

CM BIOMASS PARTNERS AS

Anti-corruption Policy

Version: 6

Date: 10.04.2023

Introduction

CM Biomass Partners A/S (hereinafter referred as CM Biomass) operates in accordance with corporate values and principles of best business practices, and in line with trade rules and procedures subscribed by the EU and UN. CM Biomass condemns corruption in any form, whether in dealings with colleagues, suppliers, clients, subcontractors, trade facilitators, public officials, or other individuals. CM Biomass requires its business partners to have proportionate anti-corruption measures in place as well.

CM Biomass itself and its business partners shall comply with all applicable international and national laws, rules and regulations. CM Biomass requires integrity in all business interactions. Neither representatives of CM Biomass, nor its business partners shall engage in any form of direct or indirect corrupt practices.

The many forms of corruption

Corruption is understood as any accepted (and attempt to obtain), and any given (and attempt to give) personal advantage or compensation (illegal or inappropriate transactions or activities that are done next to the occupational tasks), and/or any accepted (and attempt to obtain) or given (and attempt to give) illegal advantage or compensation to another organisation.

Corrupt agreements, such as influence peddling, abuse of discretion, extortion, bribery, fraud, and kickbacks with customers and representatives of other organizations are strictly prohibited. This also includes seeking to influence a decision-maker by giving any kind of extra benefit to that person rather than by what can legitimately be offered as part of a business interaction.

CM Biomass shall also be careful not to participate in indirect corruption, facilitated by favouritism, nepotism and clientelism, in which the perpetrator of corruption obtains no direct advantages, but rather a person or organisation related to them. Deliberately providing incorrect information, or undermining processes, or projects (internally, or at other organisations) are also considered corruptive practices.

Steps in fighting corruption

1. Top Management Commitment

Commitment is stated in the relevant policies and proven by CM Biomass' business decisions since its foundation in 2009. The management of CM Biomass advocates a level playing field in trade worldwide. The management does not accept, nor offer any kind of non-transparent business deals, nor does it accept any kind of non-transparent business relations. For example, the management of CM Biomass does not evade, nor avoid taxes.

2. Communication

Communicating the policies internally and to business partners enhances awareness and helps to deter bribery. The anti-corruption policy is part of the yearly training, conducted before the FSC, PEFC, and SBP certification audit(s). Each CM Biomass employee and representative shall conduct itself with high ethical standards.

3. Due Diligence

CM Biomass' Due Diligence system verifies the fulfilment of legal obligations and integrity by CM Biomass and its business partners. CM Biomass checks who it is employing and with whom it does business. Potential representatives of CM Biomass are screened on reliability and integrity upfront (by

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checking CVs, financial statements or accounts, internet sources and other references). The level of corruption or bribery in the particular country and industrial sector are investigated by internet searches, and by enquiries with business contacts, or other relevant organisations. CM Biomass investigates if relevant people (such as the owners of businesses) are stated on international blacklists, or their business activities are susceptible to sanctions.

4. Risk Assessment (contracts and projects)

CM Biomass gathers information and evaluates risks. The area managers and the sustainability team visit suppliers regularly and liaise with regional stakeholders and independent information sources. CM Biomass has specialists with in-depth knowledge of the markets they work in. New markets and new business relations are evaluated on the potential risks in advance. Next to the area managers and the sustainability team CM Biomass has senior specialists on company evaluations in the countries with higher risks. They visit and evaluate the potential business partners upfront and their observations are crucial for starting a business relation. It is not uncommon that a contract is no longer prepared or is halted on basis of their findings.

5. Proportionality of mitigation measures

The mitigation measures need to be proportional to the risks. Often FSC and SBP certification are demanded, in combination with additional requirements, for example, in the field of labour conditions. CM Biomass does not pay in cash; invoices are obligatory in any kind of financial settlement with suppliers, clients, or any other party. CM Biomass is not a large company but working in several high-risk countries. Therefore, it is essential to have employed senior specialists with ample experience. The risk assessments result in concrete decisions on commencing and prolonging trade deals. The contracts are transparent and have a limited time span. The demanded mitigation measures are listed in the contracts and/or its sustainability appendix. Communication on the results of evaluations is normally held by e-mail, sometimes by phone. Upon clients' request, reports on risk assessments and mitigation measures are provided.

6. Monitoring and reviewing

The risks and the effectiveness of measures change over time. Therefore, CM Biomass keeps an eye on the measures taken to keep them in pace with the latest developments. The steps are also evaluated whenever CM Biomass enters new markets or sectors.

Relation gifts and hospitality

The general approach of CM Biomass is not to give any relation gifts and to stay a non-exclusive trade partner. In case a relation gift is given (such as a present, dinner, invitation, or excursion) it is always reported to the company management and the costs are recorded by CM Biomass' accountancy. Relation gifts with a value of above 50 euros must be approved by the company management in advance. A business gift can only be exchanged if the gift justifies the business-related purpose.

Staff and representatives of CM Biomass must report to the company management on offered gifts (by business relations). However, personal prizes obtained through participation in transparent business-related contests (not tenders) can be accepted without informing the company management in advance.

Government officials

No CM Biomass representative shall, directly or indirectly, promise, authorize, offer or pay anything of value (including, but not limited to, gifts, travel, hospitality, charitable donations or employment) to any government official or other party to improperly influence any act or decision of such official for the purpose of promoting the business interests of CM Biomass.

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Offering a (simple) gift, for example inviting an official to a lunch or dinner is illegal in several countries and organisations. Gifts are only allowed in accordance with the laws applicable to the recipient. Providing Government Travel on CM Biomass' behalf is prohibited. CM Biomass staff and representatives are prohibited from offering the payment of expenses for travel, lodging, gifts, hospitality, or charitable contributions for government officials. Any kind of planned bona fide hospitality, promotional or other business expenditure to a government official needs to be reported to CM Biomass' management upfront.

Facilitation payments (payments to induce officials to perform routine functions they are otherwise obligated to perform) are considered bribes and are thus prohibited.

“Government official” refers to any of the following contacts:

- 1) An employee of a government entity or subdivision, including elected officials
- 2) A private person acting on behalf of a government entity, even if just temporarily
- 3) An officer, or employee of a company that are owned or controlled by the government
- 4) A candidate for political office
- 5) A political party official
- 6) An officer, employee and representative of a public international organization, such as the World Bank or United Nations

Reporting on corruption

Every person working for CM Biomass, who encounters possible violations related to corruption has the obligation to immediately inform the company management by e-mail. Any (confidentially) obtained information from third parties on possible corruption is recorded and thoroughly examined.

Corrective measures

CM Biomass uncompromisingly counteracts corruption and bribery. Any highly plausible or proven event of corrupt practises results in the termination of relations with the people involved; business activities with the companies they represent will be reconsidered. Any kind of proven corruption, bribery or illegal activities are reported to the relevant authorities.

No retaliation on informers

CM Biomass shall not tolerate any kind of retaliation against a person, who has, in good faith, come forward and reported a possible violation of this Policy, or who have refused participating in activities that violate this Policy.