

# **SUSTAINABILITY REPORT 2024**



# About this report

Published in May 2025, this Sustainability Report provides information about CellMark’s ESG performance during 2024. It complements the Group’s Annual Report, where more information about CellMark can be found (including the complete financial results for the same period).

**INTELLECTUAL PROPERTY**

Any website, registered trademark, logo, or other form of intellectual property referred to in this report is acknowledged as the legal property of their respective owners, whether they are marked or not.

**BEST VIEWED**

This Sustainability Report is best viewed using Adode Acrobat’s PDF-viewer, which can be downloaded free of charge from Adobe’s website.

## Contents

Message from our CEO .....	4
Message from our Vice President of ESG & Compliance .....	5
CellMark in brief .....	6

**1 CellMark’s identity**

1.1 General information about the company ....	8
1.2 A history of dynamic growth .....	9
1.3 Activities, brands, products, and services ....	11
1.4 Location of operations & markets served ...	28
1.5 CellMark’s Value Platform .....	32
1.6 Significant events in 2024 .....	34
1.7 CellMark’s approach to ESG .....	36
1.8 Materiality analysis .....	50
1.9 Risk factors and management approach ...	51
1.10 Business ethics and compliance .....	60
1.11 Tax ethics .....	66

**2 Governance**

2.1 Board of Directors .....	70
2.2 Management Team .....	74
2.3 Delegation of authority .....	75

**3 Social aspects**

3.1 CellMark’s workforce .....	76
3.2 Contribution to local communities .....	89

**4 Environmental aspects**

4.1 Management approach .....	90
4.2 Energy consumption .....	92
4.3 Impact of transportation .....	94
4.4 Water .....	96
4.5 Biodiversity .....	96
4.6 Emissions .....	97
4.7 Waste .....	99

**5 Information about this report**

5.1 Methodology .....	100
5.2 GRI content index .....	106
5.3 Review and approval of the Sustainability Report.....	109
5.4 Contact .....	109

# Message from the CEO

CellMark is an independent sales and marketing organization that has a global footprint, connecting suppliers and customers all over the world. Our business generates value for our business partners and other stakeholders, and we recognize that we have an impact on the environment and society, both directly and indirectly throughout the value chain. When doing business, we are committed to promoting sustainability and adhering to international guidelines on the environment, human rights, and business ethics.

In 2024, despite the ongoing and significant geopolitical and economic factors that we faced, CellMark demonstrated tremendous resilience and performed well both financially and through demonstrating marked progress in delivering on our sustainability strategy, thanks to our dedicated employees and strong relationships with our business partners. The challenging geopolitical and economic environment is expected to remain in place for the foreseeable future. Nonetheless, CellMark remains optimistic about our future given our agility and talented employees who can readily adapt to changing circumstances. For these reasons, we are confident that the Group will continue to perform well.

This Sustainability Report provides a comprehensive overview of our ESG & Compliance achievements in 2024. Key highlights include:

- Improving the Group’s reporting and further increasing interactions with our customers, suppliers, and banks regarding ESG & Compliance.
- Further advancing ESG & Compliance in our Group strategy.
- Providing enhanced ESG & Compliance awareness and training to improve engagement at all Group levels,
- Strengthening the ESG & Compliance team, to prepare for enhanced ESG reporting and due diligence.



As a final and more personal note, as this is my last sustainability report, I would like to say that I am proud of the progress CellMark has made under my tenure. ESG & Compliance has been woven into the Group’s strategy. In line with our vision of Surpassing Expectations, I am confident in the new CEO’s ability to continue and to further intensify the Group’s focus on these critical matters in 2025 and beyond.

**Christer Simrén**  
President & CEO (retired end of 2024)

*Incoming CEO Henrik Forsberg Schoultz also confirms his commitment to progressing CellMark’s Sustainability strategy in the coming years as the regulatory and environmental framework continues to evolve.*

# Message from our Vice President of ESG & Compliance

2024 was another milestone in CellMark’s ESG & Compliance journey as we continued to build the foundations of our ESG & Compliance programs, focusing on:

- Further enhancing the tone from the top on ESG & Compliance matters.
- Conducting ESG & Compliance risk assessments.
- Finalizing the implementation of our Code of Conduct for Business Partners.
- Creating internal awareness and training on our updated ESG & Compliance framework (Code of Conduct, policies and directives).
- Strengthening our reporting capabilities.

Besides establishing a solid foundation for our ESG & Compliance programs, we also focused on preparing for compliance with expected upcoming legislation, in particular the EU Deforestation Regulation and the Corporate Sustainability Reporting Directive.

This year’s Sustainability Report provides a detailed account of our progress, enriched with additional data and insights compared to the 2023 Sustainability Report.

Our key priorities for 2025 include:

- Finalize and roll out an enhanced ESG & Compliance due diligence process (see section 1.10.4).
- Implement a robust ESG & Compliance risk assessment process (see section 1.10.1).
- Continue to focus on ESG & Compliance awareness and engagement.

- Ensure the Group’s readiness to comply with applicable reporting obligations.
- Improve the Group’s ESG & Compliance control frameworks.

With ESG & Compliance fully integrated into CellMark’s strategy and the unwavering commitment of our Board of Directors and Management Team, I am confident that we will continue to promote sustainability in its broadest sense and operate in full compliance with laws and regulations.

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





# CellMark 2024 in brief

NET SALES	EBIT	NET RESULT	TOTAL ASSETS
3 717 MUSD	59 MUSD	21 MUSD	1 091 MUSD
ACTIVE SUPPLIERS	LOCATIONS	COUNTRIES	TONS OF SHIPMENT
+6 000	+70	+30	+7 M
	AVERAGE NO. OF WORKERS	MARKETS WHERE WE HAVE FOOTPRINT	
	≈ 1 000	+120	

## BOARD OF DIRECTORS



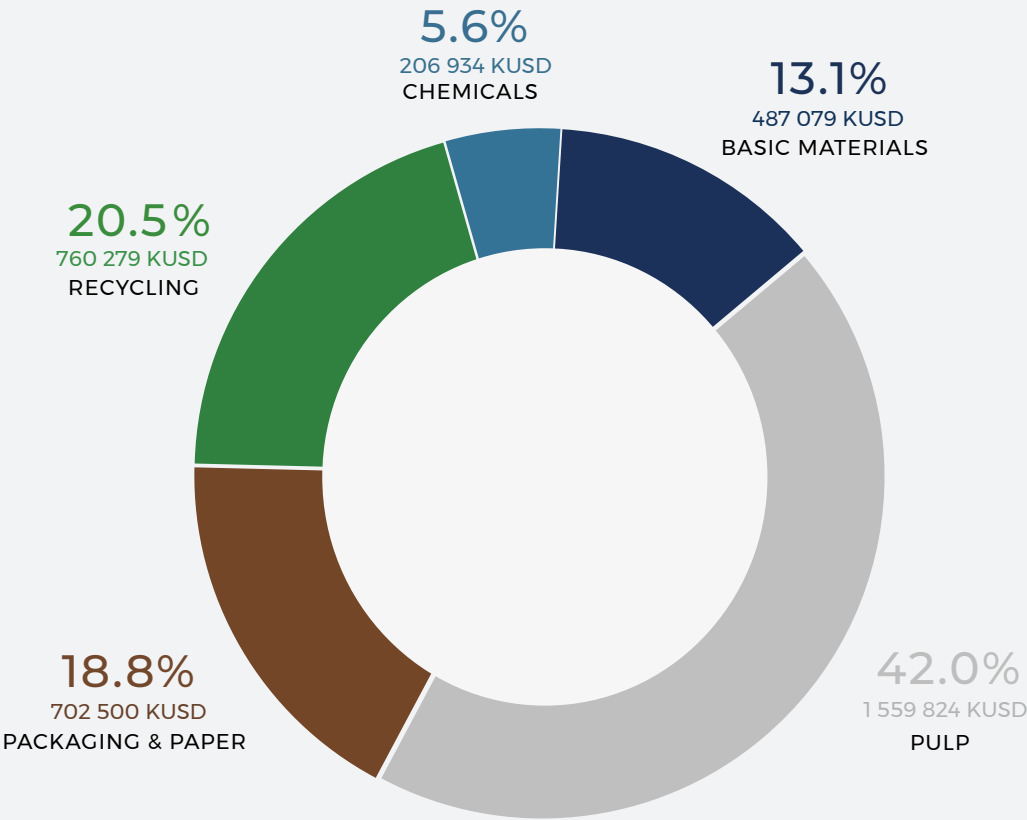
## AREAS OF EXPERTISE

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

## FIVE DIVISONS



## REVENUE BY DIVISION 2024





# 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.

### 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 the public company CellMark Investment AB (registered with the Swedish Companies Register Office under number 556737-1959).

As at December 31, 2024, Neudi & C:o was the largest shareholder of CellMark Investment AB with 27.97 percent of CellMark's capital and voting rights.

### LEGAL FORM AND GOVERNING LAW

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

### LOCATION OF HEADQUARTERS

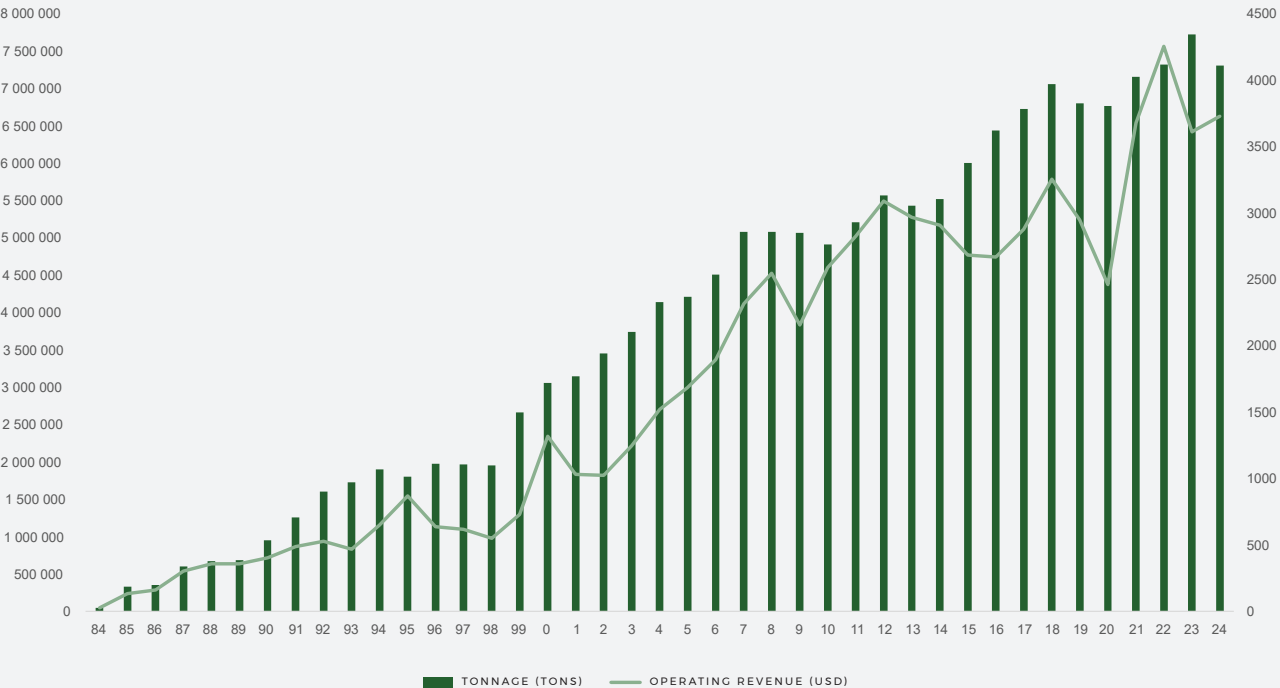
**Registered office:** Lilla Bommen 3C  
411 04 Gothenburg, Sweden

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

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

**Website:** cellmark.com

## GROUP TONNAGE AND OPERATING REVENUE 1984-2024



## 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.

The Group has also grown operations for recycled plastics and biomass for energy within its divisional structure.





# Highlights

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

**1987**  
CellMark becomes 100 percent employee owned. The Group acquires Pacific Forest Resources Inc., 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 offices 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 (now Neudi & C:o), becomes a shareholder of CellMark, adding new skills and direction to the Group.

**2018**  
Volumes reach seven 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 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.

**2023**  
The third-best financial year in CellMark’s history. The Group acquires the Lenvale Group, a paper converting industry leader in the UK, and the Novara Group, a virgin and recycled plastics resin supplier. CellMark also becomes the exclusive sales agent in Italy for all publication paper and recycled containerboard products produced by Norske Skog.

**2024**  
CellMark is awarded a Gold Rating for its sustainability performance by the independent rating organization EcoVadis. The Group acquires Kempenaars, a leading wastepaper and plastics recycler in Southwestern Netherlands.

## 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.





### 1.3.1.1 PULP

---

CellMark's Pulp Division is a global sales and marketing platform for wood pulp, biomass energy, wood chips, and caustic soda in the Nordic region of Europe. The Division has a

#### **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 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 and wood chips for heat and electricity production.

In addition to wood biomass, CellMark Pulp sources raw materials (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.

global presence with four main global hub offices in Gothenburg, Geneva, Singapore, and Norwalk (Connecticut, USA), as well as numerous branch offices.

#### **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.





### 1.3.1.2 PACKAGING & PAPER

CellMark's 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

#### 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 grease-resistant papers.
- **Office papers.**

major paper & packaging groups in certain geographies. The Division has a global presence, with 14 offices worldwide and access to packaging and paper products all over the world.

#### PACKAGING PRODUCTS

CellMark's Packaging segment markets the following products:

- **Containerboard:** 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

CellMark's Recycling Division is a full-service organization that buys, sells, produces, 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 four 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 offices. The main product segments are wastepaper, post-consumer, and industrial plastics and metals

#### SEMPER EXETER

Via its Semper Exeter business, CellMark Recycling converts and distributes packaging papers, paper-board, 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.

The Division has a global presence, with offices and production facilities across North America, Europe, the Caribbean, South America, and Asia. In 2024, CellMark Recycling sourced and traded over 2.2 million tons globally and processed over 450 000 tons of waste through its facilities.

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

Via its Sunset Trading business, CellMark Recycling specializes in buying rejected off-grade paper and over-runs from mills, as well as from insurance salvage deals. Most buys are transported to one of the Division's warehouses, graded, sorted, and shipped to customers 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's 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.



#### 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. 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-temperature 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 re-processed back into useable plastic pellets.

#### 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, and retail and commercial suppliers. CasCell Trading markets commodities worldwide.





## 1.3.1.4 CHEMICALS

CellMark's 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 its inventory of

more than 1000 industrial, pharmaceutical, and personal care products, the Chemicals Division has successfully put itself on the map as one of the industry's top distributors and manufacturers worldwide. Custom Manufacturing now represents more than 25 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 1000 products are sold in four main market segments: Health & Personal Care, Catalyst & Gas Processing, Industrial & Specialty Chemicals, and Ingredients for Nutritionals.

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 offices located worldwide. It owns a cGMP-compliant facility with particle engineering and custom formulation capabilities.

### CATALYST & GAS PROCESSING (CGP)

CellMark's CGP segment supplies and produces custom manufactured products that go into automotive catalysts, specialized materials for desulfurization and amine scrubbing units, as well as proprietary products for the removal of CO<sub>2</sub> 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 potassium carbonate CO<sub>2</sub> removal systems, catalysts (active components for environmental catalysts, automotive and organic syntheses), desulfurization units, and several other gas treatment products.

### NUTRITIONAL INGREDIENTS AND MANUFACTURING SERVICES

CellMark's Ingredients business segment manufactures and distributes ingredients that go into dietary supplement components and food ingredients. Our processes include but are not limited to triturations, granulations, oil to powder blends, dry blends, drying, milling, and packing all of which are performed 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.

### HEALTH & PERSONAL CARE (HPC)

In the HPC segment, CellMark provides a wide range of chemicals and ingredients that are designed to enhance and improve the well-being and quality of life of end users.

#### Product applications

Oral care, pharmaceutical intermediates, pharmaceutical active ingredients, cosmetic ingredients, beverage ingredients, flavors & fragrances.

### INDUSTRIAL & SPECIALTY CHEMICALS (ISC)

CellMark's ISC segment 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.





### 1.3.1.5 BASIC MATERIALS

CellMark's 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 60 countries, with a network of 22 offices 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, pig iron, ferroalloys.
- **Non-Ferrous Metals:** aluminum, copper, silicon, magnesium, master alloys, zinc, lead.
- **Foundry & Shot Blasting:** supply of products and equipment to the foundry and surface treatment industry in Europe.





An aerial photograph of a dense forest with a road winding through it. The trees are mostly green, with some showing autumn colors of yellow and orange. The road is a two-lane asphalt road with white dashed lines.

### 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 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

- 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 financial and risk management solutions from offices in Gothenburg, Geneva, Shanghai, Singapore, Istanbul, Novato (California, USA), Miami (Florida, USA), Norwalk (Connecticut, USA), and Shelton (Connecticut, USA).

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 financial solutions around the buyer's or seller's trading cycle, thereby minimizing risks.

##### CellMark's trade finance-related services

- short- & 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 non-compliance.

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 CHEMICALS CUSTOM MANUFACTURING

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

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



1.3.3 BUSINESS ADMINISTRATION

CellMark’s operational activities (see sections 1.3.1 and 1.3.2) are supported by the Business Administration group that provides cross-functional services to all Divisions. Most of these functions are overseen

from CellMark’s headquarters in Gothenburg, Sweden, and organized in three main regional hubs that support the Group’s operational activities in their region.

Functions gathered in the Business Administration group

- Accounting
- Credit, Risk & Assurance
- Trade Finance
- Internal Control & Audit
- Strategy & M&A
- Information Technology & Digital
- Human Resources
- Information & Media
- ESG & Compliance (including certification and quality)

1.3.4 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 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.

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



Over the years, CellMark has built strong far-reaching relationships and long-term perspective engagements with its business partners (suppliers and customers). The business partners’ 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.

CELLMARK’S BUSINESS MODEL

INPUT



CellMark members

Employees: 959  
45 % women  
37 % female managers  
93 non-employee workers



Financial

Total assets: 1 091 MUSD



Bank & insurance

Deep financial insight and close relationships with banks and insurance institutions.



