

A close-up photograph of several stacked logs, showing the circular cross-sections of the wood. The wood has a warm, golden-brown tone and visible growth rings. Some logs have cracks or splits in them. The background is dark, making the wood stand out.

# **SUSTAINABILITY REPORT 2022**



**CellMark**



# About this report

Published in May 2023, this Sustainability Report provides information about CellMark’s ESG performance during 2022. It complements the Group’s Annual Report and serves as an accompaniment to the Financial Summary, where more information about CellMark can be found (including the financial results for the same period).

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# Message from our CEO

As a supply chain company with a global footprint, CellMark has significant direct and indirect economic, environmental, and social impacts throughout its value chain. Focusing on our mission to deliver products, services, and solutions to the world market, we generate economic and sustainable value.

In line with our vision, “Surpassing Expectations”, and our observance of international guidelines regarding environment, human rights, and business ethics, our intention is to expand the Group’s contribution to the social, economic, and environmental ecosystem.

Despite the uncertain global economic environment, due to global health, geopolitical, and economic challenges, CellMark achieved its best year ever in 2022 in terms of economic performance. This accomplishment was thanks to our excellent employees and our good relationships with our business partners. However, macroeconomic and political trends are still expected to be challenging in 2023, which may impact the Group’s economic, social, and environmental performance.



From an ESG & Compliance perspective, in 2022, CellMark

- continued to assess the business landscape across the CellMark ecosystem with an Environmental, Social, and Governance (ESG) lens
- clarified its approach to ESG & Compliance
- established a clear governance process regarding ESG & Compliance matters.

Compared to previous years, we also enriched this 2022 Sustainability Report with additional information and data in all ESG areas. We recognize the expanding reporting requirements within this subject, and we are pleased to share our ESG journey on an even larger scale going forward.

As illustrated in the following pages of this report, among our priorities for the future is our ambition to

- keep developing value creation throughout the supply chain
- ensure safety and well-being for all our colleagues
- further strengthen our partnership with our customers, suppliers, and service providers in support of enhanced ESG goals
- support the communities in which we work
- strive to manage the environmental impact of our activities and participate actively in the circular economy through the Group’s recycling activities.

Short-term, we will focus on the following strategic priorities and key topics:

- The Group’s communication with its stakeholders.
- Implementing the Code of Conduct for Business Partners in all relevant agreements.
- Enhancing the existing processes and tools we use to

assess our business partners.

- Operationalizing our corporate policies, directives, and guidelines.
- Further developing awareness and communication in the fields of ESG & Compliance, including regarding the Group’s guiding principles and speak up culture.

In parallel, we are also committed to further improving our reporting process in preparation for the forthcoming non-financial reporting regime applicable to CellMark as of FY 2025, per the Corporate Sustainability Reporting Directive.

Closing the books on 2022, we are pleased with the increased ESG & Compliance focus that we implemented on all company levels during the year. We continue to live and work in accordance with our Guiding Principles and operate our business with a high degree of ethics and an increased level of sustainability awareness within the Group.

**Christer Simrén**  
President & CEO

## A creative and proactive approach to ESG

As an independent and truly international marketing and supply chain services company, CellMark provides products, services, and solutions to customers and suppliers all over the world.

CellMark takes sustainability extremely seriously and considers Environmental, Social, Governance, and Compliance performance to be of vital importance throughout the Group. CellMark’s vision of “Surpas-

sing Expectations” requires that we further improve our sustainability practices and performance year after year.

This Sustainability Report is a summary of our sustainability achievements during 2022. It focuses on the Group’s material ESG challenges and opportunities. Through consistent and diligent efforts, we improved our sustainability performance throughout our business operations and recognise that we have further to go.

With a view to continuously achieving its business objectives and acting responsibly, CellMark strives to implement a creative and proactive approach to ESG while safeguarding compliance in all the Group’s activities. We are also committed to continuing to strengthen our relationships with customers, suppliers, and service providers in support of our ambition to improve our overall sustainability performance.

**Cédric Dubar**  
Vice President of ESG & Compliance



# CellMark 2022 in brief

NET SALES	EBIT	NET RESULT	TOTAL ASSETS
4 249 MUSD	109 MUSD	72 MUSD	1 194 MUSD
ACTIVE SUPPLIERS	LOCATIONS	COUNTRIES	TONS OF SHIPMENT
+7 200	+70	+30	+7M
	AVERAGE NO. OF WORKERS	MARKETS WHERE WE HAVE FOOTPRINT	
	+1 000	+120	

## BOARD OF DIRECTORS

62.5%

OF NON-EXECUTIVE DIRECTORS



98.5%

OF ATTENDANCE IN AVERAGE

## CELLMARK HAS EXPERTISE IN THE FOLLOWING AREAS:

- Sales & Marketing
- Logistics & Customer Services
- Trade Finance-Related Services
- Regulatory & Compliance Support
- Chemical Custom Manufacturing & R&D

## FIVE DIVISIONS



PULP



PACKAGING & PAPER



CHEMICALS

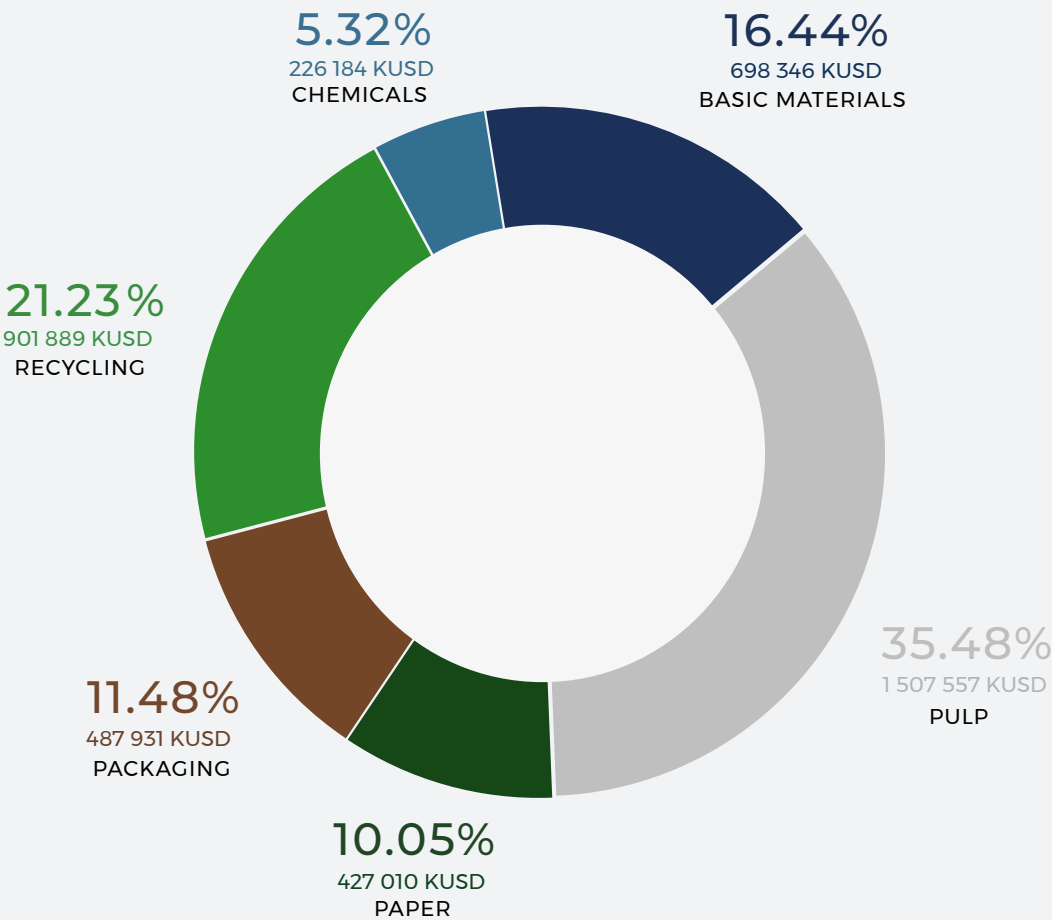


RECYCLING



BASIC MATERIALS

## REVENUE BY DIVISION\* 2022



\* This pie chart shows the results of CellMark's six Divisions in 2022. At the end of 2022, CellMark announced the combination of its two Divisions CellMark Packaging and CellMark Paper into a new Packaging & Paper Division.



# 1 CellMark's identity

## 1.1 General information about the company

### NAME OF THE ORGANIZATION

**Company name:** CellMark AB

**Commercial name:** CellMark

Registered with the Swedish Companies Register Office under number 556244-2433.

### LEGAL FORM AND GOVERNING LAW

CellMark is a limited liability company (Aktiebolag) established in 1984 and governed by Swedish law.

### LOCATION OF HEADQUARTERS

**Registered office:** Lilla Bommen 3, 411 04 Gothenburg, Sweden

**Postal address:** P.O. Box 11927, 411 04 Gothenburg, Sweden

**Telephone:** +46 (0)31-10 03 00

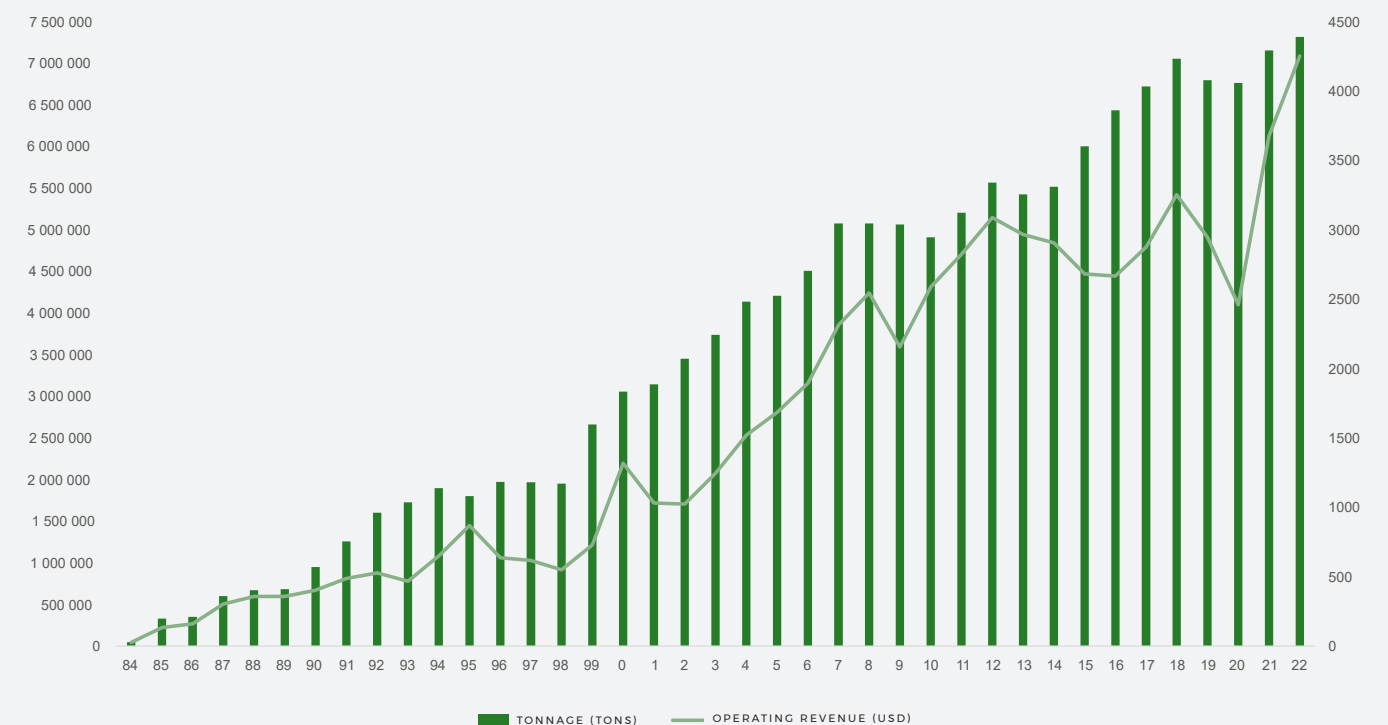
**Website:** cellmark.com

### OWNERSHIP

CellMark AB is a private company, ultimately owned by its employees and by an external investment firm, the family-owned Swedish company Neudi & C:o, via CellMark Investment AB (Registered with the Swedish Companies Register Office under number 556737-1959).

As at December 31, 2022, Neudi & C:o was the largest shareholder of CellMark Investment AB with 25,10 percent of CellMark's capital and voting rights.

## HISTORICAL TONNAGE AND SALES DEVELOPMENT



## 1.2 A history of dynamic growth

Founded in 1984 in Gothenburg, Sweden, CellMark has its roots in the international trade and distribution of raw materials related to the global pulp and paper industry. Over the years, the Group developed world-class marketing and supply chain service capabilities and expanded into new product areas.

Today, the Group consists of five successful international Divisions: Pulp, Packaging & Paper, Recycling, Chemicals, and Basic Materials. CellMark has also grown operations for plastics and biomass for energy.



# Highlights

**1984**  
Cellulose Marketing International AB is founded in Gothenburg with 21 employees. Five overseas sales offices are established.

**1987**  
CellMark is 100 percent employee owned. The Group acquires Pacific Forest Resources Inc (PacFor), adding packaging, paper and board, and recovered paper to its existing base in market pulp and whitepaper.

**1990**  
CellMark reaches the 1-million-ton mark and sells its products in 36 markets. In 1991, chemicals are added to the product portfolio.

**1996**  
The 2-million-ton mark is reached. CellMark becomes ISO-9001 certified and acquires its first recycling plant.

**1997**  
The company name, Cellulose Marketing International AB, is changed to CellMark AB.

**1999**  
CellMark acquires American Paper Sales and Perkins Goodwin in the US and Unifibra in Europe. Singapore Pulp Private Ltd (SPPL) is established in Singapore.

**2000**  
The Group’s sales exceed one billion US dollars. CellMark acquires Gothia Paper AB and Larsson Paper AB.

**2001**  
Over 3 million tons of pulp and paper are sold to over 100 markets. Most subsidiaries are consolidated under the CellMark brand name.

**2004**  
CellMark celebrates its 20th anniversary and reaches a sales volume of more than 4 million tons.

**2006**  
CellMark has 37 locations around the world and becomes FSC® and PEFC® certified.

**2009**  
CellMark celebrates its 25th anniversary and maintains the 5-million-ton record reached in 2007. The Group acquires Fibres International, and the CellMark Recycling Division operates 10 recycling facilities in North America.

**2010**  
CellMark acquires Sicutec AB, a supplier of second-hand machinery and equipment to the pulp and paper industry.

**2011**  
CellMark acquires Alcan International Network. With this acquisition, CellMark creates two new divisions: CellMark Chemicals and CellMark Metals. CellMark also acquires NorCell in the USA and Axe Papier in France.

**2012**  
Several new business lines are established: Basic Chemicals and Waste-to-Energy. CellMark is established as a leading supplier of Biomass to the energy industry in France.

**2014**  
CellMark celebrates its 30th anniversary and becomes the exclusive distributor of Norske Skog in Asia, through NorCell Asia. The Group also

acquires Sonaco Trading AB, a Stockholm-based metals trading company and AnMar International Ltd, a nutraceutical ingredient company, thus broadening its network as well as its product portfolio and service capabilities.

**2017**  
CellMark acquires Semper Exeter in North America, a distributor and converter of paper, paperboard, plastics, and films. A new long-term investor, Ernström & Co (edit 2022: now Neudi & Co.), becomes a shareholder of CellMark, adding new skills and direction to the Group.

**2018**  
Volumes reach 7 million tons and CellMark begins reporting on its sustainability practices.

**2020**  
CellMark introduces a new Division, CellMark Basic Materials, resulting from a merger between two existing Divisions, CellMark Metals and CellMark Basic Chemicals. The Group also completes the acquisition of Rocky Mountain Recycling Services LLC, a major supplier and valued strategic partner to the CellMark Recycling Division.

**2022**  
CellMark achieves its best financial year ever. The Group introduces a combination of its CellMark Packaging and CellMark Paper Divisions, to form a new Division: CellMark Packaging & Paper.



## 1.3 Activities, brands, products, and services

### 1.3.1 BUSINESS SECTORS

The CellMark Group consists of five international Divisions: Pulp, Packaging & Paper, Recycling, Chemicals, and Basic Materials.





The CellMark Pulp Division is a global sales and marketing platform for wood pulp, biomass energy, wood chips and Nordic caustic soda.

#### WOOD PULP

The global pulp market is dynamic and continually diversifying into many non-traditional areas such as textiles, chemicals, non-wood offerings, hygiene products, and packaging solutions.

CellMark Pulp has a very diversified product portfolio of wood pulp, including Northern & Southern Softwood, Radiata, Aspen, Birch, Maple, Acacia, Eucalyptus, BCTMP, non-wood, and Dissolving pulps.

