

CM BIOMASS

GROWING TOGETHER

Corporate Responsibility Policy

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CM Biomass is deeply committed to Corporate Responsibility, emphasizing long-term business development, operational stability, risk mitigation measures, sustainable resource management, and respectful treatment of our employees, business partners, and stakeholders within the EU and beyond. We firmly believe in fostering reliable business partnerships and investing in the well-being and professional growth of our people. This policy covers all our business activities as well as agreements with vendors, contractors, and other relevant external parties.

At CM Biomass, sustainability is the fundamental pillar of our business operations. CM Biomass companies are certified under the Forest Stewardship Council® (FSC®) the Sustainable Biomass Program (SBP), Programme for the Endorsement of Forest Certification (PEFC), Sustainable Resources Verification Scheme (SURE), Green Gold Label (GGL), The International Sustainability and Carbon Certification (ISCC), and the European Pellet Council (ENplus;). Moreover, we actively support our pellet suppliers in achieving and maintaining compliance with the relevant standards of internationally recognised certification systems.

Currently, the majority of our non-EU biomass suppliers are certified under internationally recognized sustainable forest management and biomass verification schemes. In regions classified as high-risk, CM Biomass implements additional monitoring measures to ensure full compliance with the EUTR requirements.

- CM Biomass operates a comprehensive tracking system that ensures prompt access to critical data, including legality and sustainability of raw materials
- Traceability throughout our supply chains
- Utilization of different energy sources
- Certification claims within the entire chain of custody.

Our business model is built upon a foundation of deep industry knowledge, strong partnerships, engagement with independent stakeholders, and the provision of efficient logistical solutions. By proactively identifying and mitigating risks for our business partners, we ensure the resilience and sustainability of our operations. However, we do not shy away from challenges—our dedicated team remains steadfast in its commitment to contributing meaningfully to global sustainable development and capacity-building initiatives.

The ethical principles guiding CM Biomass are based on a balanced approach to economic, environmental, and social responsibility, with our core commitments outlined below.

Business integrity and economic responsibilities

- We conduct our operations in accordance with corporate values and principles of good business practice, ensuring compliance with domestic and international trade regulations and requirements.
- We prioritize long-term business relationships, and collaborate exclusively with reliable companies that comply with our business ethics
- We systematically gather information and assess risks, maintaining regular engagement with business partners, regional stakeholders, and independent information sources
- We perform due diligence to ensure good business conduct and annually reassess business relationships based on our partners' overall performance
- We maintain transparency in financial reporting and fully comply with tax obligations
- We uncompromisingly condemn corruption and bribery, do not accept, nor give any kind of non-transparent benefits. We actively monitor the business integrity of our company
- We advocate for a fair and competitive global commodities trade
- We openly collaborate with local, regional and national authorities to improve law-enforcement and regulatory compliance
- We operate with ecological, social, and economic responsibility, in close cooperation with the stakeholders relevant to our business activities
- We actively contribute to the development of transnational corporate responsibility and sustainability initiatives, including the introduction of new and existing certification schemes
- We use transparent procedures to communicate data on the legality and sustainability of raw materials, energy sources utilized, and the presence of certification claims

Environment & Climate

CM Biomass's environmental and climate goals prioritize sustainability, resource efficiency, and optimized logistics for raw materials and fuels in all business decisions. This approach extends to the selection of business partners, supplier agreements, and the identification of sustainable opportunities. We are committed to integrating the United Nations Sustainable Development Goals into our strategic framework, ensuring that sustainability principles are fully embedded in our business operations.

Environmental responsibilities

- We continuously monitor and mitigate the environmental impact and indirect effect of our operations, as well as those of our business partners, across all links of the supply chain
- We assess and improve the energy efficiency of our trade operations and strive to increase the share of renewable energy sources used
- We prioritize technologies and practices minimize impact on the environment
- We ensure the responsible 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 conduct random assessments of sourcing areas to evaluate the sustainability of our partners' raw materials, ensuring that regeneration systems maintain or, where possible, enhance the long-term economic, ecological, and social functions of ecosystems. We recognise the significant environmental and social value of well-managed multi-functional ecosystems
- We adhere to the cascade principle, and encourage our partners to utilize resources in a manner that aligns with economically viable and sustainable solutions
- We actively promote certifications of internationally recognised biomass certification schemes among biomass producers

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

Social responsibilities

- We value cultural diversity and respect each person as an individual
- We are open to new ideas and actively 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 actively monitor and encourage discussions on the strengths and areas for improvement within our company
- We do not tolerate any kind of discrimination and actively promote equality and inclusivity
- We regularly review and refine job functions to ensure they remain meaningful and aligned with evolving business needs
- We organise sessions and meetings to increase competences and awareness, supporting education and continuous professional development of both our staff and the personnel of our business partners
- We are committed to provide a safe, healthy and pleasant working environment for our employees and throughout the entire chain of custody, from harvesting to the delivery of the final product

Corruption & bribery

CM Biomass operates in strict adherence to corporate values and the highest principles of business ethics, ensuring full compliance with trade regulations and procedures established by the European Union (EU) and the United Nations (UN). We enforce a zero-tolerance policy on corruption and bribery, which is clearly communicated to all employees and integrated into their professional training.

Prior entering any contractual agreements or conducting business transactions, CM Biomass conducts thorough risk assessments of potential suppliers, clients, and business partners. We

uphold the highest standards of integrity in all business interactions, with specific anti-corruption and anti-bribery provisions in place for high-risk areas.

CM Biomass' Management is responsible for overseeing the implementation and enforcement of the Corporate Responsibility Policy. Our commitment to business integrity, economic, environmental and social responsibility is embedded across all departments and applies to every employee within CM Biomass holding.

We also embrace and adhere to our mother company, USTC Group, Code of Conduct and related procedures and requirements publicly available at: <https://ustc.dk/sustainability.aspx>