Partnership & network

Far reaching, and long-term relationships with business partners.



Natural resources

Energy consumption:  
61 573 GJ  
Electricity used:  
21 864 GJ  
Water consumption:  
7 431 m3  
Waste generated:  
822 tons  
Waste processed:  
232 500 tons



Global presence

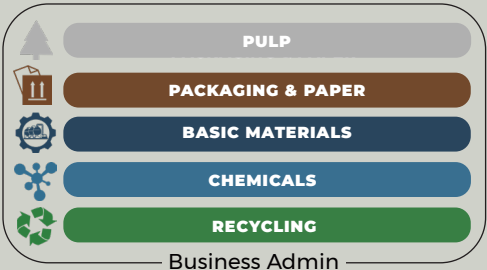
70+ locations  
30+ countries

BUSINESS MODEL



Leveraging our strong network and experience, we provide top-of-the-line supply chain services that make business operations easier – across the street and across the globe.

Who we are



How we act



Services we offer



OUTPUTS



CellMark members

82 % Trust Index™  
in the 2023 Great Place  
To Work® survey.



Financial

EBIT: 59 MUSD  
Net Sales: 3 717 MUSD  
Net result: 21 MUSD



Bank & insurance

Customized financial solutions tailored to the trading cycles of our business partners.



Partnership & network

Ability to identify, and facilitate, ideal supplier-customer partnerships across the world.



Natural resources

Energy consumption  
vs. 2023: -6 %  
GHG emissions  
vs. 2023: -6 %  
81 % of waste processed  
by the Recycling Division  
traded for recycling.

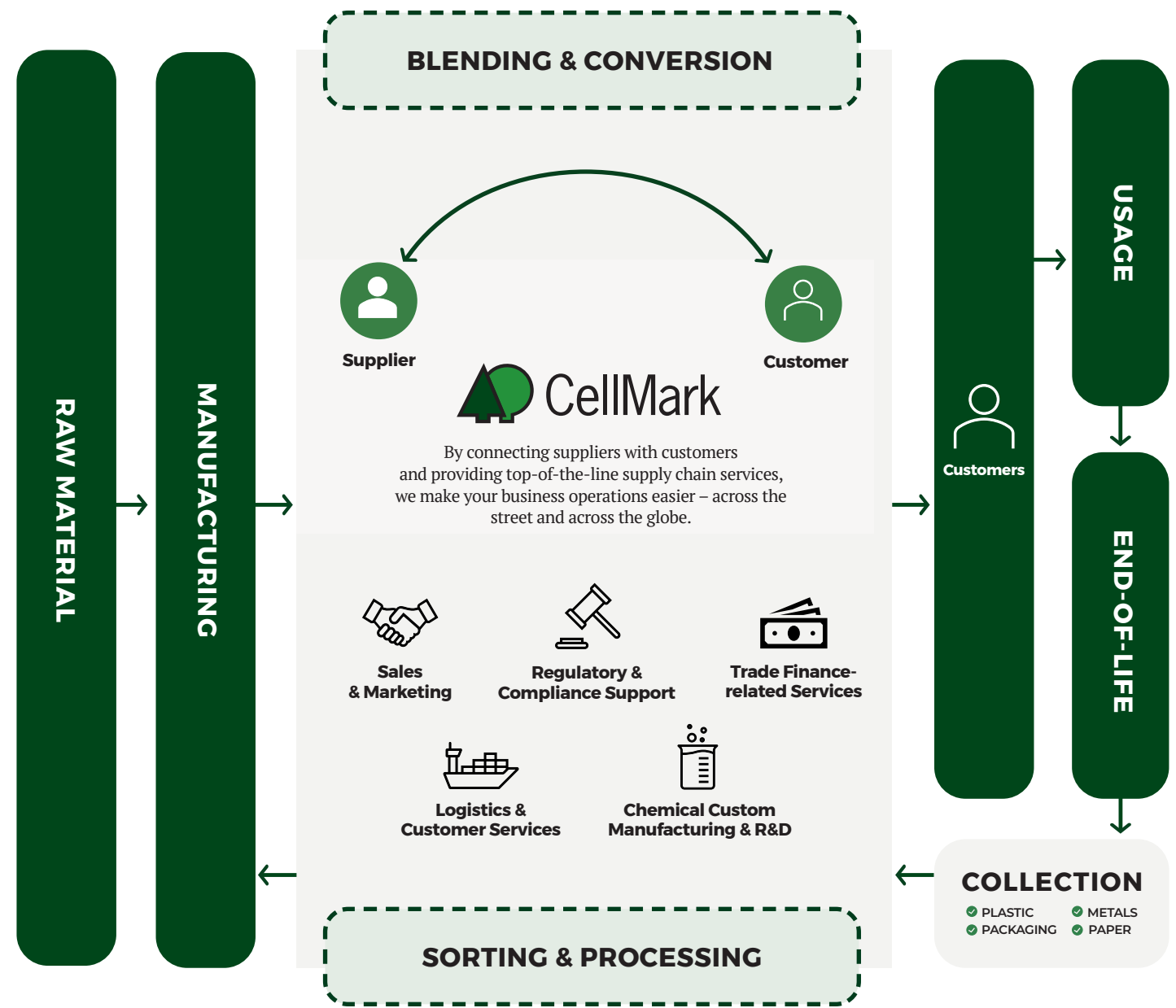


Global presence

All Divisions have global reach with access to products & partners globally.



CELLMARK'S VALUE CHAIN AND OPERATIONS



GENERATION OF ECONOMIC VALUE

Direct Economic value generated (KUSD)	2024
Total operating income	3 724 268
Interest income	6 157
<b>TOTAL</b>	<b>3 730 425</b>

DISTRIBUTION OF ECONOMIC VALUE

Direct Economic value distributed (KUSD)	2024
Operating costs (except employees' wages and benefits)	3 537 381
Employees' wages and benefits	127 718
Interest expenses	33 798
Payments to Governments (tax on profit)	9 547
Distribution to shareholders	29 681
<b>TOTAL</b>	<b>3 738 125</b>



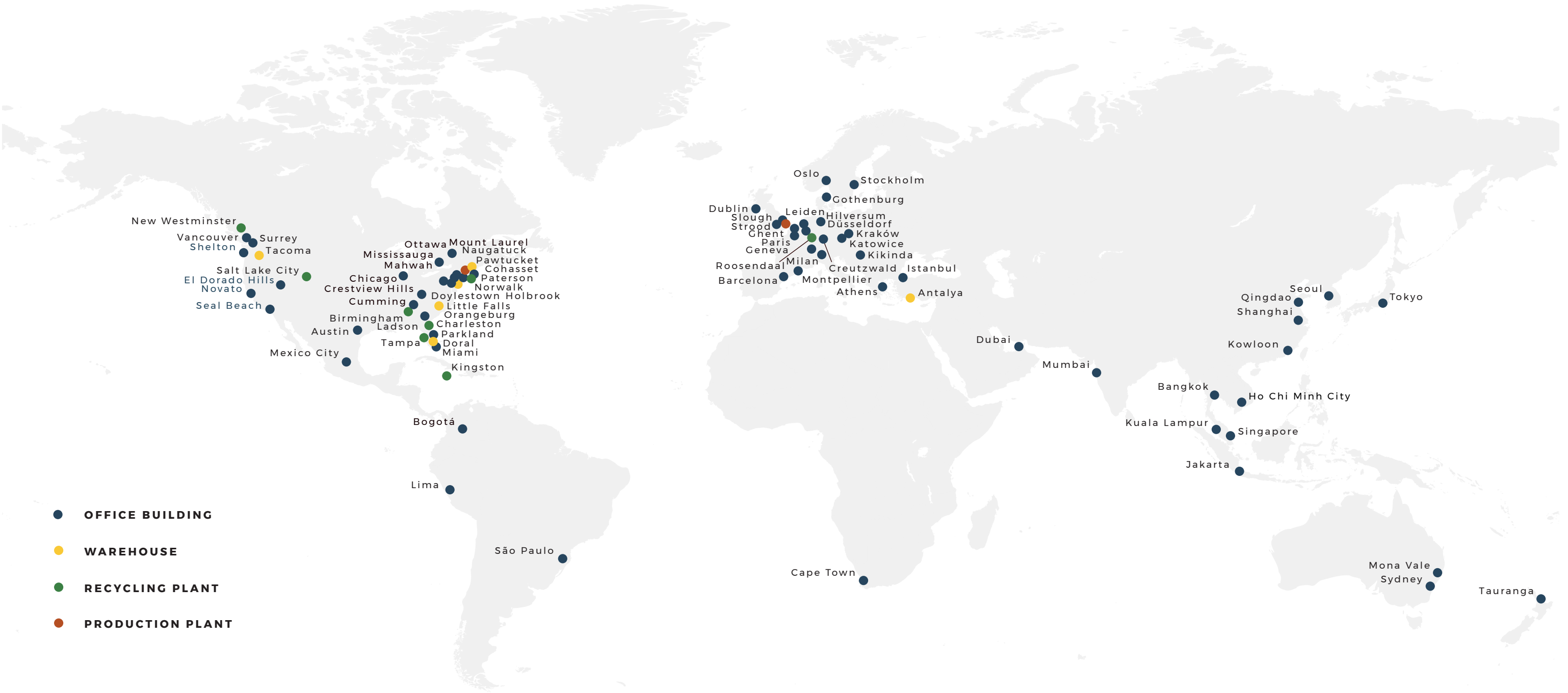
# 1.4 Location of operations & markets served

## 1.4.1 LOCATION OF OPERATIONS

The CellMark Group has an extensive network of more than 50 offices in over 30 countries, supplemented with numerous representatives around the world, resulting in a global reach with a presence in more than 70 locations. 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, 2024, the Group included CellMark AB and 51 consolidated subsidiaries, as well as 6 representative offices.

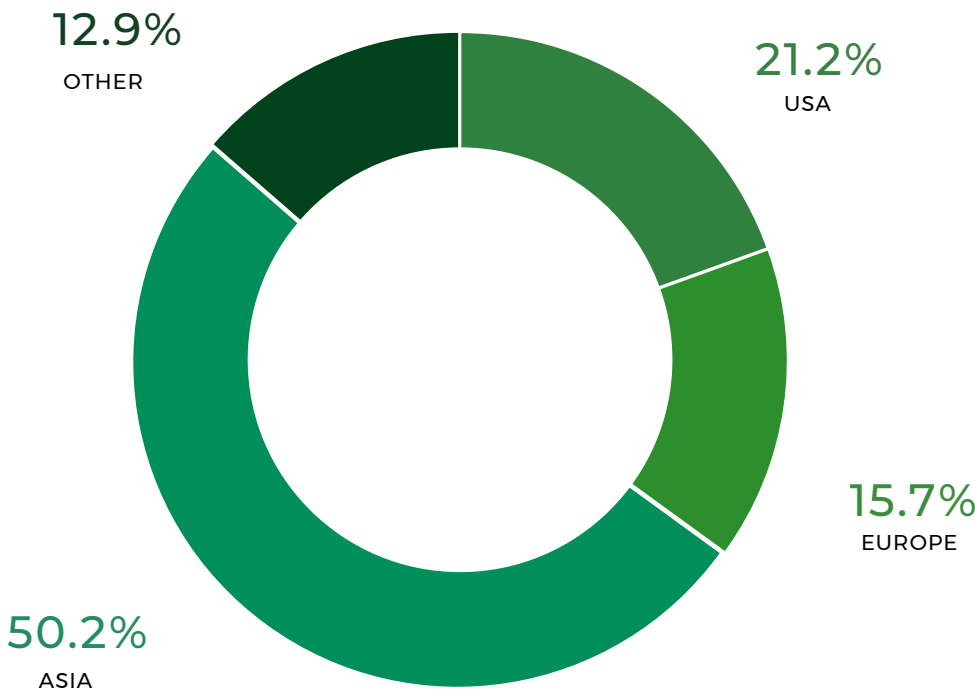




1.4.2 MARKETS SERVED

CellMark provides products, services, and solutions to its customers and suppliers all over the world. The Group’s customers and business partners are based in more than 120 countries. In 2024, the Group served more than 6 000 active customers and had more than 6 000 active suppliers.

REVENUE BY GEOGRAPHIC AREA 2024

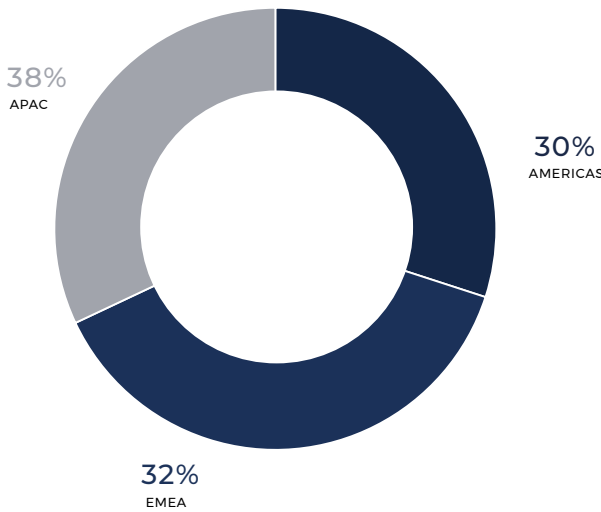


TOTAL SALES

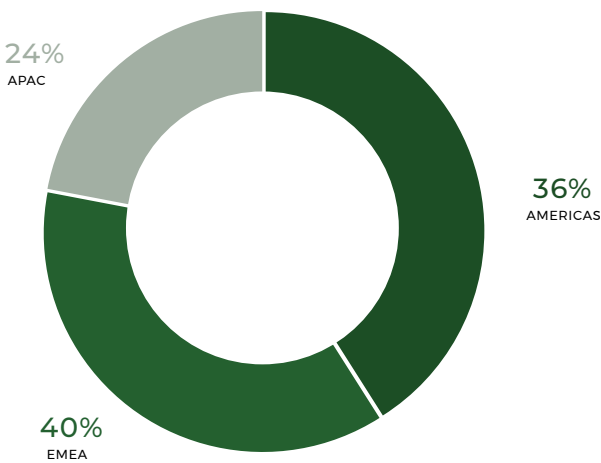
Total sales by geographic area (%)	2024	2023	2022
USA	21.2	19.5	20.5
Europe	15.7	15.5	16.6
APAC	50.2	51.4	43
Other	12.9	13.6	19.9

In 2024, among the Group’s +6 000 active suppliers, by number of suppliers, 31 percent were product suppliers, 16 percent were freight providers, and 53 percent were other service providers. They are distributed as follows:

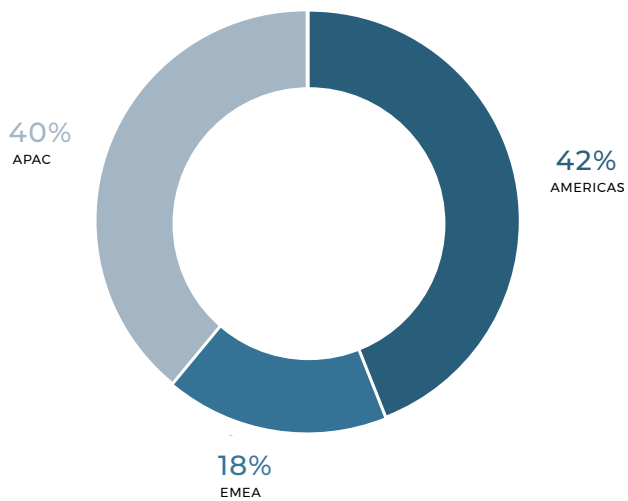
DISTRIBUTION OF ACTIVE PRODUCT SUPPLIERS IN 2024 (BY GEOGRAPHIC AREA)



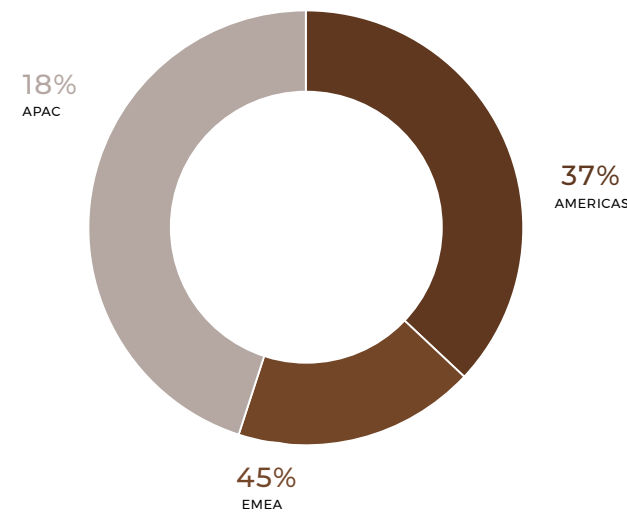
DISTRIBUTION OF ACTIVE SUPPLIERS IN 2024 (BY GEOGRAPHIC AREA)



DISTRIBUTION OF ACTIVE FREIGHT SUPPLIERS IN 2024 (BY GEOGRAPHIC AREA)



DISTRIBUTION OF ACTIVE OTHER SUPPLIERS IN 2024 (BY GEOGRAPHIC AREA)



2024 COSTS REPRESENTING MORE THAN 5 % OF TOTAL COST (BY REGION)

	Americas	EMEA	APAC
Purchase of products	36 %	52 %	12 %
Purchase of logistic services	49 %	40 %	11 %



# 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 2024

The world economy experienced a steady but modest growth in 2024. Global inflation continued its downward trend, making interest rate cuts possible.

Considering the risks for vessels in the Red Sea, Suez Canal-bound vessels were still re-routed around the Cape of Good Hope, to protect lives, vessels, and cargo. This situation led to longer transit times and, in certain cases, a lack of available empty containers and canceled schedules.

The recycled pulp mill Total Fiber Recovery @ Chesapeake in Virginia (USA), faced several operational challenges during the year. CellMark made the appropriate reservations for its financial exposure at year end. The future of the mill is currently under review together with the partner.

During the Annual General Meeting (AGM) in April 2024, CellMark’s shareholders decided to change the company category from private to public.

The Recycling Division acquired Kempenaars, a Dutch wastepaper and plastics recycler based in South-western Netherlands, on December 23, 2024, and entered into a 50/50 joint venture with EcoTech Management, a company specialized in the security of data destruction and recycling of computers and other electronics, based in Holbrook, New York, USA.

