



Sustainability Policy

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Polarium

Sustainability Policy

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1. Overview

Polarium and our solutions are enablers for the transition to a sustainable energy system. We are determined to have a positive impact also in the way we make this transition happen. To achieve this, we want to offer the best solutions for energy storage and optimization but also act responsibly and continuously drive our business to be more sustainable and transition into a circular business model. We will work to minimize our negative impact and to maximize our positive impact on people and planet throughout our value chain.

2. Purpose

In this policy we outline our ambition and objectives for our sustainability work throughout our operations. The policy serves as a guide/statement of our ambitions going forward not only for our employees but also for other stakeholders of Polarium including, but not limited to, people across our supply chains, customers and communities.

3. Scope

This policy applies to all entities, functions and processes within Polarium. The policy covers sustainability topics that have been assessed as material for Polarium, based on stakeholder engagement and also Polarium's view.

4. Roles and responsibilities

Role	Responsibility
Board of Directors	Approves overall strategy and goals
Audit Committee	Monitors and reviews the Sustainability program, including its ambitions, focus areas, follow-up, measurements, reporting and communication to relevant stakeholders
Executive Leadership Team (ELT)	Executes on strategy and goals, integration across the organization
EVP Sustainability	Defines strategy and goals, drives integration, follows up on results and actions, reports progress on a regular basis to the Board of Directors, Audit Committee and other internal and external stakeholders

5. Policy Statement

At Polarium, there is not a separate strategy for sustainability. Instead, sustainability is at the core of our corporate strategy, with products and services enabling the transition to a sustainable energy system. Our aim is to align our business model and operations with sustainable development and to contribute to the advancement of the Sustainable Development Goals as defined in UN's 2030 Agenda for Sustainable Development.

We strive to integrate sustainability into all business processes and into everything we do.

To be able to say our solutions are entirely sustainable we need to make sure our whole value chain is sustainable. Consequently, we are committed to minimize our negative impact and maximize our positive impact within all dimensions of sustainability that we have identified as material to our business and within our value chain.

Polarium supports international initiatives and guidelines aiming to align businesses with sustainable development. The starting point of our commitments and this policy are international norms and conventions regarding the environment, human rights, labour rights and anti-corruption. Polarium is a signatory of the world's largest corporate sustainability initiative UN Global Compact. Furthermore, Polarium supports and strives to adhere to other relevant international frameworks as mentioned below and applicable regulations, laws, and frameworks.

Our commitments provide guidance for Polarium's sustainability strategy and integration, and together with our values and our company culture, they create a transparent and common foundation for our corporate activities.

5.1. Climate and environmental impact

At Polarium we are committed to contribute to the transition to a sustainable energy system. We will achieve this through our customers' use of our products and services and in the way we operate our business.

In our own operations we are committed to net-zero emissions from our own operations (scope 1 and 2) by 2026. We are aiming to also set net-zero targets for emissions generated in our value chain. We will work to minimize the negative climate and environmental impact in our entire value chain. This implies minimizing negative impact from for example logistics, procured products and services as well as energy use in the use phase of our products. We will report on progress concerning Scope 3 accounting, disclosure, and reduction targets.

By measuring, setting reduction targets for, and communicating our carbon emissions, we will contribute to combatting climate change.

All our production facilities are certified according to ISO 14001, Environmental Management. The ISO 14001 certified Environmental Management system ensures continuous improvements through a systematic approach and the reduction of our environmental impact.

5.2. Circularity

Our ambition is to have zero environmental impact by transitioning into a circular business model. We will work across the full value chain to achieve this. This includes for example working towards

increased recyclability of our products through innovation and design principles for high durability, recyclability, and easy disassembly and usage of recycled material in our products. We aim to take charge and be part of transforming the battery industry to clean and circular in partnership with other stakeholders in our value chain.

5.3. Human Rights and Labour Rights

Respect for human rights and labour rights is a core element of Polarium's responsibility and a foundation of our sustainability approach. The basis is those human rights defined in the International Bill of Human Rights and our work is guided by international principles and standards such as the UN Guiding Principles of Business and Human Rights, OECD Guidelines for Multinational Enterprises, ILO Core Conventions and ILO Fundamental Principles and Rights at Work, as well as local regulations and our company values.

Our ambition is to further develop our approach to human rights and the following specific areas – *human rights due diligence*, *human rights risk assessment*, *human rights impact assessment*, *training* as well as *follow-up and reporting*. We will report on our progress within these areas.