#### ENERGY

The Energy group markets wood biomass for heat and electricity production in North America, Europe, and Asia. It trades and distributes wood pellets, waste-to-energy, and wood chips for heat and electricity production.

In addition to wood biomass, CellMark Pulp sources raw material (wood chips and non-wood fibers) for pulp and paper applications around the world. Other product offerings include waste-to-energy raw materials for energy production.

#### NORDIC CAUSTIC

The Nordic Caustic group provides caustic soda solutions to the pulp & paper and mining industry in the Nordic region. The Nordic Caustic group specializes in this region and has long-term partnerships with both suppliers and customers looking for market knowledge and reliability in this volatile segment.

The Division has a global presence with four main global hub offices in Gothenburg, Geneva, Singapore and Shanghai and numerous branch offices.







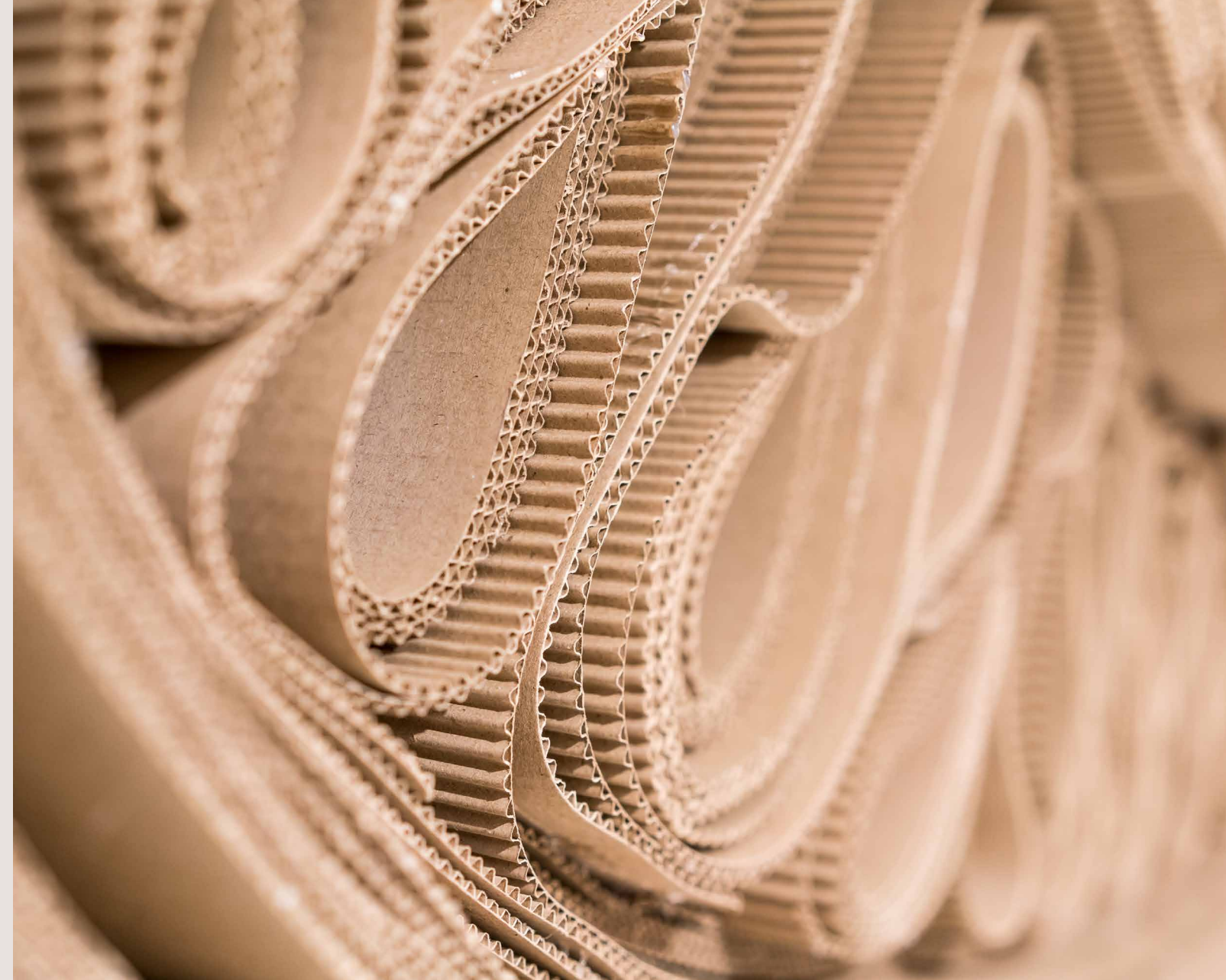
### 1.3.1.2 PACKAGING & PAPER

The CellMark Packaging & Paper Division is a global distributor of a wide variety of packaging and paper products. In addition to its core marketing and supply chain services activities, the Division is the exclusive distributor for particular product segments for major paper & packaging groups in certain geographies. The Division has a global presence, with 22 locations worldwide and access to packaging and paper products all over the world.

#### PAPER PRODUCTS

CellMark's Paper segment markets the following products:

- A wide variety of **publication & advertising papers**, such as newsprint papers, high bright papers, uncoated freesheet papers, or coated freesheet papers.
- **Paperboard** that can be used for boxes: solid bleach board, folding boxboard, and coated.
- **Specialty & converting papers**, such as food service papers, envelope papers, thermal papers, carbonless papers, and grease resistant papers.
- **Office papers.**



#### PACKAGING PRODUCTS

CellMark's Packaging segment markets the following products:

- **Containerboard:** Traditionally used in producing corrugated boxes and other non-standard uses where unbleached board is required.
- **Kraft Paper:** Used in a wide range of bags and sacks: from lightweight food grade for use in a bread or sandwich bag to high-strength paper to package heavy weights.
- **Boxboard:** Used for smaller boxes in the food, cosmetics and consumer goods sectors, where the strength of a corrugated box is not needed, or for paper cups and plates, and packages for high-print needs.
- **Specialty products:** Such as unbleached kraft pulp (for the production of specialty papers that require high-strength virgin fibers), tissue and toweling, and starch (used in the paper production plants as additives to enhance the final products, or in corrugated box factories as a natural adhesive to hold the box together).





### 1.3.1.3 RECYCLING

The CellMark Recycling Division is a full-service organization that buys, sells, produces, finances, and transports recycled fiber, plastics, metals, and job lot/stock lot rolls across the globe. In North America, the Division also owns and operates four recycling facilities and is active in three other recycling facilities through joint venture partnerships.

#### RECYCLED FIBER

CellMark Recycling handles over 2.1 million tons of all grades of recycled fibers every year. The Division is active in over 40 countries through its 30 locations. The main product segments are wastepaper, post-consumer and industrial plastics and metals.

#### JOB LOTS & STOCK LOTS - SUNSET TRADING

Via its Sunset Trading business, CellMark Recycling specializes in buying rejected off-grade paper and overrun from mills, as well as from insurance salvage deals. Most buys are transported to one of the Division's two warehouses, graded, sorted, and shipped out domestically in the USA and to 20+ countries worldwide. Warehouses are located strategically to minimize freight and handling, while outbound loads are carefully customized to each customer requirement.

##### Main product segments

Poly coated board, uncoated and coated bleached board, unbleached board, recycled board, natural kraft paper, excess printing grades, and metals & metal scraps.

#### SEMPER EXETER

Via its Semper Exeter business, CellMark Recycling converts and distributes packaging papers, paperboard, plastics and films, and textiles. Semper Exeter provides custom-made products to printers, box makers, tube winders, and paper retailers and advises its customers on how to find the right solution for their needs.

#### PLASTICS

The plastic segment of CellMark Recycling is a full-service prime & generic prime compounding, resin sales and distribution organization. It is a global provider of thermoplastic resins and recycled services to OEMs and other manufacturers in the plastic industry. With its extensive experience in plastic recycling, CellMark Plastics also works with its customers to develop programs to meet their sustainability goals. CellMark Plastics covers the markets of North America, Asia, and Europe.

##### Main product segments

- Engineering resins: from Styrenics to High Heat Polymers.
- Commodity resins, including Polystyrene, Polypropylene and Polyethylene.
- Custom compounds designed to maximize performance and cost.
- Reprocessed resins: Post-Consumer and Post-Industrial waste streams that are reprocessed back into a useable plastic pellet.

#### CASCELL TRADING GROUP

CasCell Trading Group is a joint venture between CellMark Recycling and Cascades Recovery. It markets recyclable commodities generated at Cascades Recovery's facilities, third party recycling companies, retail, and commercial suppliers. CasCell Trading markets commodities worldwide.







## 1.3.1.5 CHEMICALS

The CellMark Chemicals Division specializes in the sourcing, sales & marketing, and custom manufacturing of specialty chemical products. Through its laboratory capabilities and R&D platforms, the Division designs and develops custom-made solutions for its customers. By leveraging CellMark Chemicals inventory of more than 500 industrial, pharmaceutical, and personal care products, Custom Manufacturing represents more than 35 percent of CellMark Chemicals' sales.

CellMark Chemicals deals primarily with organic, inorganic, specialty, fine chemicals, active ingredients, and nutritionals. The Division's portfolio of more than 500 products is

sold in four main market segments: Health & Personal Care, Catalyst & Gas Processing, Industrial & Specialty Chemicals, and Nutra-ceuticals.

The Division's global team of Regulatory Specialists ensures that CellMark Chemicals and the products provided comply with the full spectrum of regulatory bodies, such as REACH, OSHA, FDA, USDA, DEA, EPA, and GHS/CLP.

CellMark Chemicals has a global presence, with 15 locations worldwide. It owns a cGMP-compliant manufacturing facility with particle engineering and custom formulation capabilities.

### CATALYST & GAS PROCESSING

CellMark Chemicals produces active components for automotive catalysts and supplies specialized materials for desulfurization and amine scrubbing units, as well as proprietary products for the removal of CO<sup>2</sup> from gas streams in the oil and gas industry (catalysts, corrosion inhibitors, antifoam, and custom formulations tailored to meet customer defined requirements).

#### Main product segments

Chemicals for hot carbonate CO<sup>2</sup> removal systems, catalysts (active components for environmental catalysts, automotive and organic syntheses), desulfurization units, and several other gas treatment products.



### HEALTH & PERSONAL CARE

In the Health & Personal Care segment, beside new product development, CellMark Chemicals also offers specific services such as formulation guidelines and technical support, concept samples, ingredient efficacy evaluation, and regulatory support & registration.

#### Product applications

Oral care, pharmaceutical intermediates, pharmaceutical actives, cosmetic ingredients, and flavors & fragrances.

### INDUSTRIAL & SPECIALTY CHEMICALS

CellMark Chemicals offers a select range of raw materials and finished chemicals. The Division's expertise is in supplying high quality, high purity, raw materials to established industries as well as new product development into emerging markets.

#### Product applications

Adhesives and sealants, agriculture, chemicals intermediates, electronics, glass, lubricants, paint, coating & building materials, polymers & compounds, pulp & paper processing, reducing agents, refractory, ceramics, abrasives, solvents, stabilizers, textiles, and oil & gas and water treatment.



**NUTRACEUTICALS AND MANUFACTURING SERVICES**

CellMark Chemicals manufactures and distributes dietary supplement components and food ingredients. Manufactured products include triturations, granulations, oil to powder blends, and dry blends which are produced in the Division’s GMP compliant facility.

**Product segments:**

Vitamins, customized botanical products and custom granulations and triturations, amino acids, excipients, and specialty ingredients trademarked and clinically backed.

**MATERIALS USED BY CELLMARK’S SOLE PRODUCTION FACILITY**  
(excluding pallets)

	Weight (tons)
Ingredients (net weight)	142.6
Packaging material (corrugated boxes, liners, zip ties, fiber tape)	6.8
<b>TOTAL</b>	<b>149.4</b>







### 1.3.1.5 BASIC MATERIALS

The CellMark Basic Materials Division trades and distributes a selected range of basic chemicals and metal products broadly used in common industries. The Division has a global presence in 5 regions: Europe, Middle East & Africa, Asia, Latin America, and North America. It is active in 45 countries, with a network of 22 locations around the globe.

#### Main basic chemicals traded

- Acids & bases
- Acetyls, ketones & alcohols
- Lignosulfonates
- Esters, plasticizers & glycols
- Agrochemicals
- Solvents
- Many other organic and inorganic basic chemicals



#### Main metals traded

- **Ferrous Metals:** Chrome, manganese, silicon, nickel, niobium, titanium, antimony, vanadium, and pig iron.
- **Non-Ferrous Metals:** Aluminum, copper, silicon, magnesium, master alloys, zinc, and lead.
- **Foundry & Shot Blasting:** Supply of products and equipment to the foundry and surface treatment industry in Europe.





### 1.3.2 SERVICES

CellMark delivers a broad range of products, services, and solutions to the world market. Thanks to its long-term experience, the Group has developed services that help its industrial partners improve their performance.

#### 1.3.2.1 SALES & MARKETING

With its experience and global presence, CellMark offers its customers and suppliers all types of sales and marketing services, timely, accurate market information, risk management, order tracking, invoicing, and trade documentation.

#### 1.3.2.2 LOCAL WAREHOUSING, LOGISTICS & CUSTOMER SERVICE

CellMark's logistics capabilities fulfill the needs of both the suppliers and customers. These services are integrated with the Group's Divisions. As a large shipper of goods, CellMark has cultivated close relationships with

major shipping lines, forwarding companies, terminals, haulers, and insurance companies. These partnerships complement the Group's deep product knowledge, resulting in high-quality transportation at competitive costs.

##### CellMark's logistics services include

- container shipments
- bulk shipments
- dangerous goods
- contract negotiations
- marine insurance
- inspection of goods
- vessel chartering
- warehousing
- due diligence
- claims handling.

#### 1.3.2.3 TRADE FINANCE-RELATED SERVICES

CellMark's finance team creates innovative financial and risk management solutions from offices in Gothenburg, Geneva, Shanghai, Singapore, Novato (California), Miami (Florida), South Norwalk (Connecticut), and Shelton (Connecticut). Deep financial insight, an extensive global network, and close relationships with

banks and insurance institutions give CellMark the ideal platform from which to customize solutions for customers and suppliers. The Group strives to design its trade finance related solutions around the buyer's or seller's trading cycle, thereby minimizing risks.

##### CellMark's services include

- short- and medium-term trade finance
- structured trade finance
- pre-export financing
- project finance
- credit insurance facilities
- credit management
- cash management services.

#### 1.3.2.4 REGULATORY & COMPLIANCE SUPPORT

This valuable service helps customers and suppliers navigate the complexities of domestic and foreign markets. At the same time, we identify new business opportunities created by regulatory changes and reduce the possibility of noncompliance. In recent years, the regulatory environment for the chemical and allied industries in which the Group operates has changed

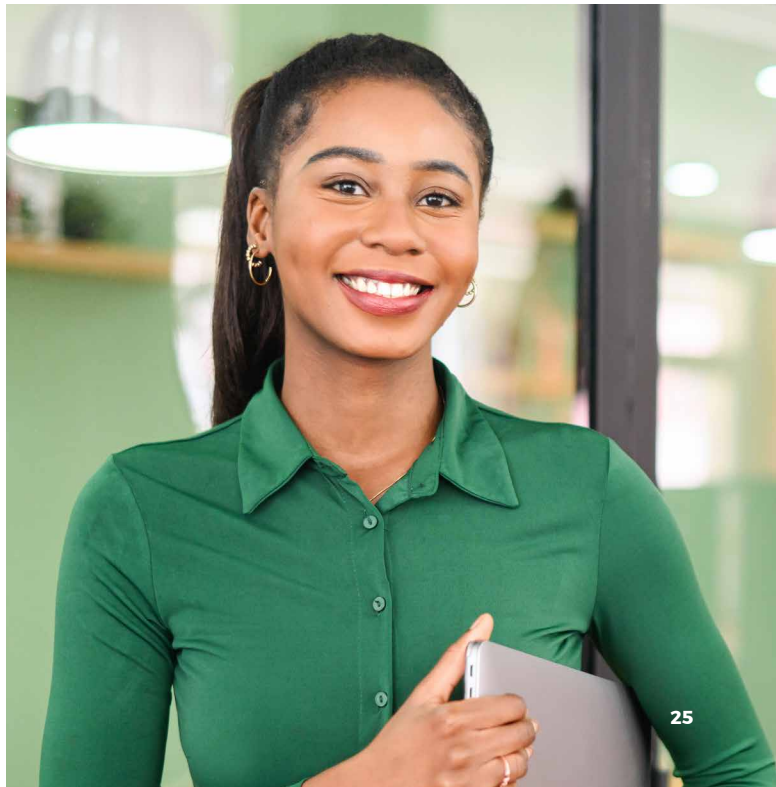
dramatically. To keep up with these changes, CellMark's Chemicals Division has built a global team of regulatory specialists. These professionals strive to ensure that CellMark and the products supplied comply with the full spectrum of regulatory bodies, such as: REACH, OSHA, FDA, USDA, DEA, EPA, and GHS/CLP.

