations. During 2021, CellMark’s Strategic Vision Statement continued to drive the refinement of our processes in support of our Guiding Principles, further harmonizing the work between divisions, countries, and cultures.

CellMark Academy, our e-learning platform, continues to hold an important place in supporting our employees’ professional development. We encourage all 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 one can learn more about CellMark, its history, culture, and business areas.

Our privacy-law-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. Here we discuss future goals, development plans, and the wellbeing of our employees. We have internal guidelines in place focusing on learning & development, equity & inclusion, recruitment and other important areas. We have mandatory training for all employees, and everyone must complete these digital training courses every two years: Code of Conduct, Know Your Counterparts, Anti-Bribery/Anti-Corruption/Anti-Fraud Policy, Information Security Policy, GDPR, and Privacy Rights. In 2021, we completed our second round of these courses with a comprehensive follow-up routine to ensure all employees completed the courses as soon as possible.

Mandatory Training Courses

Completion 2021

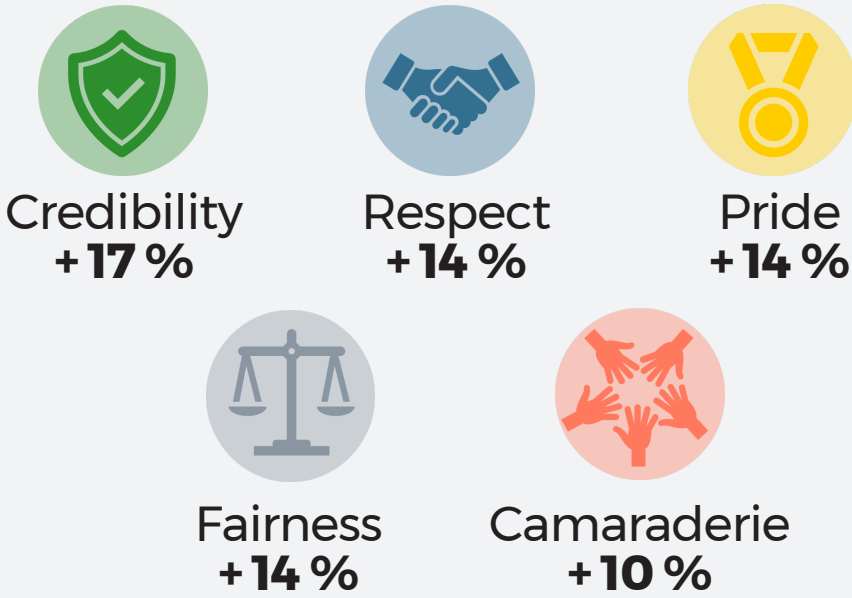
Code of Conduct	90 %
Know Your Counterparts	89 %
Anti-Bribery/Anti-Corruption/ Anti-Fraud Policy	91 %
Information Security Policy	91 %
GDPR	91 %

We have a balanced workforce with 47 percent women and 53 percent men. However, at the management level, our goal is to increase gender equality in decision-making roles across the organization. During 2021, women made up 34 percent of managers and men 66 percent. We continuously work towards gender equality at all levels and measure our progress yearly.

In November 2021, we conducted our fourth Great Place to Work® employee opinion survey with a response rate as high as 89 percent and really strong results. We reached a Trust Index©

of 82 percent and earned a Great Place to Work Certification© in Sweden. The Great Place to Work® survey is an important tool for us to fully understand our strengths, motivation, engagement, and the reported well-being of our associates. We constantly strive to improve the results even more by considering different improvements toward becoming an even greater place to work for all. Compared to the first survey in 2016 and subsequent scores, we have made large improvements in all categories.

Trust Index© +17 %



Great Place to Work® employee opinion survey
Result development since 2016

Health and Safety

Many of our health and safety efforts during 2021 have been related to the COVID-19 pandemic. We have continued to take precautions in all our offices to prevent the spread of the virus and keep our staff safe and healthy. Our people’s well-being is always a top priority.

100 percent of all our employees in the United States are trained on discrimination. We also have policies on discrimination and harassment included in our employee handbook. At our headquarters, we regularly practice how to safely evacuate from the workplace in case of an emergency. Our employees receive training in CPR. Where applicable, we train our employees on the proper use and benefits of personal protective equipment, and we educate locally on internal and external health and safety audits. We comply with

local labor law and our standard work week is five days per week, ensuring employees receive at least 24 hours of rest during a seven-day period, though we recognize and take account of the inevitable pressures and workload inevitably associated with providing exceptional levels of service in a global, competitive business.