CellMark’s CEO, Christer Simrén, retired on December 31, 2024. The Board of Directors has appointed Henrik Forsberg Schoultz as the new CEO with effect from April 1, 2025. Henrik Forsberg Schoultz is the representative of Neudi & C:o on CellMark’s Board of Directors and will be replaced in due course by another representative from Neudi & C:o. During the transition period from January 1 to March 31, 2025, Pernilla Jordan, CFO of CellMark, will serve as Interim CEO.

CellMark became the exclusive distributor of the Chinese paper manufacturer Chenming in Europe and the UK, as of January 1, 2024.

Daniel Dayan, Chair of CellMark’s Board of Directors, gave notice to the Nomination Committee of his intention to retire from the Board and not to seek re-election at the 2025 Annual General Meeting (AGM). Daniel will continue to lead the Board until then and will support the CEO transition in early 2025, leaving the Board at the 2025 AGM. The Nomination Committee of the Board started a selection process for a new Chair.

The shareholders approved in April and December 2024 the redemption of a total of 6.02 percent of CellMark shares.

## Other than mentioned above, during the year 2024:

- 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.



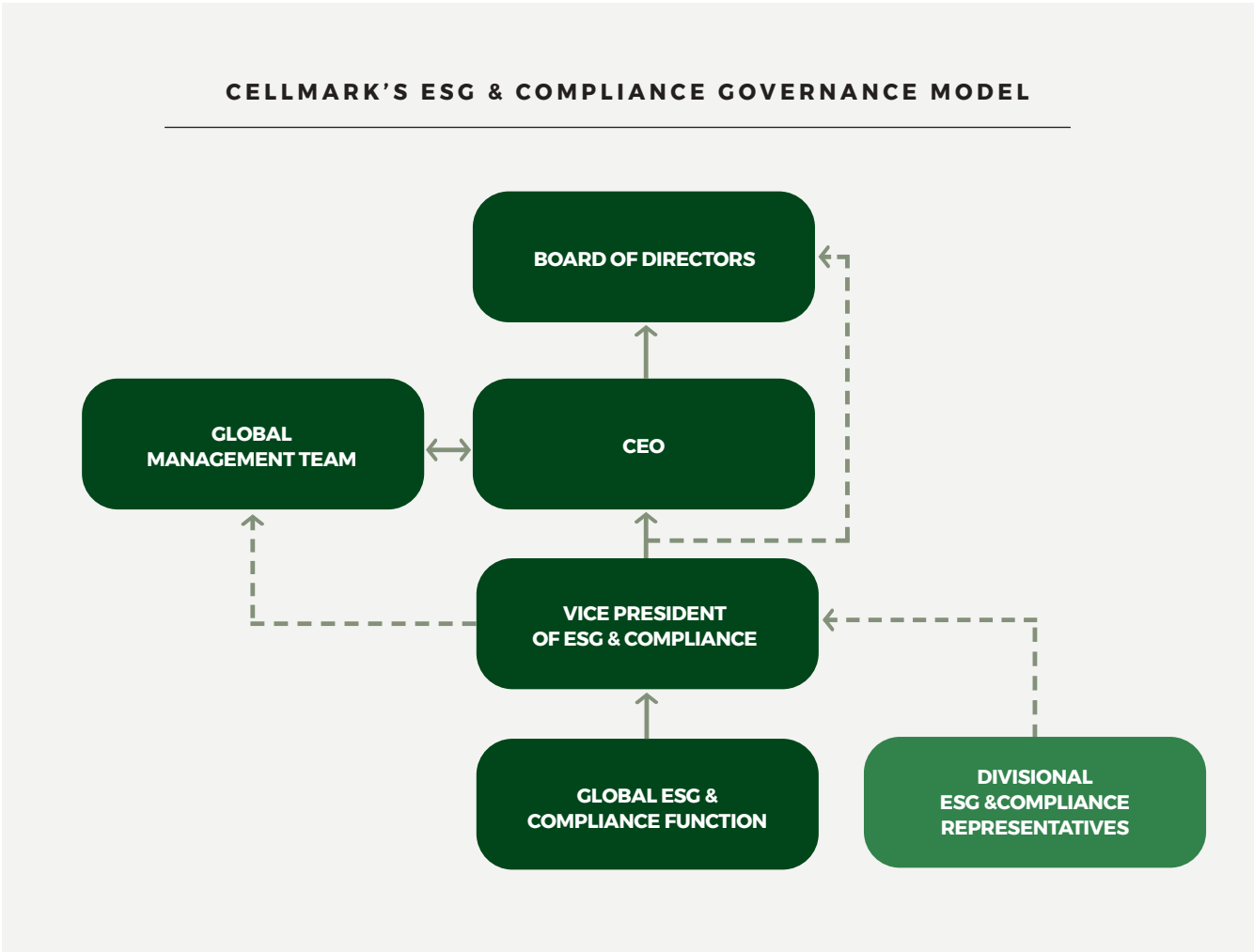
# 1.7 CellMark’s approach to Environment, Social, and Governance (ESG)

## 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 develop-

ment, implementation, and maintenance of the ESG & Compliance strategy and programs. The Vice President of ESG & Compliance reports to the Chief Executive Officer and 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 the 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 regularly. 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.
- Ensure CellMark’s performance by attracting and retaining talent 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 integrating ESG in its everyday business and activities and works constantly to improve its strategy and ESG reporting practices.

The ESG Strategy is discussed by the Board regularly and is reviewed accordingly. In particular, in 2024, the work performed to prepare for compliance with the EU Corporate Sustainability Reporting Directive was presented to and discussed by the Audit Committee and the Board of Directors (see section 1.8).





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 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).

7 AFFORDABLE AND CLEAN ENERGY



**AFFORDABLE AND CLEAN ENERGY (SDG #7)**  
CellMark Energy is a leader in the 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.

8 DECENT WORK AND ECONOMIC GROWTH



**DECENT WORK AND ECONOMIC GROWTH (SDG #8)**  
CellMark’s commitment to responsible business stretches further than its own operations. In addition to its direct positive impact on its employees (see section 3.1), the Group promotes decent working conditions among its business partners through the implementation of its Code of Conduct for Business Partners (see section 1.10.2).

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



**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.

15 LIFE ON LAND



**LIFE ON LAND (SDG #15)**  
CellMark maintains a broad range of third-party certifications (see section 1.7.7). These certifications include, for example, 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 Alliance for Chemical Distribution (ACD)
- ✓ 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)
- ✓ European Petrochemicals Association (EPCA)
- ✓ Singapore Chemical Industry Council (SCIC)
- ✓ America Fuel & Petrochemical Manufacturers (AFPM)
- ✓ The International Chrome Development Association (ICDA)

1.7.6 CELLMARK’S ESG STAKEHOLDERS

1.7.6.1 MAPPING OF CELLMARK’S MAIN 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. Stakeholder dialogue also helps CellMark identify areas for improvement, new opportunities, and strategic changes. Engagement with the Group’s stakeholders is performed through collaborative and open dialogue, both formally and informally.

Based on their importance for CellMark’s business, the Group’s main stakeholders are:

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 a constant dialogue with these stakeholders regarding the services provided. The Group is regularly assessed by many of its customers regarding ESG & Compliance through questionnaires, letters of assurance, or audits.

Banks

CellMark’s business relies to a large extent on external financing and banks are therefore an important stakeholder. CellMark’s approach to compliance and ESG is crucial for its bank relationships and has become a more important discussion topic 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.

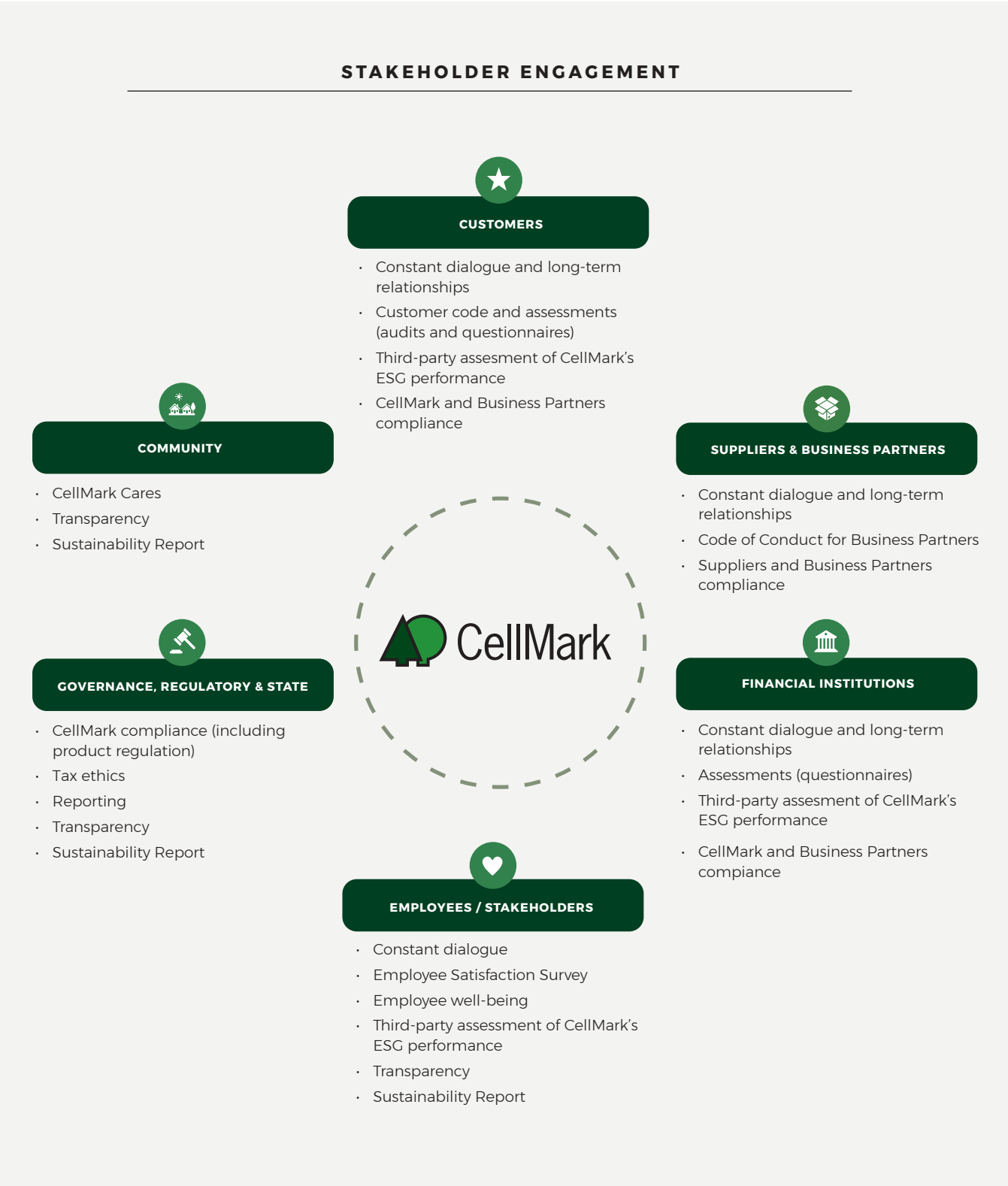
Employees

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 latest survey was performed during the second half of 2023.

Shareholders

As CellMark is a company owned by its employees and by an external investment company, the shareholders are important stakeholders. Dialogue with these stakeholders is maintained through a letter from CellMark’s CEO three times a year, an Annual General Meeting to which all shareholders are invited, and through the close relationship maintained with employees by divisional and corporate management.



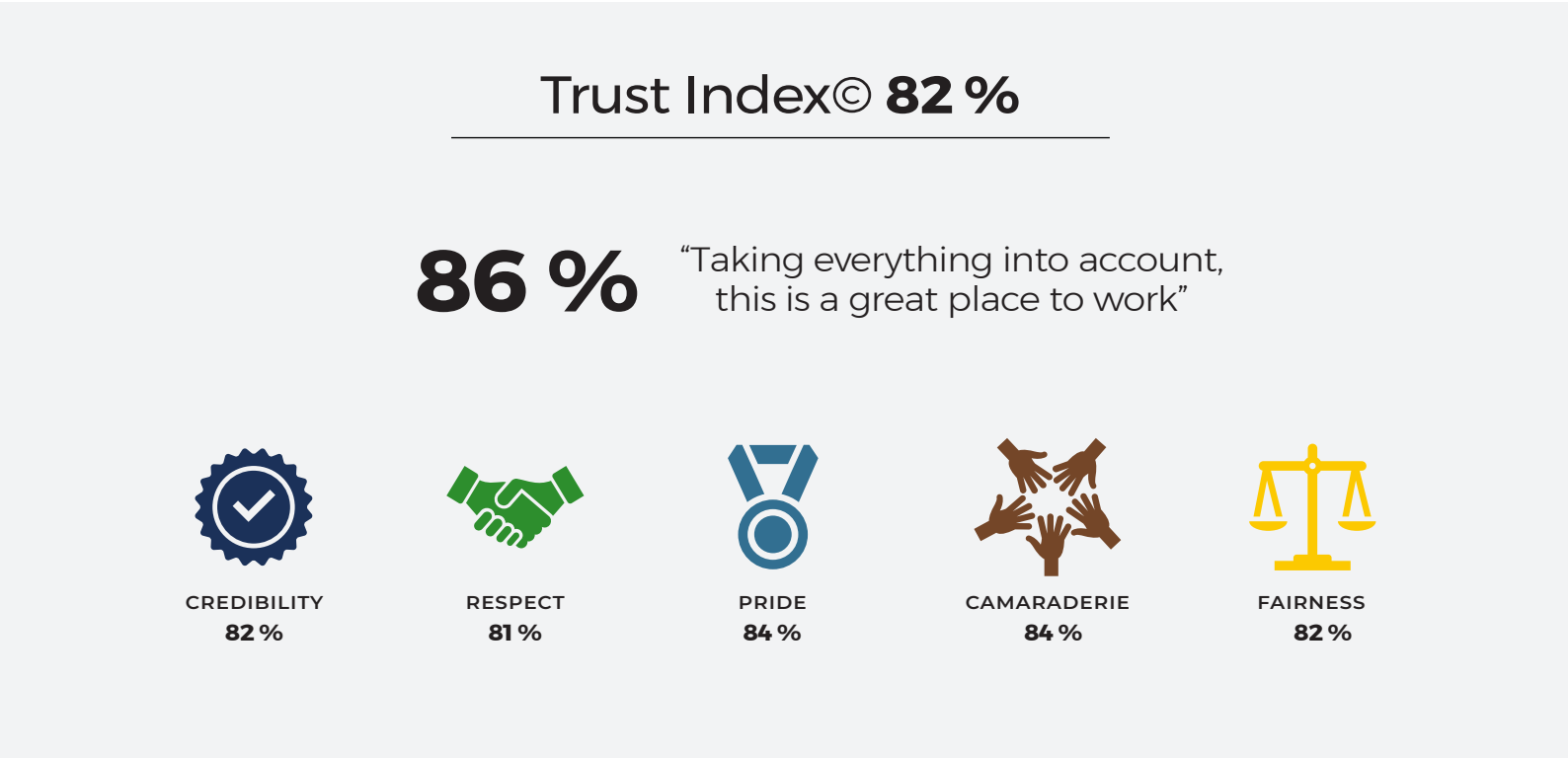


In 2024, as part of the CSRD readiness project (see section 1.8), the Group further engaged with its main banks to discuss (i) their views, concerns, and expectations on the Group’s key (material) ESG topics, and (ii)

improvements made by CellMark in the ESG & Compliance fields, including the double materiality assessment performed during the year.

Focus: Great Place to Work® employee opinion survey, 2023 results

In 2023, CellMark conducted its fifth employee opinion survey together with the independent consulting firm, Great Place To Work®. With a global response rate of 93 percent, the group maintained its all-time-high trust index of 82 percent, meaning that 82 percent of all respondents answered positively regarding trust-related questions in the survey. In addition, 86 percent of all respondents answered that the Group is a great place to work. The results indicate a positive workforce atmosphere, pride in what we are doing as a company, and trust in management.



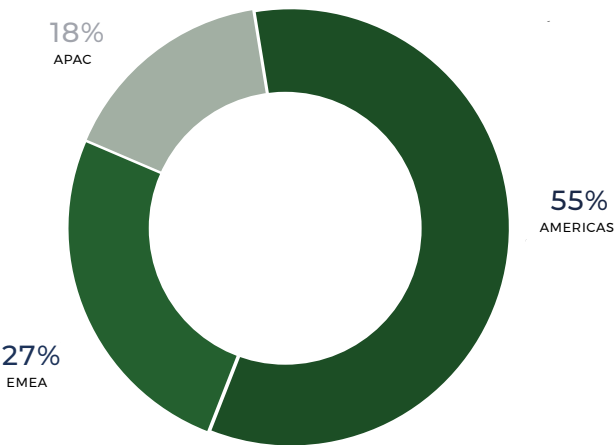


1.7.6.2 MANAGEMENT OF THE SUPPLY CHAIN

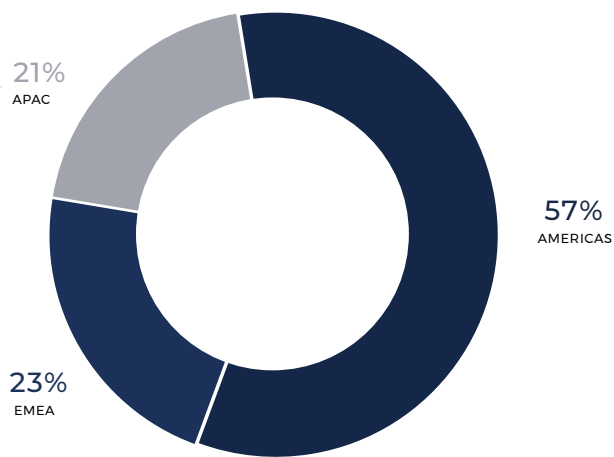
CellMark is committed to creating value for both its customers and suppliers, and to optimal management

of its value chain through customer and supplier satisfaction, and ethical management of its supply chain.