#### 1.3.2.5 CHEMICAL CUSTOM MANUFACTURING AND R&D

CellMark strives to offer, design, and develop custom-made solutions to everyday manufacturing challenges in specialty chemicals using its global lab capabilities and R&D platforms.

##### CellMark's chemical custom manufacturing and R&D services include

- formulations
- custom blending
- granulations
- milling
- triturations
- packaging and re-packing
- research and development
- pilot trials
- laboratory testing
- inorganic reactions.





1.3.3 BUSINESS MODEL

CellMark’s performance mainly relies on (i) the unique knowledge and experience of its employees, (ii) the long-term relationships established with its business partners and customers and (iii) its global presence.

- ✓ The Group’s employees have an in-depth understanding of all actors in their market and of even minor changes in the market’s culture and mechanics, which facilitates superior, day-to-day interaction with business partners and customers.
- ✓ Over the years, CellMark has built strong far-reaching relationships and long-term perspective engagements with its business partners and customers. The business partners’ and customers’ confidence in the Group’s professionalism has been the backbone of CellMark’s development.
- ✓ The Group’s global reach is one of its core strengths. Each Division has access to products all over the globe and has local offices to both support and administrate the business.

This structure allows CellMark to identify and coordinate the best supplier-customer partnerships across the world and to continuously guide and support its business partners and customers. As business environments shift quickly and without warning, the Group needs to be agile and flexible, without losing sight of the principles and fundamentals on which CellMark was built.

The Group values its employees and business partners highly, and continuously strives to maintain the industry’s confidence and respect through its thorough knowledge of the markets and the broad range of services offered to its customers and suppliers.

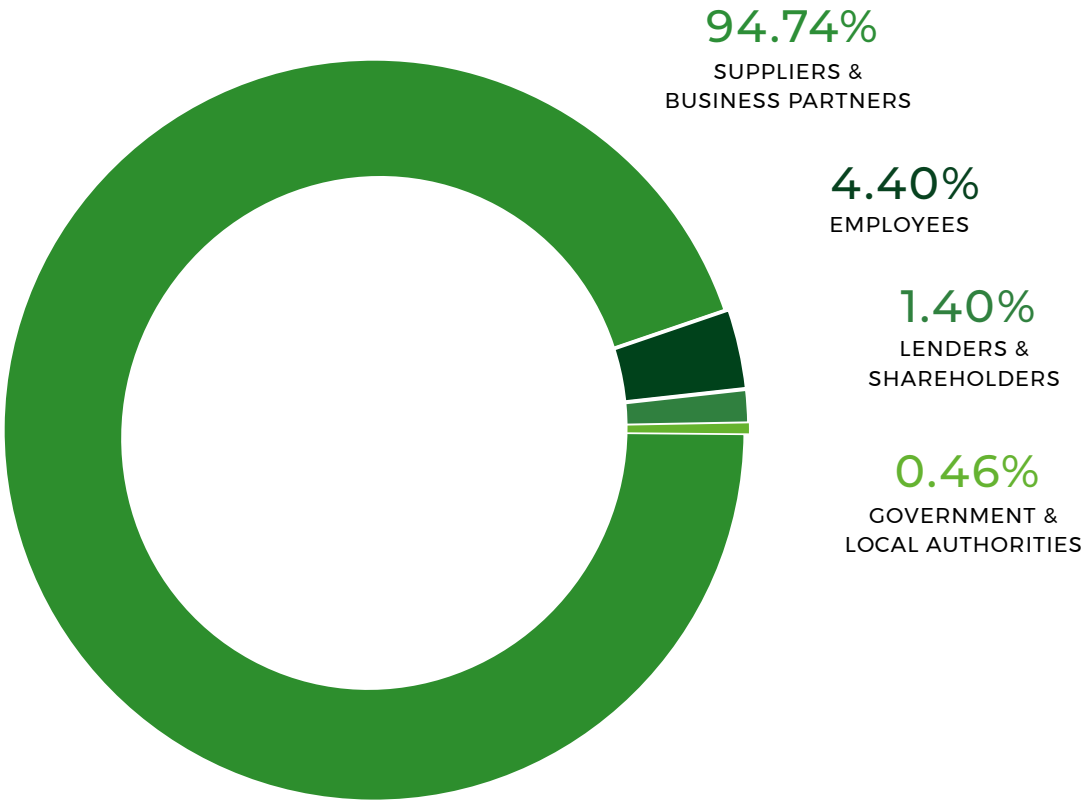
GENERATION OF ECONOMIC VALUE

Direct Economic value generated (KUSD)	2021	2022
Operating Income	3 674 710	4 250 757
Interest Income	6 316	2 348
TOTAL	3 681 026	4 253 105

DISTRIBUTION OF ECONOMIC VALUE

Direct Economic value distributed (KUSD)	2021	2022
Operating costs (except employees’ wages and benefits)	3 448 620	3 988 040
Employees’ wages and benefits	141 428	143 263
Interest expenses	7 393	19 521
Payments to Governments (tax on profit)	13 248	19 165
Distribution to shareholders	12 831	39 664
TOTAL	3 623 520	4 209 653

DISTRIBUTION OF ECONOMIC VALUE IN 2022





# 1.4 Location of operations & markets served

## 1.4.1 LOCATION OF OPERATIONS

The CellMark Group has an extensive global network of +50 offices in +30 countries, supplemented with numerous representatives. Operating activities are conducted by legally independent companies grouped together in the following business Divisions: Pulp, Packaging & Paper, Recycling, Chemicals, and Basic Materials.

As at December 31, 2022, the Group included CellMark AB and 52 consolidated subsidiaries, as well as 5 representation offices.



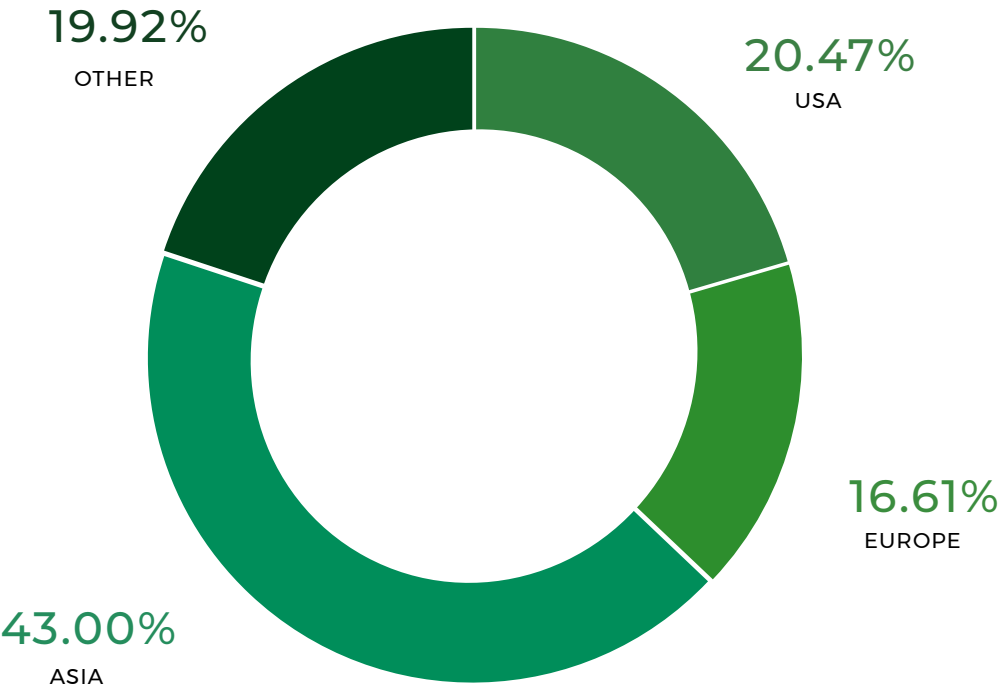




1.4.2 MARKETS SERVED

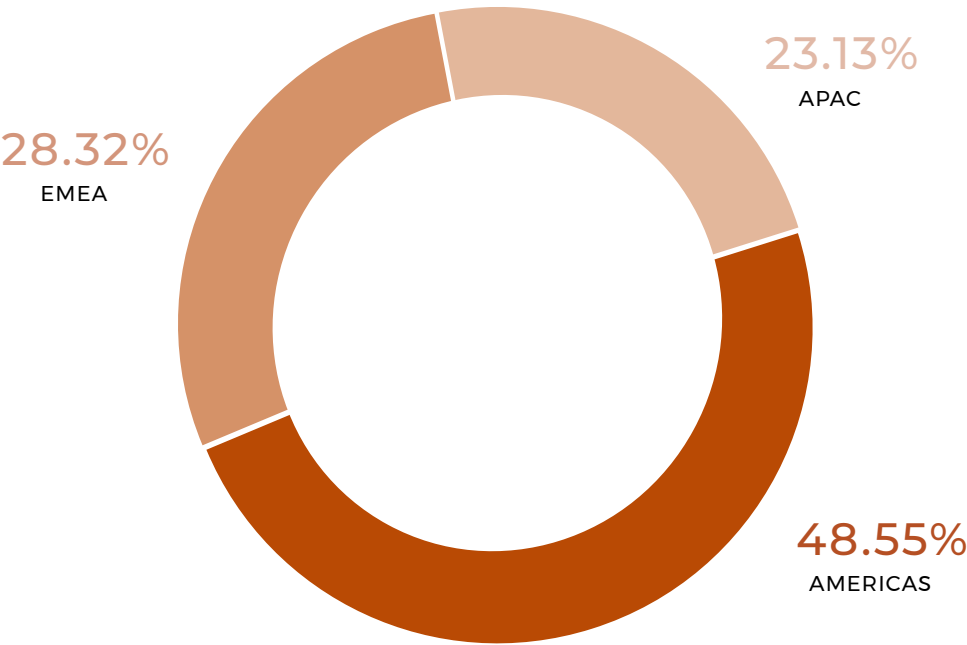
CellMark provides products, services, and solutions to its customers and suppliers all over the world. The Group’s customers and business partners are in more than 130 countries.

REVENUE BY GEOGRAPHIC AREA 2022

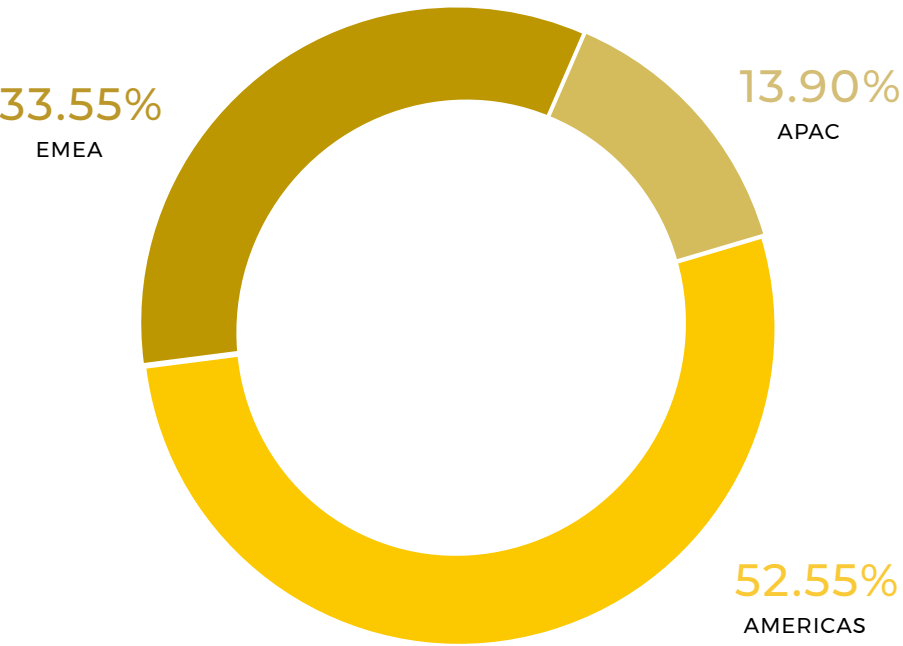


In 2022, among the Group’s +7 200 active suppliers, by number of suppliers, 31.6 percent were product suppliers with the remaining 68.4 percent including freight providers and all other service providers. They are distributed as follows:

REPARTITION OF ACTIVE PRODUCT SUPPLIERS IN 2022 BY GEOGRAPHIC AREA



REPARTITION OF ACTIVE OTHER SUPPLIERS IN 2022 BY GEOGRAPHIC AREA





# 1.5 CellMark’s Value Platform

CellMark’s Value Platform was developed and adopted by the Management Team in 2016. It reflects CellMark’s spirit and way of doing business, by establishing Guiding Principles that all employees are expected to embrace, as well as a vision and a mission for the Group.

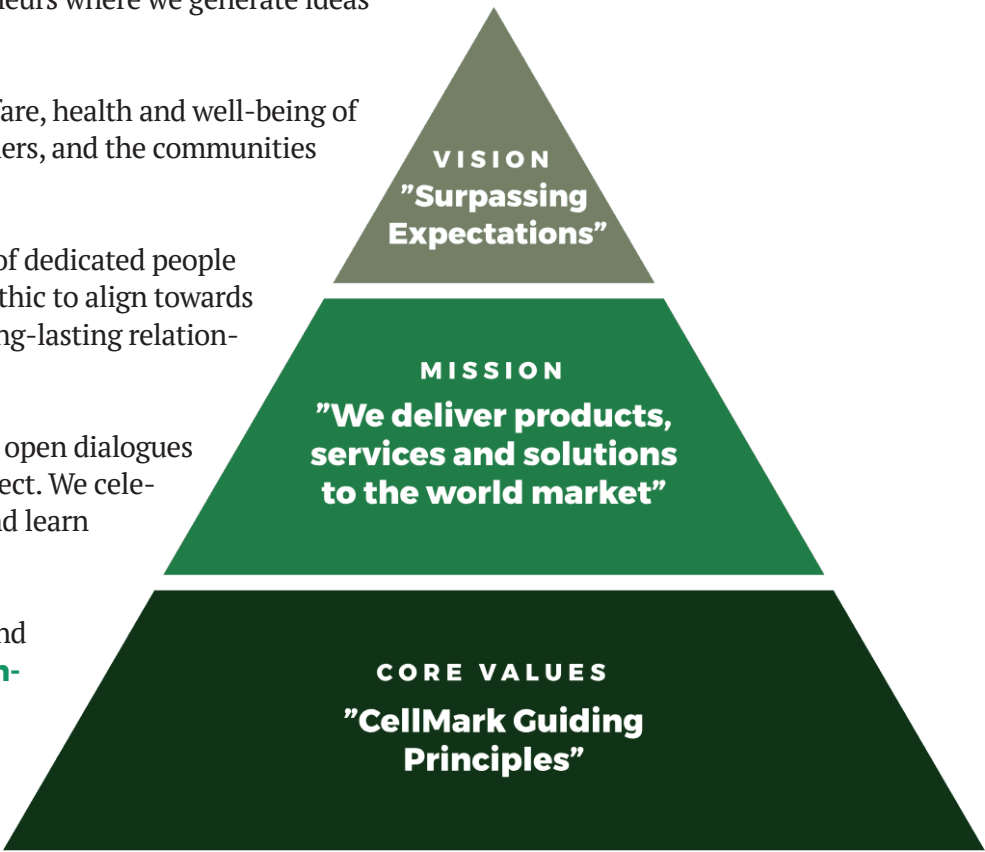
The Guiding Principles highlight several behaviors that are considered important for the Group’s success. CellMark’s Management Team

evaluates the relevance of reviewing the Value Platform on a regular basis.

Awareness regarding the Value Platform is part of the onboarding program that all new employees must follow. In addition to providing information on the Value Platform to all new employees, global awareness campaigns have also been performed.

## 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**.





## 1.6 Significant events in 2022

**In the course of 2022**

- CellMark entered into a partnership with Total Fiber Recovery to build an 80 million USD recycled pulp production facility in the city of Chesapeake, Virginia, USA. The new facility and joint venture are both called Total Fiber Recovery @ Chesapeake (or TFRC) and should be operational in Q4, 2023. CellMark Recycling will supply 300 000 tons of mixed paper and old corrugated containers, annually, as feedstock to the facility. The recycled brown pulp produced by the facility will be sold exclusively by CellMark Pulp.
- CellMark Investment AB’s shareholders approved the resolution to buy back 11.65 percent of the company’s shares, during the Annual General Meeting in April 2022.
- the Group managed to respond successfully to the major disruptions in the supply chain and logistics that were caused by the general health (COVID-19) and economic conditions.

**At the end of 2022, CellMark announced**

- the combination of its CellMark Packaging and CellMark Paper Divisions, to form a new Division: CellMark Packaging & Paper. The goal is to combine the best of CellMark’s packaging and paper competencies to accelerate even more growth with suppliers and customers.
- an exclusive distribution agreement with Norske Skog, for the sale and marketing of Norske Skog’s publication paper and recycled containerboard products in the Italian market. With this agreement, CellMark is now the exclusive distributor of Norske Skog (the Norwegian packaging and paper company) products in North America, Asia, Spain, Portugal, and Italy.

