

## Sustainable Investments Policy

Polar Structure's vision is to be the number one choice for long-term infrastructure-related investments. We aim to be a preferred partner for both the public and private sectors.

### 1. Background

Polar Structure has a holistic approach to sustainability where we see complete value chains as one value creating system. We see the transition to sustainable societies as a great business opportunity where we can generate long term returns. Our role is to bring together expertise and capital to develop smart and long-term solutions that benefit both individual persons, companies, and societies. We believe in creating companies with strong cultures that place high demands on business ethics and accountability.

Each year Polar Structure will donate a part of our profit to the Polar Structure Initiative Foundation. The Foundation supports social infrastructure developments all over the world. This may include funding for research, education and initiatives that promote innovation. Funding will be available for individuals, organizations, and companies working to develop a more sustainable infrastructure.

### 2. ESG foundation

#### 2.1 Principles and norms

Polar Structure aligns its sustainable investment and ownership approach to the ambitions within the ten Principles of the UN Global Compact and the UN Development Goals.

#### 2.2 ESG focus

Polar Structure promotes sustainable practices, such as ethical and appropriate ESG standards in our portfolio companies. The main focus for our investments is in the following areas:

##### *Governance*

- Comply with applicable, relevant laws and regulations, as well as being aware of defined future regulation, in markets where they operate.
- Facilitate a long-term strategy by integrating material sustainability aspects in the company's business model.
- Have a defined and documented corporate governance structure with personal responsibilities, procedures and appropriate internal control mechanisms.
- Implementation of sound ethical behavior through sustainability-related codes/policies or similar guidelines.

##### *Environment*

- All operating companies where Polar Structure has executive control shall be carbon neutral according to the definition in ISO 14067.
- Encourage innovation and systematic thinking for more sustainable technologies.
- Limit emissions of harmful substances and harmful waste, including greenhouse gas emissions.
- Support the precautionary principle regarding environmental risks.

#### *Social*

- Promote diversity and zero tolerance against any form of discrimination.
- Comply with international conventions on human rights, including support for the elimination of child or forced labor in their own operations and in supply chains.
- Respect employees and contractors' rights to decent working conditions, e.g. minimum wage, working hours, health and safety, and right to collective bargaining.
- Promote improvements in working conditions by offering employees flexible working hours and workplaces, health insurance and promoting sports and movement.
- Contribute to solving societal challenges in the local communities where they operate, such as access to infrastructure and promoting exercise for children.

### 3. Approach and integration

#### 3.1 Positive screening and due diligence

For Polar Structure sustainable investments is about investing in companies, with long-term sustainable business models. Polar Structure believes that these companies over time will outperform in terms of positive environmental impact, social development, and business ethics, with the potential to increase return. Polar Structure's approach is not simply to mitigate ESG risks but to find opportunities to support long-term value creation when considering an investment. Our philosophy is that our investments will contribute to the transformation to more sustainable societies, from an ESG perspective having a positive impact on society will always be the main factor when making an investment.

All our investments will undergo due diligence based on our Sustainable Investment Policy to identify and mitigate risks. The outcome of the due diligence process is considered in the overall review of the investment opportunity.

#### 3.2 Ownership

Polar Structure believes sustainability initiatives work best when they are measurable. Polar Structure closely monitors all portfolio companies and encourage them to integrate sustainability in all of their practices. Depending on ownership size the possibility to influence varies. Polar Structure has adopted two different approaches, one for situations where Polar Structure has a majority share, and one where Polar Structure has a minority share.

For all portfolio companies where Polar Structure has a majority ownership, the following recommendations are placed on the invested company:

- Identification of material sustainability areas and development of KPI's to measure progress: Polar Structure will provide tools to the assets to conduct an analysis where material sustainability areas are identified. The assets will develop a strategy to manage the identified issues, including measurable targets and KPI's. Polar Structure will also provide a platform for companies where they can learn and help each other when

adapting sustainability practices. Polar Structure will follow up on KPI's and monitor sustainability activities quarterly.

- Code of Conduct: All portfolio companies are required to adopt Polar Structures Code of Conduct. The Code must be signed by the Board of Directors.
- Governance and responsibilities: ESG areas are to be integrated into corporate governance procedures. Polar Structure requires that the Board, or through delegation to the Executive Management Group, set clear responsibilities for all material sustainability areas.

For portfolio companies where Polar Structure have a minority ownership, the following recommendations are placed on invested company:

- Polar Structure will monitor the sustainable development in the company and regularly receive updates from the companies regarding progress and any risks related to sustainability.
- Polar Structure will influence the Board to regularly discuss ESG related issues and strive to implement sustainability best practices by providing access to Polar Structures sustainability tools and platform.
- Polar Structure will influence portfolio companies to develop a Code of Conduct that is aligned with Polar Structures core beliefs and values.

#### 4. Implementation and responsibility

Polar Structures Head of Sustainability is the owner of the Sustainable Investment Policy and is responsible for providing information on progress related to sustainability issues to the Polar Structure's Board of Directors at least on a yearly basis. Polar Structures Head of Sustainability is the main point of contact for any sustainability-related inquiries from our investments.