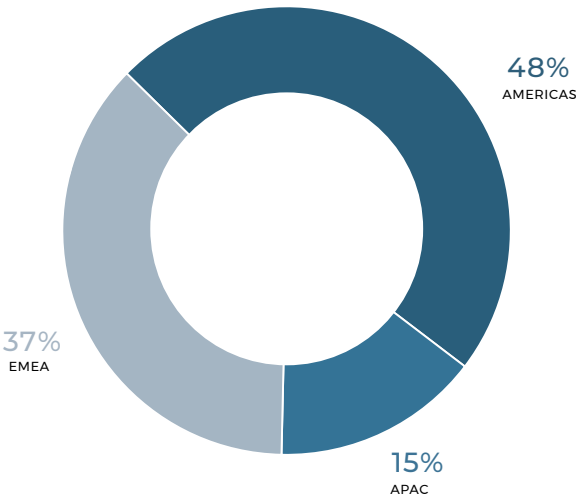
DISTRIBUTION OF CELLMARK'S SUPPLIERS (SPEND BASE) IN 2024, BY GEOGRAPHIC AREA



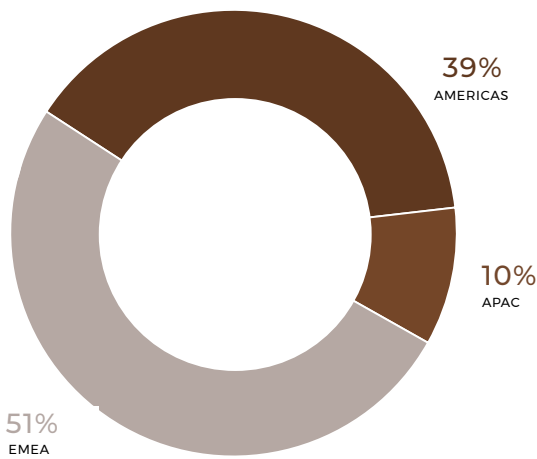
DISTRIBUTION OF PRODUCT SUPPLIERS (SPEND BASE) IN 2024, BY GEOGRAPHIC AREA



DISTRIBUTION OF FREIGHT SUPPLIERS (SPEND BASE) IN 2024, BY GEOGRAPHIC AREA



DISTRIBUTION OF OTHER SUPPLIERS (SPEND BASE) IN 2024, BY GEOGRAPHIC AREA



DISTRIBUTION OF CELLMARK'S SUPPLIERS (SPEND BASE) SINCE 2022 (%)

	2022	2023	2024
Americas	56	58.5	55
EMEA	23.5	25.5	27
APAC	20.5	16	18

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).

Additional information about CellMark's value chain can be found in sections 1.3.4, "Business Model", and 1.4.2, "Markets served".





1.7.6.3 RELATIONSHIPS WITH CUSTOMERS AND SUPPLIERS

CellMark maintains strong far-reaching relationships and long-term perspective engagements with its business partners.

A Suppliers and business ethics

As further described in section 1.10.2, a Code of Conduct for Business Partners was deployed in 2023 and 2024. This Code sets out CellMark’s expectations toward its business partners and details the grievance mechanisms in place.

In addition to the Code of Conduct for Business Partners, the Group has implemented a Corporate Social Responsibility Policy that includes a set of principles for procurement activities. According to this Policy, a risk analysis is conducted on new suppliers and customers, covering their financial strength and sanctions, and screening of all business partners is performed regularly (see section 1.10.4 for more details).

According to the Group’s Corporate Social Responsibility Policy, a supplier may be terminated if, for example:

- It refuses to perform an audit or refuses to provide a letter of assurance or any other type of integrity undertaking.
- The monitoring of the business partner reveals:
  - Non-compliance with applicable laws or with the Code of Conduct for Business Partners.
  - Malpractice that resulted in or might have resulted in a loss to CellMark.
  - Use by the business partner of CellMark’s assets/rights/names etc. to its own advantage without prior written approval from CellMark.

B Suppliers and Environmental Performance

In relation to the environmental impact of the products traded, CellMark closely monitors its suppliers’ FSC® and PEFC certifications as follows:

- When sourcing a new supplier, the supplier’s FSC® or PEFC certificate is verified.
- All invoices received from FSC® or PEFC certified suppliers are also verified.
- Every quarter, a report on the purchase of FSC® or PEFC certified products is created to make additional checks and ensure that the sales of FSC® and/or PEFC products correspond to the quantity purchased.

In 2024, 46 percent of the products traded by the Pulp and Packaging & Paper Divisions (vs. 49 percent in 2023) were FSC® and/or PEFC certified. In 2025, the Group will enhance its system capabilities to monitor the distribution of FSC® and/or PEFC transactions by region.

C Products health and safety

CellMark collects and assesses information on the properties and hazards of all relevant products traded by the Group. For example, CellMark identifies and manages the Health & Safety risks linked to the products imported into the European Union by following the European REACH regulation (EC 1907/2006) that was adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals.

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. Hazmat training is provided to all relevant employees, to ensure proper shipping and handling of products.

CellMark has implemented standard operating procedures to maintain Health & Safety compliance both internally and externally

- ✓ HAZARD ANALYSIS

Identification of biological, chemical, and physical hazards that may be present in the food production process.
- ✓ PREVENTIVE CONTROLS

Implementation of preventive measures to control identified hazards, including process controls, sanitation, and supplier controls.
- ✓ MONITORING PROCEDURES

Regular checks and monitoring activities are performed to ensure that preventive controls are effectively implemented, and hazards are under control.
- ✓ RECORD KEEPING

The facility keeps documentation of all aspects of the Food Safety Plan, including monitoring results, corrective actions, and verification activities.
- ✓ CORRECTIVE ACTIONS

Protocols have been implemented for addressing deviations from established procedures or when hazards are not adequately controlled, including corrective actions and measures to prevent recurrence.

In addition, where relevant, CellMark

- has implemented a Foreign Supplier Verification Program (FSVP) that follows the US Food and Drug Administration’s Food Safety Modernization Act. Through this FSVP, CellMark ensures that foreign suppliers of ingredients that will be used in food for human and animal consumption meet adequate safety standards and that the food is not adulterated and properly labeled with respect to allergens.
- is certified according to the Hazard Analysis and Critical Control Points (see section 1.7.7).
- utilizes the United Nations’ Globally Harmonized System of Classification and Labelling of Chemicals (GHS) that provides criteria for the

classification of health, physical, and environmental hazards, and safety information on hazardous chemical substances and mixtures. The GHS also specifies what information should be included on labels of hazardous chemicals as well as safety data sheets. This proactive approach ensures that potentially hazardous materials are appropriately identified, classified, and communicated throughout the supply chain, thereby contributing to the promotion of consistent and transparent communication about chemical hazards.

In 2024, CellMark’s Ingredients segment implemented a policy statement regarding Customer Health & Safety. This policy is based on the principles of the HACCP (see section 1.7.7).





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.

ACD

CellMark Chemicals in the USA is certified by the Alliance for Chemical Distribution (ACD), 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 ACD are committed to product stewardship and responsible distribution in every phase of chemical storage, handling, transportation, and disposal.

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 inc, Miami 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 is structured to provide equal power to environmental, social, and economic sectors.

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.

HACCP (HAZARD ANALYSIS AND CRITICAL CONTROL POINTS)

Where relevant, CellMark’s ingredients business segment is HACCP certified. This certification demonstrates the Group’s commitment to trading in safe ingredients for the food industry by ensuring that CellMark follows these 7 principles: conducting hazard analysis, critical control points identification, setting critical limits, following monitoring procedures, carrying out corrective actions, record keeping, and effectiveness verification.

FSSC 22000

CellMark Chemicals’ production facility is certified FSSC 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.

RSPO (Roundtable on Sustainable Palm Oil)

CellMark Chemicals is RSPO certified. This certification includes the assurance that 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.

In addition to the above certifications, CellMark’s ESG performance is assessed by a third party (EcoVadis). The Group received a “Gold Medal” status in 2024.

CELLMARK’S ECOVADIS SCORES

	OVERALL SCORE			PERFORMANCE		
	2022	2023	2024	2022	2023	2024
ECOVADIS	63/100	65/100	76/100	88th percentile in CellMark’s category, “Silver Medal” status	88th percentile in CellMark’s category, “Silver Medal” status	97th percentile in CellMark’s category, “Gold Medal” status

In 2024, the Group participated in the Carbon Disclosure Project and the Supplier Leadership on Climate Transition for the third consecutive year.



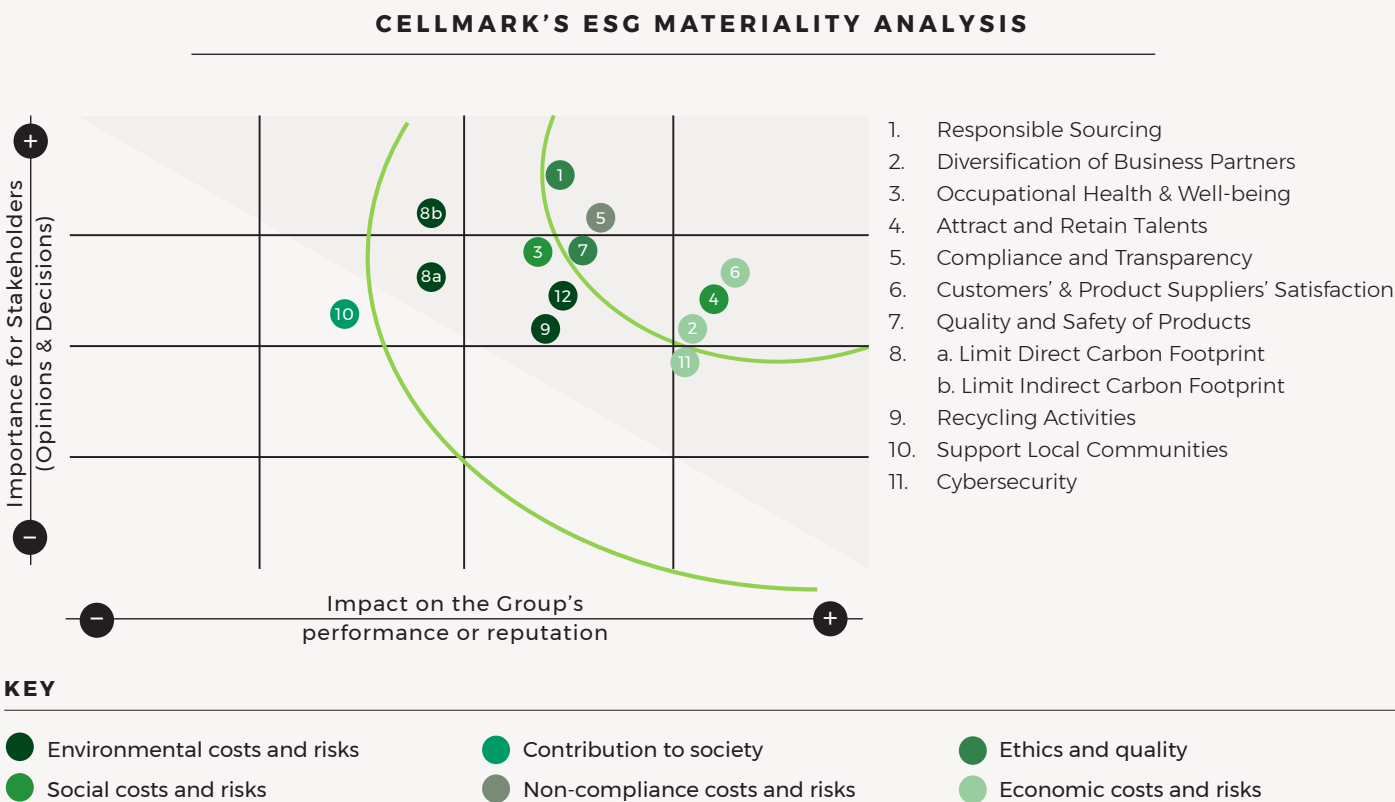


1.8 Materiality analysis

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 identification of the 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, and issues highlighted by the ESG criteria being assessed by financial partners.

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



In 2024, in accordance with the requirements under the EU Corporate Sustainability Reporting Directive (CSRD) which entered into force on January 5, 2023, CellMark performed a Double Materiality Analysis (DMA) based on the categories defined in the European Sustainability Reporting Standards (ESRS). The work supporting the DMA and the results were closely reviewed by CellMark’s Audit Committee and the Board of Directors.

While the CSRD was transposed and came into force in July 2024 in Sweden, in February 2025, the European Commission published an Omnibus Simplification Package which introduced critical updates to reporting requirements under several EU sustainability laws, including the CSRD and the Corporate Sustainability Due Diligence Directive. The Group will carefully follow the evolution of these reporting requirements.

1.9 Risk factors and management approach

1.9.1 PROCESS FOR MANAGING RISKS



In 2024, the Board of Directors and the Audit Committee discussed all relevant risks with a specific focus on

- geopolitical risk
- financial risk
- credit risk
- litigation risk
- risk in accounts receivables
- inventory risks
- cybersecurity risks
- 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, even if it also implies being exposed to certain local/regional risks.

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.
- CellMark has implemented Business Continuity and Disaster Recovery capabilities aiming at strengthening the Group’s resilience on business-disrupting incidents.

1.9.2 UNCERTAIN GLOBAL ECONOMIC ENVIRONMENT

RISKS AND OPPORTUNITIES

CellMark’s business operations may be significantly 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, to 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.

Geopolitical crisis or events such as national military conflicts, regional civil instability due to political actions or localized civil unrest may pose risks to the safety of employees and com-

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. They are not based on the DMA performed by the Group in 2024 (see section 1.8).

In 2024, CellMark performed a general ESG & Compliance risk assessment and a specific bribery and corruption risk assessment (see section 1.10.1).

pany assets, and/or may cause the inoperability of localized regional offices for limited periods, with the potential need for relocation of CellMark offices from affected areas. Such conflicts may also influence the availability and price of certain commodities as well as the effective operation of maritime and road transportation.

New trade restrictions (sanctions and export control legislations) and/or the introduction of new customs tariffs may prohibit or limit the Group to trade with or export goods to one or several destinations or to certain categories of entities or individuals. On the other hand, existing sanctions or tariffs may be eased or lifted (either in full or partially), which could create business opportunities for the Group.

MANAGEMENT APPROACH

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

- Very close monitoring of the markets and of the impacts of geopolitical events.
- Close monitoring of customs tariffs.
- Screening of new and existing business partners against trade sanctions and export controls.
- As mentioned in section 1.3.4, “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 3 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:

- 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 weekly, 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.

Cyber incidents occur regularly but are handled either automatically or in combination with manual efforts according to applicable processes. In 2024, CellMark was exposed to three cyber incidents (including a breach at one of the Group’s suppliers that led to a report to the Swedish Data Protection Authority) which were handled according to the Group’s established routines. Incident reports are evaluated and, where applicable, lead to additional awareness and security measures.

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.
- Regularly perform tests.
- Has implemented an IT security policy applicable to all Group employees, along with mandatory awareness and training regarding IT security (including micro-training in cyber security).
- Regularly conducts self-assessment on the security of IT systems and networks in the operating entities.

Mitigating the impact of cyber incidents is also an important part of CellMark’s Business Continuity and Disaster Recovery Plan.



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 actively with succession planning and leadership training and, through Development & Goals conversations, seeks to identify individual growth opportunities. The Group also focuses on the well-being and development of its employees and engages with them through opinion surveys that are performed on a regular basis (see section 1.7.6.1).

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, anticorruption, trade compliance, competitive practices, product regulation, employment laws and human rights protection, data privacy, financial reporting standards, internal controls, and local and international tax regulations.

Compliance with applicable laws and with newly created or stricter regulations (such as the EU Deforestation Regulation and the Carbon Border Adjustment Mechanism) implies an increase in compliance costs and extensive administrative efforts. In the event that 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 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 1.10.5).

In addition, 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 is deployed through the contractual agreements with the Group’s business partners.



1.9.9 CLIMATE AND ENVIRONMENTAL CHANGES AND NATURAL DISASTERS

RISKS AND OPPORTUNITIES

CellMark may be impacted by both physical and regulatory risks and opportunities related to climate and environmental changes.

With climate and environmental changes, extreme weather-related events and natural disasters are more and more likely to occur and could cause substantive changes in the Group’s operations, revenue, or expenditure by, for example, disrupting supply or restricting or even interrupting logistics.

Medium and long-term, climate and environmental changes 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. Environmental challenges include, for example, the preservation of biodiversity and natural resources,

In addition, climate- and environmental-related regulations aiming at cutting greenhouse gas emissions and preserving the environment are being enacted throughout the world. These regulations may lead to more complex operations, e.g. by imposing strict environmental targets throughout the value chain.

MANAGEMENT APPROACH

The measures taken to manage this risk are essentially the same as those for volatility risks (see section 1.9.3). In addition, CellMark closely monitors environment-related regulations that apply to its business activities and those of its business partners, to identify the impact on its businesses upstream and downstream 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 can be seen as an opportunity for CellMark’s recycling and 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 behavior.

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, all appropriate provisions have been made in the Group’s 2024 accounts and 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

All legal proceedings involving CellMark are closely monitored by the relevant Division and the Finance department. The Group also strives to continuously monitor applicable legislation and provides training to its employees on important compliance matters (see section 1.10.3 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”).
- The implementation of a risk assessment covering ethics and compliance risks.
- An ethics and compliance framework (Code of Conduct, policies, directives, and guidelines that sets out the rules applicable to all employees, as well as a specific Code of Conduct that applies to CellMark’s Business Partners.
- Employee awareness and training.
- Monitoring activities.
- The whistleblowing mechanism.

## 1.10.1 ESG & COMPLIANCE RISK ASSESSMENT

CellMark performed a general ESG & Compliance risk assessment as well as a specific bribery and corruption risk assessment through a process involving:

- A questionnaire sent to a panel of key employees with different backgrounds, deep understanding of the organization and representing different Divisions and Business Administration .
- A general compliance-related risk questionnaire that was embedded in the mandatory Code of Conduct e-learning deployed at the end of 2023.
- The analysis of internal data such as the business performed by each Division through intermediaries, the whistleblowing reports received, and the ESG risks related to the products or the location of the Group’s suppliers.