**Other than mentioned above, during the year 2022**

- there was no facility opening/closing or expansion.
- there was no significant change in the share capital structure.
- there were no significant changes to the supply chain that caused or contributed to significant economic, environmental, and social impacts.
- there was no specific “major” contract or “major” investment.

## 1.7 CellMark’s approach to Environmental, Social, and Governance (ESG)

### 1.7.1 ESG & COMPLIANCE GOVERNANCE

CellMark’s Board of Directors has the ultimate responsibility for defining the Group’s ESG & Compliance strategy, and the Management Team has the responsibility to implement this strategy through the Divisional Presidents.

The Board of Directors and the Management Team are supported by the ESG & Compliance function, which has the overall responsibility for the development, implementation and maintenance of the ESG & Compliance strategy and programs. In 2022, CellMark recruited a new Vice President of ESG & Compliance, reporting to the Chief Executive Officer and the Chairman of the Board. ESG & Compliance Coordinators have also been appointed to support the roll-out of the ESG & Compliance strategy and programs within their Division, by providing awareness on and contributing to operational implementation of ESG & Compliance.

The Vice President of ESG & Compliance has regular separate meetings with CellMark’s Chief Executive Officer and with the Chairman of the Board. ESG & Compliance risks and opportunities, impact, strategy, and programs are presented and discussed at the Management Team and Board of Directors levels on a regular basis. The ESG & Compliance annual action plan is presented to the Management Team and the Board of Directors.

### 1.7.2 ESG STRATEGY

CellMark’s ESG strategy has been approved by the Group’s Board of Directors and Management Team. It is based on the following core principles:

- Ensure optimal Stakeholder relations through transparency and engagement.
- Foster long-term relationships with customers and business partners by providing high-quality services.
- Ensure CellMark’s performance by attracting and retaining talents and by focusing on employee well-being.
- Strive for excellence in safety and security.
- Sustain a culture of integrity in the Group.
- Involve suppliers and other business partners in our ESG efforts.

As a responsible company, CellMark is committed to focusing on ESG in its everyday business and activities and works constantly to improve its strategy and ESG reporting practices.





1.7.3 SUPPORTING INTERNATIONAL GUIDELINES AND STANDARDS

CellMark supports and works actively to comply with international guidelines regarding environment, human rights, and business ethics, including the following:

- The UN Global Compact Initiative.
- Internationally proclaimed human rights standards and conventions (in particular the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the eight core conventions of the International Labour Organization, and Article 32 of the United Nations Convention on the Rights of the Child).
- The OECD Convention on combating bribery of Foreign Public Officials in International Business Transactions.
- The OECD Guidelines for Multinational Enterprises.



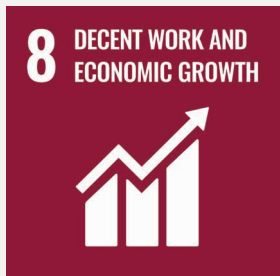
1.7.4 CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

CellMark’s business can contribute to the achievement of some of the United Nations’ Sustainable Development Goals (SDGs).



AFFORDABLE AND CLEAN ENERGY (SDG #7)

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.



DECENT WORK AND ECONOMIC GROWTH (SDG #8)

In addition to its direct positive impact on its employees (see section 3.1), CellMark intends to promote decent work conditions with its business partners with the implementation of a Code of Conduct for Business Partners in 2023 (see section 1.10.1).



SUSTAINABLE CITIES AND COMMUNITIES (SDG #11) & RESPONSIBLE CONSUMPTION AND PRODUCTION (SDG #12)

Recycling is one of CellMark’s core business areas. It contributes to the SDGs “Sustainable cities and communities” and “Responsible consumption and production”. With its Recycling Division, CellMark strives to keep waste in the recycling stream and out of the landfill. It also contributes to reducing the world’s ecological footprint and to managing efficiently toxic waste and pollutants.



LIFE ON LAND (SDG #15)

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 the Group’s commitment to sustainable, intelligently managed forestry, which makes trees a renewable resource and keeps the world’s woodlands healthy and productive.





1.7.5 MEMBERSHIP OF ASSOCIATIONS

CellMark’s Divisions are members of several industry associations that are key actors in the sectors in which they do business. This includes, for example:

- ✓ the National Association of Chemical Distributors (NACD)
- ✓ the Drug, Chemical and Associated Technologies Association (DCAT)
- ✓ the Minor Metals Trade Association (MMTA)
- ✓ the International Chrome Development Association (ICDA)
- ✓ the Bureau of International Recycling (BIR)
- ✓ the International Magnesium Institute (IMA)
- ✓ the Society of Cosmetic Chemists (SCC)
- ✓ the Calorie Control Council (CCC)
- ✓ the Independent Packaging Association (AICC)
- ✓ the Technical Association of the Pulp and Paper Industry (TAPPI)
- ✓ the European Federation of Corrugated Board Manufacturers (FEFCO)
- ✓ Bioenergy Europe.

1.7.6 CELLMARK’S ESG STAKEHOLDERS

Establishing regular dialogue with the Group’s stakeholders is essential to better understand their perception of and expectations from CellMark in the fields of ESG & Compliance. Engagement with the Group’s stakeholders is performed through collaborative and open dialogue, both formally and informally.

Customers, product suppliers, and service providers involved in the supply chain

As a marketing and supply chain services company, CellMark’s business highly depends on its customers and product suppliers, and on the service providers involved in the supply chain. The Group maintains constant dialogue with these stakeholders regarding the services provided. The Group is regularly assessed by many of its customers regarding ESG & Compliance through ESG questionnaires, letters of assurance, or audits.

Banks

CellMark’s business relies to a large extent on financing and banks are therefore an important stakeholder. CellMark’s approach to compliance has always been crucial for banks and, more broadly, ESG has become an important discussion topic between CellMark and its banks in the last two years.

Insurance companies

Insurance is an important element of CellMark’s business activity. Insurers are therefore an important stakeholder for the Group. Constant dialogue is maintained with the insurance companies regarding the services provided.

Employees

CellMark’s success relies on the unique knowledge and experience of its employees, who are therefore key stakeholders. For the Group to fully understand its employees’ motivation, engagement, and reported well-being, Great Place to Work® employee opinion surveys are regularly conducted (with scores that are improving). The next survey will be performed during the second half of 2023.

Shareholders

As CellMark is a private company owned by its employees and by an external investment company, the shareholders are important stakeholders. Dialogue with these stakeholders is maintained through three letters from CellMark’s CEO sent out every year, and through the close relationship maintained with the employees.



**Stakeholder dialogue** helps CellMark identify areas of improvement, new opportunities, and strategic changes.

Trust Index© +17%



CREDIBILITY  
+17%



RESPECT  
+14%



PRIDE  
+14%



CAMARADERIE  
+10%



FAIRNESS  
+14%

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



1.7.7 CERTIFICATIONS AND ESG ASSESSMENTS

CellMark maintains the following third-party certifications:

ISO 9001

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

FSC®

CellMark is certified by the Forest Stewardship Council®, an independent, non-governmental, non-profit organization established to promote the responsible management of the world’s forests. FSC® certification ensures that products come from responsibly managed forests that provide environmental, social, and economic benefits.

PEFC®

CellMark is also certified by the Programme for the Endorsement of Forest Certification (PEFC®), that promotes sustainable forest management — environmentally, socially beneficial, and economically viable management of forests for present and future generations through independent third-party forest certification.

NACD

CellMark Chemicals in the USA is certified by the National Association of Chemical Distributors (NACD), an international association of chemical distributors and supply chain partners who process, formulate, blend, re-package, warehouse, transport, and market chemical products. Members of the NACD are committed to product stewardship and responsible distribution in every phase of chemical storage, handling, transportation, and disposal.

ENPLUS®

CellMark’s wood pellet business in Europe is certified ENplus®, a standard for wood pellets. ENplus® is an EU-wide quality certification scheme for wood pellets, based on the ISO standard 17225-2. The aim of the ENplus® certification scheme for wood pellets is to secure the supply of wood pellets for heating in residential, commercial, and public buildings with a clearly defined and constant quality. 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.

OK KOSHER (K)

CellMark Chemicals is certified by OK Kosher, one of the world’s leading orthodox kosher certification agencies, thus ensuring that the relevant products are kosher, i.e., prepared in accordance with Jewish dietary law.

SFI

CellMark is certified by the Sustainable Forestry Initiative (SFI), whose mission is to advance sustainability through forest focused collaboration. SFI is an independent, non-profit organization that mainly operates in the USA and Canada and works across the four pillars: standards, conservation, community, and education.

QS

CellMark AB is QS certified. The QS certification is a quality assurance system for fresh food that covers all stages of the food chain: it ensures transparency and safety in food production (for example regarding traceability and hygiene).

SBP

CellMark’s Energy segment is certified by the Sustainable Biomass Program (SBP), which is a certification system designed for woody biomass, mostly in the form of wood pellets and woodchips, used in industrial, large-scale energy production. This certification system provides assurance that woody biomass is sourced from legal and sustainable sources.

RSPO

**(Roundtable on Sustainable Palm Oil)**  
CellMark Chemicals is RSPO certified. This certification includes the assurance CellMark has committed to and complied with sustainability requirements, which includes assurance that the palm oil sourced by CellMark is sustainable and is kept separate from ordinary palm oil throughout the supply chain.

FSCC 22000

CellMark Chemicals’ production facility is certified FSCC 22000. This certification is a food safety certification scheme based on the existing internationally recognized standard ISO 22000 and complemented by technical standards, such as ISO TS 22002-1 for food manufacturing and ISO TS 22002-4 for packaging manufacturing.



In addition to these certifications, CellMark’s ESG performance is assessed by a third party (EcoVadis). The Group’s results improved in 2022, compared to 2021.

CELLMARK’S ECOVADIS SCORES

	OVERALL SCORE		PERFORMANCE	
	2021	2022	2021	2022
ECOVADIS	55/100	63/100	74th percentile in CellMark’s category, “Silver Medal” status	88th percentile in CellMark’s category, “Silver Medal” status

In 2022, the Group started to participate in the Carbon Disclosure Project and the Supplier Leadership on Climate Transition.





1.8 Materiality analysis

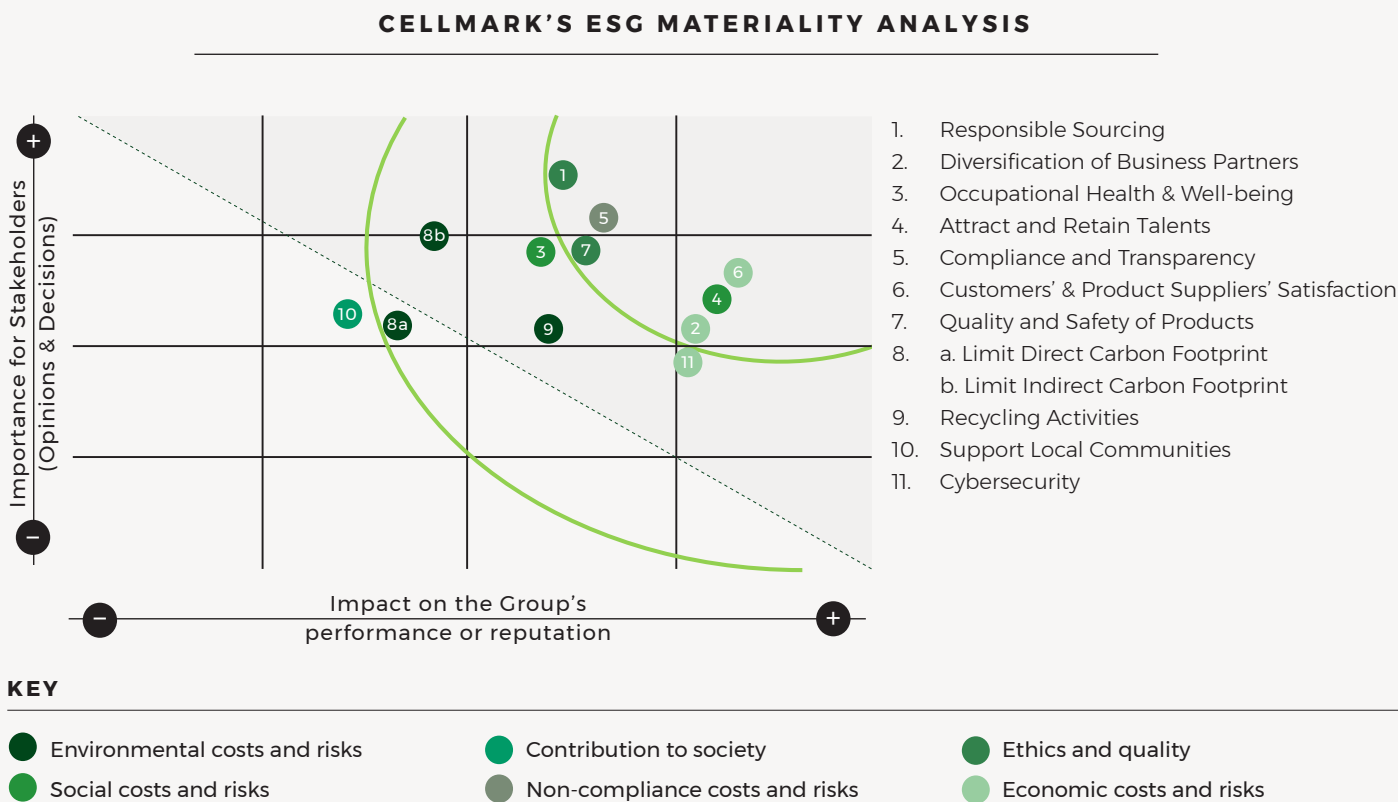
Materiality is a concept used to determine which of CellMark’s risks and opportunities are important enough to be included in this Sustainability Report.



The determination of topics to be reported in this Sustainability Report reflects a combination of the following internal and external factors:

- INTERNAL FACTORS:** Value Platform, strategies, Code of conduct and compliance framework, risk assessment activities, quality, environment, health and safety, and information security management systems.
- EXTERNAL FACTORS:** Applicable laws and regulations, indications from the GRI Standards, ESG ratings, assessments of stakeholders’ interests and expectations, issues highlighted by the ESG criteria being assessed by financial partners.

The chart below includes the areas that, to date, are considered as most important for the Group’s stakeholders and their respective impact on the Group in terms of performance or reputation.



1.9 Risk factors and management approach

1.9.1 PROCESS FOR MANAGING RISKS

In line with CellMark’s general approach to risk management, the process for managing risk is as follows:

- 1 Risk identification and assessment of each risk identified is performed by the risk functions at Group level and by each Division or business segment (with the support of the relevant functions at Group level, if needed).
- 2 On a regular basis, high risks are reported to and discussed by:
  - the Management Team who has the responsibility of validating the management strategy
  - the Board of Directors (or the Audit Committee) who oversees risks.
- 3 Each Division or business segment remains responsible for ensuring implementation of the relevant mitigation measures (with the support of the relevant functions at Group level if needed).
- 4 Mitigation measures are assessed to ensure continuous improvement.

In 2022, the Board of Directors (or the Audit Committee) discussed all relevant risks with a specific focus on

- financial risk
- credit risk
- litigation risk
- risk in accounts receivables
- risk in inventory
- ESG & Compliance risks.

In general, CellMark’s presence in different sectors and on various continents helps to diversify and mitigate risks associated with its business activity.

In addition to the above, when performing operational planning or acquisitions of new companies, the Group assesses the risks related to the business, such as financial exposure, environmental, social, compliance with sanctions, reactions by competitors, and staff engagement.

The elements described in the following sections are the main risks and opportunities identified as being significant to CellMark, i.e., the risks that are likely to have a material negative impact on the Group’s business, financial position or reputation, or the factors that may be considered as a source of opportunity for CellMark.





### 1.9.2 UNCERTAIN GLOBAL ECONOMIC ENVIRONMENT

#### RISKS AND OPPORTUNITIES

CellMark’s revenue, net earnings, and cash flows may be affected by economic, business, social, health, and geopolitical conditions at the global level, such as the continued pressure or volatility on raw materials and energy prices, the possibility of stricter trade compliance rules, and/or the

introduction of new customs tariffs, the current inflation forecasts (and the uncertainties regarding the extent and duration of this trend), and a deteriorating economic environment could generate increased price pressure and affect the collection of receivables.

#### MANAGEMENT APPROACH

CellMark’s approach to the management of volatility risks related to the uncertain economic environment relies on the following:

- A very close monitoring of the markets.
- As mentioned in section 1.3.3, “Business Model”, CellMark’s employees have an in-depth understanding of all actors in their market and of even minor changes in the market’s culture and mechanics.