5.4. Sustainable Sourcing

Polarium is committed to working together with our suppliers towards a long-term sustainable future. Our approach to sustainable sourcing is instrumental in ensuring that we deliver on our business objectives while making a positive social impact on the people in our supply chain while protecting surrounding environments.

Our approach includes mandatory requirements, set out in our Supplier Code of Conduct, which all of our suppliers need to meet to be able to do business with Polarium. We believe we have the power to be a positive force and that we can achieve progress together, through close collaboration with our suppliers. We have a risk-based approach when assessing our suppliers and will work to promote transparency. Our approach is based on the OECD Due Diligence Guidelines for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights.

As part of suppliers' commitment to ensuring respect for human rights, suppliers shall work proactively to ensure that minerals in their products and supply chain are responsibly sourced. We recognise that minerals such as cobalt, tin, tantalum, tungsten, and gold (3TG) can be connected, directly or indirectly, to human rights abuses, money laundering, bribery and financing or benefiting of armed groups in conflict affected and high-risk areas globally. In order for us to be able to source responsibly, suppliers shall commit to implement Responsible Minerals Initiative's (RMI's) best practices and to implement supply chain due diligence guidelines, consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

5.5. Diversity, Equity, Inclusion and Belonging

For Polarium, diversity, equity, inclusion and belonging are strategic necessities. It provides a strategic advantage as it infuses fresh ideas into the business and enables us to be innovative and remain closely connected to our customers in a dynamic global market. Further, it enables us to

relate to, understand and therefore better serve our stakeholders and the communities where we do business.

By employing people with the widest possible range of skills, knowledge, backgrounds, and experiences, we ensure we have the right people and together with an inclusive corporate culture this drives innovation and our business forward.

We call this People First and it is a key element of our corporate strategy. Our People Policy defines our priorities and actions to ensure that Polarium culture is characterized by diversity, equity, inclusion and belonging.

5.6. Tax

Polarium is committed to act responsibly regarding how we manage tax in all our business transactions. We follow local laws and regulations in the countries where Polarium operates. Furthermore, Polarium seeks to ensure that taxes are paid where value is created by following applicable transfer pricing rules and guidelines as developed by the OECD and other standard setting and regulatory institutions.

We will report transparently on Polarium's tax management as part of our external reporting and of our reporting to tax authorities.

5.7. Anti-Corruption and Bribery

Polarium is committed to act ethically in all business dealings when selling, buying or representing the company in any capacity, on any market. Polarium shall comply with relevant anti-corruption and bribery law in all countries we operate in.

Polarium's Anti-Corruption and Bribery Policy states that:

- We do not offer or accept bribes in any form
- We do not offer or accept kickbacks in any form
- We do not tolerate corruption in connection with any of our business dealings

5.8. Stakeholder engagement

We believe that an open dialogue with key stakeholders is crucial to make progress in line with our sustainability ambitions. It is also key in order for us to identify concerns, global trends and market expectations successfully and proactively. Our stakeholder engagement is based on both structured and ad hoc interactions, as well as on regular surveys on topics such as employee and customer satisfaction and investor expectations. Polarium also obtains important information through formal grievance channels.

Our key stakeholders have been identified within the following groups: *employees, customers, suppliers, investors, financiers and local communities in which we operate.*

5.9. Reporting and transparency

Polarium is committed to transparently report on the progress of our work around sustainability. Through transparent reporting on progress, and challenges that we encounter, we believe that we

can contribute to the advancement of sustainability within our sector and in general. By setting ambitious targets and integrating sustainability considerations into daily business activities, we will improve our sustainability performance.

Therefore, we will:

- Identify and set tangible and measurable targets and define related KPIs
- Follow up and report on progress in relevant internal forums
- On a continuous basis, at least annually, report externally on our progress

Polarium's external sustainability reporting is aligned with the global sustainability reporting framework GRI Standards. We will adapt and implement other reporting frameworks and coming reporting regulations and sustainability requirements going forward.

6. Compliance and monitoring

The EVP Sustainability is responsible for ensuring that this Policy is updated, approved, implemented and communicated as well as monitoring that it is complied with. Furthermore, the EVP Sustainability defines strategy and goals, drives integration, follows up on results and actions, reports progress on a regular basis to the Board of Directors, Audit Committee and other internal and external stakeholders.

7. Definitions and terms

GRI = Global Reporting Initiatives

ILO = International Labour Organization

ISO = International Organization for Standardization

OECD = The Organisation for Economic Co-operation and Development

RMI = Responsible Mining Initiative

UN = United Nations

8. References and associated documents

N/A

9. Revision history

Revision	Date	Change	Author(s)
1	2022-12-05	First version created	Karin Askelöf