The results of these risk assessments led to identifying and starting to implement mitigation actions. Focusing on the risk of bribery and corruption, as detailed in the Code of Conduct, employees are asked to pay extra attention when they engage in the following activities that entail higher risk:

- Performing business transactions through intermediaries (such as commission agents or consultants or advisors involved in a business transaction),
- Offering or receiving gifts, favors, and hospitality.
- Engaging with public officials.
- Engaging in corporate giving (donations and sponsorship activities).

## 1.10.2 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 and to non-employee workers (consultants working exclusively for CellMark). Together, these documents form CellMark’s ethics and compliance framework.

CellMark’s Code of Conduct and the framework of corporate policies and directives cover the areas of

international economic sanctions, anti-bribery and -corruption, antitrust, fraud, confidentiality, conflict of interests, Corporate Social Responsibility (environment & human rights), data privacy, IT 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 the 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.

**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 the successful implementation and application of a new governing document. The owner should discuss the 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.

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 newly identified risks or gaps.

In addition a Code of Conduct for Business Partners is deployed through the inclusion of specific provisions in the contractual agreements (written contracts or terms and conditions) with the Group’s business partners, or through the execution of letters of assurance by the business partners. This Code sets out CellMark’s expectations toward its business partners in the fields of business ethics, environment, and human rights & working conditions. It also describes the mechanisms for seeking advice and raising concerns.



1.10.3 ETHICS AND COMPLIANCE TRAINING AND COMMUNICATION

Employee awareness and training are an essential pillar of CellMark’s commitment towards ESG & compliance. The ESG & Compliance training & communication strategy is based on the principle that ESG & Compliance, through its training and commu-

nication initiatives, must remain visible, relevant, and risk based. The strategy also defines the activities that should be conducted every year and is coupled with a plan spanning over the coming 5 years.

1.10.3.1 ESG & COMPLIANCE TRAINING PROGRAM

The ESG & Compliance training program includes mandatory e-learning modules for all employees and new hires. The mandatory e-learning modules are supplemented with additional e-learning modules that are available on the Group’s Learning platform (CellMark Academy), and with regular training on information and IT security provided by a separate service provider, through a dedicated platform.

online interactive setup that gave the learners the opportunity to test their knowledge by applying it to practical scenarios.

- Monthly introductory sessions for new hires held globally (in addition to the mandatory ESG & Compliance e-learning included in the onboarding process).
- During the Board meeting held in November (100 percent attendance), the Board of Directors received their annual ESG & Compliance training focusing on CellMark’s reporting requirements under the Corporate Sustainability Reporting Directive and other applicable legislation, with a focus on anti-bribery & corruption.

In 2024, the training efforts built on the Code of Conduct e-learning series implemented in 2023. In particular, the focus was on:

- Anti-bribery and –Corruption and Gifts, Favours & Hospitality through two mandatory e-learning modules.
- A mandatory refresher on the Code of Conduct, covering all aspects of the Code, through an

In 2025, the Group aims at implementing more online or in-person sessions for target groups, focusing on specific risks.

COMPLETION OF MANDATORY CODE OF CONDUCT TRAINING COURSES IN 2024

	Completion rate (%)
Introduction to Anti-Bribery & Corruption [All employees, online]	96
Gifts, Favours & Hospitality – How to avoid the bribery risks [All employees, online]	96
Code of Conduct 4 – “The Integrity Game” [All employees, online]	95
ESG & Compliance - Reporting requirements and focus on Anti-Bribery and -Corruption [Board of Directors, in person]	100

1.10.3.2 ESG & COMPLIANCE COMMUNICATION PROGRAM

CellMark’s ESG & Compliance communication program supplements the training program described in section 1.10.3.1. It is a key element of CellMark’s ambition to build ESG & Compliance competence throughout the Group. Regular information is published on CellMark’s intranet (CellNet) with the

ambition to keep ESG & Compliance at the top of everyone’s minds. These publications can take different forms (e.g. written, video, podcast) and cover a wide range of topics such as information about new internal ESG & Compliance developments, regulatory updates, relevant external news, stories from

employees regarding how ESG & Compliance impact their activities, and inspirational articles from third parties. Employee awareness is also raised on specific

subjects through dedicated presentations at internal seminars and via webinars.

1.10.4 MONITORING ACTIVITIES

Due diligence on business partners

In accordance with the Group’s Know Your Counterpart Directive:

- Due diligence must be performed on all new business partners prior to any business transaction. This initial due diligence is done by the Credit team that verifies the financial strength of the business partners and screens them against sanctions, money laundering, and adverse media risks.
- CellMark performs regular batch screening on all its existing business partners.

Screening is performed with an external tool. CellMark’s due diligence process was audited in 2023 by the Group’s internal audit.

In 2024, the Group initiated:

- The implementation of measures to comply with the EU Deforestation Regulation (EUDR) which entry into force was initially scheduled for December 30, 2024 but postponed to December 30, 2025. In 2025, the focus will be on finalizing the due diligence process applicable to CellMark’s products falling in the scope of the EUDR.
- A project to rationalize and develop its existing due diligence processes by creating a due diligence process encompassing all ESG risks (including, inter alia, trade sanctions, corruption, human rights and environmental risks) into one single process.

Conflict minerals assessment

CellMark is actively committed to sourcing responsibly and has implemented a conflict minerals program since 2022, based on the globally recognized framework from the Organization for Economic Co-operation and Development (OECD). To date, based on the assessments performed so far on its relevant suppliers, CellMark has uncovered no evidence that any of its suppliers have contributed to conflict or human rights violations.

In addition to this conflict minerals assessment, CellMark monitors its suppliers’ FSC® and PEFC certifications (see section 1.7.6.3 for more details).

Delegations of authority

The delegations of authority implemented by CellMark (see section 2.3 for more details) participate in the monitoring of the transactions performed by the Group.

Human Rights & Modern Slavery Statement

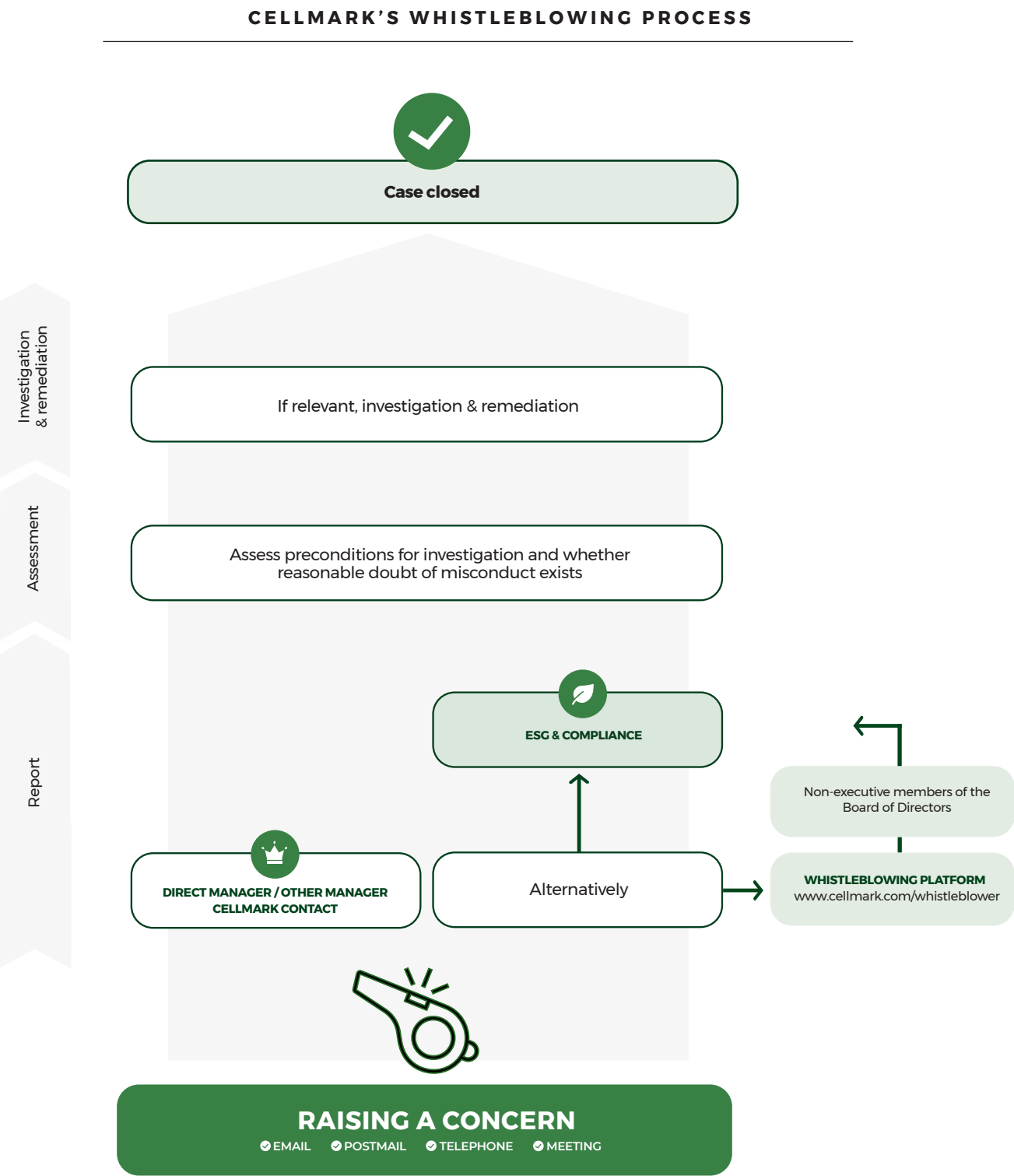
CellMark is subject to various legislations (including the Norwegian Transparency Act) mandating the Group to publish annual reports on their human rights (including modern slavery & child labour) due diligence program and related risks that has been identified. The latest version of these reports is available on cellmark.com.

<sup>1</sup> This principle doesn’t apply to “admin suppliers” which are product or service providers that support administration of CellMark’s business and represent a lower risk.



1.10.5 WHISTLEBLOWING MECHANISM

CellMark has implemented mechanisms that are available internally and externally for (i) seeking advice and asking questions about ethical and lawful behavior, and organizational integrity, and (ii) reporting concerns about unethical or unlawful behavior and organizational integrity. The Board of Directors has the overall responsibility for these mechanisms.



For employees, the reporting mechanisms are detailed in the Code of Conduct and the Whistleblower Policy (that are available on the Group’s intranet, CellNet). The process is also described on CellNet and CellMark’s external website. For external stakeholders, these reporting mechanisms are described in the Code of Conduct for Business Partners and on CellMark’s website.

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 Policy 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.

Whistleblowing reports are assessed carefully 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 2024, CellMark received 1 report via the whistleblowing platform (vs. 2 in 2023). The report received was about bad relations among employees. It was analyzed and discussed, but was determined not to be sufficiently substantiated to open an investigation.





# 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 Group’s Tax Summary and 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.

**Tax risks that CellMark, as a company with offices in over 30 countries, is exposed to**

- 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.

**EVASION SCHEMES**

CellMark does not participate in any tax evasion schemes.

**BUILDING TRUST WITH WIDER STAKEHOLDERS**

CellMark seeks to build trust with its wider stakeholders by acting in an open and transparent way and maintaining an ongoing dialogue. In particular, CellMark strives to have an open and honest relationship with the local tax authorities in all countries where it operates.

**OPERATE WITH INTEGRITY**

CellMark acts firmly to avoid engaging in any tax planning that may harm the Group’s business operations, reputation, or stakeholders.

**QUESTIONS OR INCIDENTS**

Questions or incidents related to tax can be reported via any channel described in CellMark’s Code of Conduct or the Code of Conduct for Business Partners (see Sections 1.10.2 and 1.10.5).

**CONSULTING OF GROUP ACCOUNTING**

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

In 2024, as required, the Group filed a country-by-country tax report covering FY 2023 with the Swedish tax authorities. This 2023 country-by-country tax report includes information for every tax jurisdiction

in which CellMark did business, on the amount of revenue, the profit before income tax, the income tax paid and accrued, the number of employees, the stated capital, the retained earnings, and the tangible assets.



# 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 Execu-

tive Officer, who leads the Group’s Management Team. 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 five 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.
- ✓

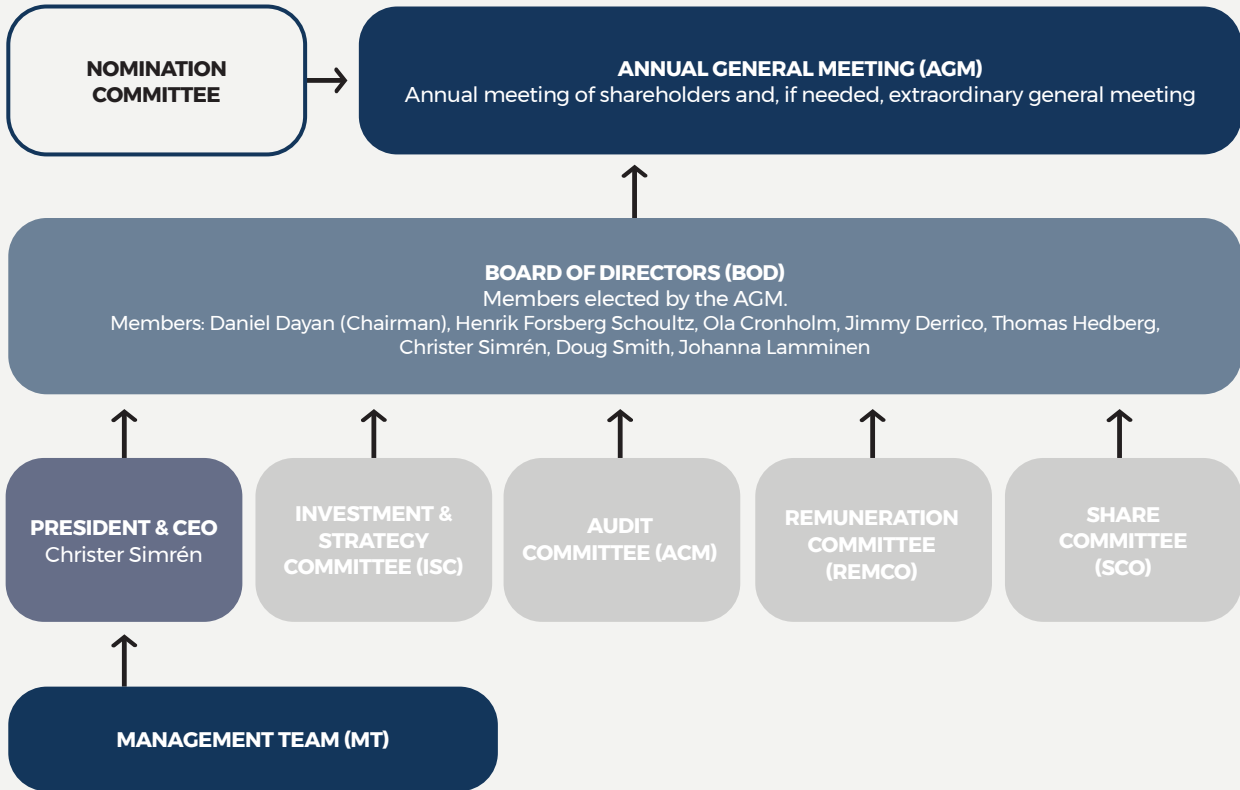
The **Remuneration Committee**, whose role is to review and ensure compensation to key personnel, give final approval of proposed bonus distribution and secure and motivate succession planning and development for key personnel.
- ✓

The **Nomination Committee**, in charge of nominating the Members of the Board of Directors and recommending the compensation of non-executive Board Members.
- ✓

The **Share Committee**, that serves as the channel to the Board for all transactions in CellMark’s shares. The Share Committee plans and forecasts share offers.



**CELLMARK CORPORATE GOVERNANCE STRUCTURE**





## 2.1 Board of Directors

The Board of Directors is a corporate body composed of 3 to 10 members elected annually by the shareholders at the General Meeting. It currently consists of eight members (3 executives and 5 non-executives) appointed during the General Meeting of 2024 for a period of one year.

**Current members of the Board of Directors**

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>	

- It is to be noted that (see section 1.6 for more information):
- Daniel Dayan gave notice to CellMark of his intention to retire from the Board and not to seek re-election at the 2025 Annual General Meeting.
  - Christer Simrén, retired from his position as CEO of CellMark on December 31, 2024.

All potential conflicts of interest (e.g., cross-board membership or cross-shareholding with suppliers or other stakeholders) have been declared by the relevant Board members and are managed according to the rules of procedure for the Board of Directors: a Board member may not be involved in a decision regarding 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 the implementation of the Code of Conduct and the corporate policies introduced by the Management Team, advises the Management Team on global corporate strategy, and monitors compliance with laws and regulations.

The Board also evaluates its work and the work of CellMark’s CEO. In addition, as a part of the yearly nomination process of the Board members, the Nomination Committee evaluates the Directors.

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 2024, the Vice President of ESG & Compliance regularly updated the Audit Committee and the Board regarding upcoming legislation and important changes in the field of ESG. All Board members were trained on the new reporting requirements under the CSRD and other applicable legislation, including in the anti-bribery & corruption area.

The Board of Directors meets at least 3 times per year. In 2024, the Board of Directors met 13 times, with an attendance of 100 percent.

As at December 31, 2024, the Board of Directors was composed of 13 percent women and 87 percent men. Non-executive members of the Board of Directors are remunerated for their role as Directors; they do not receive any other specific types of payments such as variable pay, termination payments, clawbacks, sign-on bonuses (or other recruitment incentive payments), or retirement benefits. Executive Directors do not receive any specific remuneration for their responsibilities as Directors of the Board (see section 2.2 for more details about executive Directors’ remuneration). The remuneration for non-executive Directors is established each year according to the following process: the Remuneration Committee makes an initial proposal that is formally submitted for approval by the shareholders during the Annual General Meeting. In 2024, the resolution regarding the remuneration for non-executive Directors was adopted unanimously by the shareholders at the Annual General Meeting.