### 1.9.3 VOLATILITY OF RAW MATERIALS SUPPLY AND PRICES

#### RISKS AND OPPORTUNITIES

Raw materials markets are known for being volatile, but in the last three years, the level of uncertainty is unprecedented. Volatility often results from supply disruptions, pent-up demand, or significant peaks and troughs in prices. Given CellMark’s business, the Group’s revenue, net

earnings and cash flows can be negatively affected by the volatility of raw materials supply and prices. However, market volatility can also generate opportunities for CellMark, whose traders watch market data for patterns that might indicate buy or sell signals.

#### MANAGEMENT APPROACH

CellMark’s approach to the management of volatility risks relies on the following:

- A principle of back-to-back ordering.
- Thorough understanding and monitoring of the market dynamics.
- An outstanding knowledge of the value chain, from suppliers to customers, and its challenges.
- The supplier portfolio diversity, to mitigate the risks that could limit the availability of specific suppliers.
- Strictly limiting and monitoring inventories.
- Being a very nimble Group: CellMark’s organizational structure empowers employees to make quick decisions.







#### 1.9.4 FINANCIAL RISKS

##### RISKS AND OPPORTUNITIES

CellMark's revenue, net earnings, and cash flows may be affected by risks related to liquidity, credit and counterparty as well as interest and currency fluctuation.

##### MANAGEMENT APPROACH

The Group's Finance department

- manages the liquidity risk by anticipating its liquidity needs, reporting its cash position on a weekly basis, and ensuring its coverage with short and long-term financial resources.
- has implemented and follows clear policies on
  - how to manage credit and counterparty risk
  - how to handle and hedge currency exposure.
- has a diversified setup with close relationships with several banks and insurance companies.

#### 1.9.5 CYBERSECURITY

##### RISKS AND OPPORTUNITIES

Many of CellMark's activities are computer based. Thus, the Group's effectiveness is dependent on the proper functioning of complex software and integrated hardware systems. It is not possible to guarantee the uninterrupted operation and complete security of these systems.

Computer viruses, whether deliberately or unintentionally introduced, could cause damage, loss, or delays. Moreover, in a context of increased cyberattacks and the emergence of cyberterrorism, CellMark may be subject to computer attacks or intrusions that could interfere with the proper functioning of its systems and cause substantial

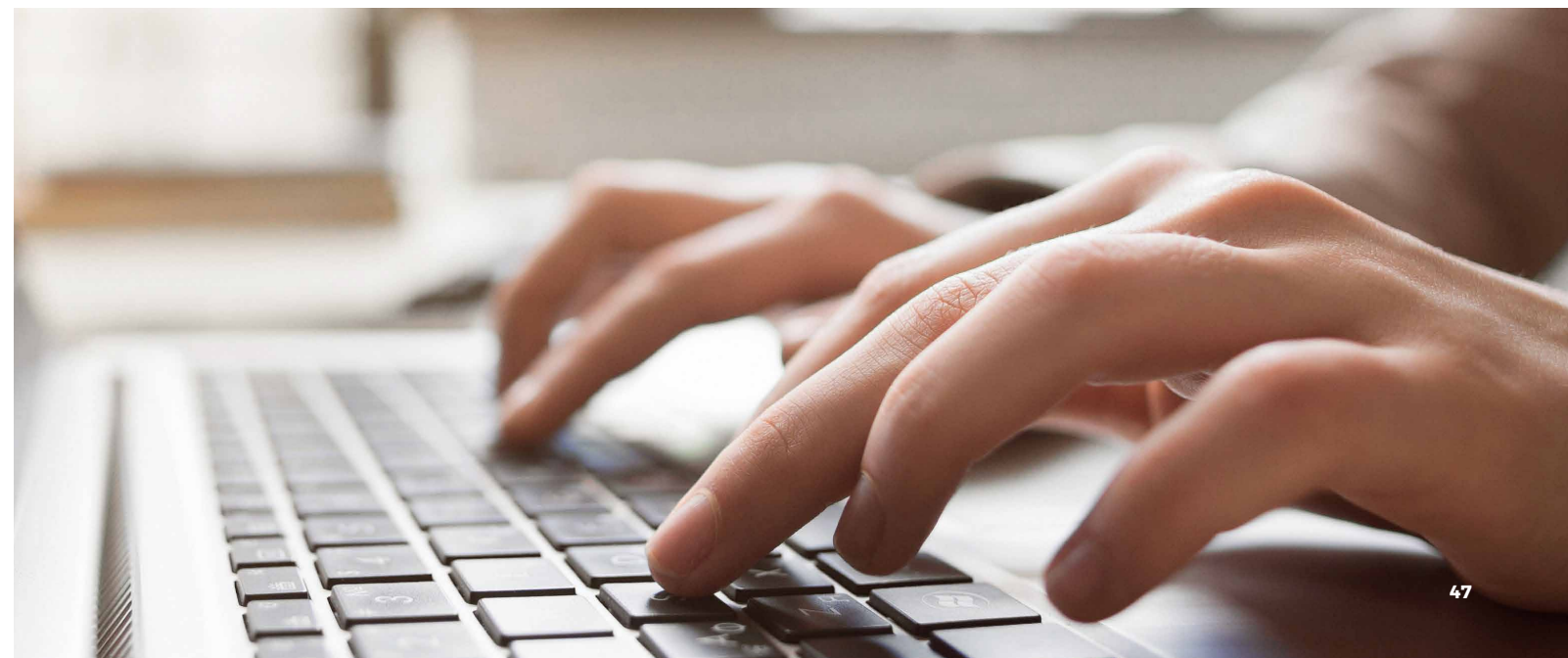
delays or damage to its activities, not to mention disclosure of confidential data (including personal data).

In the event of challenges to the confidentiality, integrity or availability of this data, the Group could be exposed to various risks in terms of image, loss of revenue, third-party disputes, and fines. These challenges are growing as systems become ever more complex, due to the rapid expansion of working from home and increasing prevalence of computer hacking, and more stringent regulatory requirements.

##### MANAGEMENT APPROACH

The Group's IT Department

- regularly updates the security measures protecting the Group's systems.
- regularly runs backups to be prepared for necessary restoration activities.
- has implemented an IT security policy applicable to all Group employees, along with mandatory awareness and training regarding IT security (including micro-training in cybersecurity).
- regularly conducts self-assessment on the security of IT systems and networks in the operating entities.







### 1.9.6 DEPENDENCE ON KEY BUSINESS PARTNERS

#### RISKS AND OPPORTUNITIES

In a limited number of the Group's business segments, an important part of the commodity sourcing may be performed through a few suppliers only.

#### MANAGEMENT APPROACH

In the business segments where commodities are sourced from very few key suppliers, the Group has been widely diversifying its supplier base and strives to further diversify it.

### 1.9.7 ABILITY TO ATTRACT AND RETAIN TALENTS

#### RISKS AND OPPORTUNITIES

CellMark's success depends highly on the unique knowledge and experience of its employees in the fields of trading and supply chain services and, therefore, on its ability to attract, motivate, and retain these highly skilled talents.

If CellMark loses the ability to hire and retain key employees and executives, or to continuously adapt their skills to operational needs, the Group's activities, revenue, and operating income could be negatively impacted.

#### MANAGEMENT APPROACH

CellMark works with succession planning and, through Development & Goals conversations, seeks to identify individual growth opportunities and focus on the well-being of employees. The Group also engages with its employees through opinion surveys performed on a regular basis (see section 1.7.6).

### 1.9.8 COMPLEX REGULATORY AND COMPLIANCE ENVIRONMENT

#### RISKS AND OPPORTUNITIES

CellMark operates in a legal environment with multiple, sometimes contradictory, regulations that are constantly changing and becoming more complex. These regulations apply to many different fields, such as general business practices, anti-corruption, trade compliance, competitive practices, product regulation, employment laws and human rights protection, data privacy, financial reporting standards, internal controls, local and international tax regulations.

Compliance with applicable laws and with newly created or stricter regulations imply an increase in compliance costs. In the event CellMark's employees or business partners were to breach applicable laws, such failure or suspected failure to comply with these regulations may result in inquiries or investigations by the authorities, or even fines and sanctions, and may have a negative impact on the Group's business operations, revenue, or reputation.

#### MANAGEMENT APPROACH

CellMark requires its employees and business partners to comply with applicable laws and regulations. The Group has also implemented a Code of Conduct and a compliance framework that set out the principles according to which employees are required to perform their work, as well as training activities and a whistleblowing mechanism (for more details, see section 1.10.3).

In addition, CellMark's Management Team recently adopted a specific Code of Conduct for Business Partners that sets out the Group's expectations toward its business partners in the fields of business ethics, environment, and human rights and working conditions. This Code will be deployed through the contractual agreements with the Group's business partners.



1.9.9 CLIMATE CHANGE AND NATURAL DISASTERS

RISKS AND OPPORTUNITIES

All weather-related events and natural disasters that could disrupt supply and restrict or even interrupt logistics could affect CellMark’s business and revenue. Medium and long-term, climate change and natural disasters may have a material impact

on the Group’s business, notably affecting its local customers and suppliers, the availability and price of certain commodities, the effective operation of maritime and road transportation, the amount of insurance premium, and credit rating.

MANAGEMENT APPROACH

The measures taken to manage this risk are essentially the same as those for volatility risks. CellMark closely monitors regulations applicable to its activities to identify the impact on its businesses upstream as accurately as possible.

1.9.10 IMPACT OF CHANGING CONSUMPTION PATTERNS

RISKS AND OPPORTUNITIES

In most of the industries served by CellMark, the customers’ needs and the end customers’ consumption habits are evolving rapidly. This situation requires the Group to constantly adapt to new demands from its customers. At the same time, the increasing demand for recycled products and focus on circular economy can be seen as an opportunity for the recycling and the energy businesses.

MANAGEMENT APPROACH

The Group’s presence in different sectors and on various continents helps to diversify risks associated with its business activity. The Divisions strive to anticipate, detect, and analyze the eventual challenges posed by changes in customer demand and consumer behaviour.



1.9.11 LEGAL PROCEEDINGS - REPUTATION RISKS

RISKS AND OPPORTUNITIES

In the ordinary course of business, the Group is involved from time to time in litigation, tax audits, or regulatory inquiries and other proceedings.

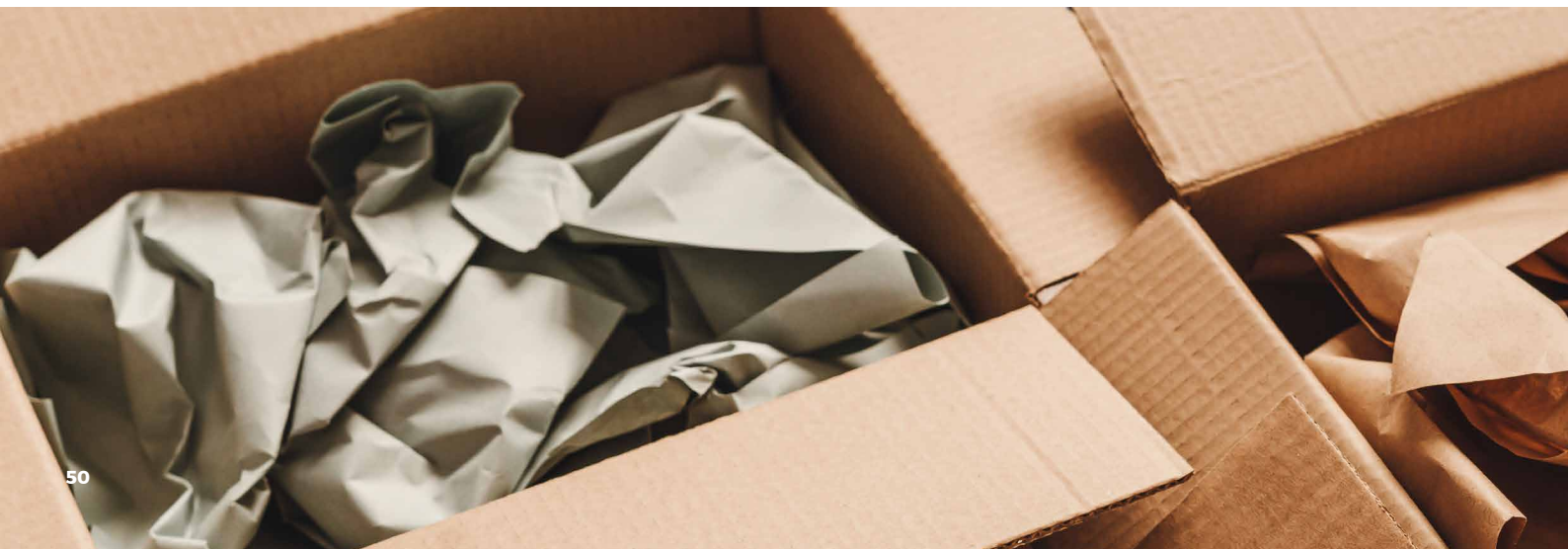
Inquiries, litigation, and administrative proceedings can be lengthy, expensive, disrupt the management of the Group’s operations and can damage its reputation, including in cases of actions that have no legal basis. The outcome of legal or administrative investigations and proceedings is always uncertain and could result in an adverse impact

on the Group’s financial position and operating income, or even the conduct of its operations and reputation. These negative effects could appear even in the event of compliance with regulations or benchmarks, particularly in terms of ESG.

To CellMark’s knowledge, there is no outstanding, suspended or pending government proceeding, litigation or arbitration, which is likely to have a significant impact on the Group’s financial position or results of operations.

MANAGEMENT APPROACH

The Group strives to continuously monitor applicable legislation and provides training to its employees on important compliance matters (see section 1.10.2 regarding Ethics & Compliance training).





# 1.10 Business ethics and compliance

CellMark’s commitment towards business ethics and compliance is asserted through

- an ethics and compliance governance system (see section 1.7.1, “ESG & Compliance governance”).
- an ethics and compliance framework (Code of Conduct, policies, directives, and guidelines) that set out the rules applicable to all employees.
- employee awareness and training
- the whistleblowing mechanism.

## 1.10.1 THE ETHICS AND COMPLIANCE FRAMEWORK

Based on the Value Platform (as detailed in section 1.5), CellMark’s Code of Conduct provides ethical standards for all Group employees: it sets the tone by reinforcing CellMark’s principle of doing business with integrity and describes how the Group expects its activities to be conducted. It also describes the mechanisms for seeking advice and raising concerns.

The Code of Conduct is supplemented with a series of corporate policies, directives and guidelines that apply to all employees. Together, these documents form CellMark’s ethics and compliance framework.

CellMark has implemented policies, directives, and guidelines in the areas of international economic sanctions, anti-bribery and -corruption, antitrust, fraud, conflict of interests, data privacy, Information Security, tax, finance (currency, inventory and trading, credit, investment) and whistleblowing.

The Code of Conduct, policies, directives, and guidelines are developed by the relevant risk owner at group level (ESG & Compliance, Finance, IT and HR functions), in consultation with key stakeholders who may be significantly affected by the governing document or who have relevant expertise in the subject matter.

Approved governing documents are subject to periodic review at the initiative of their owner. An initiative for a new governing document or a revision of an existing document can also be triggered, for example, by legislative changes or new identified risks or gaps.

Governing documents are approved as follows:

- The Code of Conduct and the corporate policies are validated by the Management Team and approved by the Board of Directors.
- Corporate directives are approved by the Management Team.
- Guidelines are approved by the relevant member of the Management Team.

Once approved, a new or modified governing document is uploaded to the central policy repository on CellMark’s intranet where it can be accessed by all Group employees. The owner is responsible for internal awareness and communication about a new or revised governing document.

A communication plan should be an essential part of successful implementation and application of a new governing document. The owner should discuss implementation of a new governing document with relevant

stakeholders to agree on a timeline for all required implementation activities and to assign responsibilities for each activity.

In addition, a Code of Conduct for Business Partners was adopted by CellMark’s Management Team and will be

deployed as of 2023 through the contractual agreements with the Group’s business partners. This Code sets out CellMark’s expectations toward its business partners in the fields of business ethics, environment, and human rights and working conditions. It also describes the mechanisms for seeking advice and raising concerns.

## 1.10.2 ETHICS AND COMPLIANCE TRAINING

Employee awareness raising and training are an essential pillar of CellMark’s commitment towards ESG & compliance. Online training courses in the areas of anti-bribery and anti-corruption, information security, data privacy

and international economic sanctions as well as a training on the Code of Conduct are mandatory for all new employees (they are an integral part of the onboarding program) as well as for all employees every other year.



### COMPLETION OF MANDATORY TRAINING COURSES (%)

	2020	2021	2022
Code of Conduct	78	90.4	80.6
Know Your Counterpart	83	88.7	78.4
Anti-Bribery/Anti-Corruption/Anti-Fraud Policy	N/A	91.3	84.6
Information Security Policy	77.5	90.9	80.2
Privacy Rights	77.5	89.1	78.5

The lower level of completion between 2022 and 2021 is the result of an increase in the number of people having access to the platform towards the end of the year: from 747 learners in 2021 to 829 learners at the end of 2022.

Employee awareness is also raised on specific subjects through dedicated presentations at internal seminars and training in person or via webinars.