Our target for work-related accidents and injuries is 0 percent, which means we were very close to our goal in 2021, reporting a result of only 0,7 percent work-related accidents per total number of employees for the year. In actual numbers, this means five cases. Our target for work-related fatalities is 0 – a goal that was entirely fulfilled during 2021. For all accidents, injuries, and fatalities we have strict routines that must be followed. For each injury or accident, a separate report and mitigation plan is to be set and in case of any fatality, a specific report shall be filed, and potential risk mitigation actions shall be taken based on the conclusions made.

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 has the ambition to comply with all applicable laws and regulations for the protection of personal data.

With the COVID-19 pandemic still very active during 2021, we continued to have many offices closed and people working remotely from home. We launched new training courses in GDPR and other privacy laws on our e-learning platform, CellMark Academy. These courses were mandatory for all employees to complete. As our training courses are available digitally, all employees were able to complete this training without disruption while working remotely.

During the year, we did not have any substantiated complaints regarding data protection issues and were not subject to any investigations, allegations, or legal actions. We have a dedicated email address (dataprotection@cellmark.com) which is monitored daily and is available on our website for anyone, including third parties.

Employees are informed that they need to forward any form of data protection request to this email address.

CellMark is committed to the data protection principles of lawfulness, fairness, transparency, purpose limitation, data minimization, accuracy, storage limitation, integrity, and confidentiality. We are aware of the data requirements resulting from the European Court of Justice’s decision in the “Schrems II” case. We are compliant with these changes, and our database is frequently updated and contains a full register of all relevant data processes. We stay current on new privacy laws and adapt our routines accordingly.



IT and Digitalization

In 2021, we have consciously taken several IT actions with the purpose of making our daily business more sustainable for our people with a global view. In 2020, when business operations were threatened globally from the impacts of the COVID-19 pandemic, we rapidly had to make sure that we had tools and equipment in place that enabled us to transfer to remote work. In 2021, we have continued this transition even further. We recognized that a flexible way of working benefited both the environment and the health of our people. Working remotely has lessened the need for travel and commuting and has given our employees a better work-life balance.

During the year, we used an external IT education firm to provide interactive micro-training in cyber security awareness. It is highly important to educate our employees on how to protect our company from fraud, infringements, and cyber-attacks.

We also executed several successful server migrations to the Cloud. This action generated not only better connectivity and fewer equipment purchases for our company, but also decreased the use of electricity when our need for significant cooling of server rooms ceased. This was a long-term action toward future sustainability.

Environment

As a large global company, we have an extensive responsibility for the impact our business has on the environment. We have responsibilities in what we consume in terms of products and services, but also on the commodity we trade. CellMark shall comply with all applicable environmental regulations, work to support the United Nations’ Sustainable Development Goals, and ensure that all our employees are aware of our company’s environmental commitment.

RECYCLING

Recycling is one of our core business areas, and we strive to keep waste in the recycling stream and out of the landfill. We operate seven recycling plants in North America, of which two are joint ventures representing over 300,000 tons of recyclables per year. In 2021, our contract commenced with Charleston County, South Carolina to operate their new state-of-the-art Materials Recovery Facility which processes over 40,000 tons per year.

CARBON EMISSIONS

CellMark is a supply chain services company working with different customers and suppliers all over the world. We partner with numerous of major shipping lines, forwarding companies, terminals, and haulers. Our business sectors are diverse covering pulp, paper, packaging, recycling, chemicals, and basic materials. That being said, it is difficult to track our carbon emissions, and unfortunately, we do not currently have one software solution for the entire company across geographies. We are currently exploring the possibility to move our divisions into using one application system, and to train our employees on how to input data to track our carbon emissions.

Most of our employees work in an office building or at home and most of our facilities are rented. Our use of fuel, gas, and electricity is low. The gas we use is to heat or cool a building, and the electricity that we use is to run our office buildings, including powering lights and computers, printers, and photo-copy machines. When we establish new sites or when we relocate sites, we strive for selecting office spaces with good energy ratings.

In December 2021, we implemented a policy stating that henceforth all new CellMark company and leased cars in Sweden will be electric cars only. We find this an important action to support the reduction of emissions, and we will strategically work to implement this policy in other CellMark offices where our employees are eligible to lease company cars. We also encourage our employees to always replace travel with online meetings where relevant. When we are in a position of selecting between air, truck, sea, or train to transport the commodity we trade, we hold ambition to use the most environmentally friendly alternative available.



Certifications

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.

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.

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.

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 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.

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.

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.

SBP

The Sustainable Biomass Program (SBP) is a certification system designed for woody biomass, mostly in the form of wood pellets and woodchips, used in industrial, large-scale energy production. SBP has developed a certification system to provide assurance that woody biomass is sourced from legal and sustainable sources. For further information, please see www.sbp-cert.org.

GREAT PLACE TO WORK®

Great Place to Work® is an independent consulting firm with the mission to help organizations become a great place to work for all. CellMark earned a certification from Great Place to Work® valid for the period of October 2021 to September 2022. For further information, please see www.greatplacetowork.se.