MEMBER	NATIONALITY	GENDER	AGE GROUP	FIRST APPOINTED	INDEPENDENT MEMBER	BOARD ATTENDANCE IN 2024	AUDIT COMMITTEE	REMUNERATIONS COMMITTEE	NOMINATION COMMITTEE	INVESTMENT & STRATEGY COMMITTEE	SHARE COMMITTEE	EXPERIENCE
<b>Daniel Dayan</b> Chairman of the Board	United Kingdom	♂	Over 50	June 2021	Yes	100 %		Member		Member		<p>Daniel Dayan is an experienced chairman of global businesses, currently at thermal-processing services provider Bodycote plc, specialty chemicals producer Aquaspersions, and data electronics manufacturer Trend Networks, in addition to his role at CellMark.</p> <p>Daniel’s career includes senior roles in general management, operations, and corporate development over 35 years, most recently as chairman of Low &amp; Bonar plc, and previously as CEO of Klöckner Pentaplast, LINPAC Group, and Fiberweb plc. He holds a degree in engineering from Cambridge University and lives in London, UK.</p>
<b>Thomas Hedberg</b> Non-Executive Director	Sweden	♂	Over 50	1984	No	100 %		Member	Member			<p>Co-founder and Non-Executive Director of CellMark. Thomas is currently Chairman of Hills Golf AB and Hills Villastad, a property project owned by Hills Golf AB and Veidekke AB, board member of Svenska Mässans Trust, Stadshus AB, and Demokraterna.</p> <p>Additionally, Thomas is a member of the Västra Götaland Region Council and deputy member of the Gothenburg Council.</p> <p>Previous roles include directorships of Basic Chemicals Solutions LLC, Crossroads AB, Atlantica AB, Belfast AB and Benefast AB.</p>
<b>Jimmy Derrico</b> Executive Director	USA	♂	Over 50	June 2020	No	100 %			Member		Member	<p>President of CellMark’s Recycling division and intimately involved in the growth of Cellmark’s Recycling Group since 1990. Jimmy is the 4th generation of his family in the Recycling industry and is a lifetime veteran of the Recycling industry, with extensive hands-on experience and knowledge of all facets of the industry.</p> <p>Jimmy attended Boston College (School of Management).</p>
<b>Ola Cronholm</b> Non-Executive Director	Sweden	♂	30–50	August 2020	No	100 %	President					<p>Investment Manager at Neudi &amp; C:o (formerly Ernström &amp; C:o), where Ola holds board assignments in several businesses across different industries. Prior to Neudi &amp; C:o, Ola served as CFO and Investment Manager at Profura AB, a family-owned investment house based in Gothenburg. During this period, Ola had board positions in several companies within the Swedish wood industry. Prior to Profura, Ola has had positions at IK Investment Partners in London and Arthur Andersen auditing.</p> <p>Ola holds a master’s degree in Financial Economics.</p>
<b>Henrik Forsberg Schoultz</b> Non-Executive Director	Sweden	♂	30–50	June 2018	No	100 %		Member	Member	Member	Member	<p>CEO at of Neudi &amp; C:o (formerly Ernström &amp; C:o), Henrik was earlier responsible for the investment organization of the company. Prior to Neudi &amp; C:o, Henrik was an investment professional at Nordstjernan, family-owned investment company, where he was co-responsible for Etac Group and Bygghemma Group. Henrik has also worked at McKinsey &amp; Company where he supported clients with strategic topics. In addition to his role at CellMark, Henrik is Chairman of the board of directors of Platzer and a director of Ernströmgruppen, and Apotea.</p>
<b>Doug Smith</b> Executive Director	Canada	♂	Over 50	June 2020	No	100 %						<p>President of CellMark’s Pulp division. Doug has been in the pulp industry for over 20 years and has worked for both the agency and producer side of the industry.</p> <p>Doug started his career as an entrepreneur in Retail with two successful leisure product stores in Ontario, Canada, before joining the pulp industry in 1994. He has also launched and managed a start-up manufacturing facility in the specialty wood panel industry introducing the world’s first engineered coated board.</p>
<b>Christer Simrén</b> Executive Director	Sweden	♂	Over 50	June 2019	No	100 %	Member	Member		Member		<p>President and CEO of CellMark. Christer has extensive Board and Executive experience. He has served as Member of Kinnevik Group Management, Executive Advisor for Accent Equity Partners, COO and EVP at BillerudKorsnäs AB, as President and CEO at Korsnäs AB, as President and CEO at Nordic Paper Bäckhammar AB and as MD and Founder of Mediabricks AB. Christer holds a PhD, i.e Dr Sc Industrial Management &amp; Economics and a Master of Science in Business, Accounting and Finance and a Master of Science in Electrical Engineering and Computer Science.</p>
<b>Johanna Lamminen</b> Non-Executive Director	Finland	♀	Over 50	June 2021	Yes	100 %	Member					<p>Johanna Lamminen is the CEO of Novana, a Nordic company focusing on the production of critical raw materials. Prior to Novana, Johanna served 7 years as the CEO of the Finnish energy company Gasum. She has extensive experience in the energy and finance sectors, and in organizational and business development.</p> <p>Johanna is also on the Board of Directors of Cargotec Corporation, Mandatum Plc, and Alisa Pankki Plc. Earlier she was also a member of the Board of Directors of Sampo Plc (2019–2023), Tieto Plc (2016–2019) and Evli Bank Plc (2016–2019). In addition, she chairs the Board of Directors of Savonlinnan Opera Festival and is a member of the Board of Directors of ETLA Economic Research and the Board of Directors of the Finnish Business and Policy Forum (EVA).</p> <p>Johanna holds a Doctor of Science degree (Technology) and an MBA degree.</p>



## 2.2 Management Team

**The Group Management Team is a corporate body appointed 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.

**In 2024, the Management Team consisted of the following seven members:**

Christer Simrén  
*President and Chief Executive Officer*

Ersin Alkan  
*Division President, CellMark Basic Materials*

Pernilla Jordan  
*Chief Financial Officer*

Doug Smith  
*Division President, CellMark Pulp*

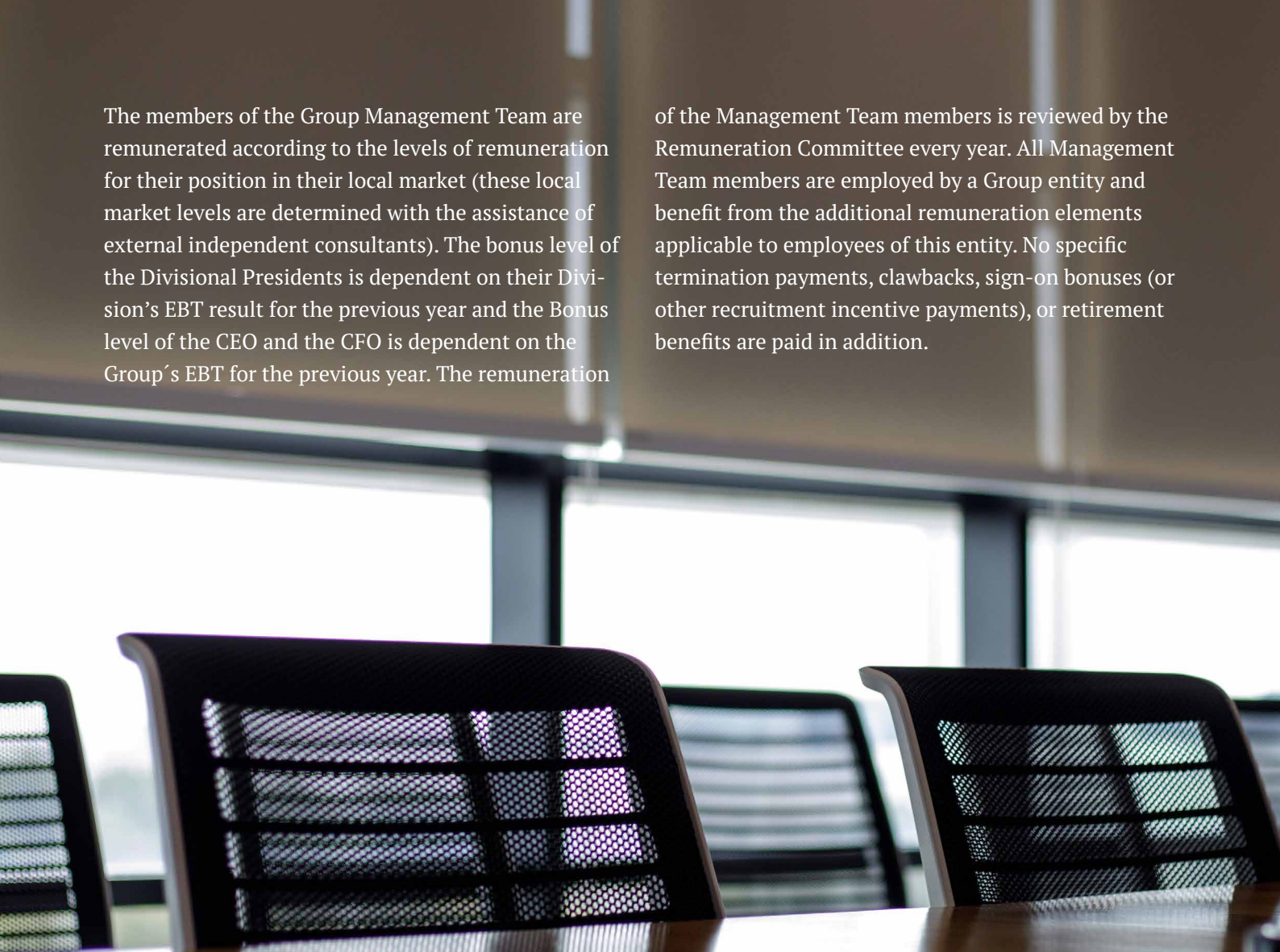
Hugo Galletta  
*Division President, CellMark Chemicals*

Joe Hoffman  
*Division President, CellMark Packaging & Paper*

Jimmy Derrico  
*Division President, CellMark Recycling*

Christer Simrén, retired from his position as CEO of CellMark on December 31, 2024 and will be replaced by Henrik Forsberg Schoultz with effect from April 1, 2025 (see section 1.6 for more information).

As at December 31, 2024, the Management Team was composed of 14 percent women and 86 percent men. The Management Team meets every 4–6 weeks. In 2024, the Management Team met 9 times.



The members of the Group Management Team are remunerated according to the levels of remuneration for their position in their local market (these local market levels are determined with the assistance of external independent consultants). The bonus level of the Divisional Presidents is dependent on their Division’s EBT result for the previous year and the Bonus level of the CEO and the CFO is dependent on the Group’s EBT for the previous year. The remuneration

of the Management Team members is reviewed by the Remuneration Committee every year. All Management Team members are employed by a Group entity and benefit from the additional remuneration elements applicable to employees of this entity. No specific termination payments, clawbacks, sign-on bonuses (or other recruitment incentive payments), or retirement benefits are paid in addition.

## 2.3 Delegation of authority

Formal delegations of authority are among the tools implemented by CellMark to ensure appropriate segregation of duties, better risk management, and a reduced risk for fraud and/or errors.

### What CellMark has implemented

- A Corporate Governance matrix that clearly sets the respective responsibilities of each governance body (as described in the introduction to this section 2) and senior executives.
- A Delegation of Authority matrix that defines the authorizations given from CellMark’s highest governance body to senior executives and other key employees.
- Delegations of Authority covering each of CellMark’s Divisions and Business Administration.



# 3 SOCIAL ASPECTS

## 3.1 CellMark's workforce

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

### 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. The main principles

that govern the Group's relationship with its workforce and with the people within its value chain are set out respectively in CellMark's Code of Conduct and the Code of Conduct for Business Partners.

### 3.1.2 GENERAL INFORMATION ABOUT CELLMARK'S WORKFORCE

#### As at December 31, 2024:

- 959 individuals (937 permanent and 22 temporary) were employed by CellMark (note: in 2024, the Group employed a total of 963 employees, in average, throughout the year).
- Women represented 45.3 percent of the employees (vs. 45,8 percent in 2023). In total, the number of employees constituted 525 men and 434 women.
- Women represented 36.8 percent of the managers and 47 percent of the non-managers (vs. respectively 36 percent and 48 percent in 2023).
- 22 employees were employed part-time, of which 90.1 percent were women and 9.1 percent men.
- 22 employees (2.39 percent of the total number of employees) were employed temporarily, of which 11 women and 11 men.
- 93 additional individuals without an employment relationship with CellMark (non-employee workers) were working for the Group.





EMPLOYEES (PERMANENT AND TEMPORARY) BY CATEGORY, GENDER, AND REGION\*

	AMERICAS			EMEA			APAC			TOTAL		
	Men	Women	TOTAL	Men	Women	TOTAL	Men	Women	TOTAL	Men	Women	TOTAL
Manager	60	23	83	40	23	63	8	17	25	108	63	171
Non-Manager	275	175	450	109	119	228	36	76	110	418	370	788
TOTAL	335	198	533	149	142	290	42	93	135	526	433	959

EMPLOYEES BY TYPE OF CONTRACT, GENDER, AND REGION\*

	AMERICAS			EMEA			APAC		
	Men	Women	TOTAL	Men	Women	TOTAL	Men	Women	TOTAL
Temporary	1	2	3	8	5	13	2	4	6
Other	333	197	530	141	137	278	40	89	129
TOTAL	334	199	533	149	142	291	42	93	135

EMPLOYEES (PERMANENT AND TEMPORARY) BY AGE AND GENDER\*

	Men	Women	TOTAL
<30	36	29	65
30-50	243	253	496
>55	247	151	398
TOTAL	526	433	959

EVOLUTION OF EMPLOYEES  
(PERMANENT AND TEMPORARY) BY CATEGORY AND GENDER

	2022			2023			2024		
	Men	Women	TOTAL	Men	Women	TOTAL	Men	Women	TOTAL
Manager	101	50	151	101	57	158	108	63	171
Non-manager	398	364	762	401	368	769	418	370	788
TOTAL	499	414	913	502	425	927	526	433	959

EVOLUTION OF EMPLOYEES  
(PERMANENT AND TEMPORARY) BY GENDER AND TYPE OF CONTRACT

	2022			2023			2024		
	Men	Women	TOTAL	Men	Women	TOTAL	Men	Women	TOTAL
Permanent	487	405	892	492	412	904	515	422	937
Temporary	12	9	21	10	13	23	11	11	22
TOTAL	499	414	913	502	425	927	526	433	959

EVOLUTION OF EMPLOYEES  
(PERMANENT AND TEMPORARY) BY GENDER AND REGION

	2022			2023			2024		
	Men	Women	TOTAL	Men	Women	TOTAL	Men	Women	TOTAL
Americas	350	201	551	445	195	529	335	198	533
EMEA	106	128	234	125	137	262	149	142	291
APAC	43	85	128	43	93	136	42	93	135
TOTAL	499	414	913	502	425	927	526	433	959

COUNTRIES WITH AT LEAST 10 % OF THE TOTAL NUMBER OF EMPLOYEES\*

	Number of employees
USA	506
Sweden	91

\*As at December 31, 2024.



DISTRIBUTION OF EMPLOYEES BY TYPE AND GENDER\*

	Men	Women	TOTAL
Number of employees	526	433	959
Number of permanent employees	514	423	937
Number of temporary employees	11	11	22
Number of non-guaranteed hours employees	3	3	6
Number of full-time employees	522	413	935
Number of part-time employees	3	21	24

DISTRIBUTION OF EMPLOYEES BY TYPE AND REGION\*

	Americas	EMEA	APAC
Number of employees	534	290	135
Number of permanent employees	531	277	129
Number of temporary employees	3	13	6
Number of non-guaranteed hours employees	3	3	0
Number of full-time employees	532	271	132
Number of part-time employees	2	19	3

PERCENTAGE OF PART-TIME EMPLOYEES  
(PERMANENT AND TEMPORARY) BY GENDER AND REGION\*

	AMERICAS			EMEA			APAC		
	Men	Women	TOTAL	Men	Women	TOTAL	Men	Women	TOTAL
Number	1	1	2	2	17	19	0	3	3
% of total employees	0.1	0.1	0.2	0.2	1.77	1.97	0	0.3	0.3

EVOLUTION OF PART-TIME EMPLOYEES  
(PERMANENT AND TEMPORARY) BY GENDER

	2022			2023			2024		
	Men	Women	TOTAL	Men	Women	TOTAL	Men	Women	TOTAL
Number	4	23	27	3	18	21	3	21	24
% of total employees	0.4	2.5	~3	0.3	1.9	2.3	0.3	2.2	2.5

In 2024, the average employee turnover was 6.2 percent (vs. 11.4 percent in 2023), and 138 new permanent employees joined CellMark (vs. 106 in 2023).

NEW EMPLOYEES (PERMANENT) BY AGE, GENDER, AND REGION IN 2024

AGE	AMERICAS			EMEA			APAC			GLOBAL
	Men	Women	TOTAL	Men	Women	TOTAL	Men	Women	TOTAL	Total
<30	13	5	18	6	4	10	0	1	1	29
30-50	21	9	30	19	14	33	2	4	6	69
<50	17	4	21	3	15	18	1	0	1	40
TOTAL	51	18	69	40	21	61	3	5	8	138

\*As at December 31, 2024.



NEW EMPLOYEES (TEMPORARY) BY AGE, GENDER, AND REGION IN 2024

AGE	AMERICAS			EMEA			APAC			GLOBAL
	Men	Women	TOTAL	Men	Women	TOTAL	Men	Women	TOTAL	Total
<30	1	2	3	4	2	10	2	0	0	14
30-50	0	0	0	3	2	6	0	1	1	7
<50	0	0	0	1	1	3	0	3	1	4
TOTAL	1	2	3	8	5	13	2	4	6	22

EMPLOYEE (PERMANENT) TURNOVER 2024 (%)

GLOBAL AVERAGE TURNOVER	6.2
Turnover by gender	
Female	4.1
Male	8.3
Turnover by region	
Americas	4.0
APAC	2.6
EMEA	4.2
Turnover by age category	
<30	6.3
30-50	6.2
<50	6.2

PARENTAL LEAVE 2024

	Men	Women
Number of employees entitled to parental leave	356	249
Number of employees taking parental leave in 2024	2 (EMEA) 1 (AMERICAS) 1 (APAC)	4 (EMEA) 5 (AMERICAS) 4 (APAC)
Number of employees due to return to work in 2024	2 (EMEA) 1 (AMERICAS) 1 (APAC)	4 (EMEA) 5 (AMERICAS) 4 (APAC)
Number of employees returning to work after parental leave in 2024	2 (EMEA) 1 (AMERICAS) 1 (APAC)	4 (EMEA) 4 (AMERICAS) 4 (APAC)
Return to work rate, by gender	100 %	92 %



3.1.3 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 seminars.