1.10.3 WHISTLEBLOWING MECHANISM

CellMark has implemented mechanisms that are available internally and externally for (i) seeking advice about ethical and lawful behavior, and organizational integrity, and (ii) reporting concerns about unethical or unlawful behavior, and organizational integrity. The Vice President ESG & Compliance has the overall responsibility for these mechanisms.

For employees, the reporting mechanisms are detailed in the Code of Conduct and the Whistleblower Guideline (that are easily available on the Group’s intranet). For external stakeholders, they are described in the Code of Conduct for Business Partners.

Employees or external stakeholders can report allegations of misconduct via several channels: in writing, by telephone, by requiring a meeting, or via CellMark’s whistleblowing platform. The whistleblowing platform is operated by an independent external service provider. It can be used by employees or external stakeholders (it is accessible via CellMark’s website) and provides an option to remain anonymous.

CellMark’s Whistleblower Guideline provides information on how employees can raise a concern, the matters that can be reported, the receivers of the reports, the confidentiality and non-retaliation principles, the investigation of allegations, and the consequences of confirmed misconduct.

Depending on the nature of the allegations, whistleblowing reports are assessed carefully by the Human Resources or the ESG & Compliance function to determine whether an internal investigation is required to establish the facts and determine whether there is enough evidence to substantiate the matters reported.

In 2022, CellMark received in total three (3) reports of alleged violations via all available channels, only two (2) of which were received through the whistleblowing platform (vs. three (3) in 2021). The allegations covered “managerial conflict”, “bribery” and “leakage of confidential information”. These three reports were investigated, and no evidence was found to substantiate the facts alleged.



1.11 Tax ethics

CellMark’s approach to tax seeks to align with the long-term interests of all the relevant stakeholders, including its shareholders, employees, governments, and communities.

The roles and responsibilities related to tax are defined in the Tax Policy

- The Board of Directors is ultimately responsible for the Group’s tax position and strategies. It approves the Tax Policy, after review and approval from the Vice President of Accounting, the Chief Financial Officer and the Chief Executive Officer.
- Group Accounting (reporting to the Chief Financial Officer) is responsible for the execution of the Tax Policy.
- The Vice President of ESG & Compliance and the Divisional Presidents support and reinforce the Tax Policy.
- With the support of their local finance team, the Managing Directors of the Group’s companies are responsible for preparing and providing part of the necessary tax information and for compliance with local tax regulations; local Managing Directors continuously liaise with and seek support from Group Accounting.
- Group Accounting and local Managing Directors engage external advisors when it is deemed prudent to obtain a third party’s expert view on a specific area.
- Local accounting is the primary contact with stakeholders regarding local tax.

Since CellMark has offices in over 30 countries, the Group is exposed to tax risks, such as

- risks of non-compliance with local tax rules and regulations, which may also impact the Group’s relationships with stakeholders, clients, tax authorities, business partners and the general public.
- transactional risks that arise where transactions are carried out or actions are taken without appropriate consideration of the potential tax consequences or where advice taken is not correctly implemented.



**The Group manages tax as follows:**

**OPERATE IN COMPLIANCE WITH TAX LAWS**

CellMark strives to comply with its tax filing, tax reporting, tax payment, and other tax obligations globally, in accordance with applicable regulations and requirements. The Group’s tax control framework supports the management of tax processes through the implementation of policies, procedures and controls. In situations where tax law is unclear, the Group consults with external tax advisors. Any dispute arising with tax authorities must be resolved in a timely manner by being cooperative and seeking relevant approval from tax authorities prior to entering into any transactions, where appropriate.

**CONSULTANCE OF GROUP ACCOUNTING**

Group Accounting is consulted in advance of changes in the Group’s legal structure, or of any significant business transactions.

**DESICIONS BASED ON COMMERCIAL CONSIDERATIONS**

Commercial opportunities and rationales are the main driving force behind CellMark’s business decision. CellMark is very cautious if a country listed by the EU as non-cooperative jurisdictions is involved.

**QUESTIONS**

Questions or incidents related to tax can be reported via any channel describes in CellMark’s Code of Conduct or the Code of Conduct for Business Partners (see Sections 1.10.1 and 1.10.3).

**LEVEL OF RISK**

The level of risk appetite that CellMark is willing to accept is low and consistent with its overall objective of achieving certainty in CellMark’s tax affairs. CellMark aims at applying a responsible and reasonable approach towards the control and mitigation of tax risks and exposures.

**OPERATE WITH INTEGRITY**

CellMark does not participate in aggressive or artificial tax planning. Any tax planning is undertaken in compliance with CellMark’s strategy and principles and is substantiated by commercial objectives. Where two commercial options have differing tax consequences, the option most beneficial overall to the business will be considered.

**BUILDING TRUST WITH TAX AUTHORITIES**

The Group also seeks to build trust with tax authorities in all countries where it operates, by acting in an open and transparent way, maintaining an ongoing dialogue and being cooperative. Where appropriate, CellMark seeks approval from the relevant tax authorities prior to entering into any transactions.





# 2 Governance

CellMark has adopted a two-tier governance system, composed of the Board of Directors and the Group Management Team. Members of the Board of Directors are appointed by the Group’s shareholders and the Board of Directors appoints CellMark’s Chief Executive Officer, who leads the Group’s Management Team.

CellMark’s governance is geared towards growth and operations, with short and efficient

decision cycles and real proximity to the field. This model allows the Group to remain agile, while maintaining operational rigor.

The Management Team is entrusted with CellMark’s operations and general affairs, while the Board of Directors has a general oversight function over key strategic matters affecting the Group.



**The Board of Directors comprises four sub-committees:**

- ✓ The Audit Committee whose role is to:
  - support the Board in all matters regarding finance, accounting, business control, and compliance.
  - support and provide advice to the Board on: the financial reporting and divisional and corporate results, the evaluation and maintenance of CellMark’s risks portfolio, the assessment and handling of risk exposure, the external audit (coordination and review of the auditors’ work and invoicing), updates of corporate policies, and the conduct of internal audits and investigations.
- ✓ The Investment and Strategy Committee serves as a sounding board and support to the Chief Executive Officer and the Chief Financial Officer in discussions of larger investments and strategic considerations, with potential risk exposure and that is outside of daily business.
- ✓ The Remunerations Committee, whose role is to review and ensure compensation to key personnel, give final approval of proposed bonus distribution and secure and motivate succession planning and development for key personnel.
- ✓ The Nomination Committee, in charge of nominating the Members of the Board of Directors and suggesting compensation to non-executive Board Members.

## 2.1 Board of Directors

The Board of Directors is a corporate body composed of three to ten members elected annually by the shareholders at the General Meeting. It currently consists of eight members (four executives and four non-executives) appointed during the General meeting of 2022 for a period of one year.

**The Board of Directors currently consists of the following eight members:**

Daniel Dayan <i>Chairman</i>	Jimmy Derrico <i>Executive Director</i>	Doug Smith <i>Executive Director</i>
Christer Simrén <i>Executive Director</i>	Ola Cronholm <i>Non-Executive Director</i>	Johanna Lamminen <i>Non-Executive Director</i>
Thomas Hedberg <i>Non-Executive Director</i>	Henrik Forsberg Schoultz <i>Non-Executive Director</i>	



None of the Board members has declared any conflict of interest (e.g., cross-board membership or cross-shareholding with suppliers and other stakeholders). According to the rules of procedure for the Board of Directors,

a Board member may not be involved in a transaction between CellMark and third parties, if the Board member has a material interest that may conflict with CellMark’s interest.

**The main role of the Board of Directors is the permanent supervision of the management of CellMark. Its missions include**

- appointment of the CEO
- decision and follow-up on overall company and divisional strategy and long-term plan and budget
- review of ongoing results and forecasts
- review and approval of the annual accounts
- review of external audit
- decision on specific projects during the year
- review of the company’s internal controls
- business risk assessment
- credit requirements and insurances
- bonus rules for the following year.

Additionally, the Board oversees implementation of the Code of Conduct and of the corporate policies introduced by the Management Team, advises the Management Team on global corporate strategy and monitors compliance with law and regulations.

The Board also evaluates its work and the work of CellMark’s CEO.

The skills of the Board members are in line with the Group’s strategy: the directors of CellMark have a complementary set of skills and experience that line up with the Group’s strategy and enable it to respond to the challenges it faces. Together, they have the industrial,

financial, and managerial expertise that is relevant to CellMark. In 2022, the Vice President of ESG & Compliance informed the Board about upcoming legislation and important changes in the field of ESG.

The Board of Directors meets at least three times per year. In 2022, the Board of Directors met eight times, with an average attendance of 98.5 percent.

As at December 31, 2022, the Board of Directors was composed of 13 percent women and 87 percent men.





## 2.2 Management Team

**The Group Management Team is a corporate body elected by the Board of Directors. It is entrusted with the management and general affairs of CellMark and the following main responsibilities:**

- Develop and propose to the Board of Directors a strategy for the Group.
- Operational execution of CellMark’s strategy: development and implementation of the Group’s strategic plan, management, and control of CellMark’s business accordingly.
- Oversee and manage the Group’s financial situation.
- Ensure compliance with applicable laws and regulations.
- Compliance with applicable laws and regulations.
- Preparation and approval of CellMark’s financial statements and related reports.
- Reporting to the Board of Directors.

**The Management Team currently consists of the following eight members:**

Christer Simrén <i>President and Chief Executive Officer</i>	Ersin Alkan <i>Division President, CellMark Basic Materials</i>
Pernilla Jordan <i>Chief Financial Officer</i>	Doug Smith <i>Division President, CellMark Pulp</i>
Hugo Galletta <i>Division President, CellMark Chemicals</i>	Joe Hoffman <i>Division President, CellMark Packaging &amp; Paper</i>
Jimmy Derrico <i>Division President, CellMark Recycling</i>	Paul Busnardo <i>Senior Executive Advisor</i>

As at December 31, 2022, the Management Team was composed of 13 percent women and 87 percent men. The Management Team meets every 4–6 weeks. In 2022, the Management Team met eleven times.



## 2.3 Delegation of authority

**CellMark has implemented the following:**

- A Corporate Governance matrix that sets the respective responsibilities of each governance bodies and senior executives.
- A Delegation of Authority matrix that defines the authorizations given from CellMark’s highest governance body to senior executives and other employees.



# 3 Social aspects

## 3.1 CellMark’s workforce

### 3.1.1 MANAGEMENT APPROACH

As CellMark’s success relies on the unique knowledge and experience of its employees, (see section 1.7.6), the Group strives to attract, motivate and retain these highly skilled talents, and to preserve Health & Safety and well-being in the workplace.



#### As at December 31, 2022

- the total workforce amounted to 961 individuals (921 employees and 40 internal consultants).
- women represented 46 percent of the total workforce (vs. 47 percent in 2021)
- women represented 34 percent of the managers and 66 percent of the non-managers (like 2021).
- 25 employees benefited from a part-time contract, of which 76 percent were women and 24 percent men.
- 40 employees (4.34 percent) were employed temporarily.

#### WORKFORCE BY CATEGORY, GENDER, AND REGION\*

	AMERICAS			EMEA			APAC			TOTAL	
	Men	Women	TOTAL	Men	Women	TOTAL	Men	Women	TOTAL	Men	Women
Manager	62	22	84	28	16	44	12	9	21	99	50
Non-Manager	289	198	478	94	129	223	36	75	111	422	390
<b>TOTAL</b>	<b>351</b>	<b>211</b>	<b>562</b>	<b>122</b>	<b>145</b>	<b>267</b>	<b>48</b>	<b>84</b>	<b>132</b>	<b>521</b>	<b>440</b>

#### WORKFORCE BY TYPE OF CONTRACT, GENDER, AND REGION\*

	AMERICAS			EMEA			APAC		
	Men	Women	TOTAL	Men	Women	TOTAL	Men	Women	TOTAL
Temporary	2	7	9	11	13	24	4	3	7
Other	289	198	478	94	129	223	36	75	111
<b>TOTAL</b>	<b>351</b>	<b>211</b>	<b>562</b>	<b>122</b>	<b>145</b>	<b>267</b>	<b>48</b>	<b>84</b>	<b>132</b>

#### WORKFORCE BY AGE AND GENDER\*

	Men	Women	TOTAL
<30	48	38	86
30-50	317	302	619
>55	156	100	256
<b>TOTAL</b>	<b>521</b>	<b>440</b>	<b>961</b>

\*As at December 31, 2022.



In 2022, the average employee turnover was 8 percent and 160 new employees joined CellMark.

NEW EMPLOYEES IN 2022, BY REGION

	AMERICAS	EMEA	APAC	TOTAL
New employees in 2022	104	42	14	160

3.1.2 TRAINING AND PERFORMANCE APPRAISAL

One of the fundamental aspects of talent management within CellMark is training. The e-learning platform, CellMark Academy, plays a key role in supporting employees’ professional development.

Employees are encouraged to undertake at least one hour per month of competence development and training. The Group adheres 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 seminar.

CellMark has implemented a process for employee annual performance review and for development & goal conversations (where employees and their managers discuss future goals, development plans, and the employees’ well-being).



3.1.3 OCCUPATIONAL HEALTH AND SAFETY

CellMark pays close attention to its employees not only by complying with laws on workplace health and safety and by establishing procedures preventing accidents and occupational illness, but also by promoting physical and psychological well-being.

The Group’s employee handbooks include provisions on Health and Safety.

In the facilities or warehouses operated by CellMark, where health and safety risks are higher, the Group strives to maintain a health and safety culture, with proper instructions and training for employees.

**Routines for occupational accidents, injuries, and fatalities**

- For each occupational accident or injury, a report and mitigation plan must be set.
- In case of any fatality, a specific report must be filed, and relevant risk mitigation actions taken based on the conclusions made.



3.1.4 DIVERSITY AND EQUAL OPPORTUNITY

CellMark has implemented Diversity, Equity, and Inclusion Guidelines, and the Group’s Code of Conduct and employee handbooks include provisions on discrimination and harassment. In the last two years, 100 percent of CellMark’s employees in the United States and +90 percent of CellMark’s employees in Gothenburg were trained on discrimination. General information on employee representation per gender and age group can be found in section 3.1.2.

3.1.5 LABOR/MANAGEMENT RELATIONS

Whenever CellMark considers implementing significant operational changes, reasonable notice is provided to employees and relevant government authorities, in accordance with applicable legislation.

3.1.6 REMUNERATION

**The principles that guide CellMark’s remuneration system are**

- to attract, recruit and retain the best professionals.
- to be consistent with the Group’s strategic positioning and development and with its objective of excellence.
- to follow the principle of fair reward for labour.
- to recognize and reward the commitment, responsibility, and performance in accordance with the Group’s vision, “Surpassing Expectations”.
- to adapt to the different local realities of the Group.

As at December 31, 2022, the provisions for pensions in the financial statements amounted to 9.24 MUSD, covering 12 consolidated entities.



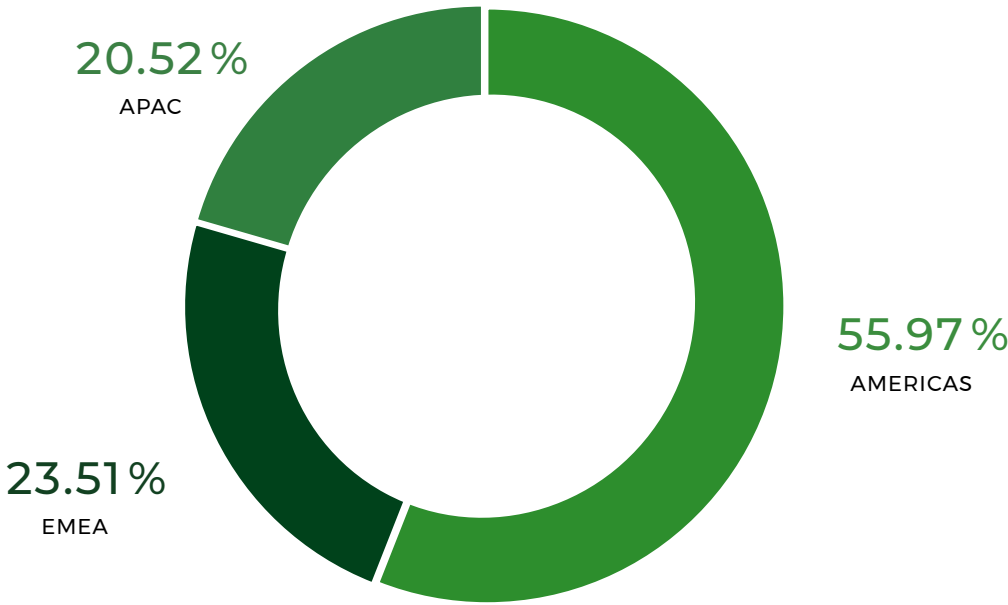
## 3.2 Value chain management

### 3.2.1 MANAGEMENT APPROACH

As a marketing and supply chain services company, all stakeholders throughout CellMark’s value chain are essential to the Group’s business activities (see section 1.7.6). CellMark is committed to creating value for both

its customers and suppliers, and to optimal management of its value chain through customer and supplier satisfaction, and ethical management of its supply chain.