Community

CellMark Cares is the corporate social responsibility program at CellMark. During 2021, social efforts have included:

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

CellMark supports our employees in supporting the communities where they live and work. All employees that have worked for CellMark for more than one year are eligible to designate a USD \$200 donation to a qualifying non-profit organization annually. Since the program was initiated in 2019, employees have supported 182 non-profit organizations in Belgium, Bulgaria, Canada, 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. This underwriting effort allows 100 percent of all donations to directly improve the lives of children and youth. During the past ten years, CellMark is proud to have helped improve the lives of over 1.2 million children and young people in deprived communities around the world.

During the year, PaperSeed Foundation’s grants made a considerable difference for many children affected by the pandemic.

PaperSeed partnered with ZanaAfrica on the Tuboreshe Nia school programs in Kilifi, Kenya, delivering sexuality education and sanitary pads to 3,600 youths across ten local schools. The need for reproductive and mental health education and trauma support was significantly greater than expected at the start of the pandemic. The Nia program fostered a more dignified existence for many girls during menstruation and increased knowledge on how to protect against sexually transmitted diseases.

Due to the COVID-19 pandemic, school closures were prevalent and online lessons became the new mode in many parts of the world. This caused problems in many communities where the technology standard is low. During 2021, PaperSeed participated in projects providing new computer equipment to schools in Morocco and Guatemala, strengthening distance learning and digital access for girls and helping them respond to the changing educational climate.

Moreover, PaperSeed partnered with the local non-profit organization Filling in the Blanks, providing gift certificates to low-income and food-insecure families in Connecticut to purchase meals from local restaurants. In the United States, school-age children from low-income families receive most of their nutrition from school-provided breakfast and lunch services. The COVID-19 crisis pushed this issue to its breaking point, as families were doubly hit by the loss of school-provided meals.



COVID-19 Pandemic Actions

When the pandemic hit in 2020, we acted quickly by implementing remote work in most of our locations, moving to home offices. As the vaccine became more available in 2021, the pandemic situation was slightly more stable in many parts of the world. Where feasible, we transferred many of our employees back into office settings.

This transfer required a comprehensive plan of precautions to avoid the virus in the workplace. We had safety protocols, strict routines, and plenty of hand sanitizer in all our offices. Where applicable, we provided additional equipment and protection based on local requirements, e.g., masks and temperature scanners. We also had standards in place to monitor the number of employees working in these offices. On our e-learning platform, CellMark Academy, we offered a training course on remote work to assist all associates on being productive under these circumstances.

We continued to move meetings online and, like other global companies, business travel was almost entirely suspended. Post-pandemic,

we are strategically studying how to continue this new way of effectively working. We learned that traveling is not essential for all our business, so reducing travel is another way for us to contribute to the reduction of our overall carbon footprint.

CellMark was pleased to be in the unique position to take an active role in the rapid development of the first COVID-19 vaccine. To transport genetic material to target cells, vaccine developers enveloped spike proteins in lipids to form nanoparticles. Lipids are the unsung component of the vaccines as they allow even disbursement throughout the human body. CellMark was a supplier of a key ingredient used to develop these lipids and was able to cooperate with our pharmaceutical partners from the beginning.

Another COVID-19 effort is the direct donation of USD \$50,000 to the non-profit organization Global India Fund. This dedicated group works to ensure that COVID-19 vaccines are equitably distributed among marginalized and vulnerable individuals in hard-to-reach communities in India.



Sustainable Development Goals

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

QUALITY EDUCATION

During 2021, CellMark was 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. Through our partnership from 2011 to 2021, we have helped more than 1.2 million children get a better education.

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 the landfill. We operate seven recycling plants in North America, of which two are joint ventures representing over 300,000 tons of recyclables per year. In 2021,

our contract commenced with Charleston County, South Carolina to operate their new state-of-the-art Materials Recovery Facility which processes over 40,000 tons per year. In addition, we continued our partnership with a nonprofit in Seattle whose mission is to rehabilitate people struggling with addiction, by providing them work therapy in which to learn general job skills and responsibilities, enabling them to become productive members of the community. CellMark has helped them turnaround their operations by providing them debt financing, hands-on management, training, and support.

Our commitment to creating sustainable cities can be seen in the over 2 million tons of recycled products that were sourced and traded globally in 2021.

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.



Auditor’s opinion regarding the statutory sustainability report

To the general meeting of the shareholders in CellMark AB, corporate identity number 556244-2433.

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the sustainability report for the year 2021 and that it is prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE EXAMINATION

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 *The auditor’s opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION

A statutory sustainability report has been prepared.

Gothenburg, April 4, 2022

Filip Larsson
Authorized Public Accountant
KPMG AB

Johan Pauli
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