For new employees, CellMark Academy has a comprehensive onboarding program covering CellMark’s history, culture, and

business areas; the Value Platform (see section 1.5); and mandatory training (see section 1.10.3).



In 2024, the total number of hours spent on online training via CellMark Academy and the stand-alone Cybersecurity training platform as well as in-person training reported by CellMark’s Human Resources and ESG & Compliance departments (i.e., excluding any other form of training or via any other platform) amounted to 2447 hours, which corresponds to 2,5 hours per employee in average (based on the average number of employees over the calendar year 2024).

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). Based on the Great Place to Work® survey performed in 2023 (93 percent response rate), 62 percent of CellMark employees confirmed that they had a development & goal conversation with their manager in 2023.



3.1.4 OCCUPATIONAL HEALTH AND SAFETY

CellMark pays close attention to its employees’ welfare 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 owned by CellMark, where health and safety risks are higher, the Group strives to maintain a high level of health and safety culture, with proper instructions and training for employees.

Operating procedures that CellMark has implemented

- ✓ **Risk identification**  
Health and safety risks are identified on an ongoing basis, through scheduled safety meetings.
- ✓ **Governance**  
Each manager has direct responsibility for the governance of health and safety in their facility, supported as necessary by the Human Resources and/or Quality departments.
- ✓ **Policies and procedures**  
In addition to the principles set out in CellMark’s Code of Conduct, each facility has implemented an employee handbook that contains health and safety provisions as well as specific processes.
- ✓ **Awareness and training**  
All employees are given health & safety training (such as Toolbox meetings, First Aid training, GHS training, or other OSHA-mandated safety training) on an ongoing basis, and regular safety meetings are conducted (weekly or monthly depending on the facility). New hires are trained via local onboarding procedures in accordance with the applicable employee handbook.
- ✓ **Preventive controls and monitoring procedures**  
Regular checks and monitoring activities are performed to ensure that preventive controls are effectively implemented. For example, in the Group’s R&D facility, annual mask fittings and hearing checks are conducted.
- ✓ **Record keeping and reporting**  
The facilities keep documentation on the controls and monitoring performed and the related corrective actions. The mandatory incident reports (such as the annual OSHA 301 injuries and illness report) are submitted.

These operating procedures cover all employees working at CellMark’s facilities and warehouses.





OCCUPATIONAL HEALTH & SAFETY-RELATED STATISTICS 2024

Number of cases of injuries or work-related ill-health	16
Number of lost time injury events	7
Number of days lost due to injury or work-related ill-health	76.4
Lost time injury (LTI) frequency	2.89
Lost time injury (LTI) severity	0.03
Fatality rate	0

For more information about the methodology used, see section 5.1.3.2.

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.



3.1.5 DIVERSITY AND EQUAL OPPORTUNITY

CellMark’s Code of Conduct includes provisions regarding Diversity, Equality, and Inclusion. The Code of Conduct, the employee handbooks, and the recruitment guidelines also include provisions on anti-discrimination and harassment. Training on anti-discrimination and harassment is provided through global training initiatives (e.g., via the code of conduct e-learning series, see 1.10.3.1) and locally.

For example, all CellMark employees in the United States receive training on Diversity, Equality, and Inclusion every other year. In the last 2 years, 100

percent of CellMark’s employees in the United States and more than 88 percent of CellMark’s employees in Gothenburg were trained on discrimination.

All members of the Group Management Team and all but one of their direct reports are based in their home countries. CellMark’s offices are led by local citizens.

General information on employee representation per gender and age group can be found in section 3.1.2.

3.1.6 LABOR/MANAGEMENT RELATIONS

None of the Group entities is subject to a collective bargaining agreement, whether at the Group, industry, or country level. Beyond applicable legislation, the principles that govern the relationship between CellMark and its employees are defined in the Code of Conduct and the applicable employee handbook.

Whenever CellMark considers implementing significant operational changes, reasonable notice is provided to employees and appropriate government authorities, in accordance with applicable legislation. In 2024, CellMark implemented Social Dialogue Guidelines that provide a framework for social

dialogue within the Group’s operations. It reinforces CellMark’s commitment to fostering mutual, meaningful and open discussions between the Group’s management and employees to address workplace issues, improving working conditions, and enhancing overall organizational performance.

3.1.7 REMUNERATION PRINCIPLES AND PROCESS

Principles that guide CellMark’s remuneration

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

The Remuneration Committee of the Board sets the compensation for the Management Team, including the CEO, and the Nomination Committee sets the compensation for the Chairman (see Section 2).

Remunerations are reviewed each year and adjusted as relevant. The remuneration review process is performed independently by each Division and by Business Administration for the support functions. General salary adjustments are led by the Chief Executive

Officer, the Chief Financial Officer, and the Vice President of Human Resources and are formally validated by the Group Management Team, when applicable

Remuneration levels and principles for employees outside the Group Management Team are based on the grandfather principle, where each remuneration proposed by a manager is signed off by their manager (or a more senior manager).





The vast majority of CellMark’s employees have fixed and variable pay, and their remuneration level is well above locally defined minimum wage levels. Variable pay is determined individually, based on employee performance and their Division’s results (or the Group results for Business Administration), according to the grandfather principle described above.

Pension benefits are provided in certain jurisdictions according to local legislation and the respective contribution of CellMark and the employee varies by country as well as by role and seniority of the employee.

CellMark carries pension liabilities that are all covered by the Group. As at December 31, 2024, the provisions for pension liabilities in the financial statements amounted to 5.8 MUSD, covering 10 consolidated entities.

Additional benefits are provided to permanent employees in all CellMark’s main offices: healthcare, disability & invalidity coverage, and retirement. Except for the Gothenburg office, these benefits are not provided to temporary workers. The benefits provided to full-time employees are also provided to part-time employees.

Ownership of CellMark shares is also offered on a regular basis to permanent full-time employees who have been employed for over one year at the date of the share offer.

For information regarding the principles governing the remuneration of CellMark’s Directors and members of the Management Team, see sections 2.1 and 2.2 respectively.

### 3.2 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.

**Efforts towards local communities in 2024**

- Donations to charities identified by CellMark.
- Employee volunteering and community support.

The total amount of donations distributed by the Group in 2024 was over USD 251 000.

In particular, CellMark Cares provided USD 244 500 to charities and NGOs (non-governmental organizations) in transformational grants primarily in the range of USD 35 000–50 000; employees can recommend a registered charity or NGO anywhere in the world where CellMark has a presence. All recommendations are

vetted by a third party (checking the charitable nature of the organization and performing relevant due diligence). Vetted organizations are 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 manufacturing of recycled products through its recycling activities.
- Helping customers with their environmental commitments.
- Pursuing continuous improvement of the Group’s environmental performance.
- Raising awareness internally 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 Corporate Social Responsibility Policy 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. Electricity and gas are mainly used to run office buildings and the processing of goods in the recycling plants does not require a high level of energy or water consumption. When establishing new sites or relocating sites, CellMark strives to select 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. In 2024, only one site reported a negligible amount of refrigerant consumption.

In 2024, CellMark’s energy consumption was reported by 41 sites, representing 100 percent of the total surface area of the Group’s sites. By applying the methodology described in section 5.1.3.2, CellMark’s total energy consumption was assessed at 61 573 Gigajoules (GJ), and the following chart shows the breakdown per type of energy.

ENERGY CONSUMPTION IN 2024, BY TYPE OF ENERGY

	Gigajoules
Electricity	21 864
Natural gas	6 005
Propane	10 113
Other energy sources	945
Fuel for vehicles	22 646
<b>TOTAL</b>	<b>61 573</b>

In 2023, CellMark’s energy consumption was reported by 34 sites, representing today 83 percent of the total surface area of the Group’s sites. By applying the methodology described in section 5.1.3.2, CellMark’s total energy consumption was assessed at 65 722 GJ<sup>2</sup> in 2023.

VARIATION OF ENERGY CONSUMPTION  
BETWEEN 2023 AND 2024, BY TYPE OF ENERGY

	GJ		%
	2023 <sup>2</sup>	2024	Variation
Electricity	22 021	21 864	-1
Natural gas	6 806	6 005	-12
Propane	10 732	10 113	-6
Other Energy Sources	792	945	-19
Vehicles	25 371	22 646	-11
<b>TOTAL ENERGY CONSUMPTION</b>	<b>65 722</b>	<b>61 573</b>	<b>-6</b>

In 2024, the energy intensity, calculated as GJ of total energy consumption per million USD revenue, was 16.53 GJ/MUSD.

2023-2024 VARIATION OF ENERGY INTENSITY

	2023	2024	Variation (%)
Energy Consumption (in GJ)	65 722 <sup>2</sup>	61 573	-6
Revenue (MUSD)	3 605.6	3 724	+3
Energy intensity	18.23	16.53	-9

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 that turn off heating and cooling during non-office hours.

Of the 41 sites reporting their energy consumption, 6 are using green electricity (electricity produced from renewable sources) in the amount of 43 000 kWh.

<sup>2</sup> Figures recalculated to follow the environmental methodology, updated in 2024 to ensure the use of more accurate emissions factors.



### 4.3 Impact of transportation

**TRANSPORTATION OF PRODUCTS**

As described in section 1.3.2.2, transportation of products (by sea, road, or, to a lesser extent, air) is one of the key services provided by the Group to its customers and suppliers. The transport sector is deemed to cause substantial negative impacts on the environment as it is responsible for around 3 percent of global Greenhouse Gas (GHG) emissions and contributes to poor air quality.

CellMark mainly works with major shipping lines that have engaged in programs to reduce their GHG emissions.

**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 Corporate Social Responsibility policy, employees are encouraged to reduce travel and choose online meetings whenever relevant.

In 2024, the total amount spent on business travels was 8 567 K USD distributed as follows: Americas 61 percent, EMEA 20 percent, and APAC 19 percent.

**DISTRIBUTION OF SPENT ON BUSINESS TRAVELS, PER TYPE AND PER REGION**

	Americas	EMEA	APAC
Flights	23	13	9
Ground transportation	11	3	2
Other expenses (including accommodation)	27	4	8

**TRAVEL TO WORK**

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

**NUMBER OF FULL-TIME REMOTE WORKERS (HOME OFFICE)\***

Americas	EMEA	APAC	TOTAL
68	25	16	109

\*As at December 31, 2024.

**COMPANY CARS**

CellMark owns or leases 79 company cars globally, of which 9 are electric and 10 are hybrid (petrol-electric). The portion of company cars using cleaner technology (electric or hybrid) represents 24 percent of the fleet (vs. 26 percent in 2023).

**TRUCKS**

The Recycling Division’s facilities operate 33 trucks, none of which are electric or hybrid.





## 4.4 Water

CellMark uses exclusively water supplied by the municipality or other public or private water utilities and wastewater goes into the public sewage system.

In 2024, the water consumption reported by 30 sites (representing 73 percent of the total surface area of the Group’s premises) was 7 431 cubic meters. Based on the data reported and by applying the methodology described in section 5.1.3.2, the total water consumption for the Group is estimated at 10 605

cubic meters. In 2023, water consumption was reported by 25 sites. By applying the methodology described in section 5.1.3.2, CellMark’s total water consumption was assessed at 12 185 cubic meters in 2023 (+15 percent compared to 2023).

## 4.5 Biodiversity

Most of CellMark’s sites, owned or leased, are in urban or industrial areas. The site owned by the Group in Naugatuck (Connecticut, USA), where the Chemicals Division’s R&D facility is located, is adjacent to an area of high biodiversity (a forest that is not a protected area). The facility covers 4 830 m<sup>2</sup> of the 40 000 m<sup>2</sup> 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. The implementation by CellMark of the EUDR process (see section 1.10.4) will provide additional assurance, for all products in scope, about forest conservation.

## 4.6 Emissions

### 4.6.1 SCOPE 1 AND SCOPE 2 EMISSIONS

CellMark reports its GHG emissions in accordance with the provisions of the Greenhouse gas protocol

- **SCOPE 1:** Scope 1 covers all direct emissions from sources owned and controlled directly by the Group. CellMark’s Scope 1 emissions, are based on the Group’s consumptions of natural gas and fuel, and fleet vehicles (CellMark doesn’t own or control any boiler or furnace).
- **SCOPE 2:** Emissions resulting from the production of the electricity consumed by the organization. Scope 2 covers the CO<sub>2</sub> emissions resulting from energy purchased or acquired by the Group. CellMark’s Scope 2 emissions, only include the CO<sub>2</sub> emissions resulting from the Group’s electricity consumption (no steam, heat, or cooling is consumed).

In 2024, CellMark’s scope 1 and scope 2 emissions, based on the Group consumptions, were respectively 2 704 and 2 203 tCO<sub>2</sub> e.

#### SCOPE 1 AND SCOPE 2 GHG EMISSIONS 2024

	tCO <sub>2</sub> e
Scope 1	2 704
Scope 2	2 203
<b>TOTAL</b>	<b>4 907</b>

In 2023, CellMark’s total GHG emissions were reported by 39 sites representing today 95 percent of the total surface area of the Group’s sites. Based on the updated environmental methodology (see section 5.1.3.2), the total GHG emissions in 2023 and 2024 were assessed respectively at 5 205<sup>3</sup> tCO<sub>2</sub> e and 4 907 tCO<sub>2</sub> e.

<sup>3</sup> Figure recalculated to follow the environmental methodology, updated in 2024 to ensure the use of more accurate emissions factors.



VARIATION OF SCOPE 1 AND  
SCOPE 2 EMISSIONS IN TCO<sub>2</sub> E

	2023 <sup>4</sup>	2024	Variation (%)
Scope 1	2 981	2 704	-9
Scope 2	2 224	2 203	-1
<b>TOTAL</b>	<b>5 205</b>	<b>4 907</b>	<b>-6</b>

The GHG emission intensity indicators are calculated by relating the emission values to the size of CellMark in terms of revenue. In 2024, the GHG emissions intensity, calculated as tCO<sub>2</sub> e of emissions per million USD revenue, was 1,32 tCO<sub>2</sub> e/MUSD.

VARIATION OF GHG EMISSIONS INTENSITY (TCO<sub>2</sub> E PER MUSD REVENUE)

	2024
Revenue (in KUSD)	3 724
Total Scope 1 emissions	2 704
<b>GHG emissions intensity Scope 1</b>	<b>0.73</b>
Total Scope 2	2 203
<b>GHG emissions intensity Scope 2</b>	<b>0.59</b>
Total GHG emissions	4 907
<b>TOTAL GHG EMISSIONS INTENSITY SCOPE 1 AND SCOPE 2</b>	<b>1.32</b>

VARIATION OF GHG EMISSION INTENSITY (TCO<sub>2</sub> E PER MUSD REVENUE)

	2023 <sup>4</sup>	2024	Variation (%)
Revenue (in MUSD)	3 605.6	3 724	+3.1
Total Scope 1 emissions	2 981	2 704	-9
<b>GHG emissions intensity Scope 1</b>	<b>0.83</b>	<b>0.73</b>	<b>-12</b>
Total Scope 2	2 224	2 203	-1
<b>GHG emissions intensity Scope 2</b>	<b>0.62</b>	<b>0.59</b>	<b>-4</b>
Total GHG emissions Scope 1 and Scope 2	5 205	4 907	-5.7
<b>TOTAL GHG EMISSIONS INTENSITY SCOPE 1 AND SCOPE 2</b>	<b>1.44</b>	<b>1.32</b>	<b>-9</b>

<sup>4</sup> Figures recalculated to follow the environmental methodology, updated in 2024 to ensure the use of more accurate emissions factors.

4.6.2 SCOPE 3 EMISSIONS

Scope 3 covers the CO<sub>2</sub> emissions related to activities from assets not owned or controlled by CellMark but linked to the Group’s business activities.

In 2024, in parallel to the work related to the preparation for CSRD compliance (see section 1.8), CellMark performed a relevance assessment of each scope 3 category.

The Group has identified the following categories to be relevant to its scope 3 emissions: purchased goods, transportation and distribution (upstream and downstream) business travel, the processing of sold products, and end-of-life treatment of sold products. Starting in 2025, CellMark intends to establish a multi-year plan to collect data related to purchased goods, transportation and distribution (upstream and downstream) and business travel.

4.7 Waste

As described in sections 1.3.1.3 and 1.7.4, CellMark’s Recycling Division contributes to the recycling of fiber, plastics, metals, and job lot/stock lot rolls, thereby keeping waste in the recycling stream and out of the landfill.

The recycling facilities (excluding the joint ventures) reported having processed over 232 500 tons of waste materials (including the waste derived from their own operations) in 2024, of which 188 800 tons (81 percent) were traded for recycling.

CellMark’s Warehouses reported a total of 780 tons of waste from which 70 percent was recycled. Regarding the other sites of the Group (i.e., other than the

To assess the CO<sub>2</sub> emissions related to the manufacturing of the goods traded by the Group and their transportation, CellMark will have to collect relevant data from its suppliers. Given the number of products traded by the Group and the number of suppliers worldwide, as well as the number of transportation service providers, CO<sub>2</sub> emissions from the manufacturing of purchased goods and their transportation are not expected in the short term but the Group intends to publish data on an ongoing basis.

Assessing the processing of sold products and end-of-life treatment of sold products is a challenge due to the diversification and high volume of products traded by the Group, combined with the fact that CellMark’s customers make different use of these products.

recycling facilities and warehouses): the sites having reported data indicated 34 tons of waste, of which 98 percent was non-hazardous and 55 percent was recycled. Based on this data and by applying the methodology described in section 5.1.3.2, the total waste generated by the Group (excluding CellMark’s recycling facilities and warehouses) is estimated at 42 tons.

The waste generated by CellMark’s facility is managed by a certified third-party company that manages the waste in line with contractual and legislative obligations. This third-party company comes into the facility and removes the waste material from the laboratory. This waste material may contain hazardous materials and is handled accordingly.



# 5 INFORMATION ABOUT THE SUSTAINABILITY 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, 2024. CellMark prepares a Sustainability Report annually.

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

#### Criteria taken into account to define the content of this report

- **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 is highlighted in section 1.7.4, “Contribution to the United Nations Sustainable Development Goals”.
- **COMPLETENESS:** The content of this Sustainability Report has been defined to provide stakeholders with a complete picture of CellMark’s global activities.