REPARTITION OF THE INVOICES RECEIVED FROM SUPPLIERS IN 2022



**CellMark’s business activities are global and have significant direct and indirect economic impacts on the supply chain in all industries served by the Group. Indirect economic impacts include**

- the number of jobs supported in the supply and distribution chains (CellMark’s growth or contraction can have employment impacts on the suppliers and service providers).
- economic impacts from the products traded and services used (economic growth resulting from trading a specific product or using a specific service).

For more information about CellMark’s value chain, please refer to sections 1.3.3, “Business Model”, and 1.4.2, “Markets served”.

### 3.2.2 CUSTOMER AND SUPPLIER RELATIONSHIP

As further described in section 1.10.1, a Code of Conduct for Business Partners was adopted by the Management Team and will be deployed as of 2023. This Code sets out CellMark’s expectations toward its business partners and details the grievance mechanisms in place.

guidelines that include a set of rules for procurement activities. According to these guidelines, a risk analysis must be conducted on suppliers, covering their financial strength and sanctions.

In addition to the Code of Conduct for Business Partners, the Group has implemented Sustainable Procurement





### 3.3 Contribution to local communities

CellMark Cares is the corporate social responsibility program at CellMark. This program was created to enhance, amplify, and strategically provide funding for non-profit organizations and non-governmental organizations (NGOs) serving the communities where CellMark has a presence.

**In 2022, efforts towards local communities included the following:**

- Donations to charities identified by CellMark.
- Employee volunteering and community support.
- Donations to qualifying non-profit organization chosen by employee (each employee having worked for CellMark for more than a year had the possibility to ask the Group to donate USD 200 to a designated non-profit organization).

The total amount of donations distributed in 2022 was over USD 225 600.

At the end of 2022, CellMark announced that it would no longer provide the option for employees to designate USD 200 for a charity of their choice. Instead, CellMark Cares will provide USD 350 000 annually to charities and NGOs (non-governmental organizations) in transformational grants primarily in the range of USD 35 000–50 000. Employees will be able to recommend a registered

charity or NGO anywhere in the world where CellMark has a presence. All recommendations will be vetted by a third party (checking the charitable nature of the organization and performing relevant due diligence). Vetted organizations will be reviewed, based on geography, mission diversity, and equitable distribution among the Group’s five Divisions.





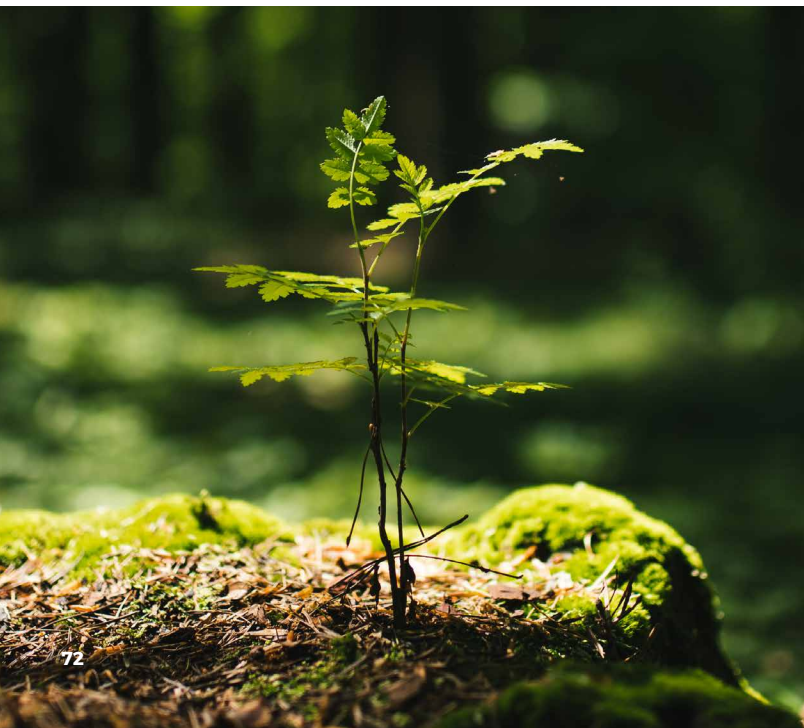
# 4 Environmental aspects

Information regarding the methodology followed by CellMark to calculate the environmental data provided in this section can be found in section 5.1 below.

## 4.1 Management approach

**The Group’s environmental commitment is based on**

- complying with applicable environmental laws and regulations
- increasing its contribution to the circular economy through its recycling activities
- helping customers with their environmental commitments
- pursuing continuous improvement of the Group’s environmental performance
- raising awareness and maintaining the dialogue with its stakeholders on environmental challenges.



CellMark operates a limited number of facilities and warehouses. For these sites, according to the Environmental Guidelines and as much as circumstances allow, the Group undertakes to

- minimize consumptions and pollution
- minimize usage of materials and water
- reduce waste and recycle.

In general, most of CellMark employees work in an office building or at home and most of our facilities are rented. The use of fuel, gas, and electricity is low: gas and electricity are used to run office buildings. When establishing new sites or relocating sites, CellMark selects office spaces with good energy ratings.

## 4.2 Energy consumption

Energy consumption includes electricity, natural gas, propane, gasoline and diesel for vehicles, and oil and diesel for other sources of energy. No refrigerant was reported in 2022.

In 2022, CellMark’s energy consumption was reported by 36 premises representing at least 95 percent of the total surface of the Group’s premises. CellMark’s total energy consumption represented 66 284 GJ in 2022.

ENERGY CONSUMPTION IN 2022

	Gigajoules
Natural gas	7 483.92
Propane	9.69
Other Energy Sources	633.99
Vehicles	35 660.10
Electricity	22 495.91
<b>TOTAL</b>	<b>66 283.61</b>

In 2021, CellMark’s energy consumption was reported by 32 premises, representing at least 90 percent of the total surface of the Group’s premises; it represented 45 755 GJ in 2021.

On a like-for-like basis (i.e., based on the same scope of premises as in 2021), the total energy consumption in 2022 amounted to 47 085 GJ, representing a three per-cent increase compared to 2021.

**Energy consumption increased in 2022, mainly due to the end of the measures linked to the COVID-19 pandemic**

- Several premises were temporarily closed in 2021 and reopened fully in 2022.
- Diesel and gasoline consumption increased by 25 percent in 2022 compared to 2021 because company vehicles were used more this year than the previous one due to more visits to customers and business partners.

The vehicles consumption in 2022 considerably increased compared to 2021, due to a larger scope of reporting: in 2021, the trucks operated by the Recycling Division had not been reported and the consumptions related to company cars were not appropriately reported.

In 2022, the energy intensity, calculated as GJ of total energy consumption per million USD revenue, was 11.04 GJ/MUSD.



VARIATION OF ENERGY INTENSITY, BASED ON THE SAME SCOPE OF REPORTING (2021)

	2021	2022	Variation
Energy Consumption (in GJ)	45 754.85	47 085.53	+3%
Revenue (MUSD)	3 667.055	4 248.958	+16%
GHG Emission Intensity	12.48	11.08	-11%

On a like-for-like basis, compared to 2021 (12.48 GJ/MUSD), the decrease in GHG emissions intensity results from an increase in revenue that is higher than the increase in energy consumption. Whenever possible, CellMark strives to minimize energy consumption for lights, air conditioning, computers, photocopiers and other equipment. Several CellMark premises have taken

measures to reduce their consumption of energy for lighting, by using led tubes, motion sensors, and dimmers. Similarly, several premises are equipped with energy-efficient HVAC systems, such as central air conditioners, or have programmable thermostats which turn off heating and cooling during non-office hours.

4.3 Impact of transportation

BUSINESS TRAVELS

Technological solutions, such as video conferencing, online meetings and conference calls are widely in use within CellMark, and many meetings and training events may be conducted without resorting to air travel. These options should be thoroughly explored before any business flights are undertaken. In accordance with the Group’s Environmental Policy, employees are encouraged to replace travel with online meetings whenever relevant.

In 2022, the total amount spent on airline tickets was 1 670 KUSD distributed as follows: Americas 54 percent, EMEA 30 percent, and APAC 16 percent.

TRAVEL TO WORK

Many CellMark employees work from home, either full-time or part-time, which allows to limit the impact of travel to work.

NUMBER OF FULL-TIME REMOTE WORKERS (HOME OFFICE) BY REGION

Americas	EMEA	APAC	TOTAL
66	37	16	199

COMPANY CARS AND TRUCKS

CellMark owns or leases 97 vehicles globally (including trucks), of which eight (8) cars are electric and nine (9) are hybrid (petrol-electric). The portion of vehicles using cleaner technology (electric or hybrid) represents 18 percent. To the extent possible, whenever company cars are replaced, CellMark evaluates environmentally friendly alternatives. The Recycling Division operates 13 trucks.

4.4 Water consumption

In 2022, CellMark’s water consumption was reported by half of the total number of the Group’s premises; it represented 1 305 cubic meters. CellMark uses exclusively municipal water supplies or other public or private water utilities.

4.5 Biodiversity

Most of CellMark’s sites, owned or leased, are in urban or industrial areas. The Group owns a site in Naugatuck (Connecticut, USA), where the Chemicals Division’s manufacturing facility is located. This site is adjacent to an area of high biodiversity (a forest that is not a protected area). The facility covers 4 830 m² of the 40 000 m² site owned by CellMark.

As a supply chain company operating in the wood industry, the products traded by CellMark come from areas with high biodiversity value. The Group works with its

certified suppliers to source products from managed forests and ensure the sourcing of deforestation-free products. As detailed in section 1.7.7, CellMark maintains a number of third-party certifications that are related to the wood industry (e.g., FSC® and PEFC®). Trading certified wood products has beneficial consequences for the preservation of biodiversity as it involves controlling forest resources and takes into account criteria such as the productive and protective functions of forests, biological diversity, and forest health and vitality.

4.6 Emissions

CellMark reports its greenhouse gas emissions (GHG) in accordance with the provisions of the Greenhouse gas protocol, as follows:

- SCOPE 1: Direct emissions from sources owned and controlled directly by CellMark, i.e.: the usage of natural gas, propane and A/C refrigerant, as well as the vehicles fuels like gasoline and diesel.
- SCOPE 2: Emissions resulting from the production of electricity imported and consumed by the organization.



## SCOPE 1 AND SCOPE 2 GHG EMISSIONS 2022

	tCO2 e
Scope 1	4 120.91
Scope 2	1 903.01
<b>TOTAL</b>	<b>6 023.92</b>

In 2022, in absolute value, Scope 1 GHG emissions increased by 27 percent compared to 2021, and Scope 2 decreased by 4 percent compared to 2021.

2022 amounted to 3 288 tCO2 e vs. 3 125 tCO2 e in 2021, representing a 5 percent increase. This increase is mainly due to the end of the measures linked to the COVID-19 pandemic in 2022, as detailed in section 4.2, “Energy consumption”.

On a like-for-like basis (i.e., based on the scope of premises having reported in 2021), the total GHG emissions in

## VARIATION OF SCOPE 1 AND SCOPE 2 EMISSIONS IN TCO2 E, BASED ON THE SAME SCOPE OF REPORTING (2021)

	2021	2022	Variation
Scope 1	1 409.28	1 783.62	+27%
Scope 2	1 715.35	1 504.10	-12%
<b>TOTAL</b>	<b>3 124.63</b>	<b>3 287.72</b>	<b>+5%</b>

The GHG emission intensity indicators are calculated by relating the absolute emission values to the size of CellMark in terms of revenue.

## GHG EMISSIONS INTENSITY 2022

	tCO2 e per MUSD revenue
Total Scope 1 emissions	1 783.62
GHG emissions intensity Scope 1	0.41978
Total Scope 2	1 504.10
GHG emissions intensity Scope 2	0.35399
Total GHG emissions	3 287.72
<b>TOTAL GHG EMISSIONS INTENSITY SCOPE 1 AND SCOPE 2</b>	<b>0.77377</b>

## VARIATION OF GHG EMISSION INTENSITY (TCO2 E PER MUSD REVENUE), BASED ON THE SAME SCOPE OF REPORTING (2021)

	2021	2022	Variation
Total Scope 1 emissions	1 409.28	1 783.62	27%
GHG emissions intensity Scope 1	0.38431	0.41978	9%
Total Scope 2	1 715.35	1 504.10	-12%
GHG emissions intensity Scope 2	0.46777	0.35399	-24%
Total GHG emissions	3 124.63	3 287.72	5%
<b>TOTAL GHG EMISSIONS INTENSITY SCOPE 1 AND SCOPE 2</b>	<b>0.85208</b>	<b>0.77377</b>	<b>-9%</b>

## 4.7 Effluents and waste

As described in Section 1.7.4, with its recycling activities, CellMark strives to keep waste in the recycling stream and out of the landfill and, therefore, contributes to reducing the world’s ecological footprint and to managing efficiently toxic waste and pollutants.

In 2022, information on the waste generated by the Group was reported by 1/3 of the Group’s premises. These premises reported more than 27 181 tons of waste, of which 26 808 tons (85 percent) are non-hazardous and 373 tons (15 percent) are hazardous (hazardous waste relates to CellMark’s facilities and warehouses).

Of these 27 180 tons of waste reported, more than 23 300 tons are recycled, representing 86 percent of the reported waste.

CellMark’s production facility in Naugatuck uses municipal water for both its machine wash down and its blends (for the blends, the water is purified by using a reverse osmosis system). All water used for the wash-down of equipment is collected in a sediment collector; this tank sediment collector assures that no sediments or solids get introduced into the sewage systems. The tank sediment collector is cleaned annually by a third-party professional company.

All hazardous products traded by the Group are handled accordingly throughout the value chain (from the supplier to the customer): CellMark ensures that the logistics service providers have all relevant accreditations to appropriately transport or store the hazardous products.



# 5 Information about this report

## 5.1 Methodology

This Sustainability Report has been prepared based on the “GRI Sustainability Reporting Standards” of the Global Reporting Initiative, using the “in reference” reporting option. The reporting period for the information provided in this Report is January 1 to December 31, 2022. CellMark prepares a Sustainability Report annually.

### 5.1.1 PRINCIPLES FOR DEFINING THE CONTENT OF THE SUSTAINABILITY REPORT AND THE TOPIC BOUNDARIES

In order to define the content of this report, the following criteria were taken into account:

- **STAKEHOLDERS’ EXPECTATIONS:** The application of this principle has led CellMark to carry out a reflection on its stakeholders’ expectations in the different areas of ESG, mainly described in section 1.7.6, “CellMark’s main Stakeholders”.
- **CELLMARK’S RISKS:** The assessment of CellMark’s risks, as described in section 1.9, “Risk factors and management approach”, is an essential element of CellMark’s strategy as it enables the Group to better determine how to mitigate these risks and, thus, better achieve its goals.
- **SUSTAINABILITY CONTEXT:** Section 1.7.2, “ESG Strategy” describes how the Group interprets “sustainability” as related to the business sector to which it belongs.
- **MATERIALITY:** The relevance of the ESG topics covered in the Sustainability Report is consistent with the materiality analysis described in section 1.8, “Materiality analysis”. The link between the ESG topics reported and the SDGs are highlighted in section 1.7.3, “Contribution to the United Nations Sustainable Development Goals”.
- **COMPLETENESS:** The content of this Sustainability Report has been defined with a view to providing stakeholders with a complete picture of CellMark’s global activities.

### 5.1.2 PRINCIPLES FOR DEFINING THE QUALITY OF THE SUSTAINABILITY REPORT

The following principles were followed to define the quality of the Sustainability Report:

- **BALANCE:** In describing the outcomes of CellMark activities, the Group has tried to reflect both positive and negative aspects in order to give a balanced view of its overall performance.
- **COMPARABILITY:** To enable stakeholders to analyze changes in the Group’s performance, the Report includes some comparative data over several years. Any reference to “tons” in this report corresponds to “metric tons”, i.e. 1 000 kg.
- **ACCURACY:** Financial data are taken from the audited financial statements and, in the absence of global reporting system for ESG, social and environmental data are collected and reported as described in section 5.1.3.2. “Social and Environmental Reporting Methodology”.
- **TIMELINESS:** CellMark’s Sustainability Report is prepared annually.
- **CLARITY:** CellMark’s Sustainability Report has been organized to enable stakeholders to identify information easily; it opens with the letter from the CEO and key figures, and includes four sections: CellMark’s identity, Governance, Social aspects, and Environmental aspects.
- **RELIABILITY:** This Sustainability Report has been reviewed and approved by CellMark’s Management Team and the Board of Directors and has been reviewed by the Group’s external auditors.





5.1.3 REPORTING METHODOLOGY

5.1.3.1 SCOPE OF THE CONSOLIDATED FINANCIAL STATEMENTS

Unless otherwise stated in the relevant sections of this Sustainability Report, financial data provided covers the Group’s 52 consolidated subsidiaries. CellMark AB’s direct subsidiaries are listed in note 18 to the consolidated financial statements.

