

CM BIOMASS PARTNERS AS

Corporate Responsibility Policy

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As a family business, CM Biomass Partners A/S (hereinafter referred as CM Biomass) is dedicated to Corporate Responsibility, which focusses on long-term business development, stability and risk reduction, the sustainable use of natural resources, and respect for our employees, business partners, and stakeholders in the EU and abroad. We sincerely believe in investing in our people and reliable business partnerships.

At CM Biomass, sustainability is at the core of our business. CM Biomass is certified under the Forest Stewardship Council® (FSC®; License Code C121291), the Sustainable Biomass Program (SBP code: SBP-01-24), Programme for the Endorsement of Forest Certification® (PEFC® License code PEFC/09-31-114), Green Gold Label (GGL; CU 819471) and the European Pellet Council (ENplus; ID-Nr. DK 302) and actively supports its pellet suppliers in achieving compliance with the relevant standards of internationally recognised certification systems.

Presently, majority of our non-EU biomass suppliers are certified against internationally recognised sustainable forest management and wood-based biomass verification schemes. In high-risk regions additional monitoring measures are implemented in order to ensure full compliance with the EUTR.

The tracking system of CM Biomass ensures quick availability of data on:

- Legality and sustainability of raw materials
- Traceability within our supply chains
- Use of different energy sources
- Actual certification claims throughout the whole chain of custody.

CM Biomass is built on knowing its business partners well, liaising with independent stakeholders, and providing smart logistic solutions. We continuously reduce and avoid risks for our business partners. However, we do not walk away from challenges, our team is very motivated to substantially contribute to sustainable development and capacity building world-wide.

The business ethics we convey are based on the implementation of business-economic, environmental, and social responsibilities, the main of which are stated below.

Business-economic responsibilities

- We operate in accordance with corporate values and principles of good business practice, in line with trade rules and requirement stipulated by the EU and UN
- We invest in long-term business relationships, and only cooperate with reliable companies that comply with our business ethics

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- We gather information and assess risks, we visit our business partners regularly and liaise with regional stakeholders and independent information sources
- We perform due diligence relating to good business conduct and annually reconsider business relationships on basis of our partners' overall performance
- We report truthfully on our financial situation and do not avoid taxes
- We uncompromisingly condemn corruption and bribery, we do not accept, nor give any kind of non-transparent benefits. We monitor the business integrity of our company
- We advocate a level playing field in the trade of commodities worldwide
- We cooperate openly with local, regional and national authorities to improve law-enforcement
- We carry out our operations with ecological, social, and economic responsibility, in close cooperation with the stakeholders related to our business activities
- We actively contribute to the development of transnational corporate responsibility and sustainability initiatives, for example new and existing certification schemes
- We use transparent procedures to communicate data on the legality and sustainability of raw materials, the usage of different energy sources; and the presence of certification claims

Environment & Climate

CM Biomass policy on environment and climate is to incorporate sustainability, efficient use and logistics of raw materials and fuels, in everyday business decisions, e.g., in relation to the choice of business partners, agreements with suppliers and identification of opportunities. We strive to integrate the UN Sustainable Development Goals into CM Biomass strategy in order to ensure that our sustainability commitment is fully implemented in how we conduct our business.

Environmental responsibilities

- We monitor and (proactively) reduce the environmental impact and indirect effect of our operations, and those of our business partners, at every link of the supply chain
- We assess and improve the energy efficiency of our trade operations and aim at increasing the share of renewable energy sources used
- We favour technologies and practices that have a minimum impact on the environment
- We ensure the use of sustainable raw materials and recognise the importance of biodiversity conservation, the preservation of High Conservation Values, and the protection of distinctive and vulnerable ecosystems
- We visit sourcing areas randomly and assess the sustainability of our partners' raw materials. The regeneration system should ensure, and if possible, improve the long-term economic, ecological, and social functions of the ecosystems
- We recognise the high environmental and social value of well-managed multi-functional ecosystems
- We take into account the cascade principle, and urge our partners to utilize resources according to the economically sound solutions
- We promote certifications of internationally recognised biomass schemes among biomass producers

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CM Biomass respects human, social, and professional rights, including UN's Universal Declaration of Human Rights, and does not violate them. In addition, our suppliers and our clients shall avoid and address adverse impacts on human and labour rights as listed in International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

Social responsibilities

- We value different cultures and respect each person as an individual
- We are open to new ideas and promote social values internationally
- We recognise our employees' rights to freedom of association and collective bargaining
- We encourage open dialogue between our employees and management staff
- We monitor and encourage discussion on strengths and weaknesses of our company
- We do not tolerate any kind of discrimination and promote equality
- We (re-)consider job functions regularly to keep them meaningful and versatile
- We organise meetings to increase competences and awareness. We support education and continuous development of our staff and the personnel of our business partners
- We ensure a safe, healthy and pleasant working environment for our employees and throughout the chain of custody, from harvesting to the delivery of the final product

Corruption & bribery

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. A zero tolerance policy is carried out with regards to corruption and bribery, which is communicated clearly to employees as they are instructed in their work.

Risk assessments of new suppliers, clients and business partners are conducted by CM Biomass before signing any contracts or making any business transactions. We expect the highest standards of integrity in all business interactions, special provisions against corruption and bribery are stipulated for risky areas.

CM Biomass' Management Board monitors the enforcement and realisation of the CR Policy. Its business-economic, environmental and social responsibilities are supported by, and apply to all CM Biomass' departments and employees. CM Biomass CR Policy first came in force in May 2015.