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

#### Principles 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 to give a balanced view of overall performance.
- **COMPARABILITY:** To enable stakeholders to analyze changes in the Group’s performance, the Report includes some comparative data over a two- or three-year period.
- **ACCURACY:** Financial data are taken from the audited financial statements and, in the absence of a 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 Report has been organized to enable stakeholders to identify information easily; it opens with a 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

The following paragraphs summarize CellMark’s reporting methodology for the data provided in this Sustainability Report.

5.1.3.1 SCOPE OF THE CONSOLIDATED FINANCIAL STATEMENTS

Unless otherwise stated in the relevant sections of this Sustainability Report, the financial data provided covers the Group’s 51 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

Information about CellMark’s workforce (section 3.1) was collected via:

- The HR reporting system that is deployed in all the Group’s entities.
- A specific reporting campaign that involved all HR representatives in the Group.

Unless otherwise stated in the relevant sections of this Sustainability Report, data on CellMark’s workforce covers the entire organization. All data are reported in

headcount and, unless mentioned as reported for the year 2024, they are reported as at December 31, 2024. Since Kempenaars was acquired in December 2024 (see section 1.6), information on CellMark’s workforce as at December 31, 2024 (section 3.1.) includes the data related to Kempenaars’ employees.

When workforce data is reported for the Group’s “main offices”, it covers all offices with more than 20 employees, which represent 33 percent of the total number of employees.

CellMark’s offices with +20 employees

Norwalk, Connecticut (USA)	Office building
Novato, California (USA)	Office building
Shelton, Connecticut (USA)	Office building
Gothenburg (Sweden)	Office building
Shanghai (China)	Office building
Singapore (Singapore)	Office building

Information about the Group’s contribution to local communities (section 3.2) was collected via the financial reporting system deployed in all the Group’s consolidated subsidiaries.

The methodology used to calculate health & safety-related statistics in 2024 (section 3.1.4) is based on the (partly estimated) total number of working hours for all employees (permanent and temporary) in the Group and the average number of employees in 2024. The total number of working hours is based on actual figures reported for circa 56 percent of CellMark’s employees (542 employees) and, for the remaining 44 percent (421 employees), on a calculation of the average yearly hours by employee based on the reported figures.

LTI frequency rate is calculated using the formula:

Total number of lost time injury events \* 1,000,000 / total hours worked.

LTI severity rate is calculated using the formula:

Total number of days lost due to injuries or work-related ill-health \* 1,000 / total hours worked.

Employee turnover (section 3.1.2) is calculated based on data from CellMark’s HR reporting system. Until 2023, the methodology used to calculate employee turnover included employee movement linked to inter-

nal transfers, office relocations, end of trial periods, move from temporary to permanent contract and changes from one Group company to another. In this Report (and in the future), these employee movements are not included in the calculation of employee turnover.

Information regarding parental leave (section 3.1.2) takes into account employees having taken at least 1-month consecutive parental leave.

Data about the average hours of learning by employee (section 3.1.3) is calculated as follows:

- Sum of:
  - the completion statistics for online training, from both CellMark’s learning platform CellMark Academy (note: the data is based on estimated completion times per course) and the independent Cybersecurity training platform (note: the data is based on actual time spent).
  - in-person training (data provided by the Human Resources and the ESG & Compliance departments).
- Divided by the average number of employees in the Group in 2024.



ENVIRONMENT

Most of the environmental data provided in this Report was calculated based on information collected via a specific reporting campaign that covered 41 sites (vs 39 in 2023). These 41 sites represent 100 percent of the total surface area of CellMark’s premises worldwide (joint ventures are excluded from this Report). Since Kempenaars was acquired on December 23, 2024 (see section 1.6), this site was excluded from the 2024 environmental reporting.

As from this Report, 2023 will be the baseline for environmental reporting and comparison.

CellMark’s main sites (> 2000 square meters)	
Naugatuck, Connecticut (USA)	Production facility
Salt Lake City, Utah (USA)	3 recycling facilities
Doral, Florida (USA)	Warehouse
Patterson, New Jersey (USA)	Recycling facility
Tacoma, Washington (USA)	Warehouse
Ladson, South Carolina (USA)	Recycling facility
Tampa, Florida (USA)	Recycling facility
Birmingham, Alabama (USA)	Recycling facility
Charleston, South Carolina (USA)	Recycling facility
Orangeburg, South Carolina (USA)	Warehouse

Energy and water consumptions (sections 4.2 and 4.4) were obtained by considering the information on each invoice issued by the local energy or water provider. When the original invoice was not available because consumptions were included in the rental agreements, the information was requested from the landlords. Where none of the above was obtained, the consumptions were estimated with one, or a combination, of the following methods:

- Average consumption amongst similar facilities in terms of location, type (office or plant or warehouse), surface area, and number of employees,

- Data recovery through investigations over the Internet (for example, the average fuel consumption of a certain type of vehicle or the average consumption of water per person, per day).

2023 is the reference year for information about year over year variations. These variations are calculated by referring to the Group consumptions (assessed based on the data reported). It is to be noted that the data provided in 2023 for the Group’s energy and water consumptions were recalculated to follow the updated environmental methodology, changed in 2024 to ensure the use of more accurate data and emissions factors.



A few data in section 4 were collected via the Group’s financial system (e.g., data on business travels or FSC® and PEFC certification), or the HR reporting system (e.g., data on remote workers).

Emissions are measured in metric tons of carbon dioxide equivalent (referred to as tCO<sub>2</sub> e in this Report), considering the specific Global Warming Potential (GWP) of each greenhouse gas. All consumptions

reported or assessed were converted into tCO<sub>2</sub> e. 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 and, for other countries, by the Intergovernmental Panel on Climate Change factors were used).



## 5.2 GRI content index

CellMark has reported the information cited in this GRI content index for the period January 1 to December 31, 2024, with reference to the GRI Standards – GRI 1: Foundation 2021.

GRI STANDARD	DISCLOSURE	LOCATION	COMMENTS
GRI Foundation		Section 5.2, p. 106–109	
GRI 2: General Disclosures 2021	2–1 Organizational details	* Key figures/CellMark 2024 in brief, p. 6–7 * Section 1.1, p. 8–9 * Section 1.4, p. 28–31	
	2–2 Entities included in the organization's sustainability reporting	* Section 5.1, p. 100–105	
	2–3 Reporting period, frequency, and contact point	* Section 5.1, p. 100–105 * Section 5.4, p. 109	
	2–4 Restatements of information	Not applicable.	
	2–5 External assurance	Auditor's opinion, p. 110	
	2–6 Activities, value chain, and other business relationships	* Key figures/CellMark 2024 in brief, p. 6–7 * Section 1.3, p. 11–27 * Section 1.4, p. 28–31 * Section 1.7.6, p. 40–47	
	2–7 Employees	* Key figures/CellMark 2024 in brief, p. 6–7 * Section 3.1.2, p. 76–83 * Section 5.1.3, p. 102–105	
	2–8 Workers who are not employees	* Section 3.1.2, p. 76–83 * Section 5.1.3, p. 102–105	
	2–9 Governance structure and composition	Section 2, p. 68–75	
	2–10 Nomination and selection of the highest governance body	Section 2, p. 68–75	
	2–11 Chair of the highest governance body	Section 2, p. 68–75	
	2–12 Role of the highest governance body in overseeing the management of impacts	* Section 1.5, p. 32–33 * Section 1.7.1, p. 36 * Section 1.7.2, p. 37 * Section 1.9.1, p. 51–52 * Section 2, p. 68–75	
	2–13 Delegation of responsibility for managing impacts	* Section 1.7.1, p. 36 * Section 2.3, p. 75	
	2–14 Role of the highest governance body in sustainability reporting	* Section 2.1, p. 70–73 * Section 5.3, p. 109	
	2–15 Conflicts of interest	* Section 2.1, p. 70–73	
	2–16 Communication of critical concerns	* Section 1.8, p. 50–51 * Section 1.9, p. 51–59 * Section 1.10.5, p. 64–65 * Section 2, p. 68–75	
	2–17 Collective knowledge of the highest governance body	* Section 2.1, p. 70–73	
	2–18 Evaluation of the performance of the highest governance body	*Section 2.1, p. 70–73	
	2–19 Remuneration policies	* Section 2.1, p. 70–73 * Section 2.2, p. 74–75 * Section 3.1.7, p. 87	
	2–20 Process to determine remuneration	* Section 2.1, p. 70–73 * Section 2.2, p. 74–75 * Section 3.1.7, p. 87	
	2–21 Annual total compensation ratio	This information is not available for FY 2024.	
	2–22 Statement on sustainable development strategy	* Message from our CEO, p. 4 * Message from our Vice President of ESG & Compliance, p. 5 * Section 1.7.2, p. 37	
	2–23 Policy commitments	* Section 1.5, p. 32–33 * Section 1.7.3, p. 38 * Section 1.9, p. 51–59 * Section 1.10.2, p. 61 * Section 1.11, p. 66–67	
	2–24 Embedding policy commitments	* Section 1.9, p. 51–59 * Section 1.10, p. 60–65 * Section 1.11, p. 66–67	
	2–25 Processes to remediate negative impacts	* Section 1.10.5, p. 64–65	
	2–26 Mechanisms for seeking advice and raising concerns	* Section 1.10.5, p. 64–65	
	2–27 Compliance with laws and regulations	* Section 1.9.8, p. 57 * Section 1.9.11, p. 59 * Section 1.10, p. 60–65	To the best of CellMark's knowledge, in the FY 2024, 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. 40	
	2–29 Approach to stakeholder engagement	* Section 1.7.6, p. 40–47	
	2–30 Collective bargaining agreements	* Section 3.1.6, p. 87	

GRI 3: Material Topics 2021	3–1 Process to determine material topics	* Section 1.8, p. 50–51 * Section 1.9, p. 51–59	
	3–2 List of material topics	* Section 1.8, p 50–51 * Section 1.9, p. 51–59 * Further information can be found throughout the report.	
	3–3 Management of material topics	* Section 1.8, p. 50–51 * Section 1.9, p. 51–59 * Further information can be found throughout the report.	
GRI 201: Economic Performance 2016	201–1 Direct economic value generated and distributed	* Section 1.3.4, p. 24–27	
	201–2 Financial implications and other risks and opportunities due to climate change	* Section 1.9.9, p. 58	
	201–3 Defined benefit plan obligations and other retirement plans	* Section 3.1.7, p. 87–88	
	201–4 Financial assistance received from government	In 2024, CellMark received governmental assistance from China, South Korea, and Singapore's governments for a total amount of 79 KUSD.	
GRI 202: Market Presence 2016	202–1 Ratios of standard entry level wage by gender compared to local minimum wage	* Section 3.1.7, p. 87–88	In the future, CellMark intends to add more information.
	202–2 Proportion of senior management hired from the local community	* Section 3.1.5, p. 86	
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 2024.	
	203–2 Significant indirect economic impacts	* Section 1.3.4, p. 24–27 * Section 1.4, p. 28–31 * Section 1.7.6, p. 40–47	
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	* Section 1.10.1, p. 60 * Section 1.10.4, p. 63	
	205–2 Communication and training about anti-corruption policies and procedures	* Section 1.10.3, p. 62–63	
	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 2024.	
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 2024	
GRI 207: Tax 2019	207–1 Approach to tax	* Section 1.11, p. 66–67	
	207–2 Tax governance, control, and risk management	* Section 1.11, p. 66–67	
	207–3 Stakeholder engagement and management of concerns related to tax	* Section 1.11, p. 66–67	
	207–4 Country-by-country reporting	* Section 1.11, p. 66–67	
GRI 301: Materials 2016	301–1 Materials used by weight or volume	Not applicable to CellMark.	Note: CellMark does not manufacture any products, therefore, the Group does not have any direct operations with significant use of materials.
	301-2 Recycled input materials used	* Section 1.3.1.3, p. 16–17	CellMark does not manufacture any products.
	301–3 Reclaimed products and their packaging materials	Not applicable to CellMark.	
GRI 302: Energy 2016	302–1 Energy consumption within the organization	* Section 4.2, p. 92–93 * Section 5.1.3, p. 102–105	
	302–2 Energy consumption outside of the organization	* Section 4.2, p. 92–93 * Section 5.1.3, p. 102–105	
	302–3 Energy intensity	* Section 4.2, p. 92–93	
	302-4 Reduction of energy consumption	* Section 4.2, p. 92–93	
	302–5 Reductions in energy requirements of products and services	This information is not available for FY 2024.	Note: CellMark does not manufacture any products.
GRI 303: Water and Effluents 2018	303–1 Interactions with water as a shared resource	*Section 4.4, p. 96	
	303–2 Management of water discharge-related impacts	This information is not available for FY 2024.	
	303–3 Water withdrawal	* Section 4.4, p. 96	
	303-4 Water discharge	This information is not available for FY 2024.	
	303–5 Water consumption	* Section 4.4, p. 96	
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. 96	
	304–2 Significant impacts of activities, products and services on biodiversity	* Section. 4.5, p. 96	
	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 4.6.1, p. 97–98	
	305–2 Energy indirect (Scope 2) GHG emissions	* Section 4.6.1, p. 97–98	
	305–3 Other indirect (Scope 3) GHG emissions	* Section 4.6.2, p. 99	
	305–4 GHG emissions intensity	* Section 4.6.1, p. 97–98	
	305–5 Reduction of GHG emissions	* Section 4.6.1, p. 97–98	
	305–6 Emissions of ozone-depleting substances (ODS)	This information is not available for FY 2024.	
	305–7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	This information is not available for FY 2024.	
GRI 306: Waste 2020	306–1 Waste generation and significant waste-related impacts	* Section 4.7, p. 99	
	306–2 Management of significant waste-related impacts	* Section 4.7, p. 99	
	306–3 Waste generated	* Section 4.7, p. 99	
	306–4 Waste diverted from disposal	* Section 1.3.1.3, p. 16–17 * Section 1.7.4, p. 39 * Section 4.7, p. 99	
	306–5 Waste directed to disposal	* Section 4.7, p. 99	
GRI 308: Supplier Environmental Assessment 2016	308–1 New suppliers that were screened using environmental criteria	This information is not available for FY 2024.	In the future, CellMark intends to collect the data necessary for the coverage of the indicator.
	308–2 Negative environmental impacts in the supply chain and actions taken	This information is not available for FY 2024.	In the future, CellMark intends to collect the data necessary for the coverage of the indicator.
GRI 401: Employment 2016	401–1 New employee hires and employee turnover	* Section 3.1.2, p. 76–83	
	401–2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	* Section 3.1.7, p. 87–88	
	401–3 Parental leave	* Section 3.1.2, p. 76–83	
GRI 402: Labor/Management Relations 2016	402–1 Minimum notice periods regarding operational changes	* Section 3.1.6, p. 87	
GRI 403: Occupational Health and Safety 2018	403–1 Occupational health and safety management system	* Section 3.1.4, p. 85	
	403–2 Hazard identification, risk assessment, and incident investigation	* Section 3.1.4, p. 85	
	403–3 Occupational health services	* Section 3.1.4, p. 85	
	403–4 Worker participation, consultation, and communication on occupational health and safety	* Section 3.1.4, p. 85	
	403–5 Worker training on occupational health and safety	* Section 3.1.4, p. 85	
	403–6 Promotion of worker health	* Section 3.1.4, p. 85	
	403–7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	* Section 3.1.4, p. 85	
	403–8 Workers covered by an occupational health and safety management system	* Section 3.1.4, p. 85	
	403–9 Work-related injuries	* Section 3.1.4, p. 85	
	403–10 Work-related ill health	* Section 3.1.4, p. 85	
GRI 404: Training and Education 2016	404–1 Average hours of training per year per employee	* Section 3.1.3, p. 84	
	404–2 Programs for upgrading employee skills and transition assistance programs	* Section 3.1.3, p. 84	
	404–3 Percentage of employees receiving regular performance and career development reviews	* Section 3.1.3, p. 84	
GRI 405: Diversity and Equal Opportunity 2016	405–1 Diversity of governance bodies and employees	* Section 2, p. 68–75 * Section 3.1., p. 76–88	
	405–2 Ratio of basic salary and remuneration of women to men	This information is not available for FY 2024.	
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 2024.	
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 2024	
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 2024.	
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 2024.	

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 2024.	
GRI 413: Local Communities 2016	413–1 Operations with local community engagement, impact assessments, and development programs	* Section 3.2, p. 89	
	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 does not 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 2024.	In the future, CellMark will collect the data necessary for the coverage of the indicator.
	414–2 Negative social impacts in the supply chain and actions taken	This information is not available for FY 2024.	In the future, CellMark will collect the data necessary for the coverage of the indicator.
GRI 415: Public Policy 2016	415–1 Political contributions	CellMark has not made any political contribution in the FY 2024.	
GRI 416: Customer Health and Safety 2016	416–1 Assessment of the health and safety impacts of product and service categories	* Section 1.7.6.3.c, p. 46	
	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 2024.	
GRI 417: Marketing and Labeling 2016	417–1 Requirements for product and service information and labeling	* Section 1.7.6.3.c, p. 46	
	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 2024.	
	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 2024.	
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 2024.	The incident reported in section 1.9.5 relates to professional non-sensitive employee data.

### 5.3 Review and approval of the Sustainability Report

This Sustainability Report was reviewed and approved by the Board of Directors of CellMark on March 13, 2024.

### 5.4 Contact

**ESG & COMPLIANCE**  
**Cédric Dubar**  
CellMark, Vice President of ESG & Compliance  
Lilla Bommen 3C,  
411 04 Gothenburg, SWEDEN  
E-mail: [esg@cellmark.com](mailto:esg@cellmark.com)

Feedback and suggestions on CellMark’s Sustainability Report are most welcome.





# Auditor’s opinion regarding the statutory Sustainability Report

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

**ENGAGEMENT AND RESPONSIBILITY**

It is the board of directors who is responsible for the sustainability report for the year 2024 and that it is prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024.

**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, March 31, 2025

Johan Pauli  
Authorized Public Accountant  
KPMG AB

Filip Larsson  
Authorized Public Accountant  
KPMG AB



This Sustainability Report was prepared by the ESG & Compliance Department.

Design: CellMark  
CellMark, May 2025



CELLMARK.COM



LILLA BOMMEN 3C | 411 04 COTHENBURG | SWEDEN | +46 31 100 300