5.1.3.2 SCOPE OF THE SOCIAL AND ENVIRONMENTAL DATA AND REPORTING METHODOLOGY

SOCIAL	
The reporting system used to collect the general information about CellMark’s workforce (section 3.1) is deployed in all the Group’s entities; labour reporting follows the Key Performance Indicators established by the Human Resources department, taking the specific needs of each Division and/or geographic area into account. The information is reported in headcount.	<p>In general, the data reported does not cover full-time remote workers.</p> <p>Information about the value chain (section 3.2) was collected via the financial reporting system deployed in all the Group’s consolidated subsidiaries.</p>



ENVIRONMENT	
<p>The environmental data provided in this Report covers the 34 largest premises. In terms of surface covered, these 34 premises represent more than 95 percent of the total surface of CellMark’s premises worldwide.</p> <p>When data could not be obtained directly from the premises, estimations have been made with one of the following methods:</p> <ul style="list-style-type: none"><li>• Average amongst similar facilities.</li><li>• Data recovery through investigations over the Internet (for example, the average fuel consumption of a certain type of vehicle).</li></ul>	<p>The sources for the conversion rates used by CellMark to calculate its GHG emissions (Scope 1 and Scope 2) depend on the country or location of the relevant premises (e.g., the conversion rates used for the premises in the USA are those set up by the US Environment Protection Agency).</p> <p>The analysis and calculations of GHG emissions for Scopes 1 and 2 include data collected directly from the relevant premises and data obtained by estimation.</p> <p>Emissions are measured in metric tons of carbon dioxide equivalent (referred to as tCO2 e in this Report), considering the specific Global Warming Potential (GWP) of each greenhouse gas.</p>

SCOPE 1

**Energy sources:** Sources like natural gas, propane, gasoline, and diesel were reported in different units of measure and converted into tCO2 e. The electricity emission factors for Asia and Europe were obtained from the publication of Carbon Footprint entitled ”Country specific electricity grid greenhouse gas emissions factors: March 2022”. The electricity emission factors for USA, per region, was obtained from the United States Environmental Protection Agency’s (EPA) eGRID 2021.

**Refrigerants:** In 2022, no consumption of refrigerant was reported.

SCOPE 2

**Electricity.** The electricity consumption was obtained by considering the information of each electricity invoice issued by the local energy seller. When the original invoice was not available because they were included in the rental agreements, the information was requested to the landlords. Where none of the above was obtained, the electricity consumption was estimated based on the consumption of similar premises in terms of location, type (office or warehouse), surface, and number of employees.



5.2 GRI content index

CellMark has reported the information cited in this GRI content index for the period January 1 to December 31, 2022, with reference to the GRI Standards – GRI 1: Foundation 2021.

GRI STANDARD	DISCLOSURE	LOCATION	COMMENTS
GRI Foundation		Section 5.2, p. 82–85	
GRI 2: General Disclosures 2021	2–1 Organizational details	* CellMark 2022 in brief, p. 6–7 * Section 1.1, p. 8–9 * Section 1.4, p. 28–29	
	2–2 Entities included in the organization’s sustainability reporting	* Section 5.1, p. 78–81	
	2–3 Reporting period, frequency and contact point	* Section 5.1, p. 78–81 * Last page	
	2–4 Restatements of information	Not applicable	
	2–5 External assurance	Auditor’s opinion, p. 86	
	2–6 Activities, value chain and other business relationships	* CellMark 2022 in brief, p. 6–7 * Section 1.1., p. 8–9 * Section 1.3, p. 11–27 * Section 1.4.2, p. 30–31 * Section 3.2, p. 68–69 * Section 1.6, p. 34	
	2–7 Employees	* CellMark 2022 in brief, p. 6–7 * Section 3.1.1, p. 64–65 * Section 5.1.3, p. 80–81	In the future CellMark intends to better cover this indicator
	2–8 Workers who are not employees	* Section 3.1.1, p. 64–65 * Section 5.1.3, p. 80–81	In the future CellMark intends to better cover this indicator
	2–9 Governance structure and composition	Section 2, p. 58–63	In the future CellMark intends to better cover this indicator
	2–10 Nomination and selection of the highest governance body	Section 2, p. 58–63	
	2–11 Chair of the highest governance body	Section 2, p. 58–63	
	2–12 Role of the highest governance body in overseeing the management of impacts	* Section 1.5, p. 78–81 * Section 1.7.4, p. 37 * Section 1.7.5, p. 38 * Section 1.9, p. 43–51	
	2–13 Delegation of responsibility for managing impacts	* Section 1.7.5, p. 38 * Section 2, p. 58–63	
	2–14 Role of the highest governance body in sustainability reporting	* Section 2.1, p. 59–60 * Last page	
	2–15 Conflicts of interest	* Section 2.1, p. 59–60	
	2–16 Communication of critical concerns	* Section 1.8, p. 43 * Section 1.9, p. 43–51 * Section 1.10.3, p. 54 * Section 2, p. 58–63	
	2–17 Collective knowledge of the highest governance body	* Section 1.7.5, p. 38 * Section 2.1, p. 59–60	
	2–18 Evaluation of the performance of the highest governance body	Section 2, p. 58–63	In the future CellMark intends to better cover this indicator
	2–19 Remuneration policies		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
	2–20 Process to determine remuneration	* Section 2.1., p. 59–60 * Section 3.1.6, p. 67	In the future CellMark intends to better cover this indicator
	2–21 Annual total compensation ratio		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
	2–22 Statement on sustainable development strategy	Message from our CEO, p. 4–5	
	2–23 Policy commitments	* Section 1.5, p. 78–81 * Section 1.9, p. 43–51 * Section 1.10, p. 52–54 * Section 1.11, p. 55–56	
	2–24 Embedding policy commitments	* Section 1.10, p. 52–54 * Section 1.11, p. 55–56	
	2–25 Processes to remediate negative impacts	* Section 1.10.3, p. 54	
	2–26 Mechanisms for seeking advice and raising concerns	* Section 1.10.1, p. 52–53	
	2–27 Compliance with laws and regulations		To the best of CellMark’s knowledge, in the FY 2022, there was no confirmed material non-compliance with: - environmental laws and regulations - laws and regulations in the social and economic area
	2–28 Membership associations	* Section 1.7.5, p. 38	
	2–29 Approach to stakeholder engagement	* Section 1.7.6, p. 39	
	2–30 Collective bargaining agreements		This information is not available for FY 2022. In the future CellMark intends to cover this indicator

GRI 3: Material Topics 2021	3–1 Process to determine material topics	* Section 1.8, p. 42 * Section 1.9, p. 43–51 * Section 5.1.1, p. 78	
	3–2 List of material topics	* Section 1.8, p. 42 * Section 1.9, p. 43–51 * Further information can be found throughout the report	A list of changes in reporting would not be relevant - this 2022 Sustainability Report covers the GRI Standards more broadly than in previous years
	3–3 Management of material topics	* Section 1.8, p. 42 * Section 1.9, p. 43–51 * Further information can be found throughout the report	
GRI 201: Economic Performance 2016	201–1 Direct economic value generated and distributed	* Section 1.3.3, p. 26–27	
	201–2 Financial implications and other risks and opportunities due to climate change	* Section 1.9.9, p. 50	
	201–3 Defined benefit plan obligations and other retirement plans	* Section 3.1.6, p. 67	In the future CellMark intends to cover this indicator
	201–4 Financial assistance received from government		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
GRI 202: Market Presence 2016	202–1 Ratios of standard entry level wage by gender compared to local minimum wage		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
	202–2 Proportion of senior management hired from the local community		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
GRI 203: Indirect Economic Impacts 2016	203–1 Infrastructure investments and services supported		Not applicable - CellMark has not made any significant infrastructure development in FY 2022
	203–2 Significant indirect economic impacts	* Section 3.2.1, p. 68	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		Given the global nature of CellMark’s business, the proportion of spending on local suppliers is not relevant
GRI 205: Anti-corruption 2016	205–1 Operations assessed for risks related to corruption		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
	205–2 Communication and training about anti-corruption policies and procedures	* Section 1.10.2, p. 53	
	205–3 Confirmed incidents of corruption and actions taken		To the best of CellMark’s knowledge, there was no confirmed incident of corruption in the FY 2022
GRI 206: Anti-competitive Behavior 2016	206–1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		To the best of CellMark’s knowledge, there was no material legal actions for anti-competitive behavior, anti-trust, and monopoly practices in the FY 2022
GRI 207: Tax 2019	207–1 Approach to tax	* Section 1.11, p. 55–56	
	207–2 Tax governance, control, and risk management	* Section 1.11, p. 55–56	
	207–3 Stakeholder engagement and management of concerns related to tax	* Section 1.11, p. 55–56	
	207–4 Country-by-country reporting		This information will be available later in 2023 for FY 2022
GRI 301: Materials 2016	301–1 Materials used by weight or volume	* Section 1.3.1.4, p. 18–20	
	301-2 Recycled input materials used	* Section 1.3.1.3, p. 16–17	
	301–3 Reclaimed products and their packaging materials		Not applicable
GRI 302: Energy 2016	302–1 Energy consumption within the organization	* Section 4.2, p. 73–74 * Section 5.1.3, p. 80–81	
	302–2 Energy consumption outside of the organization	* Section 4.2, p. 73–74 * Section 5.1.3, p. 80–81	
	302–3 Energy intensity	* Section 4.2, p. 73–74	
	302-4 Reduction of energy consumption	* Section 4.2, p. 73–74	
	302–5 Reductions in energy requirements of products and services		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
GRI 303: Water and Effluents 2018	303–1 Interactions with water as a shared resource	*Section 4.4, p. 75	
	303–2 Management of water discharge-related impacts	* Section 4.7, p. 77	In the future CellMark intends to better cover this indicator
	303–3 Water withdrawal	* Section 4.7, p. 77	In the future CellMark intends to better cover this indicator
	303-4 Water discharge	* Section 4.7, p. 77	
	303–5 Water consumption	* Section 4.4, p. 75	
GRI 304: Biodiversity 2016	304–1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	* Section. 4.5, p. 75	
	304–2 Significant impacts of activities, products and services on biodiversity	* Section. 4.5, p. 75	
	304–3 Habitats protected or restored		Not applicable to CellMark
	304–4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Not applicable to CellMark



GRI 305: Emissions 2016	305–1 Direct (Scope 1) GHG emissions	* Section 4.6, p. 75–77	
	305–2 Energy indirect (Scope 2) GHG emissions	* Section 4.6, p. 75–77	
	305–3 Other indirect (Scope 3) GHG emissions		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
	305–4 GHG emissions intensity	* Section 4.6, p. 76	
	305–5 Reduction of GHG emissions	* Section 4.6, p. 77	In the future CellMark intends to better cover this indicator
	305–6 Emissions of ozone-depleting substances (ODS)		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
	305–7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
GRI 306: Waste 2020	306–1 Waste generation and significant waste-related impacts	* Section 4.7, p. 77	
	306–2 Management of significant waste-related impacts	* Section 4.7, p. 77	In the future CellMark intends to better cover this indicator
	306–3 Waste generated	* Section 4.7, p. 77	
	306–4 Waste diverted from disposal	* Section 1.3.1.3, p. 16–17 * Section 4.7, p. 77	In the future CellMark intends to better cover this indicator
	306–5 Waste directed to disposal	* Section 4.7, p. 77	In the future CellMark intends to better cover this indicator
GRI 308: Supplier Environmental Assessment 2016	308–1 New suppliers that were screened using environmental criteria		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
	308–2 Negative environmental impacts in the supply chain and actions taken		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
GRI 401: Employment 2016	401–1 New employee hires and employee turnover	* Section 3.1.1, p. 64–66	
	401–2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
	401–3 Parental leave		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
GRI 402: Labor/Management Relations 2016	402–1 Minimum notice periods regarding operational changes	* Section 3.1.5, p. 67	In the future CellMark intends to better cover this indicator
GRI 403: Occupational Health and Safety 2018	403–1 Occupational health and safety management system	* Section 3.1.3, p. 66	In the future CellMark intends to better cover this indicator
	403–2 Hazard identification, risk assessment, and incident investigation	* Section 3.1.3, p. 66	In the future CellMark intends to better cover this indicator
	403–3 Occupational health services		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
	403–4 Worker participation, consultation, and communication on occupational health and safety		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
	403–5 Worker training on occupational health and safety	* Section 3.1.3, p. 66	In the future CellMark intends to better cover this indicator
	403–6 Promotion of worker health		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
	403–7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
	403–8 Workers covered by an occupational health and safety management system		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
	403–9 Work-related injuries	* Section 3.1.3, p. 66	
	403–10 Work-related ill health	* Section 3.1.3, p. 66	
GRI 404: Training and Education 2016	404–1 Average hours of training per year per employee	* Section 3.1.2, p. 66	In the future CellMark intends to better cover this indicator
	404–2 Programs for upgrading employee skills and transition assistance programs	* Section 3.1.2, p. 66	In the future CellMark intends to better cover this indicator
	404–3 Percentage of employees receiving regular performance and career development reviews		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
GRI 405: Diversity and Equal Opportunity 2016	405–1 Diversity of governance bodies and employees	* Section 2, p. 58–63 * Section 3.1., p. 64–67	
	405–2 Ratio of basic salary and remuneration of women to men		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
GRI 406: Non-discrimination 2016	406–1 Incidents of discrimination and corrective actions taken		To the best of CellMark's knowledge, there was no confirmed incident of discrimination in FY 2022
GRI 407: Freedom of Association and Collective Bargaining 2016	407–1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		There is no risk regarding the right to freedom of association and collective bargaining within CellMark's operations. To the best of CellMark's knowledge, no risk regarding the right to freedom of association and collective bargaining within suppliers was reported to the Group in FY 2022

GRI 408: Child Labor 2016	408–1 Operations and suppliers at significant risk for incidents of child labor		There is no significant risk for incidents of child labor within CellMark's operations. To the best of CellMark's knowledge, no significant risk for incidents of child labor within suppliers was reported to the Group in FY 2022
GRI 409: Forced or Compulsory Labor 2016	409–1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		There is no significant risk for incidents of forced or compulsory within CellMark's operations. To the best of CellMark's knowledge, no significant risk for incidents of forced or compulsory labor within suppliers was reported to the Group in FY 2022
GRI 410: Security Practices 2016	410–1 Security personnel trained in human rights policies or procedures		Not applicable – CellMark does not use security personnel
GRI 411: Rights of Indigenous Peoples 2016	411–1 Incidents of violations involving rights of indigenous peoples		To the best of CellMark's knowledge, there was no incident of violations involving rights of indigenous peoples in FY 2022
GRI 413: Local Communities 2016	413–1 Operations with local community engagement, impact assessments, and development programs	*Section 3.3, p. 71	
	413–2 Operations with significant actual and potential negative impacts on local communities		Not applicable – given the nature of CellMark's business activities, the Group doesn't have any direct operations with significant actual and potential negative impacts on local communities
GRI 414: Supplier Social Assessment 2016	414–1 New suppliers that were screened using social criteria		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
	414–2 Negative social impacts in the supply chain and actions taken		This information is not available for FY 2022. In the future CellMark intends to cover this indicator
GRI 415: Public Policy 2016	415–1 Political contributions		CellMark has not made any political contribution in the FY 2022
GRI 416: Customer Health and Safety 2016	416–1 Assessment of the health and safety impacts of product and service categories	* Section 3.2, p. 68–69	
	416–2 Incidents of non-compliance concerning the health and safety impacts of products and services		To the best of CellMark's knowledge, other than quality claims in the normal course of business, there was no incident of non-compliance concerning the health and safety impacts of products and services in the FY 2022
GRI 417: Marketing and Labeling 2016	417–1 Requirements for product and service information and labeling	* Section 3.2, p. 68–69	
	417–2 Incidents of non-compliance concerning product and service information and labeling		To the best of CellMark's knowledge, there was no incident of non-compliance concerning product and service information and labeling in the FY 2022
	417–3 Incidents of non-compliance concerning marketing communications		To the best of CellMark's knowledge, there was no incident of non-compliance concerning marketing communications in the FY 2022
GRI 418: Customer Privacy 2016	418–1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		To the best of CellMark's knowledge, there was no substantiated complaints concerning breaches of customer privacy and losses of customer data in the FY 2022





# Auditor's opinion regarding the statutory Sustainability Report

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

## ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the sustainability report for the year 2022 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, 2023

Filip Larsson  
Authorized Public Accountant  
KPMG AB

Johan Pauli  
Authorized Public Accountant  
KPMG



This Sustainability Report was prepared by the ESG & Compliance Department and was reviewed and approved by the Board of Directors of CellMark on March 17, 2023.

## ESG & COMPLIANCE

### Cédric Dubar

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Feedback and suggestions on this Sustainability Report are most welcome.

Design: CellMark

*This is a translation of the Swedish original.*





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